

# The Effect Of Maqasid-Based Development Variables On Economic Growth Based On Umer Chapra's Perspective (Case Study: Nine Selected OIC Countries)

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## ABSTRACT

**Objectives:** Human Development Index (HDI) has multidimensional aspects of life. In fact, HDI measures only physical aspects that are needed by human such as education, health and wealth. Accordingly, discussing on human must cover material, physical and spiritual aspects. Maqāṣid is needed as a *wasilah* (medium) to promote the benefit of human (*maslahat*), which contains of *daruriyyat*, *hajjiyat* and *tahsiniyat*. By then, this study aims to analyze maqāṣid based development variables of Umer Chapra perspective on economic growth in 9 selected OIC member countries.

**Method:** The methodology of the study used mixed methods: qualitative and quantitative. The quantitative applies panel data regression analysis with 9 selected OIC countries (Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Mesir, Pakistan, Togo, Turkey and Uzbekistan) with time series from 2004 to 2013. For qualitative applies content analysis approach by using *tafsir* of Ibnu Katsir.

**Results:** The finding shows that all independent variables, which are literacy rate, enrollment of school, poverty rate, gini index, life expectancy at birth, rule of law and voice accountability have significant effect on economic growth in 9 selected OIC member countries, both simultaneously and individually.

**Conclusion:** This study concludes that HDI which is bounded by maqāṣid approach affects on increasing of economic growth in 9 of OIC member countries significantly.

Keywords: Human Development, Maqāṣid Variables of Umer Chapra, Economic Growth, OIC.

## ABSTRAK

**Tujuan:** Pembangunan Manusia memiliki aspek kehidupan yang multi dimensional. Faktanya, IPM hanya mengukur secara spesifik kebutuhan manusia seperti pendidikan, kesehatan, dan kekayaan (pendapatan). Padahal pembangunan manusia memerlukan aspek material, fisik (nonmaterial), dan spiritual. *Maqāṣid* diperlukan sebagai sebuah *wasilah* untuk mencegah manusiadari kemungkar dan mencapai kemashlahatan, yang terdiri dari *daruriyyat*, *hajjiyat* and *tahsiniyat*. Makadari itu, penelitian ini bertujuan untuk menganalisis peranan variabel *maqāṣid based development* Umer Chapra terhadap pertumbuhan ekonomi di 9 Negara anggota OKI.

**Metodologi:** Metodologi penelitian menggunakan metode analisis campuran: kualitatif dan kuantitatif. Pendekatan analisis kuantitatif menggunakan regresi data panel dengan 9 Negara anggota OKI (Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Mesir, Pakistan, Togo, Turkey and Uzbekistan) dan kurun waktu (*time series*) dari 2004- 2013. Untuk pendekatan analisis kualitatif menggunakan analisis konten (*isi*) menggunakan *Tafsir* Ibnu Katsir.

**Hasil:** Hasil penelitian menunjukkan semua variable independen yaitu angka melek huruf, angka partisipasi kasar sekolah, tingkat kemiskinan, indeks gini, angka harapan hidup, peraturan hukum dan hak kebebasan bersuara dan akuntabilitas berpengaruh signifikan terhadap pertumbuhan ekonomi di 9 Negara anggota OKI secara simultan (serempak) dan parsial.

**Kesimpulan:** penelitian ini menyimpulkan bahwa IPM yang dikaitkan dengan pendekatan aspek *maqāṣid* berpengaruh signifikan terhadap peningkatan pertumbuhan ekonomi di 9 Negara anggota OKI tersebut.

Kata Kunci: Pembangunan Manusia, Variabel *Maqāṣid* Umer Chapra, Pertumbuhan Ekonomi, OKI.

## 1. Introduction

### 1.1. Background of the Study

Development of a country cannot be separated from human development (Chapra: 2008). Humans are the most important subjects that serve as vicegerent of Allah to mobilize and manage the natural resources of the earth (Al-Baqarah: 30). In managing this natural resource, it requires human development and morality aspect. By assumption that a high human development can enhance the economic development of a country, finally will achieve the ultimate goal that is well-being of a country reflected in the increase of economic growth as well as equity.

At this time, some studies suggest that indicators of human development are seen from the increase in income and wealth (material) of a country. Unfortunately, those studies do not include a variety of human development, spiritual and non-material aspects as the indicator of human development (Chapra: 2008). As mentioned by Todaro and Smith (2012) and UNDP (1990) that indicators used in measuring human development index are generally viewed from three aspects, namely the level of health, education and living standards. As for the level of health and longer life measured by life expectancy level, education is measured from the level of literacy and gross enrollment rates, and standard of living as measured by GDP per capita.

The three indicators above can measure the human development aspects in each country. Table 1.1 indicates the development of HDI of nine selected Muslim countries as follows:

**Table. 1.1. HDI 9 OIC Countries Years 1980-2011**

COUNTRIES	HUMAN DEVELOPMENT INDEX									GROUPS
	1980	1990	2000	2005	2008	2010	2011	2012	2013	
Turkey	0.496	0.576	0.653	0.687	0.710	0.738	0.752	0.756	0.759	<i>High Human Development</i>
Kazakhstan	..	0.686	0.679	0.734	0.744	0.747	0.75	0.755	0.757	<i>High Human Development</i>
Jordan	0.587	0.622	0.705	0.733	0.746	0.744	0.744	0.744	0.745	<i>High Human Development</i>
Indonesia	0.471	0.528	0.609	0.640	0.654	0.671	0.678	0.681	0.684	<i>Medium Human Development</i>
Egypt	0.452	0.546	0.621	0.645	0.667	0.678	0.679	0.681	0.682	<i>Medium Human Development</i>
Uzbekistan	..	..	...	0.626	0.643	0.648	0.653	0.657	0.661	<i>Medium Human Development</i>
Kyrgyzstan	...	0.607	0.586	0.605	0.617	0.614	0.618	0.621	0.628	<i>Medium Human Development</i>
Pakistan	0.356	0.402	0.454	0.504	0.536	0.526	0.531	0.535	0.537	<i>Low Human Development</i>
Togo	0.405	0.404	0.430	0.442	0.447	0.460	0.467	0.470	0.473	<i>Low Human Development</i>

Source: United Nations Development Programme (UNDP)

According to Ranis et. al (2000: 198), human development as the central objective of human activity and economic growth as potentially a very important instrument for advancing it. The relationship between human development and economic growth can be examined by distinct causal chains: one runs from economic growth to human development as the resources from national income are allocated to activities contributing to HD; the other runs from HD to EG, indicating how, in addition to being an end in itself, HD helps increase national income (Ibid: 198). However, the relationship of both chains cannot occur automatically (Ranis et. al: 2000 and Spence: 2009).

