

## THE EFFECT OF POVERTY AND ECONOMIC GROWTH ON HUMAN DEVELOPMENT INDEX (HDI) IN ISLAMIC ECONOMIC PERSPECTIVE IN JAMBI PROVINCE 2014-2019

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### ABSTRACT

*In essence, development is a process of change that runs continuously to achieve a better condition of life, both materially and spiritually. Development must be seen as a multidimensional process that includes changes in social structures, attitudes of society, and national institutions, while continuing to pursue accelerated economic growth, addressing income inequality, and alleviating poverty. The development paradigm currently developing is economic growth measured by human development as seen by the level of quality of human life in each country. One of the benchmarks used in looking at the quality of human life is the Human Development Index (HDI) which is measured by the quality of education, health and economic levels (purchasing power). Through improving the quality of human life. In an Islamic economy, development does not only build the people's economy but also builds a mental attitude which means developing a whole human being. Not only the physical side, but also spiritual needs. In the concept of shari'ah development, the concept is defined as a concept that studies and analyzes the development process and the factors that influence it and identifies and recommends development policies based on the Al-Qur'an and Sunnah of the Prophet Muhammad. This syari'ah economic development concept approach is also very dependent on the quality of Human Resources (HR) owned by a country. The concept aims to improve the welfare of its inhabitants. According to Al-Ghazali, human welfare lies in the protection of faith (din), soul (nafs), reason (aqal), descent (nasab) and wealth (mal). Islam teaches not to leave offspring in a weak state both economically, religion, science and defense. As contained in the QS. An-Nisa (4): 9.*

وَلْيَخْشَ الَّذِينَ لَوْ تَرَكَوْا مِنْ خَلْفِهِمْ ذُرِّيَّتَهُمْ ضَعْفًا خَافُوا عَلَيْهِمْ فَلْيَتَّقُوا اللَّهَ وَلْيَقُولُوا  
قَوْلًا سَدِيدًا

*Meaning: "And let people fear Allah if they leave their children, who are weak, they worry about (their welfare). Therefore, let them fear Allah and speak the true words. The verse above explains that to improve welfare, there is need for honesty and increasing piety to Allah SWT and helping the weak (poor).*

*This study aims to determine the effect of poverty and economic growth on the human development index from the perspective of Islamic economists in Jambi province in 2014-2019. Data processing in this study uses descriptive analysis and panel data regression analysis using the Eviews software pool model approach and the data used is secondary data obtained from data that has been published in several sources, namely the Central Statistics Agency for the period 2014 - 2019.. The results of panel data regression show that Poverty (X1) partially affects the Human Development Index (Y), Economic Growth (X2) partially affects the Human Development Index (Y), Poverty (X1) and Economic Growth (X2) simultaneously affects significant to the Human Development Index (Y), with the percentage of influence of 98.33%, while the remaining 1.67% is explained by other variables outside the research.*

Key words: Poverty. Economic Growth and Human development Index

### INTRODUCTION

In essence, development is a process of change that runs continuously to achieve a better condition of life, both materially and spiritually. Development must be seen as a multidimensional process that includes changes in social structures, attitudes of society, and national institutions, while continuing to pursue accelerated economic growth, addressing income inequality, and alleviating poverty.<sup>1</sup>

As a process, development is of course carried out by observing existing needs as well as responding to changes that occur in society and the demands of shifting times due to the development of civilizations, social systems, and more advanced technology.<sup>2</sup> The development paradigm currently developing is economic growth measured by human development as seen by the level of quality of human life in each country. One of the benchmarks used in looking at the quality of human life is the Human Development Index (HDI) which is measured by the quality of education, health and economic levels (purchasing power). Through improving the quality of human life. In an Islamic economy, development does not only build the people's economy but also builds a mental attitude which means developing a whole human being. Not only the physical side, but also spiritual needs. In the concept of shari'ah development, the concept is defined as a concept that studies and analyzes the development process and the factors that influence it and identifies and recommends development policies based on the Al-Qur'an and Sunnah of the Prophet Muhammad.

<sup>1</sup> Stephen C Smith Machkel P Todaro, *Pembangunan Ekonomi*, 9 ed. (Jakarta: Erlangga, 2011).

<sup>2</sup> Novita Dewi, "Pengaruh Kemiskinan dan Pertumbuhan Ekonomi Terhadap Indeks Pembangunan Manusia di Provinsi Riau", *Pekanbaru UIN Riau*, 2017, hal 1-2.

This syari'ah economic development concept approach is also very dependent on the quality of Human Resources (HR) owned by a country. The concept aims to improve the welfare of its inhabitants. According to Al-Ghazali, human welfare lies in the protection of faith (din), soul (nafs), reason (aqal), descent (nasb) and wealth (mal). Islam teaches not to leave offspring in a weak state both economically, religion, science and defense.<sup>3</sup> As contained in QS. An-Nisa (4): 9 following:

وَلْيَخْشَ الَّذِينَ لَوْ تَرَكَوْا مِنْ خَلْفِهِمْ ذُرِّيَّةً ضِعَفًا خَافُوا عَلَيْهِمْ فَلْيَتَّقُوا اللَّهَ وَلْيَقُولُوا  
قَوْلًا سَدِيدًا ﴿٩﴾

Meaning: "And let people fear Allah, if they leave their children, who are weak, they worry about (welfare) them. Therefore, let them fear Allah and speak the true words.<sup>4</sup> The verse above explains that to improve welfare, there is need for honesty and increasing piety to Allah SWT and helping the weak (poor). In the conventional concept, human development is an effort to expand the opportunities for the population to achieve a decent life which can be done through increasing knowledge and health status. Humans play an important role in a desired development and welfare and humans are also seen as the subject of development, which means that development is carried out for the benefit of humans or society itself. One way to improve welfare is through economic development, namely a series of activities carried out by the government together with all levels of society to achieve a better life. The Human Development Index (HDI) is an indicator to determine economic development that measures the level of physical and non-physical quality of the population, namely health, education level and economic indicators. According to Fhino and Priyo, the three elements do not stand alone, but influence one another. Apart from being influenced by other factors such as the availability of job opportunities, which in turn is determined by many factors, especially economic growth, infrastructure and government policies.<sup>5</sup> Economic growth is very important because economic growth is the growth in per capita output which shows real wage growth and increasing living standards. The role of government in development is as a catalyst and facilitator. Through the expenditure budget, part of government spending is used for development activities in various types of important infrastructure.<sup>6</sup> The higher the HDI, the higher the welfare of the population. The higher the HDI, the higher the welfare of the population. Based on the Central Statistics Agency (BPS), the level of welfare in terms of health is seen in life expectancy, in terms of education, seen in literacy rates and average length of schooling, from an economic perspective seen in real per capita expenditure. In 2019 the Human Development Index, life expectancy, average length of schooling and school life expectancy of districts / cities in Jambi Province can be seen in the following table:

**Table 1**  
**Table 1 : Human Development Index (HDI), Life Expectancy (UHH), Average Length of Schooling (RLS), and Expectation of School Years (HLS) Jambi Province by Regency / City, 2019**

