Economica: Jurnal Ekomomi Islam
Vol 16, No 1 (2025): 45–61
DOI: 10.21580/economica.2025.16.1.25152

economica
Jurnal Ekonomi Islam

The Nexus between The Islamic Human Development Index (I-HDI), Unemployment, and Population Growth in Influencing Poverty

Wafa Maharani Putri[1], Purbayu Budi Santosa[1], M Bastomi Fahri Zusak[1]*, Denizar Abdurrahman Mi'raj[2]

[1] Universitas Diponegoro, Semarang/Indonesia
[2] Sakarya University, Sakarya/Turkey

Abstract

This research investigates the relationship between the Islamic Human Development Index (I-HDI), Unemployment, Population Growth, and their impact on Poverty in G20 countries from 2010 to 2021. A purposive sampling method was used to select eight countries: the United States, Indonesia, the United Kingdom, Italy, Germany, Canada, France, and Turkey. The I-HDI was calculated using five Maqasid Shariah indicators. Unemployment was measured by the national unemployment rate, and Population Growth was represented by the annual population growth rate. A total of 384 panel data points were analyzed using the Fixed Effect Model (FEM) regression technique. The findings reveal a robust negative relationship between I-HDI and the Poverty Rate, indicating that improvements in human development are key drivers in alleviating poverty. In contrast, Unemployment shows a significant positive association with the Poverty Rate, meaning that an increase in unemployment leads to a rise in poverty levels. However, Population Growth does not exhibit a significant effect on the Poverty Rate, suggesting that demographic changes alone are not adequate to explain fluctuations in poverty across the G20 countries. These results offer valuable insights for policymakers focused on enhancing human development and addressing unemployment to effectively combat poverty.

Keywords: Islamic Human Development Index; Maqasid Shariah; Population Growth; Poverty; Unemployment

Citation (APA):
Putri, W. M., Santosa, P. B., Zusak, M. B. F., & Mi'raj, D. A. (2025). The Nexus between The Islamic Human Development Index (I-HDI), Unemployment, and Population Growth in Influencing Poverty. *Economica: Jurnal Ekonomi Islam*, 16(1), 45-61. https://doi.org/10.21580/economica.2025.16.1.25152

Submitted: 27 Dec 2024
Revised: 24 Apr 2025
Accepted: 19 May 2025
Published: 31 May 2025

*Corresponding Author. Email: bastomifahri@lecturer.undip.ac.id

Introduction

The global economy continues to be plagued by poverty, with nearly 700 million people living in extreme poverty today (World Bank, 2024). Although the global economy is making progress toward achieving the Sustainable Development Goals (SDGs), recent trends show that the projected outcomes are off track. As it stands, the goal of eradicating extreme poverty by 2030 seems increasingly unlikely, with estimates suggesting that nearly 600 million people will still be living in extreme poverty by then (World Bank, 2024).

In response to this ongoing challenge, efforts have been made through the Group of Twenty (G20), a forum consisting of finance ministers and central bank governors from the world's largest economies. The G20 was established with the primary purpose of addressing global economic issues and promoting economic governance, with a particular focus on sustainable development. The G20 collectively represents more than 60% of the global population, 75% of global trade, and 80% of the world's Gross Domestic Product (GDP) (Saputra & Hapzi Ali, 2021). In alignment with the SDGs, the G20 is committed to eliminating extreme poverty worldwide by 2030, recognizing this as a key objective for achieving sustainable development. However, despite the G20's significant influence on the global economy and its potential to contribute to poverty alleviation, member countries continue to face substantial challenges in addressing poverty at the national level.

Economic development remains a pressing issue for several G20 countries. According to data from the United Nations Conference on Trade and Development (UNCTAD) (2022), nine out of the 19 G20 countries, along with the European Union, are still classified as developing nations. These include Argentina, Brazil, China, India, Indonesia, Mexico, Saudi Arabia, South Africa, and Turkey. Notably, India remains categorized as a lower-middle-income country.