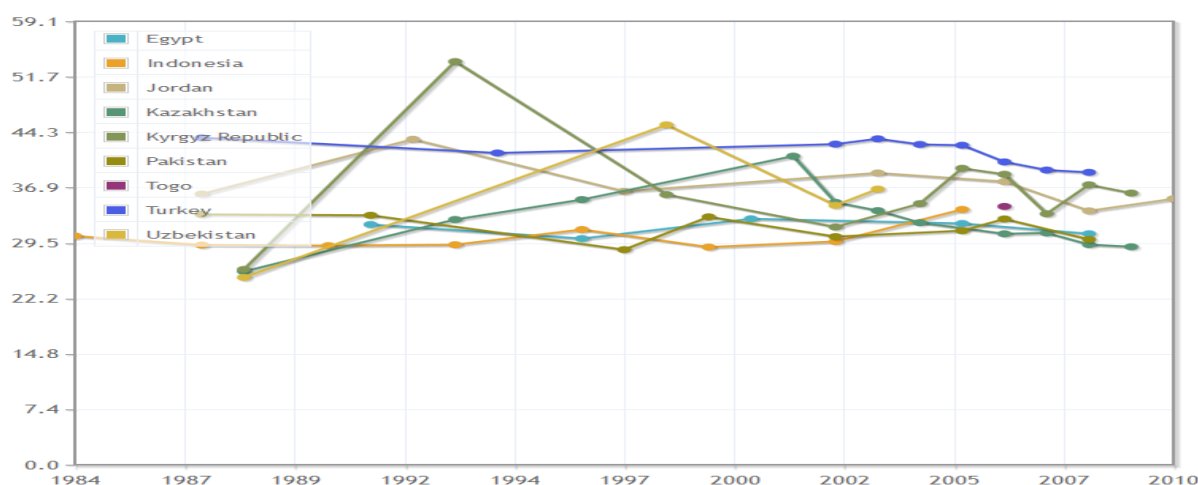
From economic growth side, GNP contributes to human development mainly through household and government activity; civil society, e.g., through community organizations and other non-governmental organizations (NGOs), also plays a role (Ibid: 198). It supported by the study of Mehrara and Musay (2011) that state higher economic growth that leads to higher human capital proxied by enrolment ratio in all levels of education (including tertiary, secondary and primary education measured as the percentage of the working age population) as well as public expenditures on education relative to total public expenditures.

On the other hands, higher levels of HD, in addition to being an end in themselves, affect the economy through enhancing people's capabilities and consequently their creativity and productivity by providing well education and improving health and nutrition (Ranis et.al, 2000: 201). By then, there is strong relationship between human development and economic growth by identifying the direction policy might take to strengthen such links.

Deneulin and Alkire (2009) and UNDP (1990) argued that the measurement of the Human Development Index (HDI) has the limitation that only focuses on three dimensions, life expectancy, education and standard of living. This is the weakness of HDI that cannot measure all aspects of human development in a country comprehensively. In line with that, Mustapha and Hassan (2012) stated that if the material aspect is only used as a basic measure of human

welfare, it has not been able to represent the measurement of human well-being. Material accumulation are not able to influence human welfare and advancement of civilization. A human well-being and civilization can be achieved only through a multidimensional approach of human life.

In addition, Guiga and Rejeb (2012) stated that in measuring human development of a country, it is required a comprehensive measurement, not only the material aspect reflected by the high economic growth and development but also justice and equity. *Maqāṣid Shari'ah* can be used as measurement of human development because it covers all important aspects of life that contain of protecting religion, self, intellect, posterity, and wealth.



**Figure 1 Comparison of Gini index 9 of OIC Countries Years 1984-2010**

Source: Mundi Index

From the above chart, it can be concluded that the unequal distribution of income during the years 1984-2010 tends to vary, there is high inequality countries classified as Kyrgyzstan State because ( $> 0.5$ ). Some countries have inequality moderate ( $0.3 - 0.5$ ) such as Uzbekistan, Egypt, Pakistan, Togo, Indonesia, Jordan and Turkey. Countries whose inequality is low ( $<0.3$ ) are such as Kazakhstan State (Rahardja and Manurung: 2005).

Islam regards human development must include material, non-material and spiritual aspects, which can be reflected by the concept of *maqāṣid Shari'ah*. *Maqāṣid* has three levels, namely

*darūriyāh*, *hājīyāh*, and *tahsiniyāh*. In general, the level of *darūriyāh* according to Al Ghazali (in Chapra, 2008), Amin et al (2012) and Esen (T.th) said that there are five (5) important aspects that need to be maintained, namely protecting religion (*ad-Dīn*), self (*nafs*), intellect (*aql*), posterity (*nasl*) and wealth (*māl*).

Amin et al (2012) said there are many Muslim scholars have been discussed and developed a concept of *maqāṣid* namely Al Juwayni, Al Ghazali, Al-Syatibi, Ibn ‘Asyur, and Ibn Taymiyyah. According to Chapra (2008) measurement of human development cannot be separated from his human role itself. Because improvement of human quality is required for the fulfillment of human needs that can improve human development, as Chapra (2008) divides it into 14 elements in human development needs. Therefore, the aspect of self (*nafs*) became the main object of the fifth aspect of *maqāṣid* in general. The study will examine the effect of Maqāṣid -Based Development Variables on economic growth in 9 selected countries of Organization of Islamic Cooperation (OIC), namely Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Egypt, Pakistan, Togo, Turkey and Uzbekistan by using *maqāṣid* approach of Umer Chapra with panel data (quantitative method) and Tafsir Ibnu Katsir (qualitative method).

## **2. Methodology**

### **2.1. Types and Sources of Data**

Data used in the study is secondary data that employ the time series data (time series) for the period 2004 to 2013 and cross section data (panel data) of 9 selected of the OIC member countries, namely Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Egypt, Pakistan, Togo, Turkey and Uzbekistan.

In general, the data were got from the United Nations Development Programme (UNDP), the World Bank, Mundi Index, the Worldwide Governance Indicators (WGI), the Central Bureau of Statistics (BPS), and the Organization of Islamic Cooperation (OIC). The other data were collected from sources such as scientific journal, literature studies, thesis, and reference books

related to the theme of this study. Additionally, in this study uses content analysis as a descriptive element *maqāṣid* based development variable of Umer Chapra's perspective using Tafsir Ibnu Katsir. The computer programs used were Stata 12 and Ms. Excel.

## 2.2. Sampling Method

The sampling method was done by using purposive sampling. The method is part of a non-probability sampling technique where each element of the population does not have the same probability of being sampled. Purposive sampling technique is used to select the sample based on groups of human development of each country were used as research. From 57 OIC member countries, it is selected 9 of OIC member states representing each group of human development.

As for the category of high human development sampled in this study amounted to three countries, namely Jordan, Kazakhstan and Turkey from a total of 13 countries due to these three countries can represent a group of high human development, it is based on data from the World Bank which explains that the average GDP per capita growth of the three countries was 3.13 percent higher during 1990 to 2013 compared with the average growth of GDP per capita of total all thirteen countries of high human development group amounted to 2.92 percent during 1990 to 2013.

