

ANALYSIS OF ZISWAF, PRODUCTION INDEX AND SHARIA STOCK INDEX ON ECONOMIC GROWTH

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221

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Abstract

This study analyzes the influence ZISWAF, Gini ratio, the total export value, the index of industrial production, sharia stock index investment to GDP growth, in the short and long term. Qualitative data were taken from BPS, Baznas, ACT Global Waqf, the FSA from March 2006 until December 2017 using the methodology of The Error Correction Model (ECM). The results of this study indicate that the variable Gini Ratio, Ziswaf, Total exports, Production Index and Sharia Stock Index on GDP economic growth have significant and positive effects in the long term and the short term. Meaning that these variables have a relationship with GDP economic growth. If the variable decreases or slows down-then GDP economic growth also. While total exports have insignificant effects and negative effects on GDP economic growth. The R-square regression value of the long-term model produces a proportion of 96 percent, the short-term model produces a proportion of 97 percent. Both in the long-run and short-run models, the highest coefficient value is the value of the Gini ratio with 4.941522 and 0.348043. All positive coefficients, Gini ratio variables, ziswaf and production index have a significant effect on gdp, total exports and sharia stock indexes do not have a significant effect on gdp both in the long and short-term models. It implies in the future, fiscal economic policy makers to economic growth that opened a lot of employment, by encouraging resource based economic activities of Indonesia's largest export-oriented agriculture and mining. Good Corporate goverment should do so gini ratio of the areas surrounding the economy improved and people kesejahteraan increase.

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INTRODUCTION

Religiosity is a human relations with its creator through religious teachings that have been internalized in a person and reflected in their daily attitudes and behavior. Mayasari (2014) concluded that Islamic religiosity offers welfare and happiness that leads to life which means not only experiencing more positive feelings than negative and experiencing subjective life satisfaction. This is in line with the SDGs goal principle, which is human happiness. Islamic Religiosity directs happiness to life which leads to self-potential optimization, independence, having a good relationship with other people and being able to deal with the events that happen to him. Aflakseir (2012) found that Muslim students in the UK viewed life as meaningful and the source of life's meaning came mostly from their religious activities and good relationships with families and only a few came from hedonistic activities and ownership of objects.

According to the English-Indonesian Theology dictionary quoted from Rizky Setiawati, the term religiosity comes from the English word religion which means religion. Then it becomes an adjective that means religious religious or pious and later became a state word that means diversity religiosity or piety. Religiosity (religiosity) is the spiritual expression of a person associated with the system of beliefs, values and applicable law. The factor of religiosity can be concluded as a variable or element that expresses spiritual values related to the belief system, values and applicable laws. As a universal religion, Islamic teachings apply to all Muslims on earth and can be applied in any place and time until the end of time. Understanding that upholds the teachings of Islam, does not place Islam as a religious religion alone even teachings hinder development. Islamic Economic system differences with other economic systems are located on the philosophy that consists of values and goals (Mingka, 2011).

Economics in the Islamic system has three objectives, namely: (1) meeting the basic needs of all humans, (2) economic development (with a view to maintaining the objectives to meet the needs of the developing population and also to obtain strong entities to be able to defend themselves, maintain their identity culture and assist similar entity in the same human tasks), and (3) preventing inequality in the distribution of income and wealth tend to evolve over time (Siddiqi, 1992). Economic development is one important aspect in the life of a very considered in Islam, by placing the human being as the center and the actors of development, in an effort to meet their needs. Islam as a religion of life regulator role in guiding and directing the human resources management of the economy to achieve the benefit of the world and the hereafter.

Al-Mizan (2016) states that in a variety of literature on Islamic Economics, economic growth is defined as "the continuous growth of the factors of production which are able to contribute to human well-being". According to Sadeq (2006), economic growth according to Islam is full of values. An increase experienced by the factors of production are not regarded as economic growth if these products in for example incorporate items that proved a bad effect and harm to humans. Economic growth in Islamic economics associated with an increase in the goods and services as well as aspects of morality and moral quality and balance of interest worldly and hereafter.

The principles of economic development in Islamic perspectives include: a) Economic development in Islam is comprehensive and contains spiritual, moral and material elements. b) The main focus is the development of human and cultural environment. c) Economic development is a multidimensional activity so that all efforts should be submitted on a balance of various factors and not cause inequality and d) The main emphasis in the development, according to Islam, is located on the utilization of the resources that God has given *subhanahu wa ta'ala* to all mankind.

In terms of emphasizing the use of resources that God has given *subhanahu wa Ta'ala* to the Indonesian earth with soil fertility and mineral content in it, then it has been regulated in the 1945 Constitution in article 33 Paragraph 1 states: "The economy is structured as a joint effort based on on the principle of family ", Article 33 Paragraph 2: " Production branches which are

important for the country and dominate the life of the people controlled by the state ", Article 33 Paragraph 3: "Earth and water and natural resources contained in it are controlled by the state and used for the greatest prosperity of the people", Article 33 Paragraph 4): "The national economy shall be organized based on economic democracy with the principles of togetherness, efficiency with justice, sustainability, environmental friendliness, independence, and balancing progress and national economic unity", as well as in Article 34 Paragraph 1: "The poor and abandoned children reared by the state "; Paragraph 2: "The State shall develop social security system for all citizens and empower the weak and incapable in accordance with human dignity"; and Paragraph 3: "The State is responsible for the provision of health care facilities and public service facilities they deserve".

Understanding of an Islamic economic system always refers to the concept of Islam that is comprehensive or lacking. This strict Islamic approach implies the existence of exposures about faith, Islam and *ihsan*. Humans as *caliph fi al-ardl* have the mandate and responsibility to prosper the earth as a whole. Nature is a human intermediary to know God and know the knowledge of God. Islam recognizes one's personal rights, for this Islam implies muamalah as stated in the Quranul Karim Surah Al-Baqarah [2]: 208

يَا أَيُّهَا الَّذِينَ ءَامَنُوا ادْخُلُوا فِي السِّلْمِ كَآفَّةً وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُّبِينٌ ﴿٢٠٨﴾

which means: "O ye who believe, enter into the whole Islam, and do not take the steps of shaitan. Surely shaitan is a real enemy to you."

But in practice, many people still feel the tyranny of mining practices and manage the forest industry carried out by the corporation. As in South Sumatra, the government has not been able to ensure the people who live around the industry earn a decent living. WALHI (2017) suggests there are 8 million hectares area of South Sumatra, which is currently dominated by large corporations, 1.5 million hectares of forest sector by industrial plants (*acacia* and *eucalyptus*), 1 million hectares for oil palm plantation sector, 2.5 million hectares for mining, 1.3 million hectares of protected forests and about 1 million hectares of land controlled by the people. Many cases of pollution and ecological crisis in the territory controlled by the mining license which has eliminated the carrying capacity of the environment to farmers due to the nature of the dirty energy industry. Meanwhile, the corporation also bring heritage character of natural forests by permission of forest concessions (HPH), as well as separating the lives of farmers and indigenous peoples from the forest of origin to treat very wise forest management. Land seizures also occur and are mostly agrarian conflicts with violence, human rights violations and criminalization that impacts plated for women.