Human development aims to strike a balance between economic growth and advancements in human resources (Arkum & Amar, 2022). For this reason, the United Nations Development Program (UNDP) created a measurement tool called the Human Development Index (HDI). The HDI is calculated using three dimensions, namely health, education, and income (UNDP, 2022). However, this measurement is considered not to cover all aspects of human life. Conventional indicators are not sufficient to measure the level of economic development in Muslim countries. Economic development is considered a multidimensional process that involves many aspects such as moral, spiritual, and material (Ali Rama, 2019). To address

this, a new measure, the Islamic Human Development Index (I-HDI), was introduced to incorporate both material and non-material indicators (Anto, 2011).

The growing Muslim population has had a significant impact on countries around the world. Currently, out of 195 countries that have been recognized by the United Nations (UN), 81 countries have adopted Islamic economic instruments. DinarStandard (2023) states that 14 countries out of 19 countries that are members of the G20 international forum have used Islamic economic instruments in their economic activities. Islamic Development Banking (IsDB) has even taken part in the implementation of the G20 presidency in Indonesia by facilitating various productive activities aimed at promoting economic and financial development based on sharia principles, both at the domestic and global levels. This presents an opportunity for G20 countries to utilize Islamic economic and financial instruments to address poverty and development challenges.

Apart from looking at the quality of human resources through the I-HDI, poverty can also be assessed through the unemployment rate in a country (Dahliah & Nirwana Nur, 2021). If people in a country have a job, then with this income, they are expected to meet their needs. If the needs of life are met, then there are no poor people. In addition, , inadequate management of human resources can lead to high unemployment, contributing to persistent poverty (Faruq & Yuliana, 2023).

Another key factor influencing poverty and development is population growth in a country. Population growth can be a driving and constraining factor for a country (Handayani, 2023). One of the positive factors that encourage economic development is a larger number of workers, which will increase productivity. However, uncontrolled population growth can result in not achieving the goals of economic development, namely public welfare and poverty reduction.

Previous studies are known to have no research that discusses countries that are members of the G20 international forum with the application of maqashid sharia indicators on HDI, as well as combining them with unemployment and population growth on poverty levels (Widiastuti et al., 2022; Ali Rama & Yusuf, 2019). This study distinguishes itself by integrating Islamic financial instruments to examine poverty rates in the G20 region. Therefore, this study aims to determine the effect of I-HDI, unemployment, and population growth on the poverty rate. In addition, the results of this study are also expected to help pave the way for the implementation of Islamic financial inclusion in various parts of the world.

Literature Review

Islamic Human Development Index (I-HDI)

Development economics is a critical field of study that seeks to understand the mechanisms by which economies transition from states of stagnation and low income to growth and high income. It also examines the strategies employed to overcome the persistent challenge of absolute poverty (Todaro & Smith, 2015). In essence, development economics is not just concerned with the quantitative aspects of economic progress but also with the qualitative dimensions that enable societies to improve the well-being of their populations. At its core, development economics is founded on three fundamental components or values: the human capacity to fulfill basic needs, the ability to uphold essential human values, and the preservation of individual freedom of choice. These core values emphasize the importance of a human-centric approach to economic development, wherein economic progress is not merely a function of growth rates or income levels but also encompasses broader dimensions of human welfare and dignity.

One of the key tools used to assess the level of development within a country is the Human Development Index (HDI), which was introduced by the United Nations Development Programme (UNDP). The HDI serves as a composite indicator that combines various measures of human development, including life expectancy, education, and per capita income. While the HDI is widely regarded as a valuable tool for measuring human development, it is not without its limitations. The index, despite its broad applicability, has faced criticism for its inability to fully capture the nuances of development in certain regions, particularly in Muslim-majority countries (Anto, 2011). For example, the HDI overlooks certain cultural and religious dimensions that are central to the development framework in these countries, thus limiting its relevance and applicability in such contexts.

To address these shortcomings, several scholars have proposed modifications to the traditional HDI framework, with a particular focus on incorporating Islamic principles into the measurement of human development. Previous studies, such as those by Anto, M. (2013), Rama & Yusuf (2019), and Widiastuti et al. (2022), have made significant contributions to this area by integrating maqasid sharia principles into the HDI. This modified index, known as the Islamic Human Development Index (I-HDI), is designed to better reflect the unique values and priorities of Muslim societies. The I-HDI is structured around five key dimensions: the protection of religion (*hifz al-din*), the preservation of life (*hifz al-nafs*), the safeguarding of reason

(*hifz al-'aql*), the protection of lineage or offspring (*hifz al-nasl*), and the safeguarding of wealth (*hifz al-maal*). These dimensions represent a more holistic approach to development, one that goes beyond mere economic indicators and considers spiritual, social, and moral well-being.