Medium human development category amounted to 4 countries, namely Indonesia, Egypt, Kyrgyzstan and Uzbekistan from a total of 13 countries due to the four countries can represent a group of medium human development, it is based on data from the World Bank which explains that the average growth in GDP per capita of the four countries was higher by 2.4 percent during 1990 to 2013 compared with the average growth of GDP per capita of total all thirteen medium human development group of countries by 2.1 per cent during 1990 to 2013.

Low human development category amounted to 2 countries, namely Pakistan and Togo from a total of 24 countries due to the two countries can represent a group of low human development, it is based on data from the World Bank which explains that the average growth in GDP per

capita in these two countries amounted to 1 percent during 1990 to 2013 compared with the average growth of GDP per capita of a total of 24 low human development group of countries of 1.26 percent during 1990 to 2013 (UNDP: 2012). In addition, the ninth of OIC countries can represent other OIC countries in terms of the distribution of the region's largest countries such as Asia Pacific, Europe Middle East and Sub-Saharan Africa.

### 2.3. Maqāṣid-Based Development Variable of Umer Chapra's Perspective

*Maqāṣid*-Based Development Variable of Umer Chapra's Perspective has fourteen human needs. Chapra (2008) said that the primary objective of strengthening the human self and ensure a sustained well-being, consist of 14 things as follows: (1) dignity, self-respect, brotherhood, and social equality, (2) justice, (3) the spiritual and moral uplift, (4) security of life, property and honor, (5) freedom, (6) education, (7) good governance, (8) revomal of poverty and need fulfillment, (9) employment and self-employment opportunities, (10) equitable distribution of income and wealth, (11) marriage and stable family life, (12) family and social solidarity, (13) minimization of crime and anomie, (14) the mental peace and happiness. With the fulfilment of these 14 corollaries, the four primary objective of Shari'ah, that is faith (*Din*), intellect (*aql*), posterity (*nasl*), and wealth (*māl*) could be ensured, and eventually entail with human well-being, the *falah*.

### 2.4. Specifications of Empirical Model

This study uses panel data to look an effect of maqāṣid-Based Development variables Umer Chapra's perspective on economic growth, namely the effect of variable literacy rate, enrollment of school, poverty, gini, life expectancy, rule of law, and voice and accountability to variable economic growth, study cases of OIC member states which form the model equation as follows:

$$gdp_{it} = \alpha_0 + \alpha_1 lr_{it} + \alpha_2 eos_{it} + \alpha_3 pov_{it} + \alpha_4 gini_{it} + \alpha_5 birth_{it} + \alpha_6 rol_{it} + \alpha_7 va_{it} + \mu_{it}$$

Which:

GDP = GDP per capita (economic growth)

LR = Literacy Rate (hifdzul al aql)

EOS = Gross Enrolment School (hifdzul al aql)

Pov = Poverty Level (hifdzul al nafs)

Gini = Gini Index (hifdzul al māl)

Birth = Life Expectancy (hifdzul al nasl)

RoL = Rule of Law (hifdzul al nafs)

VA = Voice and Accountability (hifdzul al nafs)

$\alpha_0$  = intercept

$\alpha_1 \alpha_2 \alpha_3, \dots, \alpha_7$  = Regression coefficient of independent variable

$\mu_{it}$  = Component error at time t for a unit cross section i

i = 1, 2, 3, ....., 9 (cross section data, 9 Countries OIC)

t = 1, 2, 3, ....., 10 (time series data, years 2004-2013)

The above equation shows the variables used in this study to see the effect of *maqāṣid* based development variable Umer Chapra's perspectives on economic growth. The religious aspect (*hifdzul ad-dīn*) binding and is attached to the other four *maqāṣid* aspects (Chapra: 2008) and (ISRA: 2012).

#### 2.4.1. Analysis Procedures

As for an explanation of the selection criteria for a good model that consists of three tests as follows (Wooldridge, 2010 and Pindyck and Rubinfeld, 1998):

##### 1. Chow Test

Chow test is testing to choose the model used Pooled Least Square or Fixed Effect

$H_0$ : Pooled Least Square (PLS)

$H_1$  = Fixed Effect Model (FEM)

##### 2. Hausman Test

This test is used to consider in choosing random effects models or fixed effect model.

$H_0$ : Fixed Effect Model (FEM)



$H_1 =$  Random Effect Model (REM)

### 3. LM Test

Lagrange Multiplier test called the Breusch- Pagan LM test is used as statistical considerations in choosing a Random Effect Model or Pooled Least Square.

$H_0$ : Pooled Least Square (PLS)

$H_1 =$  Random Effect Model (REM)

#### 2.4.2. Significance Test:

##### 1. Coefficient of determination ( $R^2$ )

$R^2$  is small or close to zero, meaning the independent variables in a model equation not able to explain the variation dependent variable, while  $R^2$  is big or close to one point, meaning the independent variables in a model equation able to explain the variation dependent variable (Gujarati: 1978: 98).

##### 2. F Statistic and t Statistic Test

Gujarati (2006) t statistical test or partial test basically shows how far the influence of the independent variables individually in explaining the variation of the dependent variable and used to look at individual parameters of each independent variable. While the F test is basically intended to prove statistically that all independent variables affect the dependent variable simultaneously.

#### 2.4.3. Testing Assumptions Classical

##### 1. Heteros Test

In this test, aimed to test whether the regression model occurs inequality in variants of the residual in one other observation to observation (Ghozali: 2005).

##### 2. Autocorrelation Test

Aims to test whether the linear regression model is no correlation between errors in the period of time or space with error in time or space before (Ghozali: 2005).

### 3. Multicollinearity Test

Aims to test whether the regression model found a correlation between independent variables (Ghozali: 2005).

### 4. Normality Test

Aims to see whether error terms in regression model have a normal distribution or not (Ghozali: 2005).

### 2.5. Content Analysis

According to Karlinger (in Murjaya and Aly, 2010) stated that the content analysis is a method of study and analysis of data based systematically and objectively. Then the content analysis can be useful in examining trends and patterns that can be explained in a document (Stemler: 2001). Methods in this study aims to analyze the urgency in human development indicators associated with Maqāṣid Based Development Variable Umer Chapra's perspective contained in Al-Qur'ān.

### 2.6. Research Hypothesis

Based on theoretical and empirical studies that have been done in previous research, hypothesis ( $H_0$ ) of each variable is used as follows:

1. Variable literacy rate has a positive effect on economic growth.
2. Variable gross enrollment rate of school has a positive effect on economic growth.
3. Variable level of poverty has a negative effect on economic growth.
4. Variable Gini index has a negative effect on economic growth.
5. Variable life expectancy has a positive effect on economic growth.
6. Variable rule of law (RoL) has a positive effect on economic growth.
7. Variable voice accountability has a positive effect on economic growth.