No	Kabupaten /Kota	Human Development Index (HDI)	Life Expectancy (UHH)	Average Length of Schooling (RLS)	Expectation of School Years (HLS)
1	Kerinci	70,95	69,82	8,21	13,86
2	Merangin	69,07	71,18	7,68	11,98
3	Sarolangun	69,72	69,09	7,76	12,26
4	Batang Hari	69,67	70,44	7,85	12,91
5	Muaro Jambi	69,01	71,18	8,33	12,82
6	Tanjung Jabung Timur	63,92	66,08	6,35	12,01
7	Tanjung Jabung Barat	67,54	68,03	7,7	12,61
8	Tebo	69,02	69,91	7,57	12,39
9	Bungo	69,86	67,61	8,15	12,61
10	Kota Jambi	78,26	72,57	10,91	14,9
11	Kota Sungai Penuh	75,36	72,01	10,08	14,78

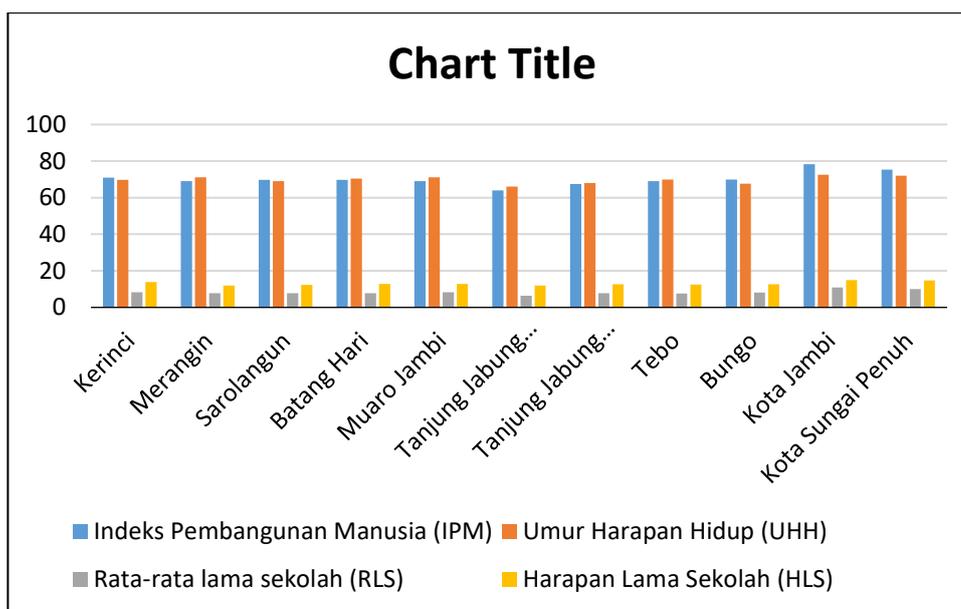
Source: BPS Jambi

<sup>3</sup> dalam Nurul Huda dkk Chapra, *Keuangan Publik Islami : Pendekatan Teoritis dan Sejarah*, edisi pertama (Jakarta: Kencana, 2012).

<sup>4</sup> Departemen Agama RI, *Syaamil quran (Al-Qur'an dan Terjemahannya)*, Bandung (Jakarta: PT. Sygma Examedia Arkanleema, 2007).

<sup>5</sup> Priyo Hari Adi Fhino Andrea Christy, "Hubungan antara Dana Alokasi Umum, Belanja Modal dan Kualitas Pembangunan Manusia (The 3rd National Conference UKWMS 2009), h. 2," *The 3rd National Conference UKWMS*, 2009.

<sup>6</sup> Purbayu Budi Santoso Retno Puji Rahayu, "Analisis Pendapatan Asli Daerah (PAD) dan Faktor-Faktor yang Mempengaruhinya dalam Upaya Pelaksanaan Otonomi Daerah di Kabupaten Kediri," *Dinamika Pembangunan* Vol.2, No.1, 9-18. (2005).



In table 1 above, it appears that the status of human development in Jambi Province includes 9 districts and 2 cities since 2019 with moderate status with the achievement of a value of  $60 \leq \text{HDI} < 70$ . The progress of human development in Jambi is driven by the progress of the indicators forming HDI. Life expectancy at birth in Jambi in 2019 has reached 70 years, while in 2019, the average length of schooling for residents of 25 years and over in Jambi was recorded at 8.45 years or equivalent to class IX (Class III SMP). If we look at the situation in each district / city, the highest average length of schooling is still achieved by the two cities. The first rank was achieved by Jambi City with an average length of school for residents of 25 years and over of 10.91 years and the second position was achieved by Sungai Penuh City with an average length of school of 10.08 years or equivalent to class XI (Class II SMA). The difference in average length of schooling between city and district areas is significant. As seen in the population in Tanjung Jabung Timur Regency, it is recorded that the average length of schooling for this area is the lowest of all districts / cities in Jambi Province, which is 6.35 years or about four years behind the population in the city area. This may be because the facilities and infrastructure in urban areas are more adequate than in district areas, while access to education is also easier. Among the nine districts in Jambi, Muaro Jambi Regency is listed as a district with the highest average length of schooling of 8.33 years or equivalent to class IX (Class III SMP). There are three districts with an average length of schooling more than 8 years, namely Muaro Jambi, Kerinci, and Bungo Districts. In 2019, there are five districts that have an average length of schooling in the 7.5-8.0 years range. Tanjung Jabung Timur Regency is the only district with an average length of schooling under 7 years, which is 6.35 years or equivalent to class VII (Class I SMP).

Among the nine districts in Jambi, Muaro Jambi Regency is listed as a district with the highest average length of schooling of 8.33 years or equivalent to class IX (Class III SMP). There are three districts with an average length of schooling more than 8 years, namely Muaro Jambi, Kerinci, and Bungo Districts. In 2019, there are five districts that have an average length of schooling in the 7.5-8.0 years range. Tanjung Jabung Timur Regency is the only district with an average length of schooling under 7 years, which is 6.35 years or equivalent to class VII (Class I SMP).

Jambi City, as the capital city of Jambi Province, is listed as the city with the highest expected length of schooling at 14.90 years, while Merangin Regency is listed as the district with the lowest expected length of schooling (11.98 years). The highest and lowest school duration expectations are around three years, which means that children aged 7 years and over in Jambi City are expected to attend school for 15 years (Diploma III), while children aged 7 years and over in Merangin Regency are only around 12 years old ( Class III Senior High School). The expected length of schooling between districts / cities in Jambi Province ranges from 11.98 to 14.90 years. The expected number of school years for each district / city in 2019 is consecutively as follows: First position is Jambi City (14.90 years), then Sungai Penuh City (14.78 years), and the third place is occupied by Kerinci Regency (13.86 years) . In the fourth position there is Batang Hari Regency (12.91 years), then Muaro Jambi Regency (12.82 years), and the sixth and seventh places are occupied by Bungo and Tanjung Jabung Barat Regencies (12.61 years). Tebo Regency (12.39 years) occupies the eighth position, while the ninth position is occupied by Sarolangun Regency (12.26 years). In tenth position, there is Tanjung Jabung Timur Regency (12.01 years) and the last one that ranks eleventh is Merangin Regency with the expected number of years of schooling is 11.98 years.