A growing body of research has shown that the I-HDI has a significant and negative effect on poverty, which highlights the index's potential as a powerful tool for addressing socio-economic challenges. Notable studies, including those by Widiastuti et al. (2022), Jatmiko & Azizon (2021), Reza et al. (2020), and Koyimah et al. (2020), have demonstrated that an increase in the I-HDI corresponds with a decrease in poverty rates. This finding is significant, as it underscores the positive relationship between the quality of human development and economic outcomes, such as poverty reduction. Essentially, the higher the I-HDI in a country, the lower the poverty rate, which suggests that human development, as conceptualized through the I-HDI, plays a pivotal role in improving the welfare of the population. In light of these findings, the first hypothesis that can be drawn from this study is that an increase in the Islamic Human Development Index (I-HDI) will lead to a reduction in poverty levels within a country, reinforcing the critical importance of human development as a tool for socio-economic progress.

H_1. Islamic Human Development Index (I-HDI) has a negative effect on Poverty.

Unemployment

Unemployment refers to a person who has been included in the labor force of a country, who is actively trying to find a job with a certain wage level, but has not succeeded in getting the desired job (Sukirno, 2008). When someone is unemployed, the individual's potential to contribute to national income is not fully utilized. Unemployment rate is one of the important variables in macroeconomics (Mankiw, 2009). Workers are the main resource of an economy, and keeping workers employed is one of the main concerns for economic policymakers.

Ragnar Nurkse, in his vicious circle of poverty theory, also emphasizes that poor economies will tend to experience chronic unemployment due to a lack of capital and lack of development of economic sectors that have the potential to create jobs. A research center at Florida International University (FIU), also asserts that poor households with low levels of investment in healthcare and education can hinder a more decent life (Pérez, 2015). As a result, with poor education and health, poor household members find it difficult to find better jobs. This condition makes it possible to be trapped in low-wage jobs or not have a job at all. Research conducted

by Aleksandravičienė et al. (2023); Faruq & Yuliana (2023); Ipmawan et al. (2022) are known to have similar results, namely unemployment has a positive effect on poverty. Therefore, the second hypothesis that can be concluded in this study is as follows:

H_2. Unemployment has a Positive Effect on Poverty.

Population growth

Population growth is an increase in the quantity of the population over time. Malthus (2023) states in an article entitled An Essay in the Principle of Population as it Affects the Future Improvement of Society worried about the rapid population growth that could outpace food availability. Malthus' theory says that population growth occurs by following a measuring series. Meanwhile, the problem occurs when the ability to produce food occurs by following a counting series. When the human population exceeds the capacity of the environment, the burden on land and other resources increases, leading to a decline in soil quality and agricultural productivity. As a result, the environment will be degraded and unable to support basic human needs. This also affects natural disasters such as floods, droughts, crop failures, famine, disease outbreaks, and death will occur.

Another demographic or population theory is also conveyed in research conducted by Anser et al. (2020) on the demographic dividend where it refers to the economic benefits resulting from changes in the demographic structure of a population, particularly when there is an increase in the proportion of the productive-age population compared to the non-productive-age population, namely children and the elderly. The demographic dividend is achieved when changes in the age structure lead to more people being employed than dependent. Macwan & Zala (2022), Hulantu & Canon (2022), Trisnu & Sudiana (2019) agree that population growth has a positive and significant effect on poverty in a region. Therefore, the third hypothesis that can be proposed in this study is as follows:

H_3. Population Growth has a Positive Effect on Poverty.

Poverty Rate

Poverty is commonly understood as a state of material, social, and emotional deprivation (Alcock, 1995). Alcock also states that poverty can take away opportunities to build the foundations of the future, or what is referred to as "life chances". Living in a polluted and unproductive land gives poor people little opportunity to escape poverty through employment, and the lack of political clout

for poor people to speak out about pollution leaves people's homes submerged by high levels of pollution.