### 3. Results And Discussion

#### 3.1. Maqāṣid Based Development Variable Chapra Using Tafsir Ibn Katsir

Based on tafsir Ibn Katsir, fourteen elements of *Maqāṣid*-Based development variables of Umer Chapra's Perspective will be elaborated in detail comprehensive explanation on each variables as follows:

##### 3.1.1. The Role of Dignity, Self-Respect, Brotherhood, and Social Equality (Q.S. Al-Hujurat (49): 13)

Chapra (2008) described the role of dignity, self-respect, brotherhood, and social equality are necessary element in supporting human development in the country. Man was created as vicegerence of Allah on this earth as responsible to worship Allah and prosper the earth as trust from Him. To prosper the earth, Man needs mutual respect, honor, brotherhood and social equality. In Islam, all humans are equal and mutually brothers to each other, but only degree of human devotion (*taqwa*) can distinguish man among others. Thus, the important of peace and implementation of tolerance among men their lives in mutual help can encourage the creation of welfare (*Falāh*). This can be achieved through the use of resources in an efficient and equitable distribution of access to resources. By then, it will affect the fulfillment of human need and increase level of productivity among society.

Therefore, all people are the descendants of `Adam and Hawwa' and share this honor equally. The only difference between them is in the religion that revolves around their obedience to Allah the Exalted and their following of His Messenger. After He forbade backbiting and belittling other people, alerting mankind that they are all equal in their humanity.

In Tafsir Ibnu Katsir mentioned that Allah commands the people to have faith in Him and to His Messenger are perfect, continuous, full of determination, and forever. In addition, Allah commands people to expend their money in way of Allah. If it does not comply then Allah will make the calculations and torture them. Whoever is faithful and expend of wealth in way Allah,

and soon will receive a great reward from Allah SWT. It is a form of motivation for people to faith (Alu Syaikh: 2008: 365- 368).

### 3.1.2. The Role of Justice (Q.S. An-Nahl (16): 90)

Chapra (2008) explained that justice is important in improving a development, both social and economic justice. As long as there is no justice then there will not be peace, but otherwise can lead to misery and destruction.

Ibnu Katsir explained, Allah states that He commanded his servants to be fair, the mid and balanced. And Allah ordered to do a goodness. *Al-Ihsan* meaning that when the heart is better than outward. As well as Sa'id ibn Qatada has said that there was not a good character who formerly done by Jahillyah and they saw it as a good deed, but God Almighty advise it. And not a bad character was formerly they view as shame among themselves but God forbid. It is mainly that Allah forbids mankind to have a bad character and despicable. And should he advocated to connect each other.

God forbid of indecency and to do badness (*munkar*). The purpose of the *fahsya* are things that are forbidden, and *munkar* is everything that is displayed on the case is unclean by the culprit. God forbid man to hostile with others. In a hadist mentioned "There is no sin any more entitled to Allah to hasten the torment of the (culprit) it in this world, in addition to the torture provided for the culprit in the hereafter, besides the hostility and decided connection each other" (Ad-Dimasyqi: 2003: 237- 244).

### 3.1.3. The Role of Spiritual and Moral Uplift (Q.S. Al-Mu'minun (23): 1-11)

Chapra (2008) explained that in improving human development, it is necessary to spiritual and moral role. In realizing the vision of Islam that is Falah, it is necessary to fulfill the spiritual aspects that can keep the faith and moral man.

In his Tafsir, Ibn Kathir explained that Allah says "Successful indeed are the believers (mukmin)," (Q.S. Al- Mu'minun: 1). Intent of the verse that they have got the victory, happiness, and good fortune. Those that are included in those believers who have properties as

contained in the following verses, namely; “those who humility (khusyu’) 'in prayer,” (Q.S. Al-Mu’minun (23): 2). Ali bin Abi Talhah narrated from Ibn 'Abbas about the intentions of those who humility' that is, those who fear and full of tranquility. As Ali bin Abi Talib, the intention of humility 'here is khusyu' in heart. Humility 'in prayer can only be done by people who concentrate in love with Him while forgetting the various activities in addition to prayer, and prayer priority over other activities. As sabda of the Prophet Muhammad SAW are narrated by Imam Ahmad and Nasa'i, from Anas, he said: "Given me a love of women and perfume, and prayer serve as practice for me the most enjoyable." (HR. Ahmad and an- Nasa'i) (Alu Syaikh: 2008: 256-257).

Then Allah says, “and those who abstain from (deeds and sayings) are useless (Q.S. Al-Mu’minun (23): 3)”, that of falsehood (bathil) which includes idolatry (musyrik) and immorality, and the words and deeds are not provide benefits and rewards. Qatada said: "By Allah! Allah commands that go to stop them from things that are useless." (Alu Syaikh: 2008: 257). Then Allah says "And those who perform Zakah." (Q.S. Al- Mu’minun (23): 4). In other verse, Allah says “successful indeed are those who purify the soul, and actually lost the person who pollute.” (Q.S. Asy-Syams (91): 9 - 10).

Then Allah says "and those who keeping his cock, except for their wives or slaves at their disposal; then indeed they are in this case there is no blame" (Q.S. Al-Mu’minun (23): 5- 7). Ibnu Katsir explained about people who keep their genitals from the unlawful as adultery or *liwat* (homosexual), and they do not approach the (sex) except with their wives who have been permitted by God or their slaves, then they are not blameworthy. And God said, whoever is looking behind it, that is, besides their wives and slaves, then they are the transgressors (Alu Syaikh: 2008: 258).

"And those who maintain mandates and his promises." (Q.S. Al-Mu’minun (23): 8). Described in Tafsir Ibnu Katsir, the purpose of this verse are those who can hold the mandate and not betray, but they fulfilled the entitled. When promises are always kept, and not like hypocrites (Alu Syaikh: 2008: 258). "And those who keep their prayers." (Q.S. Al-Mu’minun (23): 9). In

Tafsir Ibnu Katsir explained the purpose of this verse are those who constantly pray on time, as Ibn Mas'ud said, I asked the Prophet, "Messenger of Allah, is the most preferred deeds of God?" He replied: "Prayers on time." Then what else? He replied: "Devoted to both parents", then what else? He replied: Jihad in the way of Allah (HR. Bukhari and Muslim) (Alu Syaikh: 2008: 258-259). Furthermore, Allah characterize the believers (*mu'min*) with nature commendable and noble deeds, as He says "They are the people who will inherit the Firdaus Heaven. They will abide therein. "(Surah Al-Muminun (23): 10- 11) (Alu Syaikh: 2008: 260).

#### 3.1.4. The Role of Security of Life, Property and Honor (Q.S. Al- Maidah (5): 32) and (Q.S. An-Nisa (4): 29)

Chapra (2008), in support of human development, it requires a security role, property and honor. Mentioned that Islam appreciates and respects a life and brotherhood. Thus it is necessary for the protection of Human Rights.

Allah SWT says "that whoever killed a human being, not because people were (kill) another person, or for causing corruption in the earth, it is as if he has killed all mankind. And he who saved a life, it is as if he saved the life of all human beings ". (Q.S. Al-Maidah (5): 32). In tafsir Ibnu Katsir explained, Ibn Abbas said whoever killed a human without cause as Qisas or make mischief in the earth, and justifies killing the soul of someone without cause and sin, then likened, he killed all mankind. For Allah there is no difference between one souls to another. And those who take care of the entire human is safe from him based on these considerations. The intention of maintaining here that does not kill the soul which is forbidden by Allah to kill him and believe it is forbidden by Allah (Ad- Dimasyqi: 2001: 388- 396).