Indonesian agricultural sector is the second most influential sector to economic growth after manufacturing and is still above the trade and construction sectors. More than half of the GDP of the manufacturing sector is agriculture-based and the agricultural sector is also the biggest absorber of labor, which is about 35 percent of the total workforce. The agricultural sector holistically from the upstream (or on-farm) to downstream (or down stream industries) in a value chain, its contribution to GDP in the aggregate approximately 55 percent. If the chain of value-chain of the value of agricultural commodities species and quantity aplenty in Indonesia, developed using technology and support logistics system modern, the GDP of Indonesia has the potential to increase, but the welfare of farmers and the economic actors other rural would be increased (Hadad, 2017).

Population growth and rising incomes spur demand for goods and services, but often the expense of natural resources, especially land and water. In 2050, trade growth is expected to be driven by global population tripled and increased four times the current GDP. The world's

ecosystem services will be exceeded capacity. Example: Global food demand in 2050 is expected to double. Currently, 3.9 billion people or 40 percent of the projected global population will live in countries facing water scarcity with access to only 1,000 liters of water per person per year. Inequality population is strongly influenced by the magnitude of the variation between groups of population change (CBS, 2019). If the changes in spending under the group population (farmers) faster than the population as well as medium on the inequality of expenditure will improve. Economic growth must be accompanied equality or fairness, equity for all groups.

Meanwhile, according to Law No.32 of 2009 on the Protection and Management of the Environment, Sustainable development is a conscious and planned effort that combines aspects of environmental, social and economic development strategies to ensure the environmental integrity and safety, capability, well-being and quality of life of generations the present and future generations. OJK (2017) directs the preparation of sustainable development framework brings to the ability of economic interests and sustainability / environmental sustainability, providing economic transformation process, as well as expanding access to people out of poverty, and justice. It is the consideration that social and environmental issues that had not been included in the economic calculation becomes an important element that needs to be considered. The balance between the interests to make a profit does not mean to give legitimacy to lose attention and commitment to safeguarding the environment and a better social life.

In many developing countries (even in countries where the agricultural sector is not a large component of national GDP) of agriculture is an important working basis for most residents. Agriculture in the broad sense includes all activities involving the use of living organisms (both plants, animals and microbes) for the benefit of man; As for agriculture in the narrow sense is the activity of crop cultivation. Employment effects seen to correlate with the level of sustainability of agricultural practices, the FAO estimates there are up 30 percent work for sustainable agriculture, compared with unsustainable practices. The main driver of economic growth (an environmental point) at the moment is the expansion and global trade liberalization that does not harm the natural environment. Global trade finance volume reached US \$ 23.4 trillion, or one-third of global GDP which occurred at the same time trade pressures that ignore the environment. The study on the impact of climate change on the economic aspects of climate change by ADB (Asian Development Bank) showed that until the year 2010 stood at approximately 2.2 percent to 6.7 percent of GDP (Fauzi, 2010).

In addition has encouraged economic growth, extensive farming also reduce extreme poverty globally, and in the process changing global agricultural production, consumption and trade patterns. In Indonesia human labor absorption in agriculture is still very large enterprises, as well as see Table 1. The number of people aged over 15 years who work in agriculture, horticulture, forestry, hunting and fishing a number of 36.7 million; who worked at the Trade, Eating and Accommodation Service as much as 29.1 million; the Community Services sector, Social and Individual number of 20.9 million; as for the Industrial sector as much as 16.6 million. At the time of placement of a person in a position corresponding to the expertise, the productivity and effectiveness will grow. But not all countries were able to implement the division of labor and production scale.

The government, through Bappenas is targeting a reduction ratio or Gini ratio imbalances both among residents and between regions in line parallel with the economic growth that is inclusive. Inclusive economic development is the desire to pursue the economic level of the developed countries by encouraging high economic growth to spur economic growth, especially the secondary sector (manufacturing industry) and tertiary (service industry), which is actually only slightly absorb labor. While the agricultural and mining sectors which are the primary sector received less attention, even though this sector to absorb a lot of labor. The result is income inequality among the population working in the agricultural sector and the public about mining with manufacturing and service sectors.

Table 1. Population 15 Years of Age and Over Who Work by Main Job Field, 2017
(million people)

NO.	MAIN JOBS	2017
1	Agriculture, Plantation, Forestry, Hunting and Fisheries	39,678,453
2	Mining and Quarrying	1,370,669
3	Industry	16,573,121
4	Electricity, Gas and Drinking Water	414,849
5	Construction	7,162,968
6	Trade, Restaurants and Accommodation Services	29,104,970
7	Transportation, Warehousing and Communication	5,692,432
8	Financial Institutions, Real Estate, Rental Business, and Corporate Services	3,592,657
9	Community, Social and Individual Services	20,948,730
10	Unclear Limits	-
11	Others	-
12	Missed	-
Total		124,538,849

Source: Badan Pusat Statistik (2017)

Islam has a system of social practice through *waqf* and *zakat* (Islamic Social Finance) which has been used to help various community interests. Endowments different from other practices that can be consumed which has a unique investment kospus. *Waqf* institution in Islam is the fight against poverty in the community in addition to *Zakat* (compulsory charity) and *sadaqah* (charity supported). *Waqf* is believed to be an effective poverty eradication system to improve those aspects that are not generating revenue, such as health, education in addition to improving access to physical facilities such as transport, agriculture, industry, and many others (Abu Zuhra, 1971; Sadeq, 2002; Abdel Mohsin, 2013. This is in line with Kahf (2003), which broadly define the *waqf* as "master certain property and preserve it for the benefit of philanthropy is limited and prohibits the use or disposition of the outside of the specific objectives". Naturally, endowments categorized as public sector but the non-governmental organizations.

This research aims to determine the influence of Islamic social fund, Gini ratio, total exports, economic growth and Islamic stock index on economic growth. In addition, to check the grounding and Islamic governance that encourages the development of *waqf* and *zakat* distribution. Revitalization of *waqf* institutions have become the main agenda of the Muslim community around the world over the past few decades. Awareness of the revitalization endowments also increasingly popular among Muslim countries. The government largely Muslim countries have realized the need for the revival of *waqf* as an important tool to create a better society.

LITERATURE REVIEW

Sukirno (2015) defines economic growth as the development of activities in the economy that causes the goods and services produced in society to increase. Economic growth is a long-term macroeconomic problem, in which the ability of a country to produce goods and services will increase from one period to another resulting from increased production factors that increase in number and quality; as well as investment increases the number of capital goods; Technology is always evolving and labor increases as population growth, more experienced and skilled labor. As for economic development is economic growth accompanied by changes in other aspects of the economy such as the development of education, the development of labor skills, technological improvements and an increase in the level of prosperity of society.