Poverty is typically analyzed from two perspectives: absolute poverty and relative poverty. Absolute poverty refers to a condition where individuals cannot meet their basic needs for survival (Nafziger & Auvinen, 2002). It is often defined by a poverty line, which marks the minimum level of income required to meet essential living standards in a particular country. On the other hand, relative poverty reflects the disparity in income distribution within a society, specifically how much of the national income is allocated to different income groups (Karmanto et al., 2021).

Methods

This study uses panel data to analyze the relationship between Islamic Human Development Index (I-HDI), unemployment, population growth, and poverty. The population of this study consists of countries that are members of the G20. A purposive sampling method was employed to select the research sample. Based on the author's criteria, eight countries were selected from the twenty G20 members. The data were processed using EViews 12, and the analytical tools applied in this study include both descriptive and inferential statistics, panel data regression, and classical assumption tests. The model chosen for this analysis, based on the results of three statistical tests—the Chow test, Hausman test, and Lagrange Multiplier test— is the Fixed Effect Model (FEM).

Result and Discussions

Result

Descriptive Analysis

The results of the descriptive statistical analysis for eight G20 countries—the United States, Indonesia, the United Kingdom, Italy, Germany, Canada, France, and Turkey—over the period from 2010 to 2021 are presented in Table 1. This analysis includes the following components: mean, median, maximum value, minimum value, and standard deviation.

Tabel 1. Descriptive Statistics

	Poverty	I-HDI	Unemployment	Population growth
Mean	11.21	0.50	7.47	0.64
Median	11.77	0.52	8.01	0.65
Maximum	17.61	0.81	21.10	1.51
Minimum	0.00	0.20	0.64	-1.85
Std. Dev	5.03	0.13	4.25	0.42

Panel Method

The selection of the appropriate regression model for this analysis is based on the outcomes of three widely used statistical tests: the Chow test, Hausman test, and Lagrange Multiplier (LM) test. These tests are crucial for determining the most suitable model by evaluating different aspects of the panel data structure and underlying assumptions. The results of these three tests, which help identify the most appropriate regression model, are presented in Table 2.

Table 2. Regression Model

No	Test	Result	Significance value	Model
1	Chow	0,0000	<0,1	FEM
2	Hausman	0,0101	<0,1	FEM
3	LM	-	-	-

The results from both the Chow and Hausman tests strongly indicate that the Fixed Effect Model (FEM) is the most appropriate model for analyzing the panel data in this study. The Chow test, which compares the suitability of the Fixed Effect and Pooled models, yielded a p-value of 0.0000, which is significantly less than the threshold of 0.1, suggesting that the Fixed Effect Model is more appropriate than the Pooled model. Similarly, the Hausman test, which evaluates the consistency of the Random Effect Model against the Fixed Effect Model, also produced a p-value of 0.0101, further reinforcing the choice of the Fixed Effect Model. Given these findings, the Lagrange Multiplier (LM) test, which is typically used to test for the presence of random effects in the data, was deemed unnecessary, as the results from the Chow

and Hausman tests had already conclusively pointed to the Fixed Effect Model as the most suitable option for this analysis.

Model Interpretation

The Fixed Effect Model (FEM), selected as the optimal model following the Chow, Hausman, and LM tests. FEM in panel data regression analysis assumes that each observation unit has a constant that remains throughout the observed period. The regression results using the FEM model are shown in Table 3.

Table 3. Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11,0558	0,1927	57,3692	0,0000
X_1	-0,5019	0,2713	-1,8498	0,0678
X_2	0,0378	0,0153	2,4753	0,0153
X_3	0,1928	0,2152	0,8959	0,3728
R-Squared			0,9621	
Adjusted R-Squared			0,9576	
F-Statistic			215,7324	
Prob (F-Statistic)			0,0000	

The Fixed Effect Model (FEM) regression results, as presented in Table 3, show that the constant term (C) is highly significant with a coefficient of 11.0558, indicating a strong baseline effect on the dependent variable. Among the independent variables, X_1 has a coefficient of -0.5019 with a p-value of 0.0678, suggesting a marginally significant negative relationship with the dependent variable at the 10% significance level. X_2, with a coefficient of 0.0378 and a p-value of 0.0153, demonstrates a statistically significant positive effect on the dependent variable at the 5% significance level. On the other hand, X_3, with a coefficient of 0.1928 and a p-value of 0.3728, does not have a significant impact. The model shows a very strong fit, with an R-squared value of 0.9621, meaning that 96.21% of the variation in the dependent variable is explained by the model. Additionally, the F-statistic of 215.7324 and a p-value of 0.0000 confirm that the overall model is highly significant, indicating that the selected variables collectively have a meaningful explanatory power.