Besides, Allah says "Hi people who believe, do not eat neighbor's property each other by bathil, except with the prevailing commercial street with the same love (ridha) among you. And do not kill yourselves; Allah is Merciful to you." (Q.S. An-Nisa (4): 29). Ibnu Katsir explained that Allah forbids His servants who believe, consuming most of their property over others in a way

that is false or to do business that is not in accordance Shari'ah as usury, gambling and other types of businesses that contain deceit and deception. Ibn Abu Hatim said he had told us Ibnul Fudail, from Daud Al-Aidi, from Amir, from Alqamah, from Abdullah in connection with this verse, this verse is *muhkamah*<sup>1</sup>, not in-*mansukh* and will not be *mansukh* until hereafter (Ad-Dimasyqi: 2001: 37- 38). Do not you run a business that lead to acts that are forbidden, but trade according to regulations approved by the Shari'ah, namely trade conducted as they liked between the buyers and the sellers; and seek profits in a way that is recognized by the Shari'ah. And do not you doing things that are forbidden of God and commit immoral acts against Him and not allowed to consume people's wealth by false. Besides, the intent of the verse that "you do not kill yourselves" (Ad- Dimasyqi: 2001: 41-43).

#### 3.1.5. The Role of Freedom (Q.S. An-Najm (53): 39)

Chapra (2008), in promoting human development, freedom is necessary. This is due to increase the initiative and creativity and innovation. Islam gives spaciousness for it does not conflict with the principles and teachings of Islam.

Allah swt says "and indeed man did not gain other than what has been earned." (Q.S. An-Najm (53): 39). In Tafsir Ibnu Katsir explains that as the sins of others will not be charged to him, so is he will not get the reward but from what he has earned himself. Imam Shafi'i and his followers concluded that the delivery of reading the Quran reward will not be up to the person who had died because reading it is not a charity and their businesses. While prayer and perpetual charity to be agreed scholars and nash Shari'ah determination that it will be up to the deceased (Alu Shaikh: 2008: 248).

#### 3.1.6. The Role of Education (Q.S. Al-Ankabut (29): 43)

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<sup>1</sup> Ali bin Abi Talhah stated from Ibnu Abbas about this verse. So Muslim said, "Allah has forbidden us to take our neighbor property with a wrong way, while the food is our ultimate property. It is not lawful for a man among us to eat another man's property, how the fate of another person (who cannot)? Allah said: "there is no sin on those blind" (Q.S. Al- Fath (48): 17), until death. Qatadah also said: Allah swt said: "except by way of commerce on consensual among you" (Q.S. An-Nisa (4): 29).

Chapra (2008), in promoting human development, quality education is necessary. It can increase knowledge and encourage the person's ability to master technology so as to increase productivity.

Allah SWT says "and these parables, We make for humans and no one who understands it except those who have knowledge" (Q.S. Al-Ankabut (29): 43). The intent of the verse is that no one can understand and meditate it, except those profound knowledge and master it (Alu Syaikh: 2008: 170- 171). With education, a person will be able to increase the knowledge, socio-economic conditions and think clearly. As Chapra (2008) says that with education, a person will be able to maintain his faith because it can make a decision between the right and falsehood and can improve the quality of life.

#### 3.1.7. The Role of good governance (Q.S. Shad (38): 26)

Chapra (2008), good governance is required to improve a development. Therefore, to support human development it is necessary for the role of good government. So as to ensure the creation of social, political and good economic.

Word of Allah is contained in (Surah Shad (38): 26), describe will of Allah SWT for the authorities to apply the law among men according to the truth revealed from Allah SWT, and do not turn away from it, even if they belong to stray from His path. Allah indeed threaten those who go astray from His path and those who forget 'day of *hisab*' with the threat of harsh and painful torment. From the above, As-Suddi said: "They got a painful torment because of what they leave is charity for the day of hisab. Whatever we do in this world will be held accountable (Alu Syaikh: 2008: 132).

#### 3.1.8. The Role of Revomal of Poverty and Need Fulfillment (Q.S. Al-A'rāf (7): 31)

Chapra (2008), in human development, it is necessary for the fulfillment of basic needs, such as clothing, food, and shelter. It is necessary to make human life more worthy. Therefore, Islam



gives special attention to this case, because a misery and helplessness can affect one's faith becomes weak.

In Tafsir Ibnu Katsir explained of surah Al- A'rāf (7): 31, Al A'ufi narrated from Ibn Abbas that man is doing Tawaf with naked in Jahiliyah century. Therefore, Allah ordered them to wear the beautiful clothes (after the Islamic period) (Alu Syaikh: 2008). Allah commanded the man to eat and drink and dress as they will as long as not to be overbearing and redundant (Ad- Dimasyqi: 2002: 287- 292).

### 3.1.9. The Role of Employment and Self-Employment Opportunities (Q.S. Al-Jumuah (62): 10)

Chapra (2008) explained that Muslims are obliged to work (produce something) with a good way to fulfill their need. This is in line with the needs of human development that requires job opportunities for the community, with is expected to improve the standard of quality of life.

Allah SWT says "So you all be spread around on earth; and seek the gift of God." (Surah Al-Jumu'ah (62): 10). In Tafsir Ibnu Katsir explained, when Allah forbid the activity of buying and selling them after they hear the call to prayer (adzan) and ordered them to get together, then God allows them upon completion prayed for scattered on the earth and seek Allah's bounty. As for the various ways to get the gift of God on this earth as trade, musharakah and other muamalah activities to fulfill the needs. It is permissible as long as not contrary to the Islamic shariah. In buying and selling activities, Allah swt commended human to pray (dzikir) more, in other always remember about hereafter (Alu Shaikh: 2008: 540- 541).

### 3.1.10. The Role of Equitable Distribution of Income and Wealth (Q.S. Al-Hashr (59): 7)

Chapra (2008) explained that Islam gives special attention to the distribution of wealth and income that should not circulate in certain people. Zakah, Infak, Sadaqah and Waqf (ZISWAF) is one way of distributing wealth and income from the rich to the needy. In support of human development it is necessary equalization so as to reduce the degree of inequality among people

which can lead to social conflict. In tafsir Ibnu Katsir about surah Al- Hasyr (59): 7 explained that the property should not only circulated on the rich only. We have to do what His commands and leave what His forbidden, because he has a painful torment to those who deviate and violate his orders, as well as working on his ban (Alu Syaikh: 2008: 447- 450).

#### 3.1.11. The Role of Marriage and Stable Family Life (Q.S. Ar-Rum (30): 21)

Chapra (2008), explained that marriage is part of the human biological needs. By marriage, is expected to complementarity between the couple and became a partner in carrying out life as human nature. Therefore, it is expected the wedding can bring blessing and health in the family. Moreover, marriage is necessary to maintain and improve the descent.