Economic development is only applicable if the income per capita has increased prolonged.

The main macroeconomic problems in a country are: 1) the problem of economic growth, 2) the problem of instability of economic activity, 3) the problem of unemployment, 3) problems rising prices (inflation), 5) issue of trade balance and balance of payments. Macroeconomic policy depends on one important aspect is that the free market system is not always able to realize full employment, stable prices, and firm economic growth. This has lead to bad consequences to society, and dikhtiarkan through fiscal policy (government measures in the field of taxation and expenditure), monetary policy (the government's measures to regulate the money supply and interest rates), the policy in terms of penawara and open economic policy (economy running export and import).

In Indonesia, the macroeconomic pillars provide 29.50 percent weight in influencing the competitiveness of agriculture, followed successively by the pillars of the financial condition, business and labor (25.38 percent), government and institutional pillars (23.95 percent), as well as the pillars of quality life and infrastructure (21.17 percent). The results of the analysis of the weight in the macroeconomic pillars that aspect of openness of trade and services occupy the top priority (40.71 percent) compared to the other two aspects, namely macroeconomic strength (32.86 percent) as well as aspects of investor attractiveness agriculture (26.43 percent). Further, from the aspect of trade openness and service to the agricultural competitiveness is influenced mainly by the indicators of agricultural imports (Dermoredjo et al., 2015). In classical economics madhhab Merchantilist who live at the end of the 16th century and the end of the 17th century a lot of discussing the role of foreign trade to economic development.

In Sukirno (2015) explained that the Harrod-Domar theory as an extension of the theory of Keynes, see the growth in terms of demand. Economic growth is realized if in the long term accretion expenses reached agregatbyang prolonged and steadfast economic growth (steady) of $I + G + (X-M)$ continuously increases with levels encouraged. Meanwhile, according to classical economic theory in Denison studies that analyze developments in the developed countries between the years 1950-1962 show that is not capital, but the technology and skills development is a major factor to promote economic growth. In fact the increase of capital goods is only 25% of economic growth in Western Europe and 21% of economic growth in the UK.

To create competitiveness requires the concept of economies of scale to explain the phenomenon of international trade patterns, the number of companies in the market and the company's failure is too big, also explains why companies in some industries can grow large. Economies of scale also play a role in natural monopoly to create a free trade policy that required a larger market in a particular country. Karim (2016) states that economies of scale are capable of providing its own stimulus for the continuation of international relations. Each country can generate and acquire a limited variety of goods and achieve economies of scale advantages without sacrificing the diversity of its consumption through trade. The diversity of available items can be enhanced through international trade. Through work in economic principles, mutually beneficial trade may continue to grow.

BPS (2017) states that the agricultural sector is an important part in the development of the national economy. The strategic role of the agricultural sector can be described in the

contribution of the agricultural sector as: 1) Provider of food and industrial raw materials, 2) contributor to GDP, 3) Producers of foreign exchange, 4) Absorbent labor, 5) The main source of income for rural households, 6) providers of feed ingredients and bioenergy, 7) Participate in efforts to reduce greenhouse gas emissions. Meanwhile mining as a series of activities taking sediment precious and valuable minerals from the earth's crust either mechanically or manually on the Earth's surface and subsurface water; have phases of activities that includes prospecting, exploration, exploitation and processing / refining / refining.

World food prices of agricultural and mineral prices on the world of the mining sector depends on productivity continue melampauo growth in demand and the extent to which the needs of developing countries at the expense of basic needs and require the need for energy resources. World demand will be driven by population growth and also by the price of crude oil, including the effects of biofuel demand. Policies and adaptation to climate change mitigation, market development and market access standards will add to the uncertainty in production and trading price of the future. When an increase in international trade performance, the industrial sector, infrastructure development in Indonesia, which supplies the demographic bonus educated and skilled labor force to transform modern economic activities and according to the rules of sharia in turn will increase the competitiveness of Indonesia that will accelerate development.

In 2050, trade growth is expected to be driven by global population tripled and increased four times the current GDP. The world's ecosystem services will be exceeded capacity. Example: global food demand by 2050 is expected to double. Currently, 3.9 billion people or 40 percent of the projected global population will live in countries facing water scarcity with access to only 1,000 liters of water per person per year. To reverse this trend the trade should be utilized as a positive catalyst for change in the economic, social and environmental, not encourage environmental degradation. Green-economic or economic-green present a model remedy to reverse this trend, changing economic policies and incentives to support social growth, justice and well-being through the use and conservation of natural resources conservation and awareness of pollution control (International Institute for Sustainable Development, 2014).

Gini Ratio

Indonesian population expenditure inequality measured by the Gini coefficient ratio is also called. Gini ratio is a tool to measure the degree of inequality in the distribution of the population. It is based on the Lorenz curve is a curve of the cumulative expenditure which compares a particular variable (eg income) with uniform distribution (uniform) representing the cumulative percentage of the population. The ratio of the Gini coefficient ranges from 0 to 1. If the Gini coefficient is 0 means perfect equalization, whereas if the value of 1 implies perfect inequality. Gini ratio can be differentiated between rural and urban areas. BPS (2019) states that changes the level of inequality the population is affected by the amount of variation changes in spending between groups of the population. If the changes in spending under the group population faster than the population as well as medium group over the inequality of expenditure will improve.

In addition, poverty can be seen as a multidimensional problem because it is associated with the inability to access economic, social, cultural, political and participation in society. Poverty has a

wider meaning than just a lower level of income or consumption of a person from welfare standards measured as the caloric needs minimum or poverty, but poverty has a deeper meaning as it relates to the inability to achieve aspects of outside income (non-income factors) as the minimum access requirements; health, education, clean water, and sanitation. The complexity of poverty is not only related to the definition and dimension but also related to the method used to measure poverty line (Nurwati, 2008). Extent of poverty seen from the level of income can be grouped into absolute poverty and relative poverty.

A person is said to be poor in absolute terms if their income is lower than the absolute poverty line or with other terms the amount of revenue is not sufficient to meet the minimum living needs. The size of the poverty line used by the Central Bureau of Statistics (BPS) based on the approach of absolute poverty, with reference to the definition of poverty by Sayogyo (2000). Measured by counting the number of residents who have a per capita income that is insufficient to consume goods and services whose value is equivalent to 20 kg of rice per capita per month for rural areas, and 30 kg of rice to urban areas. Similar food sufficiency calculated standard 2,100 kcal per capita per day plus expenses for non-food needs (housing, goods and services, clothing). Relative poverty is a state of the ratio between income groups in society, among groups that may not be poor because they have higher income levels of poverty, and community groups are relatively richer. By using the income measure, then this state is referred to as the equal distribution of income.