Hypothesis Test

t Test

Table 4 presents the result of the t-test with a significance value at 0.1. These results state that the I-HDI variable has a significant negative effect on the Poverty variable. The results indicate that the I-HDI variable has a significant negative effect on the Poverty variable, as shown by the coefficient of -0.5019 and a t-statistic of -1.8498 with a p-value of 0.0678. This suggests that higher I-HDI values are associated with lower poverty levels, though the effect is marginally significant.

Table 4. t-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	11,0558	0,1927	57,3692	0,0000
X_1	-0,5019	0,2713	-1,8498	0,0678
X_2	0,0378	0,0153	2,4753	0,0153
X_3	0,1928	0,2152	0,8959	0,3728

On the other hand, Unemployment has a significant positive effect on the Poverty variable. Meanwhile, Population Growth does not have a significant influence on the Poverty variable The Unemployment variable, with a coefficient of 0.0378 and a t-statistic of 2.4753 (p-value of 0.0153), shows a significant positive effect on Poverty, meaning that as unemployment increases, poverty also tends to rise. On the other hand, Population Growth (X_3) has a coefficient of 0.1928 and a t-statistic of 0.8959, with a p-value of 0.3728, indicating that it does not have a significant impact on poverty levels.

F Test

The results of the F-test shown in Table 5 yield a probability value of 0.0000, which is below the significance level. This indicates that the independent variables I-HDI, unemployment, and population growth simultaneously influence the dependent variable, poverty.

Table 5. F Test

F-Statistic	215,7324
Prob (F-Statistic)	0,0000

The F-test results, as shown in Table 5, reveal an F-statistic of 215.7324 and a p-value of 0.0000. Since the p-value is significantly lower than the 0.05 significance level, it indicates that the independent variables I-HDI, unemployment, and population growth have a significant simultaneous effect on the dependent variable, poverty. This suggests that these variables, when considered together, play an important role in explaining the variations in poverty levels, with their combined impact being statistically significant.

Coefficient of Determination Test (R^2)

The R^2 test measures the proportion of variation in the dependent variable, that can be explained by the independent variables. The coefficient of determination ranges between 0 and 1, indicating the extent to which the independent variables collectively explain the variability in the dependent variable.

Table 6. Coefficient of Determination Test

R-Squared	0,9621
Adjusted R-Squared	0,9576

Based on Table 6, the R-squared value in this study is 0.9621, which is close to 1. This indicates a strong relationship between the independent variables—I-HDI, unemployment, and population growth—and the dependent variable, poverty. The independent variables as a whole can explain the dependent variable by 96.2% with the remaining 3.8% explained by other variables outside the study.

Classic Assumption Test

The classical assumption test is a set of statistical tests designed to assess whether the regression model meets the fundamental assumptions. This test consists evaluations for normality, multicollinearity, autocorrelation, and heteroscedasticity tests.

Table 7 presents the results of the classical assumption tests, confirming that the regression model meets the necessary assumptions. The normality test shows a p-value of 0.3060, indicating that the data is normally distributed. Multicollinearity is not an issue, as the correlation coefficients between the independent variables (X_1, X_2, and X_3) are well below 0.95. The autocorrelation test value of 1.687563 falls within the acceptable range of -2 to +2, suggesting no autocorrelation in the residuals. Additionally, the heteroscedasticity test results show p-values greater than 0.10 for all variables, indicating that the model is free from heteroscedasticity. These results confirm that the data meets the key assumptions required for valid regression analysis.