Allah says "And among His signs is that power, He created for you wives of your kind itself" In Tafsir Ibnu Katsir, the purpose of the verse that He has created for you women who will be your wife from your own kind. God created it has the purpose, as continuation of the verse "So you tend to be and feel at ease,". Furthermore, in between his mercy to mankind which makes their spouses of their own kind and make the feelings of love and affection between them? That is why a man chain a woman, which is caused by a sense of love and affection with the grace given by God a child, interdependent living and affection both of them. "Verily in this is truly there are signs for a people who think." (Surah Ar-Rum (30): 21) (Alu Syaikh: 2008: 209- 210).

#### 3.1.12. The Role of Family and Social Solidarity (Q.S. Al- Maidah (5): 2)

Chapra (2008) explained that aspects of family and social solidarity in both the internal and the family environment plays an important role in supporting human needs. In a family it would require the cooperation and division of tasks in accordance with the rights and obligations so that it can create harmony and love children. So that the fulfillment of these things can affect the health condition and harmony among family members. Without this, it cannot affect the fulfillment of the role of the family and social solidarity.

In Tafsir Ibnu Katsir explained of surah Al- Maidah (5): 2, that Allah commanded His servants who believe to help together in doing good is virtue and leave the things that are wrong, and it's called devotion. Allah forbid them to help each other in falsehood and in sin and forbidden things (Ad- Dimasyqi: 2001: 173). Ibn Jarir said the purpose of the sin of leaving what is commanded by God to do. Prohibition goes beyond what is laid down by God in your religion, and forget what supposed by God upon yourself and upon others (Ad- Dimasyqi: 2001: 173).

### 3.1.13. The Role of Minimization of Crime and Anomie (Q.S. Ash- Syu'arā' (26): 183- 184)

Chapra (2008), in support of human development, it is necessary to guarantee a peaceful life, safe, and harmonious. Therefore need role of government in enforcing the law and the distribution of wealth and income so as to minimize the level of crime, social conflict, and humiliation among the people.

Allah says "And do not harm humans on their rights," (QS Asy- Syu'ara' (26): 183). The intent of the verse that you do not reduce their properties. "And do not rampant in the earth to make mischief," (QS Asy- Syu'ara' (26): 183). The intent of the verse that became a robber. And Allah says in the next verse "And fear Allah who has created you and ummah before," (QS Asy- Syu'ara' (26): 184). The verse mean that Allah gives a threat to those who commit acts harm to others and do damage with the punishment (Alu Syaikh: 2008: 535- 536).

### 3.1.14. The Role of Mental Peace and Happiness (Q.S. Az-Zumar (39): 73) and (Q.S. Al- Anfal (8): 61)

Chapra (2008), explained that happiness and peace can be felt when one can meet the needs of all thirteen previous human needs which can not only affect all four elements maqāṣid, but also the religious aspect. Therefore it is essential happiness of Heaven, and he will abide therein.

In this verse described the condition of those believers (mu'min) who are happy when they were led to heaven in a group, a party for the sake of a party; Muqarrabin, then Abrar, then the next group and so on. The Prophet alongside the Prophet, honest person with people who are similar

to them, syuhada with their groups and scholars with the scholars. Allah says "so when they get to Heaven," that is, they have come to the doors of Heaven after crossing the ash-shirath (bridge), they were held at the top of the bridge that exists between Heaven and Hell, Then Allah give punishment for brutality that happened between them during in the world. If you have finished their business and have clean, then they are allowed to enter Heaven. And they live in it, forever and ever, no longer they expect out, and they witnessed the abundant reward in it, great gift, favor an eternal and glorious kingdom (Alu Syaikh: 2008: 221- 227).

The verse that describes the suggestion to make peace and are trusting that, "and if they incline to peace, then incline to him and put trust in Allah. Verily He is the All-Hearing, All-Knowing" (Surah Al-Anfal (8): 61). In Tafsir Ibnu Katsir explains that if you are worried about the betrayal of a people, then violate their agreement. If it still continues to combat and violate your right then attack it. And if they tend to peace or improve relationships and stop of war, then tend you to peace and accept their offer. As the Prophet received the offer those polytheists to terms for nine years at the Hudaibiyah agreement to propose several requirements to them. And Allah ordered the man to fear of Him. Because Allah who gives sufficiency and help you (Alu Syaikh: 2008: 91- 93).

### 3.2. Panel Data Analysis

**Table 3.1. GLS Model**

<b>Variables</b>	<b>Coefficient</b>	<b>Probability</b>
<b>Constant</b>	24.003*	(0.000)
<b>Literacy Rate<sub>it</sub></b>	0.009*	(0.077)
<b>Enrollment of School<sub>it</sub></b>	0.016*	(0.000)
<b>Poverty Rate<sub>it</sub></b>	-0.050*	(0.000)
<b>Gini index<sub>it</sub></b>	-0.356*	(0.084)
<b>Life Expectancy<sub>it</sub></b>	-4.103*	(0.002)
<b>Rule of Law<sub>it</sub></b>	0.453*	(0.000)
<b>Voice and Accountability<sub>it</sub></b>	0.397*	(0.000)
<b>R<sup>2</sup></b>	-	-
<b>Test:</b>		
<b>F/ Wald Test</b>	396.47*	(0.000)
<b>Chow- F Test</b>	51.6*	(0.000)

<b>Hausman Test</b>	9.77	(0.202)
<b>LM Test</b>	114.9*	(0.000)
<b>Modified Wald test for groupwise heteroskedasticity</b>	36.26*	(0.000)
<b>Wooldridge test for autocorrelation</b>	74.524*	(0.000)
<b>Note:</b>		
* 10% alpha level		
( ) P value		

From criteria model testing between PLS, FEM and REM, it showed that the selection model still occur autocorrelation and heteroscedasticity symptoms. Pindyck and Rubinfeld (1998) stated that in essence, if occur the heteroscedasticity and autocorrelation symptoms in a model equation, it does not affect the validity of a model, meaning that the model still is not biased and consistent, just estimators produced becomes inefficient. Therefore, to address both the symptoms, then it can be tested one more through GLS (Generalized Least Square) approach which can accommodate the presence of symptoms of heteroscedasticity and autocorrelation in panel data model. GLS model estimation approach showed quite good results because the value of the F statistic/ Wald test (F/ Wald test) were high at 396.47 which is significant at the 1 percent of significance level. These results explain that the seven independent variables have a significant effect together (simultaneously) on the dependent variable, namely economic growth. When viewed individually by independent variables, the results shown on the seven independent variables are variables literacy rate, gross enrollment rate of school, poverty, gini index, life expectancy, rule of law, voice and accountability significant effect on economic growth. The partial test of each variable studied based on the estimated coefficient associated with the GLS, related theories and previous research on these variables, as follows:

### 3.2.1. Variable of Literacy Rate (Education)

Variable literacy rate based on the GLS estimation results in table 3.1 has significant positive effect to economic growth on 10% ( $\alpha$  level) in 9 of OIC countries as object of study, namely Indonesia, Jordan, Kazakhstan, Kyrgyzstan, Egypt, Pakistan, Uzbekistan, Togo and Turkey.