According to Ginting, human development in Indonesia is synonymous with poverty reduction. Investments in education and health are more meaningful for the poor than for the non-poor, because the poor's main asset is their manual labor. The availability of cheap education and health facilities will greatly help to increase the productivity of the community, and in turn increase the income of the community.<sup>7</sup> Thus it can be said that human development has not been optimally carried out because it only focuses on reducing poverty.

<sup>7</sup> Dewi, "Pengaruh Kemiskinan dan Pertumbuhan Ekonomi Terhadap Indeks Pembangunan Manusia di Provinsi Riau".

**Table 2 : Percentage of Poor Population by Regency / City in Jambi Province 2014-2019**

No	Kab/Kota	2014	2015	2016	2017	2018	2019
1	Kerinci	7,43	8,16	7,48	7,45	7,07	7,13
2	Merangin	9,37	9,80	9,95	9,43	8,88	8,48
3	Sarolangun	10,17	10,29	9,33	8,87	8,73	8,45
4	Batanghari	10,50	10,69	10,79	10,33	10,23	9,75
5	Muara Jambi	4,45	4,63	4,30	4,37	4,05	3,83
6	Tanjung Jabung Timur	13,55	14,17	12,76	12,58	12,38	11,54
7	Tanjung Jabung Barat	11,64	12,63	11,81	11,32	11,1	10,56
8	Tebo	6,89	7,12	6,87	6,79	6,58	6,47
9	Bungo	5,12	5,70	5,99	5,82	5,78	5,6
10	Kota Jambi	8,94	9,67	8,87	8,84	8,49	8,12
11	Kota Sungai Penuh	3,33	3,34	3,13	2,78	2,76	2,81

Source : BPS Jambi

Table 2 shows that the percentage of poor people in Jambi Province according to data from the Central Statistics Agency (BPS Jambi) from year to year has decreased from 2014 to 2019, the decline occurred in almost all districts / cities in Jambi Province, while the increase in poverty occurred in the city. Sungai Penuh in 2019. The results of this BPS calculation use the concept of the ability of basic needs, so that through this approach poverty is seen as an economic inability to meet basic food needs. In this calculation BPS uses two components, namely the food poverty line and the non-food poverty line.

**Table 3 : Economic Growth Rate by Regency / City in Jambi Province 2014-2019**

No	Kab/Kota	2014	2015	2016	2017	2018	2019
1	Kerinci	9,06	6,45	6,70	6,03	5,1	5,02
2	Merangin	7,13	5,48	6,21	5,55	5,17	4,51
3	Sarolangun	5,20	3,09	4,26	4,69	4,72	5,08
4	Batanghari	7,56	4,36	4,55	4,82	4,96	4,99
5	Muara Jambi	8,03	5,24	5,43	5,06	5,27	5,06
6	Tanjung Jabung Timur	5,81	1,87	2,70	3,13	3,13	4,25
7	Tanjung Jabung Barat	5,85	3,98	3,14	5,15	6,89	4,25
8	Tebo	8,83	5,28	5,38	5,6	5,02	4,78
9	Bungo	8,83	5,28	5,38	4,34	4,72	<b>5,67</b>
10	Kota Jambi	6,74	5,13	5,20	4,68	5,48	5,33
11	Kota Sungai Penuh	7,54	7,06	6,51	6,24	5,54	5,12

Source : BPS Jambi

Economic growth taken through BPS data has fluctuated, from 2014 to 2019. In 2019, there were three (3) districts that experienced an increase, while 8 districts and cities experienced a decline. However, in the years of rising and falling levels of economic growth, the Human Development Index in Jambi Province continued to rise. Thus, Jambi Province in poverty level has decreased every year.

From the background of the problem above, the researcher is interested in writing about the effect of poverty and economic growth on the Human Development Index (HDI) in Jambi Province according to an Islamic perspective?

## LITERATURE REVIEW

### Human Development Index

The Human Development Index HDI is used to measure the extent to which the quality of human life is successful and) serves to measure the achievement of human development based on a number of basic components of quality of life. As a measure of quality of life, HDI is built through a three-dimensional approach. namely long life and healthy life, knowledge, and a decent standard of living. Each dimension is represented by an indicator. The dimensions of longevity and healthy life are represented by indicators of life expectancy at birth. Meanwhile, the average length of schooling and the expected length of schooling are indicators that represent the dimensions of knowledge. Finally, the dimensions of Indonesia's decent living standards are represented by an adjusted per capita expenditure indicator. (BPS, Human Development Index 2019). The formula used in calculating the Human Development Index is as follows:

$$IPM = 1/3 (\text{index } X1 + \text{Indes } X2 + \text{Index } X3)$$

Where :

X1: length of life

X2: education level

X3: a decent standard of living using an indicator of purchasing power.

There are 3 categories of human development status based on HDI values, namely:

1.  $IPM < 50$  is said to be low,
2.  $50 \leq IPM < 80$  is said to be medium / medium,
3.  $HDI \geq 80$  is said to be high.

### Human Development Index in Islamic Economic Perspective

Islamic economics provides a theoretical concept in a Sharia development science. In this sharia Economic Development concept approach, a development is highly dependent on the quality of Human Resources (HR) owned by the Nation. Humans are both the Subject and the Object of Development.<sup>8</sup>

Human resources play a very important role in enhancing the development of each country. Therefore, the role of the government must pay attention to triggering progress in the development of the country. Islam views that humans have two main tasks including as abdullah (servant of Allah) and Khalifatullahu fil ard, namely representatives of Allah on earth who are tasked with making him prosperous. For Islam, human development only pursues one main goal, namely the welfare of the people. Islam is designed as a blessing for all people, to make a life that is more prosperous and more valuable, neither poor nor suffering.<sup>9</sup> The Word of Allah SWT in surah AlAnbiya verse 107 is as follows:

وَمَا أَرْسَلْنَاكَ إِلَّا رَحْمَةً لِّلْعَالَمِينَ ﴿١٠٧﴾

Meaning: "And we did not send you (Muhammad), but to (be) a mercy for the universe". Based on this verse, it explains that everything that the servant does is based on the grace and will of Allah SWT, because humans are created to carry out world tasks and build welfare in building welfare, human beings need to be, humans play an important role in development. Humans were created by Allah SWT.<sup>10</sup> It is as a caliph (leader) on this earth; therefore, humans cannot be separated by their duties, namely as leaders. There are four main things that need to be considered, namely to achieve human development goals, namely Productivity (Productivity) Equity (Equity), Sustainability (Sustainability), and Empowerment (empowerment).<sup>11</sup>

<sup>8</sup> Laily Dwi Arsyianti Irfan Syauqi Beik, *Ekonomi Pembangunan Syari'ah* (Jakarta: Rajawali Pers, 2016).

<sup>9</sup> Jaenal Efendi, "Strategi Penanggulangan Kemiskinan Dalam Perspektif Ekonomi Islam," *Disertai Program Studi Ekonomi Islam Pascasarjana Universitas Islam Negeri Syarif Hidayatullah, Jakarta*, 2005.

<sup>10</sup> Syaamil quran (*Al-Qur'an dan Terjemahannya*), Bandung.

<sup>11</sup> Abdul Hakim Mohammed Bhakti Setiawan, "Indeks Pembangunan Manusia Indonesia," *Jurnal Economia* Vol. 9 No 1, no. April 2013 h.19. (t.t.).