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Going forward the government is targeting the Gini ratio stood at 0.38. In 2019 the Gini ratio RPJMN targets set in the position of 0.36. Yogyakarta province in March 2019 had the highest Gini ratio in Indonesia amounted to 0.423 while the Bangka-Belitung province occupies the lowest position is 0.269. Meanwhile there are 9 provinces with the Gini ratio is above the national value namely Yogyakarta Special Province (0.422), Gorontalo (.417), West Java (0.405), Papua (0.391), Southeast Sulawesi (0,392), West Papua (0.391), Jakarta Jakarta (0.390) and South Sulawesi (0.388) (BPS, 2019).

Industrial Production Index is the name of an economic indicator that calculates the real production output of the manufacturing industry, mining, and other manufacturers such as gas and electricity. In the US, Industrial Production Index is calculated and published by the Federal Reserve Board, while in other countries usually by local statistical agency. Industrial Production Index is an index number that is generated illustrates the development of the manufacturing sector production in early and the data series are longer and more complete because it is designed to periodically monthly. The monthly data can also be presented as a data quarterly and annual. Quarterly data is the average of the monthly index on the respective quarterly and annual index is an average of four (4) quarterly during the year. This figure also presents the production index in KBLI 2 (two) digits. Investors and traders can view the report as the Industrial Production Index in Forex Calendar each month.

Kaffah

Ontology (scientific background) Islamic economy is a fundamental reason for the existence of Islamic Economics. In accordance with the system of life of human beings, families, the environment and the elements of the creation of the universe consisting of three elements, namely humans, *Allah Subhanahu wa Ta'ala* and worship. Then blend these three things form the major reason that the creation of Islam that Islam is Islamic Economic ontology. As word of the Quran Surah Al-Imran [3]: 19 which means: "Indeed Din (system) with Allah is Islam." The system or Din created by God is only Islam, so that the existing economic system should also follow the rules in the Islamic system (Aziz, 2009).

Islamic economic development of basic philosophies have the following: 1) Monotheism rububiyah, that this concept teaches that Allah subhanahu wata'ala is the creator of everything. He was the one who created the world and nature. For men that further regulate the development model that is based on Islam. 2) Justice, namely the equitable economic development (growth with equity), 3) Khalifah, which states that human beings are creatures of Allah subhanahu wa ta'ala on earth to prosper and be responsible for the management of the resources entrusted to him, and 4) Tazkiyah, which purify men with regard to Allah *subhanahu wa ta'ala*, neighbor and natural environment, society and the state.

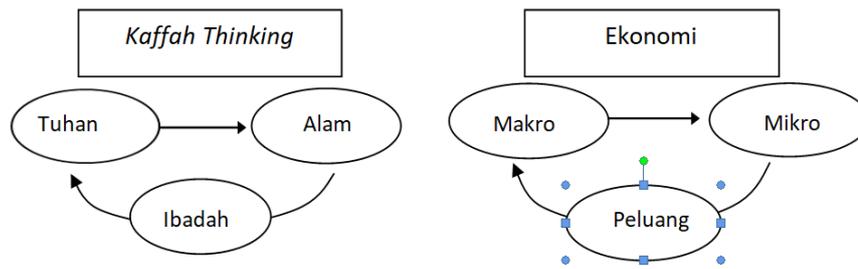


Figure 1. Diagram of Kaffah Thinking in Islam
 Source: Aziz (2017)

The purpose of Islamic economics can be run by people who believe and do systematically and comprehensively (*kaffah*) which means the beginning of Islam as the basic framework within which life implies that man is created *Allah Subhanahu wa Ta'ala* to worship, then developed into various aspects including economics (Aziz, 2010). Kaffah Islam's approach implies the exposure of the faith, Islam and charity. Resultant of three pillars in Islam is embodied in the basic theory of Islamic economics consisting of: 1) The theory of Tawheed, 2) Theory of Worship, 3) Theory Maslahah (Aziz, 2017).

The resultant of 3 (three) pillars in Islam is manifested in the basic theory of Islamic economics which consists of: 1) Tawheed Theory, 2) Worship Theory, 3) Mass Theory. The Grand Building Theory in the form of building theory from Islam and economics is the TEAM Theory (Tawhid-Ibadah-Maslahah) originating from the Quran (QS. Al-Hajj [22]: 78) so that the main concept emerges from the division of sustainable economic structures.

وَجَاهِدُوا فِي اللَّهِ حَقَّ جِهَادِهِ هُوَ اجْتَبَاكُمْ وَمَا جَعَلَ عَلَيْكُمْ فِي الدِّينِ
 مِنْ حَرَجٍ مِّلَّةَ أَبِيكُمْ إِبْرَاهِيمَ هُوَ سَمَّاكُمُ الْمُسْلِمِينَ مِنْ قَبْلُ وَفِي هَذَا
 لِيَكُونَ الرَّسُولُ شَهِيدًا عَلَيْكُمْ وَتَكُونُوا شُهَدَاءَ عَلَى النَّاسِ فَأَقِيمُوا
 الصَّلَاةَ وَآتُوا الزَّكَاةَ وَاعْتَصِمُوا بِاللَّهِ هُوَ مَوْلَانَكُمْ فَنِعْمَ الْمَوْلَى وَنِعْمَ
 النَّصِيرُ

which means: "And strive for you in the way of Allah with true jihad. He has chosen you and He has not made for you in religion a narrowness. (Follow) the religion of your parents Ibrahim. He (Allah) has named you all Muslims in the past, and (so too) in (Al-Qur'an), so that the Apostle will be a witness of you and that you all may be witnesses of all men, then establish prayer, raise zakat and hold on to the rope of God. He is your Protector, so He is the best Protector and the best Helper."

The schematics of the TIM Islamic Economics theory can be seen in Table 1. 1 below.

Table 1.1 Building Theories of Islamic Economy TIM

No.	Theory	Tauhid	Ibadah	Maslahah
1	Pillars	Ihsan	Islam	Faith
2	Fikih	Aqidah	Syariah	Ahlak
3	Methodology	TSR	Hahslm	Maqashid Syariah
4	Inventor	Nature	Roikhan	Ibnu Khaldun

Source: Aziz (2017)

Zakat distribution implications in the economy of the country, among others in charity microeconomic analysis can be approached through the approach of the consumption function, investment and employment opportunities; macro approach while it can be done through macroeconomic equilibrium model (Bank Indonesia, 2016). The laws of endowments present much based on the arguments *ijtihadiah*. While endowment money has great benefits for the benefit *mawquf 'alayh*, then on the basis of *al-maslahah al-mursalah* endowments is permissible. The potential of *waqf* to advance the community's economy is increasingly attractive to some groups, especially those located in industrial areas and business centers of big cities, and also rural areas (Amelia *et. al.*, 2012).