That is, if the literacy rate increased by 1% in a given year, it is expected to increase the economic growth as big as 0.009% in 9 of the OIC countries in the same year. Conversely, if the literacy level decreased by 1% in a given year, it is expected to reduce economic growth as big as 0.009% in 9 of the OIC countries in the same year (*ceteris paribus*).

Based on the econometric results it can be concluded in accordance with the existing theory. As according to Todaro and Smith (2012) education has an important role for developing countries in absorbing modern technology and develop the capacity of sustainable development. And explained that the level of literacy can measure a person's ability to read and write. These aspects affect the quality of education. As supported by the theory of Solow (in Sukirno, 2011) that the most important factor in realizing economic growth is technological progress and increase proficiency and expertise of the workforce. It is a manifestation of good quality education in terms of infrastructure as well as curriculum in certain state.

See explanation above, an understanding of the thought Chapra (2008) which stated that an increase in intellectual (education) can influence human attitudes in maintaining faith, the quality of social and economic life, which can accelerate development. So necessary to improving the education sector of each country as one of the basic needs in human development, which will eventually affect the level of economic growth of a country. Results of estimation coefficient in panel data above, besides backed by existing theories, also strengthened by previous research studies related. As research SBM (2014), Nazamuddin (2013), Yuhendri (2013), Mahrany (2012), Hanushek and Wobmann (2010), as well as Beverly and Sherraden (1997) which states that education (literacy rate) can increase the economy growth of a country.

### 3.2.2. Variable of Gross Enrolment Ratio (Education)

Variable gross enrollment rate of schools based on the GLS estimation results in table 3.1 has positive significant effect to economic growth on 10% ( $\alpha$  level) in 9 of OIC countries as object

of study. That is, if the gross enrollment rate of school increased by 1% in a given year, it is expected to increase the economic growth as big as 0.016% in 9 of the OIC countries in the same year. Conversely, if the gross enrollment rate of school declined by 1% in a given year, it is expected to reduce economic growth as big as 0.016% in 9 countries of the OIC in the same year (*ceteris paribus*).

Based on the econometric results it can be concluded in accordance with the existing theory. As according to Todaro and Smith (2012) education has an important role for developing countries in absorbing modern technology and developing the capacity of sustainable development. And explained that the average gross enrollment school can be a picture of the population aged 15 years and over in undergoing formal education and can measure the success of achievement and educational equity. Therefore, education is a basic human necessity that needs to be fulfilled by the whole community. The higher education through the process, it will affect the quality of life. As supported by the theory of Solow (in Sukirno, 2011) that the most important factor in realizing economic growth is technological progress and increase proficiency and expertise of the workforce, then with an increase in the gross enrollment rate of school, is expected to improve the distribution and expertise resident in nine of OIC countries.

Based on the above, in accordance with the thinking of Chapra (2008) that an increase in intellectual (education) can influence human attitudes in maintaining faith, the quality of social and economic life, which can accelerate development. Therefore, it is necessary to have efforts to increase the budget of the education sector, so as to ensure availability of infrastructure, education and ensure educational opportunities for all levels of society. With the fulfillment of education, is expected to affect the level of economic growth of a country. Results of estimation coefficient in panel data above, besides backed by existing theories, also strengthened by previous research studies related. As research Nazamuddin (2013) with a descriptive and exploratory analysis of the data revealed that education (school enrollment and literacy) positive effect on economic growth, and research of Yuhendri (2013), Hanushek and Wobmann (2010),

Beverly and Sherraden (1997) states that higher education can boost a country's economic growth.

### 3.2.3. Variable of Poverty Rate

Variable of poverty rates based on the GLS estimates in table 3.1 has significant negative effect to economic growth on 10% ( $\alpha$  level) in 9 of OIC countries as object of study. That is, if the poverty rates increased by 1% in a given year, it is expected to reduce economic growth as big as 0.05% in 9 of the OIC countries in the same year. Conversely, if the poverty rate declined by 1% in a given year, it is expected to increase the economic growth as big as 0.05% in 9 of the OIC countries in the same year (*ceteris paribus*).

Based on the econometric results it can be concluded in accordance with the existing theory. For according to (Smith, 1776) ensured the public did not receive welfare and happiness as long as they face problems of high poverty and parsimony in the community. Therefore, if still facing problems of poverty, it will hinder the economic growth of a country, and the public welfare is not reached. Based on Todaro and Smith (2012), United Nations Development Programme (UNDP) measure poverty by the Human Poverty Index (HPI), explained that poverty as a measure of the ability of a person who has problem, three main key is stuck in shortage (deprivation) or survival, knowledge, and supplies economy. It is same with an opinion (Sudiby, 1995), the substance of poverty-related deprivation conditions to get sources of basic needs fulfillment such as clothing, food, shelter, and basic education. As well as the Chambers (1983) concluded that the core problem lies in the poverty trap deficiency (deprivation trap). Deprivation trap is divided into five parts: (1) poverty itself, (2) physical weakness, (3) alienation, (4) the vulnerability, (5) powerlessness.

Based on the above, Chapra (2008) stated that the fulfillment of basic human needs is closely related to poverty. This needs to be improved, given when the basic needs are fulfilled, it is expected to improve the quality of human life, and then it will increase productivity, so that



it can fulfill the needs of living by working. With the efforts to reduce poverty, it can affect the higher economic growth, the redistribution of economic growth can affect a country's poverty reduction (Todaro and Smith, 2012). Results of estimation coefficient in panel data above, besides backed by existing theories, also strengthened by previous research studies related. As Hendra's research (2009) states that the level of poverty has a significant negative effect on economic growth, as well as research of Jonaidi (2012), states that the level of poverty negatively correlated to economic growth. As well as Beverly and Sherraden (1997) states that the fulfillment of basic human needs (survival) to reduce poverty can affect a country's economic growth.

#### 3.2.4. Variable of Gini Index

Gini index variable based on the GLS estimation results in table 3.1 has significant negative effect to economic growth on the level of 10% ( $\alpha$  level) in 9 of OIC countries as object of study. That is, if the gini index or inequality increased by 1 value in a given year, it is expected to reduce economic growth as big as 0.356% in 9 countries of the OIC in the same year. Conversely, if the gini index or inequality decreased by 1 value in a given year, it is expected to boost economic growth as big as 0.356 value in 9 countries of the OIC in the same year (*ceteris paribus*).

Based on the econometric results it can be concluded in accordance with the existing theory. For according to Todaro and Smith (2012) extreme inequality can affect the economic inefficiency and could limit or reduce economic growth. In addition, extreme inequality can lead to social instability and solidarity among the people is low. It is seen as injustice. In accordance with Sudibyo (1995), the substance of the gap associated with inequality in access to economic resources. Gap problem is a problem of justice.