## Poverty

Poverty Chamber in Prasetyo (2010) poverty is a condition where a person experiences a lack of money and goods to ensure survival. In a broad sense, poverty is an integrated concept that has five dimensions, namely: 1) poverty, 2) helplessness, 3) vulnerability to face emergency situations, 4) dependence, and 5) geographic and sociological isolation.<sup>12</sup> Furthermore, Amartya Sen in Suradi (2007) reveals that there is an absolute core of poverty. The hunger that engulfs them becomes a perspective of poverty, as well as the inability to socialize and the inability to educate children (education) and take care of children's health.<sup>13</sup> Absolute poverty lines are essential for assessing the effects of anti-poverty policies over time, or estimating the impact of a project on poverty (eg, small-scale crediting). The poverty rate will be comparable from one country to another only if the same absolute poverty line is used in both countries. The World Bank requires an absolute poverty line in order to compare poverty rates between countries. This is useful in determining where to channel existing financial resources (funds), as well as in analyzing progress in fighting poverty. In general, there are two measures used by the World Bank in measuring poverty, namely: a.) US \$ 1 per capita per day where it is estimated that there are around 1.2 billion people in the world who live under this measure; b) US \$ 2 per capita per day where more than 2 billion people live below this limit. The US dollar used is US \$ PPP (Purchasing Power Parity), not the official exchange rate (exchange rate). These two limits are the absolute poverty line (BPS, 2019).

## Poverty in an Islamic Economic Perspective

Poverty is the condition of a person or group for the inability to fulfill economic, social and political life in order to achieve prosperity. Welfare according to the Islamic perspective realizes the human goal of achieving happiness in the world and the hereafter (falah), as well as a good and honorable life (Al-hayah Al-Tayyibah).<sup>14</sup> Poverty has a very broad meaning and measuring it is not easy to do. Absolute poverty is defined as a condition where the income of the population or household does not reflect income inequality, calculated using the Gini Ratio visualized in the Lorenz Curve.<sup>15</sup> A person's cultural poverty does not mean the cultural poor if a person or group does not want to try to increase their economic level because they are lazy and do not want to try to improve their welfare.<sup>16</sup> According to Al-Ghozali, defines poverty as a person's inability to meet their needs, both material needs and spiritual needs. The opinion is made by Ahmed, poverty is not just a deprivation of goods and services, but a lack of poverty in spirit. Islam considers poverty as something that can endanger morals, families and society.<sup>17</sup> Thus poverty has a negative impact on people who experience this situation. Al-Qur'an gives a warning to people who neglect poverty, as in Surah Al Maa'uun verses 1-7:

أَرَأَيْتَ الَّذِي يُكَذِّبُ بِالْإِيمَانِ ﴿١﴾ فَذَلِكَ الَّذِي يَدْعُ الْيَتِيمَ ﴿٢﴾ وَلَا يَحْضُ عَلَيَّ  
طَعَامِ الْمَسْكِينِ ﴿٣﴾ فَوَيْلٌ لِلْمُصَلِّينَ ﴿٤﴾ الَّذِينَ هُمْ عَنْ صَلَاتِهِمْ سَاهُونَ ﴿٥﴾  
الَّذِينَ هُمْ يُرَاءُونَ ﴿٦﴾ وَيَمْتَعُونَ الْمَاعُونَ ﴿٧﴾

Meaning: "Do you know (people) who deny religion, That is the person who rebukes orphans, and does not recommend feeding the poor, then it is an accident for those who pray, (namely) those who neglect their prayers, those who do it, riya, And reluctant (to help with) useful items".<sup>18</sup> The verse emphasizes that someone who forgets religion, is negligent of his obligation (prayer) and does not help Allah will undoubtedly harm him and they are the people who are meant to deny religion. Please help is an obligatory thing for mankind as in Islamic economic values it teaches to help each other and Allah places humans as noble beings.<sup>19</sup> The Islamic economic system has a set of instrumental values in alleviating poverty, including: a. Economic cooperation, cooperation is an important character in the Islamic economic system, this cooperation is reflected in activities such as economy, production, distribution of goods and services. b. Zakat In Islam, zakat has a very important position. Zakat is the axis and financial center of Islamic countries which has clear transformational implications in the moral, social and economic fields. c. Prohibition of Riba The essence of the prohibition of usury is the rejection of additional financial risks that are stipulated in money and capital transactions as well as buying and selling charged to one party only, while the profit of the other party is guaranteed. Riba will have a negative impact on the economy and social community, including the impact of usury, one of which is the inflatory impact caused by interest as a cost of debt. d. Social Security. Social security is the minimum economic security for all people or all citizens. Thus, social security connotes social expenditures both in the interests of the state and humanist goodness (compensation, minimum economic security and so on) and other useful purposes in accordance with Islamic law. The Islamic view of social security is to follow the provisions of the Qur'an in Surah An-Nahl verse 90:

<sup>12</sup> Prastyo, A. A., "Analisis Faktor-Faktor yang Mempengaruhi Tingkat Kemiskinan. Semarang,;" *Undip Press*, 2010.

<sup>13</sup> Suradi, "Pembangunan Manusia, Kemiskinan dan Kesejahteraan Sosial," *Jurnal Penelitian dan Pengembangan Kesejahteraan Sosial* vol 12, no 03 (2007).

<sup>14</sup> Amirus Sodik, "Konsep Kesejahteraan dalam Islam," *Jurnal Equilibrium* Vol. 3 No.2 (Desember 201M): h.387.

<sup>15</sup> Adelfina I Made Jember, "Pengaruh Pertumbuhan Ekonomi, Kemiskinan, Dan Belanja Daerah Terhadap Indeks Pembangunan Manusia Di Kabupaten Kota Provinsi Bali Periode 2005- 2013," *E-Jurnal Ekonomi Pembangunan* Vol 5, No 10 (Oktober 2016): (PP.1011-1167), h.6.

<sup>16</sup> Made Kerta Adhi I Made Maduriana I Ketut Ardana, "Faktor-kaktor Penyebab Kemiskinan Kultural dan Model Pengentasan Berbasis Kearifan Lokal: Studi pada Masyarakat Miskin di Pegunungan Kintamani, Bali," *JURNAL KAJIAN BALI* Vol. 06, No. 02, Oktober 2016, t.t.

<sup>17</sup> Chapra, *Keuangan Publik Islami : Pendekatan Teoritis dan Sejarah*.

<sup>18</sup> Syaamil quran (Al-Qur'an dan Terjemahannya), Bandung.

<sup>19</sup> [CSL STYLE ERROR: reference with no printed form.].

﴿ إِنَّ اللَّهَ يَأْمُرُ بِالْعَدْلِ وَالْإِحْسَانِ وَإِيتَايِ ذِي الْقُرْبَىٰ وَيَنْهَىٰ عَنِ الْفَحْشَاءِ  
وَالْمُنْكَرِ وَالْبَغْيِ يَعِظُكُمْ لَعَلَّكُمْ تَذَكَّرُونَ ﴾

"Indeed, Allah instructs (you) to act fairly and do good deeds, to give to relatives, and Allah forbids from heinous acts, munkar and enmity. He teaches you so that you can take lessons". The verse explains that Allah commands to be fair between the relations of production, distribution, consumption in the economy.<sup>20</sup> With the concept of virtue (al-ihsan), and are required to be in society for a distinctive bias towards the poor.