Table 7. Classic Assumption Test

No	Test	Results	Significance value	Remarks
1	Normality	0,3060	>0,10	Clear
2	Multicollinearity	X_1 = -0,1131 and 0,0705 X_2 = -0,1131 and -0,0322 X_3 = 0,0705 and -0,0322	<0,95	Clear
3	Autocorrelation	1,687563	-2 to. 2	Clear
4	Heteroscedasticity	X_1 = 0,1197 X_2 = 0,4288 X_3 = 0,2180	>0,10	Clear

Discussion

The Effect of I-HDI on Poverty in The G20 Region

Based on the regression results, I-HDI (independent variable X_1) has a probability value of 0.06 and a t-statistic of -1.84. Therefore, the first hypothesis (H_1) can be accepted, suggesting that the I-HDI variable has a significant negative effect on the poverty variable in the G20 countries during the 2010-2021 period. These findings are consistent with previous research (Widiastuti et al., 2022), supporting the economic theory of Islamic development and the vicious circle of poverty theory. The Islamic development model, according to Ibn Khaldun, emphasizes the role of human beings as the goal and means in the development process. In addition, in the vicious circle of poverty theory, Nurkse argues that poverty is caused by the low

quality of human resources, which results in low productivity and wages. This creates a vicious cycle where low wages limit access to education and training.

The Effect of Unemployment on Poverty in The G20 Region

The regression results for unemployment (variable X_2) show a probability value of 0.01 and a t-statistic of 2.47. Based on these results, the second hypothesis (X_2) can be accepted, indicating that unemployment has a significant effect on poverty in G20 countries during the 2010-2021 period. These findings align with previous studies (Aleksandravičienė et al., 2023; Olaoye et al., 2023).

The results of this study prove the macroeconomic theory in which the unemployment rate is one of the measuring tools to see the economic health of a country and the success of economic policy in creating jobs. Todaro and Smith, in the economic theory of development, agree that the ability to fulfill basic needs is one of the core values of development. When one of the basic needs is not met, it will have a negative impact on society such as poverty, and can even be life-threatening due to the non-fulfillment of basic human needs.

The Effect of Population Growth on Poverty in The G20 Region

The regression results on population growth (variable X_3) obtained a probability value of 0.37 with a t-stat value of 0.89. The probability value is above the significance value, which is 0.10 or 10%, so it can be concluded that in this study the third hypothesis or X_3 is rejected with the assumption that the independent variable, Population Growth, does not have a significant effect and cannot explain the dependent variable, Poverty. Thus, it can be concluded that Population Growth does not have a significant effect on the level of Poverty in the G20 region in the 2010-2021 period.

This result may be due to findings from other studies, which suggest that population size does not necessarily exacerbate poverty. If a large proportion of the population is of productive age and able to work or create jobs, population growth can have a positive impact on the economy. A growing productive-age population can enhance economic productivity through increased employment, innovation, and job creation, which in turn reduces unemployment rates and facilitates labor mobility, helping to balance labor demand and supply. This is also supported by the population theory of demographic dividends where an increase in the working-age population contributes to economic growth as long as employment opportunities

are available and resources such as education and health are well distributed (Anser et al., 2020).

Conclusion

Based on the thorough analysis and results obtained from data processing, it can be conclusively stated that the relationship between the Islamic Human Development Index (I-HDI), unemployment, population growth, and poverty within the G20 region from 2010 to 2021 reveals the following key findings: The I-HDI variable demonstrates a robust and statistically significant negative effect on poverty, meaning that as the value of the I-HDI increases, there is a corresponding decrease in the poverty rate. Conversely, as the I-HDI value decreases, poverty rates tend to rise. This inverse relationship underscores the critical importance of enhancing human development to alleviate poverty. In stark contrast, the unemployment variable exhibits a significant positive correlation with poverty. Specifically, as the unemployment rate rises, the incidence of poverty also escalates, illustrating the detrimental effect that high unemployment has on the economic well-being of individuals within the region. This suggests that tackling unemployment is crucial for poverty reduction. However, the population growth variable did not demonstrate a statistically significant impact on poverty levels during the 2010-2021 period within the G20 region. This lack of a meaningful relationship implies that, despite the demographic changes, population growth alone does not sufficiently explain the variations in poverty rates within this timeframe, pointing to other more influential factors at play.