Waqf is an investment vehicle, which in the past was also a source of civilization development. *Waqf* is an act of holding certain property and preserving it for the confined benefit of certain philanthropy and prohibiting any use or disposition of it outside that specific objective (Kahf, 2002). Terdapat peluang kerjasama pada pemilik tanah untuk mengusahakan pertanian, pertambangan, kehutanan serta perikanan menggunakan instrumen *waqf*. the origin of *waqf* can be traced back to the days of the Prophet Muhammad when he built Quba' Mosque on *waqf* land. Meanwhile, during the time of Caliphate, Umar al-Khattab dedicated a piece of land in Khaybar as *waqf* and devoted the benefits of the land to all Muslims in the name of God. one of the important aspects of *waqf* is that the idea of doing charity was out of goodness. The purpose of *waqf* may be for a very broad community including the provision of religious services, socioeconomic assistance to the needy, the poor, education, research, medicine, science as well as the form of *waqf* to provide loans to people who need financing.

Investment is a *muamalah* activity that is highly recommended, because by investing the assets you have to be productive and also bring benefits to others. *Syariat muamalah* consists of: Principle justice or equity is the application of the principle of justice in *muamalah* which aims to ensure that assets are not only controlled by a few people, but must be distributed equally among the people, both rich and poor; The *Mu'awanah* principle that requires all Muslims to help and create partnerships by doing *muamalah*, namely a business strategy that is carried out with the principle of mutual need and mutual development and mutual benefit not only for the parties involved but for the whole community; The principle of *Manfaah (tabadulul manafi ')* which means that all forms of *muamalat* activities must provide benefits and benefits to the parties involved, this principle is a continuation of the principle of *atta'awun* (help/mutual cooperation) or *mu'awanah* (mutual trust) so that the principle. It aims to create cooperation between individuals or parties in the community to meet each other's needs to achieve mutual

prosperity.

Other investments are Islamic stocks or sukuk. Indonesia Sharia Stock Index (ISSI) was launched on May 12, 2011 is a composite index of Islamic stocks listed in Indonesia Bursan Exchange (BEI). ISSI is an indicator of the stock market performance of sharia in Indonesia. ISSI is a constituent of all shares listed on IDX sharia and entered in the List of Islamic Securities (DES) issued by the FSA. Constituents are selected ISSI reset twice a year, every May and November, following the review schedule DES. Therefore, the selection of each period, there is always a sharia stocks that exit or enter into constituent ISSI. ISSI calculation method followed the method of calculation of the index IDX shares, namely the weighted average of the market capitalization of using December 2007 as the base year calculation of ISSI.

Sukuk (Arabic: صكوك, the plural of صك Shak, "legal instrument, charity, check") is a term in Arabic that is used for bonds based on Islamic principles. Islamic bonds or sukuk is often referred to as the securities issued and represent the ownership of the assets on which the sukuk (underlying asset) without forgetting the application of the principles of sharia. Thus, the entire process and its utilization should be based on Islamic law (sharia). Referring to the National Sharia Board fatwa No. 32 / DSN-MUI / IX / 2002, Islamic bonds are a long-term securities based on sharia principles issued by the issuer to the holders of Islamic bonds that require the issuer to pay income to the holders of Islamic bonds in the form of profit-sharing / margin / fee, as well as pay back funds the bond at maturity.

The principles of *al-muzara'a*, *al-musaqqa* and *mugharasah* are divided into two main ideas; leasing and profit sharing (partnership). However, it can be said here that these principles are strongly related to partnership contracts, e.g. both the contract resembles the *al-mudharabah* and *almusharaka* contract. This response is based on an argument that the contracts of *al-muzara'a*, *al-musaqqa* and *al-mugharasah* are partnership between property and work. The difference with *al-mudharabah* is more suitable for trade contracts and industrial or commercial operations. As a result, *al-muzara'a*, *al-musaqqa* and *al mugharasah* can in principle be defined as contracts based on product sharing or results rather than profit sharing. Therefore, *al-muzara'a* and *al-musaqqa* can be identified as "Agricultural products and loss sharing" (aPLS), as opposed to *al-mudharabah* and *al-musharaka* known as "Profit and loss sharing" (PLS). One form of the source of funding is the sukuk instrument. At present, the development of the global sukuk very quickly, and become entrepreneurs investment options. Based on the bonds, the issuer can be issued by companies and governments.

Explanation cooperation agreement based on *al-Muzaraah*, *al-Musaqah* and *al-Mugharasah*:

1. *Al-Muzara'ah* is a contract of agricultural business cooperation between the land owner and the manager (cultivators), where the seeds of the plant come from the land owner and agricultural products are shared between the owner and the cultivator according to the agreed ratio. Sukuk issued by using a scheme called *Sukuk muzara'ah* contract (*muzara'ah* certificate).
2. *Al-Musaqah* is a contract of cooperation between the land owner and the cultivator in the framework of maintaining plants to grow and bear fruit well, the results of which are shared between the owner and the cultivator according to the agreed ratio. Sukuk issued by using a scheme called *Sukuk Musaqaah* contract (*Musaqaah* certificate).
3. *Al-Mugharasah* is a contract of cooperation between the land owner and the cultivator in the context of securing a hard tree where the harvest is the tree (not the fruit), the

results are shared between the land owner and the cultivator according to the agreed ratio. Sukuk issued by using a scheme called *Sukuk Mugharasah* contract (*Mugharasah* certificate).

METHODHOLOGY

Data Type

This research have used secondary data of time series on 2006 to 2017 period. The data used consist of the value of Islamic Social Finance zakat and waqf (ZISWAF), Gini Ratio, International trade value of export, Indonesia Production Index, Indonesia Sharia Share Indexs and GDP data.

Analysis Methode

The research was using data analysis series Error Correction Mechanism (ECM). ECM is one of the most widely applied dynamic models in economic analysis. The concept of ECM was first introduced by Sargan and Gujarati. ECM is a technique for correcting imbalances towards long-term equilibrium, and useful to overcome the problem of the difference in consistency of long-term and short-term forecasting results by proportional disequilibrium in one period corrected in the next period.

Pre-Testing Test

Data Stationarity Test

The stationarity test of the data have done by testing the roots of unit or unit root test. If non-stationary data have had unit roots, otherwise stationary data did not have unit roots. The unit root test model have used Augmented Dickey Fuller (ADF) test model, with the hypothesis were: H0: there was a unit root (data is not stationary) and H1: there was no unit root (stationary data).

Hypothesis development:

1. Ho: The Gini ratio does not affect economic growth.
H1: The Gini Ratio affects economic growth
2. Ho: Ziswaf does not affect economic growth
H1: Ziswaf's support for economic growth
3. Ho: Total exports do not affect economic growth
H1: Total exports affect economic growth
4. Ho: Economic Development (Indonesian Production Index) does not lead to economic growth
H1: Economic Development (Indonesian Production Index) affects economic growth
5. Ho: Sharia Stock Index (ISSI) has no effect on development the economy
H1: Sharia Stock Index (ISSI) affects economic growth

In this AD test observed probability value, if the probability of generated variables produces a probability value that was smaller than its critical value, $\alpha < 0.05$ then the independent variable is stationary, so the ECM method can be continued. This test can also be done to determine the degree or order different how the data being studied will be stationary.