Poverty alleviation according to Islamic economics is that the importance of government policies in helping reduce poverty. Poverty is none other than due to relatively low income and most of them make a living by farming.<sup>21</sup> In reducing poverty, it is necessary to have an innovative and creative mindset in society and an increase in education in order to improve social and economic life in the future.

### Economic growth

Economic growth is a continuous process of increasing per capita output over a long period of time and is one of the indicators of successful development. The higher the economic growth usually the higher the welfare of the community.<sup>22</sup>

There are three main factors or components in the economic growth of each country. The three factors are: 1. Capital accumulation, which includes all forms or types of new investment invested in land, physical equipment, and capital or human resources. 2. Population growth, which in turn will increase the number of the workforce. 3. Technological advances, in the form of new ways or improvements to old ways of handling jobs.<sup>23</sup>

The economic growth formula is as follows:

$$\text{GRDP growth} = \frac{PDRB - PDRB_{t-1}}{PDRB_{t-1}} \times 100\%$$

According to Yusuf Qardhawi, economic growth in the view of Islamic economics is to create a good life (Al hayat attaiyibah). The Islamic-based economic system requires that in terms of distribution it must be based on two principles, namely the joints of freedom and ownership justice. Freedom here is freedom in action that is framed by religious values and justice, unlike the understanding of the capitalists who state it as an act of freeing humans to act and act without interference from any party, but as a balance between individuals and their material and spiritual elements. , the balance between the individual and society and between one society and another. The existence of this distribution is reflected in the prohibition in the Al-Qur'an so that assets are not allowed to become merchandise that only circulates among the rich, but is expected to contribute to the welfare of society as a whole.<sup>24</sup>

Limited private property rights, any attempt that leads to the improper accumulation of wealth in the hands of a few is condemned. Al-Qur'an states that the rich should spend a portion of their fortune for the welfare of the community, either by means of zakat, sadaqaah, grants, wills and so on, because wealth must be distributed properly. Because as a result, wealth that is circulating only in certain people will cause inequality in people's income, which at the same time can also lead to higher development inequality between regions.<sup>25</sup>

Islamic economics basically views economic growth as part of economic development. Economic growth is defined by: "a sustained growth of a right kind of output which can contribute to human welfare" which means the continuous growth of production factors that are capable of contributing to human welfare.<sup>26</sup> Economic growth and economic development are closely related. Some experts say the term "economic development is growth plus change" which means that economic development is economic growth followed by changes in the structure and style of economic activity.<sup>27</sup> In other words, the development economy overcomes problems of economic activity such as the agricultural sector and equitable distribution of community income. According to Mahsury, economic development according to Islam is multidimensional which includes both quantitative and qualitative aspects. The goal is not solely the material welfare of the world, but also the welfare of the hereafter. As explained in the Al Qur'an Surah An-Nisaa verse 9 below:

<sup>20</sup> Syamsul Amar, "Kajian Ekonomi Tentang Kemiskinan Di Perdesaan Provinsi Sumatera Barat," *Jurnal Ekonomi Pembangunan* Vol. 7 No. 2 (h.103-104 2002).

<sup>21</sup> Sadono Sukirno, *Makro Ekonomi Teori Pengantar* (Jakarta: PT Raja Grafindo Persada, 2006).

<sup>22</sup> Machkel P Todaro, *Pembangunan Ekonomi*.

<sup>23</sup> Yusuf Qardhawi, *Norma dan Etika Ekonomi Islam* (Jakarta: Gema Insani Press, 2001).

<sup>24</sup> Qardhawi.

<sup>25</sup> Almizan, "Pembangunan Ekonomi Dalam Perspektif Ekonomi Islam," *Jurnal Kajian Ekonomi Islam*, Vol. 1 No.2 (Desember ,h.4 2016).

<sup>26</sup> Almizan.

<sup>27</sup> *Syaamil quran (Al-Qur'an dan Terjemahannya)*, Bandung.

وَلْيَخْشَ الَّذِينَ لَوْ تَرَكَوْا مِنْ خَلْفِهِمْ ذُرِّيَةً ضَعِيفًا خَافُوا عَلَيْهِمْ فَلْيَتَّقُوا اللَّهَ  
وَلْيَقُولُوا قَوْلًا سَدِيدًا ﴿٥١﴾

Meaning: And should fear Allah those who in case leave behind them weak children, whom they worry about (their welfare). therefore, let them fear Allah, and let them speak the true word. The verse above explains that welfare is not to be worried about because to get prosperity one should be cautious and try to improve the economy. One of the ways for the welfare of society is through economic growth. According to Lincoln, economic growth is defined as an increase in GDP / GNP regardless of whether the increase is greater or less than the rate of population growth, and whether there is a change in structure or not. if economic development in a region is high, it will improve the welfare of the community.<sup>28</sup> From the explanation above, it can be concluded that if the economic development in an area is high or decreases in food, it will affect the level of community welfare through the large workforce, high education and economic income.

### Previous Research

The first research was conducted by Denni Sulistio Mirza (2012) who examined the relationship and influence of poverty, economic growth, and capital spending on the Human Development Index (HDI). This research is processed using panel data regression where the results of this study reveal that poverty has a negative effect, economic growth and capital expenditure have a positive effect.<sup>29</sup> The second research was conducted by Ridwan Maulana and Prasetyo Ari Bowo (2013) who examined the relationship and influence of economic growth, education and technology on the human development index using panel data. The results obtained indicate that economic growth and education have a significant effect on HDI.<sup>30</sup> Subsequent research was written by Mita Pangestika and Edy Widodo (2017) who examined the relationship and influence of GRDP, poverty level, economic growth, local revenue, and capital expenditure on the Human Development Index (HDI). The results of this study indicate that GRDP has a positive and significant effect on HDI in Yogyakarta and the poverty level has a negative and significant effect on HDI in Yogyakarta. Meanwhile, other variables have no effect on HDI.<sup>31</sup> The last research was conducted by Dewi Azizah Meydiasari and Ady Soetojo (2017) who examined the relationship and influence of income distribution, unemployment rate, and government spending on HDI. By using panel data, the results of this study are that the distribution of government income and expenditure has a positive and insignificant effect on HDI. Meanwhile, the unemployment rate has a negative effect on HDI.<sup>32</sup>

Hypothesis testing :

H0:  $\beta_k = 0$  indicates that the variable x has no effect on Y

H1:  $\beta_k \neq 0$  indicates that the variable x affects Y

Decision: Reject H0 at the significance level  $\leq 5\%$

The hypotheses in this study are:

H1: There is an effect of poverty and economic growth on HDI

H2: Poverty has a significant effect on HDI

H3: Economic growth has a significant effect on HDI

### RESEARCH METHODS

**Population and Research Sample** The population and sample in this study were all districts and cities in Jambi Province. The sampling technique in this study was purposive sampling or sampling technique with certain considerations. The sampling criterion in this study is that the province has been registered as part of the state of Indonesia and has published regional reports published by the Central Statistics Agency (BPS) during the study year, 2014 - 2019. The results of purposive sampling show 11 districts / cities that meet the sample criteria in the study this. The data collection technique used in this research is through literature and documentation studies. Literature study is a data collection technique used to obtain information about theories and concepts related to the problem under study. Documentation in this study is used to obtain information or data related to research. Types of Data The type of data used in this study is secondary data consisting of data on poverty, economic growth, and the Human Development Index (HDI) in Jambi Province during the 2014-2019 period. Data obtained from data that has been published in several sources, namely the Central Bureau of Statistics and the website of the Ministry of Finance. Data Analysis Method The data analysis method used in this study was panel data regression analysis. Panel data is a combination of data across time (time series) and across

<sup>28</sup> Heny Urmila Dewi I Putu Arya Finkayana, "Analisis Pertumbuhan Ekonomi dan Indikator Impisit IPM Terhadap Jumlah Penduduk Miskin Di Propinsi Bali Tahun 2004-2013," *Jurnal Ekonomi Pembangunan Universitas Udayana* Vol.5, No. (t.t.): 7 Juli 2016 .h.877.

<sup>29</sup> D. S Mirza, "Pengaruh Kemiskinan, Pertumbuhan Ekonomi, Dan Belanja Modal Terhadap Indeks Pembangunan Manusia Di Jawa Tengah Tahun 2006-2009," . . *Economics Development Analysis Journal*, 2012.

<sup>30</sup> Maulana Bowo, P. A. R, "Pengaruh Pertumbuhan Ekonomi, Pendidikan Dan Teknologi Terhadap Ipm Provinsi Di Indonesia 2007-2011," *Jejak, Journal Economics and Policy*, 2013.

<sup>31</sup> Pangestika & Widodo, E M., "Analisis Regresi Panel terhadap Faktor-Faktor yang Mempengaruhi Indeks Pembangunan Manusia di Kabupaten/Kota D.I.Yogyakarta," . . *Seminar Nasional dan The 4th Call for Syariah Paper*, 2017.

<sup>32</sup> Meydiasari Soejoto, P. A D. A., "Analisis Pengaruh Distribusi Pendapatan, Tingkat Pengangguran, Dan Pengeluaran Pemerintah Sektor Pendidikan Terhadap IPM.," *Jurnal Pendidikan Ekonomi Manajemen Dan Keuangan* Vol. 01 No. 02 (November 2017).

individuals (cross section). The time series data in this study is the time period of the study, namely 6 years (2014-2019) and the cross-section data in this study is the HDI reports for each district and city in Jambi Province totaling 11 districts / cities. In this study, using the Eviews application and using the pool model in analyzing data. The pool model is actually panel data, except that each group is separated based on its object.<sup>33</sup> The model equation in general for panel data regression is as follows:

$$Y = \alpha_i + \beta_1 X_{1it} + \beta_2 X_{2it} + u_{it}$$

Information:

Y = Human Development Index (HDI)

X1 = Poverty

X2 = Economic Growth

Determine the method of estimating the model

a. Common Effect Model

Common Effect Model (CEM) is an approach that assumes that the intercept of all cross-section objects is the same, in other words, this method assumes that there is no difference for each individual in various time periods (time invariant).<sup>34</sup>

b. Fixed Effect Model

Fixed Effect Model (FEM) is an approach that assumes that there is an intercept between individuals but the coefficient (slope) of the independent variable remains the same between individuals or over time. In FEM, each individual cross section has its own intercept value.

c. Random Effect Model

The Random Effect Model (REM) will estimate panel data where the disturbance variables may be interrelated over time and between individuals. This model is also called the Error Component Model (ECM) or the Generalized Least Square (GLS) technique (Basuki & Yuliadi, 2015).<sup>36</sup> Selection of Estimation Model a. Chow test The chow test was conducted to select whether the better CEM or FEM approach was used for panel data regression.

Selection of Estimation Model

a. Chow test

The chow test was conducted to select whether the better CEM or FEM approach was used for panel data regression.<sup>35</sup> The hypothesis in the Chow test is as follows (0,05): H0: cross section prob value  $F > \alpha$  (0.05), CEM H1: cross section prob value  $F < \alpha$  (0.05), FEM

b. Hausman Test

The hausman test is conducted to select whether the FEM or REM approach is better used for panel data regression. The hypothesis in the Hausman test is as follows: H0: Chi-Square prob value  $> \alpha$  (0.05), REM H1: Chi-Square prob value  $< \alpha$  (0.05), FEM

c. Lagrange Multiplier Test

The Lagrange Multiplier test was conducted to select whether the CEM or REM approach was better used for panel data regression. The hypothesis in the lagrange multiplier test is as follows: H0: Breusch-Pagan prob value  $> \alpha$  (0.05), CEM. H1: Breusch-Pagan prob value  $< \alpha$  (0.05), REM.

**Classic assumption test**

Not all classical assumption tests must be performed on every linear regression model with the Ordinary Least Square (OLS) approach. Linearity test is not used because it is assumed that the model is linear. Basically, the normality test is not a requirement for the Best Linear Unbias Estimator (BLUE) and some opinions do not. The autocorrelation test only occurs in the time series, not on panel and cross section data. Multicollinearity test needs to be done on regressions that use more than one independent variable because the test aims to test whether a high or perfect correlation between independent variables is found in the regression model. Heteroscedaticity test usually occurs in cross section data, panel data is closer to the cross-section characteristic than time series. The heteroscedaticity test is used to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. Based on this description, this study only tested the multicollinearity test and heteroscedaticity test.<sup>36</sup>

Hypothesis testing

a. T test (partial)

The t statistical test basically shows how far the influence of one independent variable on the dependent variable by assuming the other independent variables are constant. The test can be done by comparing the prob t count with the alpha error rate (0.05). If the calculated prob t value is less than 0.05, it can be concluded that the independent variable has a significant effect on the dependent

<sup>33</sup> Winarno, W, *Analisis Ekonometrika dan Statistika dengan Eviews* (Yogyakarta: UPP STIM YKPN, 2015).

<sup>34</sup> Gujarati, N. D, "Dasar-Dasar Ekonometrika (Vol. Vol 5). (R. C. Mangunsong, Trans.) Jakarta: Salemba," 2012.

<sup>35</sup> Gujarati, N. D.

<sup>36</sup> Ghazali, I., *Aplikasi Analisis Multivariate dengan SPSS 21 Update PLS Regresi* (Semarang: Badan Penelitian Universitas Diponegoro., 2013).

variable, whereas if the calculated prob t value is greater than 0.05, it can be concluded that the independent variable has no significant effect on the dependent variable.

**b. F Test (Simultaneous)**

The F statistical test basically shows whether all the independent variables included in the model have a joint or simultaneous influence on the dependent variable. Testing can be done by comparing the calculated prob F value with the alpha error level (0.05). If the calculated prob F value is less than 0.05, it can be concluded that the regression model is estimated to be feasible, whereas if the calculated prob F value is greater than 0.05, it can be concluded that the estimated regression model is not feasible.