The implications of these findings carry important weight for policymakers aiming to address the complex socio-economic challenges within the G20 region. First and foremost, efforts to improve the Islamic Human Development Index (I-HDI) should be prioritized by governments. This could be achieved by enhancing access to quality education, expanding comprehensive and equitable healthcare services, and developing Sharia-based economic empowerment initiatives that foster sustainable community development and poverty alleviation. In addition to this, addressing the pressing issue of unemployment should be a central focus, with the creation of more job opportunities and the provision of targeted job training programs being paramount. These efforts would directly contribute to poverty reduction by equipping individuals with the skills necessary to secure gainful employment. Furthermore, policymakers must consider the potential challenges presented by rapid population growth. Although the direct relationship between

population growth and poverty was not substantiated in this study, it remains essential to address the broader implications of demographic changes. Effective family planning programs, improvements in the overall quality of life through enhanced education and healthcare facilities, and strategies to manage urbanization effectively are all critical components to preventing potential strain on urban infrastructure and ensuring balanced regional development.

BIBLIOGRAPHY

Alcock, P. (1995). What is Poverty? *American Journal of Economics and Sociology*, *54*(2), 161–162. https://doi.org/10.1111/j.1536-7150.1995.tb02687.x

Aleksandravičienė, A., Barišauskaitė, G., & Ruzveltaitė, L. (2023). Poverty Reduction: Analysis of Factors Affecting Poverty in Lithuania. *Management of Organizations: Systematic Research*, *89*(1), 1–14. https://doi.org/10.2478/mosr-2023-0001

Ali Rama, A. R. (2019). Construction of Islamic Human Development Index. *Journal of King Abdulaziz University Islamic Economics*, *32*(1), 43–64. https://doi.org/10.4197/Islec.32-1.3

Anser, M. K., Yousaf, Z., Nassani, A. A., Alotaibi, S. M., Kabbani, A., & Zaman, K. (2020). Dynamic linkages between poverty, inequality, crime, and social expenditures in a panel of 16 countries: two-step GMM estimates. *Journal of Economic Structures*, *9*(1), 43. https://doi.org/10.1186/s40008-020-00220-6

Anto, M. H. (2011). Introducing an Islamic Human Development Index (I-HDI) to Measure Development in OIC Countries. *Islamic Economic Studies*, *19*(2), 69–95. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3158957

Arkum, D., & Amar, H. (2022). The Influence of Economic Growth, Human Development, Poverty and Unemployment on Income Distribution Inequality: Study in the Province of the Bangka Belitung Islands in 2005-2019. *Jurnal Bina Praja*, *14*(3), 413–422. https://doi.org/10.21787/jbp.14.2022.413-422

Dahliah, D., & Nirwana Nur, A. (2021). The Influence of Unemployment, Human Development Index and Gross Domestic Product on Poverty level. *Golden Ratio of Social Science and Education*, *1*(2), 95–108. https://doi.org/10.52970/grsse.v1i2.84

DinarStandard. (2023). *The State of the Global Islamic Economy 2023/24 Report*. https://salaamgateway.com/specialcoverage/SGIE23

Faruq, M. Al, & Yuliana, I. (2023). The Effect of Population Growth on Poverty Through Unemployment in East Java Province in 2017-2021. *Journal of Social Research*, *2*(6), 1900–1915. https://doi.org/10.55324/josr.v2i6.872

Handayani, L. (2023). Analysis of The Influence of The Unemployment Rate and HDI on Poverty Levels in Province of Central Java. *Journal of Economic Education*, *12*(1), 125–132. https://doi.org/10.15294/jeec.v12i1.74065

Hulantu, K., & Canon, S. (2022). The Effect of Population Growth and Economic Growth on Poverty Levels in The Province of Gorotalo in 2011–2020. *Eur. J. Res. Dev. Sustain*, *3*(2), 9–11. https://scholarzest.com/index.php/ejrds/article/view/1794

Ipmawan, H., Kristanto, D., Hendrawan, K., & Kuncoro, A. W. (2022). The Influence of The Human Development Index, Unemployment Rate, and Illiteracy Population on Poverty Level in Indonesia for the Period 2015-2020. *MUHARRIK: Jurnal Dakwah Dan Sosial*, *5*(1), 89–103. https://doi.org/10.37680/muharrik.v5i1.1372