The proposed equations are:

$$Y_t = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \alpha_4 X_4 + \alpha_5 X_5 \dots\dots\dots (2)$$

$$PDB_t = \alpha_0 + \alpha_1 RG + \alpha_2 ZISWAF + \alpha_3 EKSPORT + \alpha_4 IPI + \alpha_5 ISSI \dots\dots\dots (3)$$

Where: PDB = Gross Domestic Product per capita
 RG = Rasio Gini Indonesia
 ZISWAF = The amount of Zakat and Waqf
 EXPORT = Export Value Total
 IPI = Industrial Production Index
 ISSI = Indonesia Shasia Share Index
 $\alpha_0 \alpha_1 \alpha_2 \alpha_3 \alpha_4 \alpha_5$ = Coefficient

Cointegration Test

The cointegration test is also used to give an early indication that the model used has a long term relationship (cointegration relation). Based on equation (1) then obtained ECT coefficient by using the ECM method. The residue must be stationary or does not have the root of the unit at the level. The stationary residual data at the level indicates that all independent variables are cointegrated, thus having a long-term balance.

The derivatives of the equation estimate are:

$$Y_t = \alpha_0 + \alpha_1 X_{1t} + \alpha_2 X_{2t} + \alpha_3 X_{3t} + \alpha_4 X_{4t} + \alpha_5 X_{5t} + \text{ect} \dots\dots\dots (4)$$

$$PDB_t = \alpha_0 + \alpha_1 RG_t + \alpha_2 ZISWAF_t + \alpha_3 EKSPORT_t + \alpha_4 IP_t + \alpha_4 ISSI_t + \text{ect} \dots\dots\dots (5)$$

Where:

- PDB_t = Gross Domestic Product per capita period t
- RG_t = Rasio Gini Indonesia period t
- ZISWAF_t = The amount of Zakat and Waqf in period t
- EXPORT_t = Export Value Total period t
- IP_t = Industrial Production Index
- ISSI_t = Indonesia Shasia Share Index period t
- Ect = Residual
- $\alpha_0 \alpha_1 \alpha_2 \alpha_3 \alpha_4 \alpha_5$ = Coefficient

Estimated Quation Long and Short Term

Estimated equation in ECM must be stationary, so when it is found that it is not stationary at the 1st different, then it is changed to log form.

The equation of long term derivation estimates are:

$$\log(PDB)_t = \alpha_0 + \alpha_1 RG_t + \alpha_2 \log(ZISWAF)_t + \alpha_3 \log(ZISWAF)_t + \alpha_4 IP_t + \alpha_4 ISSI_t \dots\dots (6)$$

The equation of short term derivation estimates are:

$$\log(\log(PDB))_{t-1} = \alpha_0 + \alpha_1 RG_{t-1} + \alpha_2 \log(\log(ZISWAF))_{t-1} + \alpha_3 \log(\log(ZISWAF))_{t-1} + \alpha_4 IP_{t-1} + \alpha_4 ISSI_{t-1} + \text{ect} (-1) \dots\dots\dots (7)$$

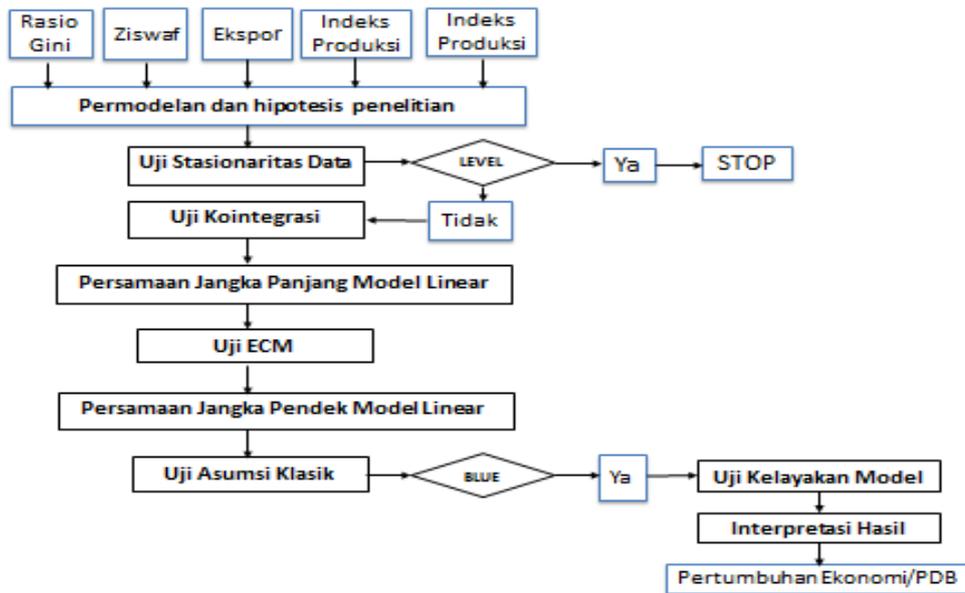
$$\text{ect}(-1) = \alpha_1 RG_{t-1} + \alpha_2 \log(\log(ZISWAF))_{t-1} + \alpha_3 \log(\log(ZISWAF))_{t-1} + \alpha_4 IP_{t-1} + \alpha_4 ISSI_{t-1} (8)$$

Where:

- $\log(PDB)_t$ = Gross Domestic Product per capita period t
- RG_t = Rasio Gini Indonesia period t
- $\log(ZISWAF)_t$ = The amount of Zakat and Waqf in period t
- $\log(EXPORT)_t$ = Export Value Total period t
- IP_t = Industrial Production Index
- ISSI_t = Indonesia Shasia Share Index period t
- $\log(\log(PDB)_{t-1})$ = Slow down Gross Domestic Product per capita period t-1
- RG_{t-1} = Rasio Gini Indonesia period t-1
- $\log(\log(ZISWAF)_{t-1})$ = The amount of Zakat and Waqf Slowness in period t-1
- $\log(\log(EXPORT)_{t-1})$ = Industrial Production Index Slowness in period t-1
- IP_{t-1} = Indonesia Shasia Share Index period t-1
- ISSI_{t-1} = Indonesia Shasia Share Index period t-1
- Ect = Residual
- $\text{ect} (-1)$ = Residual t-1
- $\alpha_0 \alpha_1 \alpha_2 \alpha_3 \alpha_4 \alpha_5$ = Coefficient

To know the deviation of classical assumption from research result in regression equation, it is necessary to do a series of test which include multicolleration test, linearity, heteroscedasticity test, autocorrelation test and normality test.