**c. Coefficient of Determination (R<sup>2</sup>)**

The coefficient of determination aims to measure how far the model's ability to explain the variation of the independent variables in research. The determinant coefficient value that is close to 1 means that the independent variables almost provide the information described to predict the dependent variables.<sup>37</sup>

**Description of Research Variables**

In this study, the dependent variable used is the Human Development Index (Y). Meanwhile, the independent variables are Poverty (X1) and Economic Growth (X2). The following are the results of descriptive statistical testing presented in table 1:

**Tabel 4: Statistik Deskriptif**

	X1	X2	Y
Mean	8.126212	5.389242	68.88455
Maximum	14.17000	9.060000	78.26000
Minimum	2.760000	1.870000	59.88000
Std. Dev.	2.939000	1.366662	3.716329
Observations	66	66	66

Source: Eviews 10 output result

Table 4 shows a summary of statistics which include the mean, maximum, minimum, and standard deviation of the data on Poverty (X1), Economic Growth (X2) and Human Development Index (Y). Poverty data (X1) has a maximum value of 14.17%, a minimum value of 2.76%, an average of 8.13%, and a standard deviation of 2.94. Economic Growth (X2) has a maximum value of 9.06%, a minimum value of 1.87%, an average of 5.39%, and a standard deviation of 1.37, and the Human Development Index (Y) data has a maximum value of 78.26%, the minimum value is 59.88%, the average is 68.88%, and the standard deviation is 3.72.

**RESULTS AND DISCUSSION**

**RESULT**

**Panel Data Regression Analysis**

This research technique uses panel data regression analysis using EViews 10 software. In this panel data analysis technique, there are methods that can be used, namely the common effect model, the fixed effect model and the random effect model.

**Panel Data Regression Model Selection**

To find out which model is suitable for this research, then the model testing will be carried out, namely the Chow Test (Likelihood Ratio) to determine the model used by the Common Effect or Fixed Effect and the Hausman Test to determine the Fixed Effect or Random Effect model to be used, and to confirm again. performed using the Lagrange Multiplier test to determine the Random Effect or Common Effect model.

**1. Chow Test (Likelihood Ratio)**

Based on the Fixed Effect model testing, the following test results are obtained:

**Table 5 : Chow Test Results**

Redundant Fixed Effects Tests  
Pool: POOL  
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	224.962672	(10,53)	0.0000
Cross-section Chi-square	248.919917	10	0.0000

Source: Eviews 10 output result

<sup>37</sup> Widarjono, A., *Ekonometrika Pengantar dan Aplikasi Eviews* (Yogyakarta: UPP STIMYKPN, 2013).

Based on table 5, it shows that the value for Prob. (p-value) Cross section F is 0.0000. Due to the Cross-section Probability (p-value)  $F < 0.05$ , then  $H_0$  is rejected, so the model used is the fixed effect. Due to the decision obtained was to use a fixed effect, so it was followed by the Hausman test.

**2. Hausman Test**

The Hausman Test is used to determine which fixed effect or random effect model to use. The decision-making criteria are if:

- a. Probability (p-value) Cross-section random  $\leq 0.05$  = fixed effect
- b. Probability (p-value) Cross-section random  $> 0.05$  = random effect

Based on the fixed effect test, the following test results are obtained:

**Table 6 : Hausman Test Results**

Correlated Random Effects - Hausman Test  
Pool: POOL  
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	11.135776	2	0.0038

Source: Eviews 10 output result

The Effect of Poverty (X1 Based on Table 6, shows a random cross-section probability (p-value) of 0.0038. Based on these data, it can be concluded that the fixed effect model is better than p.

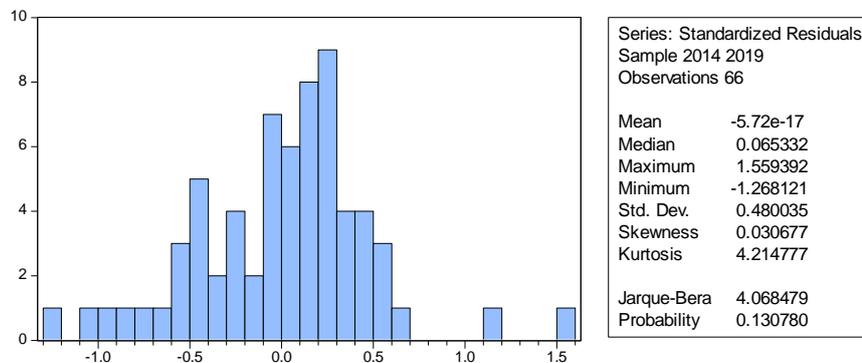
**Effect of Poverty (X1), Economic Growth (X2) on Human Development Index (Y)**

**Classic assumption test**

Before calculating the panel data regression, first the normality, heteroscedasticity, autocorrelation and multicollinearity tests were carried out, with the following results.

**a. Data Normality Testing**

Based on the data normality test, the following results were obtained:



Based on the results of the normality test above, it was found that the Jarque-Bera Normality test statistic was 4,068, with a probability value of 0.131. Based on this, it can be explained that the empirical model used has a residual or confounding factor that is normally distributed, because the probability value with  $\alpha = 5\%$  is  $0.131 > 0.05$ .

**b. Testing of Heteroscedasticity Problems**

In this research. Testing the heteroscedasticity problem used the Breusch-Pagan-Godfrey test with the following results.

**Table 7 : Breusch-Pagan-Godfrey Test Results**

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.972693	Prob. F(2,63)	0.3837
Obs*R-squared	1.976976	Prob. Chi-Square(2)	0.3721
Scaled explained SS	3.164671	Prob. Chi-Square(2)	0.2055

The probability of Obs\*R-squared is 0.372, this value is greater than 0.05 or  $0.372 > 0.05$  which indicates that there is no heteroscedasticity problem in the model.

**c. Testing Autocorrelation Problems**

To test the autocorrelation problem. conducted the Durbin-Watson test. This test is done by comparing the Durbin Watson statistical value and the Durbin-Watson table value. In the estimation results, the Durbin-Watson statistical value is 1.708726. With 66 observations and 2 independent variables, the dL value is 1.570 and dU is 1.632. The Durbin-Watson value is between the dU and 4-dU values or  $1.632 < 1.709 < 2.368$ , so it can be concluded that there is no autocorrelation problem in the model.

**d. Multicollinearity Problem Testing**

In this research. multicollinearity problem testing was tested by looking at the VIF value, with the following results.

**Table 8 : Multicollinearity Test Results**

Variance Inflation Factors  
Date: 01/05/21 Time: 17:42  
Sample: 1 66  
Included observations: 66

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	6.448442	41.20333	NA
X1	0.022444	10.69019	1.219978
X2	0.103797	20.48262	1.219978

Source : Eviews 10 output result

The table shows that all variables have a VIF value below 10. So it can be concluded that the model does not have a multicollinearity problem.

**Panel Data Multiple Regression Equation**

Following are the results of the estimation of the effect of poverty (X1) and Economic Growth (X2) on the Human Development Index (Y).