Jatmiko, W., & Azizon, A. (2022). Can religious values reinvigorate the links between development and falāh? *Journal of Islamic Accounting and Business Research*, *13*(1), 32–53. https://doi.org/10.1108/JIABR-08-2020-0234

Karmanto, G. D., Mahri, A. J. W., & Nurasyiah, A. (2021). Society Intention in Distribution of Zakat, Infaq and Shadaqah (ZIS) through the Use of Crowdfunding Platform. *Falah: Jurnal Ekonomi Syariah*, *6*(1), 30–44. https://doi.org/10.22219/jes.v6i1.15133

Koyimah, I.-, W Mahri, A. J., & Nurasyiah, A. (2020). Analysis Of Human Development With The Islamic Human Development Index (IHDI) In West Java Province In 2014-2018. *Review of Islamic Economics and Finance*, *3*(2), 91–108. https://doi.org/10.17509/rief.v3i2.29381

Macwan, J. (2022). Rural and Urban Poverty Trends in India and Gujarat. *Economic Affairs*, *67*(1s), 7–14. https://doi.org/10.46852/0424-2513.1.2022.2

Malthus, T. (2023). An essay on the principle of population. In *British Politics And The Environment In The Long Nineteenth Century* (pp. 79–84). https://doi.org/10.4324/9781003194651-15

Mankiw, N. G. (2009). *Macroeconomics*. Worth Publishers.

Nafziger, E. W., & Auvinen, J. (2002). Economic Development, Inequality, War, and State Violence. *World Development*, *30*(2), 153–163. https://doi.org/10.1016/S0305-750X(01)00108-5

Olaoye, O., Ibukun, C. O., Razzak, M., & Mose, N. (2023). Poverty prevalence and negative spillovers in Sub-Saharan Africa: a focus on extreme and

multidimensional poverty in the region. *International Journal of Emerging Markets*, *18*(9), 2993–3021. https://doi.org/10.1108/IJOEM-01-2021-0028

Pérez, J. M. (2015). The Vicious Cycle of Poverty.

Reza, M., Juliansyah, H., & Dharma, Y. (2020). The Effect Of Islamic Human Development Index On Poverty Level In Bireuen District Period 2000-2017. *Journal of Malikussaleh Public Economics*, *1*(2), 35–43. https://doi.org/10.29103/jmpe.v1i2.1128

Saputra, F., & Hapzi Ali. (2021). The Impact of Indonesia's Economic and Political Policy Regarding Participation in Various International Forums: G20 Forum (Literature Review of Financial Management). *Journal of Accounting and Finance Management*, *2*(1), 40–51. https://doi.org/10.38035/jafm.v2i1.50

Sukirno. (2008). *Mikro Ekonomi Teori Pengantar* (3rd ed.). PT. RajaGrafindo Persada.

Todaro, M., & Smith, S. (2015). *Economic Development* (7th (Ed.)). Pearson.

Trisnu, C. G. S. P., & Sudiana, I. K. (2019). Pengaruh Pertumbuhan Penduduk, Pengangguran, dan Pendidikan terhadap Tingkat Kemisikinan Kabupaten/Kota Provinsi Bali. *E-Jurnal EP Unud*, *8*(11), 2622–2655.

UNDP (United Nations Development Programme). (2022). Human Development Report 2021-22. In *UNDP (United Nations Development Programme)*. https://hdr.undp.org/content/human-development-report-2021-22

United Nations Conference on Trade and Development (UNCTAD). (2022). *World Investment Report 2022: International Tax Reforms and Sustainable Investment (UNCTAD/WIR/2022)*. United Nations. https://unctad.org/system/files/official-document/wir2022_en.pdf

Widiastuti, T., Mawardi, I., Zulaikha, S., Herianingrum, S., Robani, A., Al Mustofa, M. U., & Atiya, N. (2022). RETRACTED: The nexus between Islamic social finance, quality of human resource, governance, and poverty. *Heliyon*, *8*(12), e11885. https://doi.org/10.1016/j.heliyon.2022.e11885

World Bank. (2024). *Poverty, Prosperity, and Planet Report 2024: Pathways Out of the Polycrisis*. Washington, DC: World Bank. https://doi.org/10.1596/978-1-4648-2123-3