The flowchart of this research is as follows:



Figur 2. Methodology Flow

RESULT AND ANALYSIST

Pre-test results on the unit root show that all variables are not stationary at the level, but get stationary at the 1st Different with a value of Prob * less than 0.05 (Table 2). ECM test can be continued because it is not stationary at level.

Table 2. Unit Root

LEVEL		1ST DIFFERENT	
VARIABEL	PROB.*	VARIABEL	PROB.*
X1	0.3836	log X1	0.0091
X2	0.7627	log X2	0.0486
X3	0.1634	log X3	0.0000
X4	1.0000	log X4	0.0000
X5	0.7122	log X5	0.0000
Y	0.9666	log Y	0.0000

The R-square regression value of the long-term model produces a proportion of 96 percent of the influence of Rasio Gini, Ziswaf, Total ekspor, Indeks Produksi dan Indeks Saham Syariah on GDP and only 4 percent influenced by variables outside the model. The R-square regression value of the short-term model produces a proportion of 97 percent of the influence of Rasio Gini, Ziswaf, Total ekspor, Indeks Produksi dan Indeks Saham Syariah on GDP and 3 percent influenced by variables outside the model. R-square coefficient value approaching number 1 means that the independent variables provide almost all the information needed to predict the dependent variable (Appendix 1). On the long-term and short-term model the highest coefficient value is Gini ratio value with 4.941522 and 0.348043. All coefficient are positive,

meaning these variables have a relationship with GDP economic growth. If variables decline or slowdown so GDP economic growth as well. Variables gini ratio, ziswaf and production index have a significant effect on gdp, total exports and Islamic stock indexes have no significant effect on gdp in both the long-term and the short-term model (Table 3).

Tabel 3. Results on the regression model

VARIABEL	COEFFICIENT	Prob.	HYPOTHESIS TESTING
LONG TERM			
Gini Ratio	4.941522	0.0004	Significant
log(Ziswaf)	0.132120	0.0000	Significant
log(Ekspor Total)	0.065432	3,4972	Not Significant
Indeks Produksi	0.015886	0.0000	Significant
Indeks Saham Syariah	0.000876	3,8785	Not Significant
SHORT TERM			
Gini Ratio	0.348043	0.0002	Significant
log(log(Ziswaf))	0.061914	0.0000	Significant
log(log(Ekspor Total))	0.007522	6,2944	Not Significant
Indeks Produksi	0.000908	0.0000	Significant
Indeks Saham Syariah	0.000174	0,9049	Not Significant

The results of the VIF value of not more than 5 multikolinieritas not happen, does not happen autocorrelation LM Test, Test Probability JB (Jarque-Bera) normally distributed, Value Prob.F count is greater than 5% alpha level of linearity, the value of Prob. F count larger than the alpha level of 5% does not happen heteroskedastisity then said to have met the assumptions of classical models.

Export does not affect the economic growth of GDP as currently negative net trade. Higher exports always minimized by higher imports, even the majority of exports using imported raw materials. Exports have no effect on GDP economic growth because so far the net trade has been negative. High exports are always minimized by higher imports, in fact most exports use imported raw materials. Likewise, the sharia stock index were not significant to the economic growth of GDP, it is possible to still the least number of national companies in the agricultural sector and the needs of national enterprise innovation development mining sector. Issuance of sukuk be one option.

Discussion

In this study the Gini ratio does not affect the economic growth of the GDP. then the discrepancy must be reduced through a variety of efforts to eradicate poverty and improve the lagging education. The World Bank estimates that nearly a quarter of the population in the developing countries of East Asia and the Pacific are now living below the poverty line of upper-middle class of US \$ 5.50 per day. It includes nearly 7 million people, more than previous projections. Economic sectors can be classified into primary sector (farming and quarrying), secondary (manufacturing) and tertiary (other sectors). Except experts argue that the lower the per capita income of a region increasingly large proportion of the population working in agriculture. Conversely the higher the per capita income of a region the greater proportion of the population working in the services sector. Conditions sectoral distribution of labor also applies

to the distribution of economic sectors. Although the magnitude of different proportions tingkay based on differences in the productivity of these sectors (Thirlwall, 2006).(Thirlwall, 2018)

In some literacy Indonesia's economic growth triggers high inequality between residents. This is reflected in the Gini Ratio variable which is significantly positive for GDP economic growth. The Gini Index is an index to measure inequality in a country from 0 (perfect equality) to 100 (perfect inequality). Todaro and Smith (2003) provide a similar description which states that the rapid rate of economic growth does not in itself improve the distribution of benefits for the entire population. Rapid growth is bad for the poor, because they will be run over and marginalized by structural changes in modern growth. This case is possible because of the lack of generosity of the community, religious sense to issue ziswaf is still lacking. Zakat and waqf as an instrument to help the weak and the shortage is still not maximized achieve targeted goals. The institution of *waqf* (plural *awqaf*) in Islam is one of the poverty alleviation mechanisms in the society.

The discussion on waqf governance was preceded by a review of governance and accountability in nonprofit and charitable organizations. This is important because endowments have the same characteristics as these institutions. Indeed, waqf is considered a non-profit organization because its establishment is intended for the benefit of the community. Therefore, endowments are sometimes called eternal charity (Sadeq, 2002). Other thinkers such as Baudrillard (2011) also sharply criticize the ideology of growth. He stated that the ideology of growth only produced two things, namely prosperity and poverty. Prosperous for the beneficiary and poor for the marginalized. The theory of growth centers is also supported by the belief that free market forces complement the conditions of the trickle down effect and create a spread effect of economic growth from urban to rural areas. This view refers to the neo-classical economic view where development can only start deep some sectors are dynamic, able to provide high output ratios and in certain regions, which can have broad impacts and multiple impacts on other sectors and broader regions

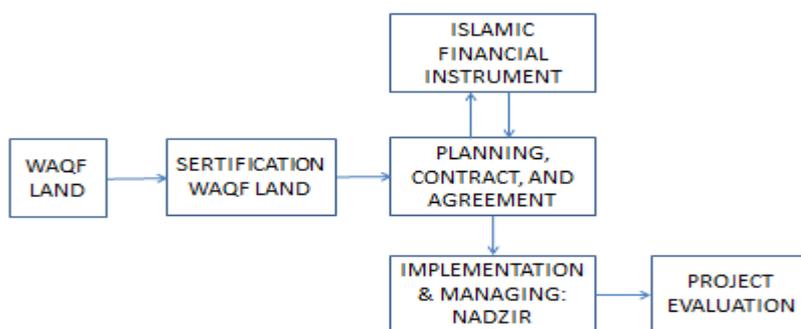
Economic development basically is the process of potential economic development into a specialized economic power through various activities such as a capital increase, the economic structure improvement, transition technologies and others. Economic development is broadly aimed at improving the living standard, the expansion of employment, equitable distribution of public revenues, increase regional economic ties and economic shift from the primary sector to the secondary and tertiary sectors. Economic development has four key dimensions: (1) growth, (2) poverty reduction, (3) a change or transformation of the economy, and (4) sustainability of the development of society from an agrarian into an industrial society.