**Table 9 : Estimation Results**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	83.07081	1.148696	72.31751	0.0000
X1?	-1.423086	0.134642	-10.56941	0.0000
X2?	-0.486518	0.060498	-8.041854	0.0000
Fixed Effects (Cross)				
_KERINCI--C	0.329732			
_MERANGIN--C	0.850972			
_SAROLANGUN--C	1.142620			
_BATANGHARI--C	2.961334			
_MUARA_JAMBI--C	-6.705958			
_TJ_TIMUR--C	-0.997055			
_TJ_BARAT--C	1.648164			
_TEBO--C	-2.613695			
_BUNGO--C	-3.532403			
_KOTA_JAMBI--C	8.803057			
_KS_PENUH--C	-1.886768			

Source : Eviews 10 output result

Based on table 9, it can be seen that the value of the coefficient constant, so that it can be formed in the panel data regression equation as follows:

$$Y = 83.07081 - 1.423086 X1 - 0.486518 X2$$

The equation above can be interpreted as follows:

- $\alpha$  is 83.07081 which means that if Poverty (X1), Economic Growth (X2) is zero, then the Human Development Index (Y) will be worth 83.07081 units.
- The regression coefficient for the Poverty variable (X1) is -1.423086, which means that if there is a change in the increase in Poverty (X1) by 1 unit (assuming other variables are constant), the Human Development Index (Y) will decrease by 1.423086 units.
- The regression coefficient of the Economic Growth variable (X2) is -0.486518, which means that if there is a change in the increase in Economic Growth (X2) by 1 unit (assuming other variables are constant), the Human Development Index (Y) will decrease by 0.486518 units.

Hypothesis test

### Simultaneous Influence

The provision of simultaneous test decision making is if the value of F count > F table or prob. (p-value) < 0.05 (5% significance level), then H0 is rejected, which means that the independent variable has a significant effect on the dependent variable simultaneously. However, if the value of F count < F table or prob. (p-value) > 0.05 (5% significance level), then H0 is accepted, which means that the independent variable does not have a significant effect on the dependent variable simultaneously. The following are the simultaneous test results:

**Table 10 :Result of Simultaneous Influence**

R-squared	0.983315	Mean dependent var	68.88455
Adjusted R-squared	0.979538	S.D. dependent var	3.716329
S.E. of regression	0.531608	Akaike info criterion	1.748757
Sum squared resid	14.97819	Schwarz criterion	2.180052
Log likelihood	-44.70897	Hannan-Quinn criter.	1.919182
F-statistic	260.2974	Durbin-Watson stat	1.708726
Prob(F-statistic)	0.000000		

Based on table 10, it is found that the prob. (F-statistic) of 0.000000 < 0.05; then H0 is rejected, which means that simultaneously Poverty (X1) and Economic Growth (X2) simultaneously have a significant effect on the Human Development Index (Y).

### Partial Influence

Here are the partial test results:

**Table 11 : Partial Influence Results**

Variabel	Sig.	Alpha	t hitung	t tabel	Kriteria Signifikansi
X1	0,000	0,05	-10,569	1,969	Signifikan
X2	0,000	0,05	-8,042	1,969	Signifikan

Source : Eviews 10 output result

**Based on table 11, it can be concluded that:**

#### 1. Hypothesis 1

The tcount of poverty variable (X1) is -10.569 with a p-value of 0.0000. Due to the value of t count > t table or -10.569 > -1.969 or prob. (p-value) < 0.05 (5% significance level) or 0.0000 < 0.05, then H0 is rejected and the conclusion is that poverty (X1) affects the Human Development Index (Y).

#### 2. Hypothesis 2

The tcount value of the Economic Growth variable (X2) is -8.042 with a p-value of 0.0000. Due to the value of t count > t table or -8.042 > -1.969 or prob. (p-value) < 0.05 (5% significance level) or 0.0000 < 0.05, then H0 is rejected and the conclusion is that Economic Growth (X2) affects the Human Development Index (Y).

### Coefficient of Determination (R<sup>2</sup>)

This test is also useful for measuring the goodness and correctness of the relationship between variables in the model used. R<sup>2</sup> values range between zero and one. Getting closer to one, the closer the relationship between the independent and dependent variables. Conversely, if R<sup>2</sup> gets closer to zero, the further the relationship between the independent and dependent variables. The following is the result of calculating the R<sup>2</sup> value.

**Table 12: Coefficient of Determination**

R-squared	0.983315	Mean dependent var	68.88455
Adjusted R-squared	0.979538	S.D. dependent var	3.716329
S.E. of regression	0.531608	Akaike info criterion	1.748757
Sum squared resid	14.97819	Schwarz criterion	2.180052
Log likelihood	-44.70897	Hannan-Quinn criter.	1.919182
F-statistic	260.2974	Durbin-Watson stat	1.708726
Prob(F-statistic)	0.000000		

Source : Eviews 10 output result

Based on table 12, it can be seen that the coefficient of determination R<sup>2</sup> is 0.983315 or 98.33%. This shows that Poverty (X<sub>1</sub>) and Economic Growth (X<sub>2</sub>) have an effect on the Human Development Index (Y) with an effect of 98.33%, while the remaining 1.67% is explained by other variables outside of research.

### DISCUSSION

Based on the results of the data processing above, it can be seen together that the dependent variables, namely the poverty variable and economic growth, have a significant effect on the independent variable HDI. The results of regression partially all dependent variables have an effect on the independent variable. The first dependent variable that is partially tested is the poverty variable. The results of the tests conducted show that poverty has a significant effect on the Human Development Index. These results are in accordance with the research hypothesis that poverty affects the Human Development Index (HDI). The results of this study are also in line with the results of previous research conducted by Mirza (2012) which showed that poverty has a significant effect on the increase or decrease in the Human Development Index. This result is also in line with the research of Pangestika and Widodo (2017) that poverty has an influence on the Human Development Index.

The dependent variable of economic growth has a significant effect on the Human Development Index (HDI) variable. This is in accordance with the results of previous research conducted by Pangestika and Widodo (2017). Economic growth that has a significant effect on HDI shows that economic growth has reached all sectors, especially the education and health sectors, where according to UNDP these two sectors are important in human development so that economic growth can affect the increase in the Human Development Index in Indonesia (HDI). This is not in line with Rahayu's research (2019) where economic growth does not always guarantee that it can improve welfare because according to Mahsury, economic growth according to Islam is multi-dimensional, which includes both quantitative and qualitative aspects. The goal is not only the material welfare of the world, but also the welfare of the hereafter as described in the Al-Qur'an Surat An-Nisaa (4) verse 9:

Meaning: And should fear Allah those who in case leave behind them weak children, whom they worry about (their welfare). therefore, let them fear Allah and let them speak the right words. This verse explains that humans must think about their welfare both in this world and in the hereafter, where to achieve a prosperous life in this world and in the hereafter is to obey Allah SWT.

### CONCLUSION

Based on the research results, it can be concluded that poverty has a significant effect on HDI in the research year. This is in accordance with Islamic teachings that poverty can affect human resources because poor people will not think about education and health because they only think about how to meet their daily needs. Economic growth that has a significant effect on HDI shows that economic growth reaches all sectors. Economic growth according to Islam is multi-dimensional which includes both quantitative and qualitative aspects which are not only material welfare of the world, but also the welfare of the hereafter. This welfare can be seen from the allocation of government spending to prosper the people in a country. The government as a regulator must be wise in making decisions that support the interests of the people as a whole in order to create a prosperous society.

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