See explanation above, in accordance with the thinking of Chapra (2008) that the equitable distribution of income can avoid inequality in income among humans, high levels of poverty and deprivation trap. On the other hand, it is able to enhance economic growth. Results of

estimation coefficient in panel data above, besides backed by existing theories, also strengthened by previous research studies related. As research Siren (2015), Henderson (2009) states that inequality in income has significant negative effect on economic growth, as well as with research of Sachs (1989), said that the obstruction of economic progress in Latin America due to social conflicts that are the root causes for inequality in income, as well as research of Smith (1776) said that the negative relationship between inequality in income with economic growth.

### 3.2.5. Variable of Life Expectancy (Health)

Variable of life expectancy based on the GLS estimation results in table 3.1 has significant negative effect to economic growth on the level of 10% ( $\alpha$  level) in 9 of OIC countries as object of study. That is, if life expectancy (health) increases by 1 year in a given year, it is expected to reduce economic growth as big as 4.103 units in 9 countries of the OIC in the same year. Conversely, if the life expectancy (health) decreased amount of 1 year in a given year, it is expected to increase the economic growth as big as 4.103 units in 9 countries of the OIC in the same year (*ceteris paribus*).

Based on the econometric results it can be concluded contrary to existing theories. according to Todaro and Smith (2012) and reports of the United Nations Development Programme (UNDP), life expectancy (health) increased to improve productivity, that will ultimately affect a person's revenue increased and economic growth of a country increased. According to UNDP (1990) the life expectancy describes average of the estimates of many years that can be taken by someone for life. The minimum and maximum limit a person's life expectancy is estimated for 25 years to 85 years. This is in line with the thinking of Chapra (2008) states that health is one of the basic needs that need to be fulfilled in addition to education to improve human quality, which in turn affects economic growth.

Differences econometric results above with the existing theory, thought to be caused by the health budget allocation by the government that have not been well targeted and is unable to

represent the level of health in nine of OIC countries. As described previously, that the life expectancy in nine of OIC countries as the object of research have an average of life expectancy is over 68 years. However, high life expectancy is not accompanied by health equity. As the report of the United Nations Development Programme (2013) stated that there had been a high inequality in 9 of OIC countries namely inequality in life expectancy, Turkey (11%), Jordan (11.9%), Egypt (13.4%), Indonesia (16.4%), Kazakhstan (16.7%), Kyrgyzstan (20%), Uzbekistan (24.3%), Pakistan (29.9%), and Togo (36.8%). So the increase in life expectancy (health) was biased because it was not accompanied by equity, and ultimately cannot increase economic growth in 9 OIC countries.

#### 3.2.6. Rule of Law Variable

Rule of law variable based on the GLS estimation results in table 3.1 has positive significant effect to economic growth on the level of 10% ( $\alpha$  level) in 9 of OIC countries as object of study. That is, if the rule of law increased by 1 unit in a given year, it is expected to increase economic growth as big as 0.453 units in 9 of OIC countries in the same year. Conversely, if the rule of law decreased number one unit in a given year, it is expected to reduce economic growth as big as 0.453 units in 9 of OIC countries in the same year (*ceteris paribus*). The range of variable rule of law is between -2.5 and 2.5). The greater index shows the level of law enforcement in nine countries should be better, that can affect the economic growth of each country. From the econometric results showed that rule of law variables affect as big as 0.453 on economic growth.

Based on the econometric results it can be concluded in accordance with the existing theory. Because according to reports Worldwide Governance Indicators (WGI) in create welfare, it will require law enforcement upholding justice. So that when a country seeks to improve law enforcement, it will boost the productivity of society, for guaranteeing the rights and obligations as well as the lives of citizens, as well as with the government's obedience to the law, can run basic tasks and functions (duties), authority and responsibility, will ultimately affect the level of

income per capita.

This is in line with the thinking of Chapra (2008) states that law enforcement became one of the elements that need to be fulfilled by every society, the necessary role of government to ensure awake and fulfilled it. So as to achieve the guarantee of individual freedom, mutual respect and respect among communities, minimization of crime rates, increased community solidarity, and public safety. Due to the achievement of good governance it is expected to affect positive social attitudes among the public, which in turn affects economic growth. Results of estimation coefficient in panel data above, besides backed by existing theories, also reinforced by previous studies related.

As research of Wibowo (2013), Huynh and Chavez (2008) said that the rule of law variable has positive effect on economic growth. With the enforcement of legislation and legal compliance, it could be expected to encourage the economic growth of a country.

### 3.2.7. Variable of Voice and Accountability

Variable of voice and accountability based on the GLS estimates in Table 3.1 has positive significant effect to economic growth on the level of 10% ( $\alpha$  level) in 9 of OIC countries as object of study. That is, if the voice and accountability increased by 1 unit in a given year, it is expected to boost economic growth as big as 0.397 units in 9 of OIC countries in the same year. Conversely, if the voice and accountability decreased number one unit in a given year, it is expected to reduce economic growth as big as 0.397 units in 9 of OIC countries in the same year (*ceteris paribus*). Voice and accountability is using a variable range (-2.5 to 2.5). The greater index shows the level of voice and accountability in 9 countries should be better, that can affect the economic growth of each country. From the econometric results can be seen that the variable voice and accountability effect as big as 0.397 on economic growth.

Based on the econometric results it can be concluded in accordance with existing theory. Because according to reports Worldwide Governance Indicators (WGI) in create welfare, it is necessary freedom for every citizen in implementing the rights, obligations, his life, the right to

choose a good government and a free press. So that people can make choices and enhance creativity, it will eventually affect the level of income per capita.

This is in line with the thinking of Chapra (2008) states that good governance in this aspect of voice and accountability, became one of the elements that need to be fulfilled by every society, the necessary role of government to ensure awake and fulfilled it as well as to achieve the guarantee of individual freedom, mutual respect and respect between communities. Due to the achievement of good governance it is suspected to affect positive social attitudes among the public, which in turn affects economic growth. Results of estimation coefficient in panel data above, besides backed by existing theories, also reinforced by previous studies related. As research of Huynh and Chavez (2008) argued that voice and accountability variable has positive effect on economic growth. With the voice and accountability, it is supposed to boost the economic growth of a country due to the guarantee of individual freedom in the choice and expression (creativity) and selecting good governance.

#### **4. Conclusion**

Based on the analysis and discussion in the previous section that use mixed method, both quantitative analysis with panel data and content analysis through Tafsir Ibnu Katsir, it can be concluded that all independent variables, which are literacy rate, enrollment of school, rule of law and voice accountability have significant positive effect on economic growth in 9 selected OIC countries, while poverty rate, gini index, life expectancy have significant negative effect on economic growth in 9 selected OIC countries. In addition, all of variables affect on economic growth either simultaneously or partial (individual). Furthermore, The fourteen *Maqāṣid*-Based Development Variable of Umer Chapra's Perspective can contribute to the development of Muslim countries (OIC) if these variables are confirmity with Shari'ah derived from Qur'an and Sunnah. In other word, HDI which is bounded by maqāṣid approach affects on increasing of economic growth in 9 of OIC member countries significantly.

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