The World Bank predicts economic growth in East Asia and the Pacific in 2021 only 5.6% slowing from 6.3% in 2018. The World Bank projected the economic growth of developing countries in the region slowed down in the next few years. The region's economic growth in 2018 was 6.3%, then slowed to 5.8% in 2019, to 5.7% in 2020, and in 2021 slowed to 5.6%. The economic slowdown in the region along with increasing its global trade war and uncertainty, as weakening global demand, including from China who are afflicted trade war with the US. US and Chinese trade tensions progress has led to a decline in exports and investment growth. This situation was considered to test the resilience of East Asia and the Pacific, including the growth in consumption was slightly lower than the same period last year. The steady state is supported

by monetary and fiscal policy. It also said that the economic growth of small countries in the region remain strong, including steady growth in tourism, real estate and mining. Developing countries in East Asia and the Pacific is considered difficult to replace the role of China in the global production chain for small-scale production.

The role of government in the Islamic economic system is very important. The government is not only responsible for the enforcement of the norms of Islam in society, but also in economic terms as the fulfillment of basic needs either clothing, food, shelter, education and health, employment in full, maintaining price stability and low inflation as well as growth and economic development continuing to bring welfare and prosperity of the local economy. The government should have the right policies in order to achieve the goal of building a national economy through monetary policy. Monetary policy is a policy relating to the control of money circulation in the economy to maintain the achievement of price stability, controlled inflation, full employment and steady economic growth and sustainable (Mansur, 2013).

Islamic financial instruments to the investment world and the hereafter is ZISWAF and Islamic stocks. Through the use of the characteristics of very extensive endowments could be in the areas of education, health, agriculture, religious, agricultural infrastructure and the processing industry investment objectives can be achieved. Now through Islamic stocks can be a solution for the corporate enterprise objectives to increase investment. The development of waqf is not limited to immovable property such as land. Further steps should be taken to introduce the waqf development of classical and more contemporary, and meet the broader benefits such as boosting economic growth melali extensive agriculture and mining. We propose a model to encourage the development of waqf land by applying Islamic financial instruments as shown in Figure 3:



Gambar 2. Proposed Model for Development Waqf Agriculture/Mining

It is important that the institution fulfill the mandate, trustful or trust to be fulfilled. Amanah is a mandate which basically means a contract between God and humans because it is stated in the Qur'an that God has given trust to humanity in which the heavens, earth and mountains refuse to accept because they are afraid of a heavy burden. Al-Qur'an Al-Ahzab 33:72).

إِنَّا عَرَضْنَا الْأَمَانَةَ عَلَى السَّمَوَاتِ وَالْأَرْضِ وَالْجِبَالِ فَأَبَيْنَ أَنْ
يَحْمِلَهَا وَأَشْفَقْنَ مِنْهَا وَحَمَلَهَا الْإِنْسَانُ إِنَّهُ كَانَ ظَلُومًا جَهُولًا ﴿٧٢﴾

Means: Indeed, we offered the Trust to the heavens and the earth and the mountains, and they declined to bear it and feared it; but man [undertook to] bear it. Indeed, he was unjust and ignorant.

Moreover, the Qur'an has reminded believers not to betray the trust entrusted to them (8:27).

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَخُونُوا اللَّهَ وَالرَّسُولَ وَتَخُونُوا أَمْنَتِكُمْ
وَأَنْتُمْ تَعْلَمُونَ ﴿٢٧﴾

Means: O ye that believe! betray not the trust of Allah and the Messenger, nor misappropriate knowingly things entrusted to you.

Amanah is a mandate, which contains rights and responsibilities that fulfillment is brought to justice. When an individual truly understands the concept of trust, the problem of rights and responsibilities can be resolved. Fulfillment of the mandate will bring to (justice) so it is an important principle of good governance.

Qur'an, An-Nahl 16:90

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَخُونُوا اللَّهَ وَالرَّسُولَ وَتَخُونُوا أَمْنَتِكُمْ
وَأَنْتُمْ تَعْلَمُونَ ﴿٢٧﴾

Means: Allah commands justice, doing good, and freedom to friends and relatives, and He forbids all shameful deeds, and injustice and rebellion. He instructs you, so that you may receive warnings

The development of the Islamic financial industry in Indonesia has increased from year to year. This is made possible due to the emergence of varied investment instruments, and corporate sukuk is one good example. Emergence corporate sukuk is expected encourage growth of the national economy. The growth of a good national economy is reflected by good macroeconomic variables conditions. Good macroeconomic conditions can reflect a good investment climate in a country. Therefore, the government and Bank Indonesia need to maintain inflation stability, money supply, exchange rate and output so that Indonesia can become the largest market center of corporate sukuk issuance (Ardiansyah and Lubis, 2017).

Demographic potentials of Indonesia as the world's largest Muslim country with a percentage of the Muslim population of 87.18 percent (CBS, 2010) should be a huge market for the Islamic finance industry in Indonesia. One of the very rapid growth in Indonesia is the Islamic capital market. The capital market has two functions at once, economic and financial functions,

occupying an important position for the country. The presence of the capital market is expected to increase economic activity, because the capital market is an alternative funding for companies so the company can operate on a larger scale and in turn will increase company income and prosperity of the wider community. Arif *et.al.* (2017) said of the total 259 samples of listed companies in the entire sector, the results mentioned changes can be explained simultaneously macroeconomic fluctuations in stock returns

CONCLUSION

Variables gini ratio, ziswaf and production index have a significant effect on gdp, total exports and Islamic stock indexes have no significant effect on gdp in both the long-term and the short-term model. On the long-term and short-term model the highest coefficient value is Gini ratio value with 4.941522 and 0.348043. All coefficient are positive, meaning these variables have a relationship with GDP economic growth.

The least number of national companies in the agricultural sector and the needs of national enterprise innovation development mining sector. Issuance of sukuk be one option with a high possibility to combine waqf instruments with other contracts to develop agricultural/ mining / forestry/ fishery land and also to activate idle land. This research recommend the implementation of waqf instruments combined with the principles of agricultural/ mining/ forestry/ fishery products and share losses rooted in the joint contract namely al-muzara'a, al-musaqa and mugharasah. It is important to ensure that this alternative offers a fully comprehensive Islamic agricultural/mining finance scheme.

This implies that in the future, fiscal economic policy makers help economic growth which opens up many jobs, by encouraging Indonesia's largest resource-based economic activities in export-oriented agriculture and mining. Good Corporate Government must be conducted so that the ratio around the economic area increases and community welfare..

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