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The Nexus Between Islamic Human Development Index (I-HDI), Islamic Social Finance, Governance, and Poverty: A Case Study in ASEAN

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Abstract. *The poverty factors are multidimensional. Even though ASEAN countries are top global Islamic economics countries, Sharia instruments have not been well-utilized to resolve it. Therefore, this research aims to combine the Sharia and conventional socio-economics instruments by examining relationships between the Islamic Human Development Index (I-HDI), Islamic social finance, and six governance indicators on poverty. The 540-panel data from 2007 to 2021 was taken using purposive sampling and tested using the Fixed Effect Model. This research showed that I-HDI, Islamic philanthropy, voice accountability, and control corruption significantly reduce poverty. This study implies that the ASEAN government should use I-HDI as a human development benchmark, maximize Islamic philanthropy for productivity, increase public participation, and control corruption to eradicate poverty.*

Keywords: *Islamic Human Development Index (I-HDI); Islamic Philanthropy; Good Governance Indicators; Poverty*

Abstrak. *Kemiskinan berasal dari faktor multidimensi. Walaupun negara di ASEAN merupakan negara dengan ekonomi Islam terbesar di dunia, instrumen syariah belum dimanfaatkan dengan baik. Penelitian ini bertujuan untuk menggabungkan instrumen sosial-ekonomi syariah dan konvensional dengan mengkaji hubungan antara Indeks Pembangunan Manusia Islam (I-HDI), keuangan sosial Islam, dan 6 indikator tata kelola pemerintahan terhadap kemiskinan. Data yang digunakan merupakan 540 panel data dari 2007- 2021 melalui metode purposive sampling dan diuji dengan Fixed Effect Model. Penelitian ini menunjukkan bahwa I-HDI, filantropi Islam, suara akuntabilitas, dan pengendalian korupsi berpengaruh signifikan terhadap pengurangan kemiskinan. Studi ini mengisyaratkan pemerintah di ASEAN untuk menggunakan I-HDI sebagai tolok ukur pembangunan manusia, memaksimalkan filantropi Islam untuk produktivitas, meningkatkan partisipasi publik, dan mengendalikan korupsi untuk mengentaskan kemiskinan.*

Kata kunci: *Indeks Pembangunan Manusia Islam (I-HDI); Filantropi Islam; Indikator Tata Kelola Pemerintahan yang Baik; Kemiskinan*

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Introduction

One of the global problems that still exists today in every country in the world is poverty (World Population Review, 2021). The Association of Southeast Asian Nations (ASEAN) is a geopolitical and economic organization of countries in the Southeast Asian region that aims to achieve economic growth and social progress for Southeast Asian people (ASEAN, 2022). However, until now, this goal has yet to be fully realized. This is because, in 2020, there are still 668.62 million ASEAN residents, or one-third of the world's poor, who are part of this region (ASEAN, 2022). poverty is not only an economic problem but a multidimensional problem caused by various factors (Liu et al., 2023). The results of research from Alkire et al. (2022), United Nations (2020), and Widiastuti et al. (2022) show that several problems of poverty originate from the quality of human development, productivity, and institutional quality in government. ASEAN is still experiencing various kinds of development problems. Based on data from the International Monetary Fund (2022), only Singapore, one of the ASEAN countries, is classified as a developed country. Furthermore, according to the World Bank (2023), only Singapore and Brunei Darussalam of ASEAN countries are included in high-income countries.

A country's development is measured through development indicators. This indicator has evolved through the centuries. Jajang et al. (2021) explain the evolution of indicators for calculating human development, starting from the physical quality of life index/PQLI in 1979, the happiness index in 1972, to the Human Development Index (HDI) which was introduced by the UNDP in 1990. The HDI formulated by the UNDP is a human development index that has been recognized and used globally recently. However, the calculation model in HDI is still being refined; the calculation method has undergone six changes. These various changes represent that the HDI still needs adjustments because the characteristics of each country are different. This is supported by Rama and Yusuf (2019), who states that the HDI model cannot measure development holistically in all countries because of differences in economic paradigms in Muslim countries. Countries in ASEAN have a high potential to use Sharia economic instruments in their economic and development activities. According to the State of the Global Islamic Economy Report of 2021, 3 ASEAN countries are included in the top 15 countries with the highest Global Islamic Economy Indicator (GIEI) scores, namely Malaysia, Indonesia, and Singapore (Dinar Standard, 2021).

The highest dominance of the world Sharia economy in several ASEAN countries is the potential to utilize Sharia economic and financial instruments

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to solve poverty and development problems. *Sharia maqashid* indicators in development can be used through the Islamic Human Development Index (I-HDI) (Rama & Yusuf, 2019). I-HDI and HDI aim to measure a country's quality of human development. However, I-HDI differs from HDI due to the dimensions, indicators, and calculation formula shown in Table 1. Due to the improvement in dimension, indicators, and formula used, Jatmiko & Azizon (2021) and Widiastuti et al. (2022) agree that I-HDI is more comprehensive than HDI and more suitable for measuring development, especially in countries that use Sharia economic instruments.

Table 1. I-HDI and HDI Difference

	HDI			**I-HDI**				
Dimension	Health	Education	Income	*Diin* (religion)	*Nafs* (life)	*Aql* (education)	*Nasl* (offspring)	*mal* (wealth)
Indicators	Life Expectancy	Mean Years of Schooling and Expected Years of Schooling	GDP Percapita	Crime Index	Life Expectancy	Mean Years of Schooling	Mortality Rate	GDP Percapita
Formula	$HDI = I_{Health} \times I_{Education} \times I_{Income}$			I-HDI= (20% * din index) + (20% * nafs index) + (20% * aql index) + (20% * nasl index) + (20% * mal index)				

Source: UNDP (2020) and Widiastuti et al. (2022)

Other instruments in Islamic economics that can be used to alleviate Poverty are Islamic social finance and Islamic philanthropy. Umar et al. (2022) and Hoque et al. (2023) explain that Islamic social finance institutions can effectively mitigate poverty even in a pandemic situation in Nigeria and help pursue no poverty in Bangladesh. Besides these instruments, the quality of good governance can also increase income and reduce Poverty in a country. Widiastuti et al. (2022), Abaidoo & Agyapong (2022), Awdeh & Jomaa (2022), and Akobeng (2020) agree that policymakers need to do effective institutions to improve the country's economy and alleviate Poverty. Meanwhile, Khalid et al. (2022) did not find a significant effect of governance in reducing Poverty. In previous studies, poverty factors in ASEAN, as in Nurbaiti (2020), Ahmad et al. (2019), and Nasution et al. (2021) are still focusing on conventional economic instruments such as HDI, FDI, Inflation, GDP, and other macroeconomics and monetary conventional instruments.

All in all, no ASEAN research has focused on Sharia multidimensional socio-economics poverty indicators. Therefore, this research differs from other research by focusing on using Sharia maqashid indicators in HDI and combining them with Islamic social finance and the quality of government in poverty alleviation efforts in ASEAN. This research is also more updated regarding the broader range of years used, which is 14 years.

Literature Review

Islamic Human Development Index (I-HDI)

I-HDI is a new concept in calculating the Human Development Index, which is based on the maqashid Sharia theory coined by Imam Syaitibi which was then adapted to the Islamic development economic theory by Ibn Khaldun and Umer Chapra (Jajang et al., 2021). In this theory, the center of development analysis is human welfare with a focus on protecting the five aspects of *maqashid* Sharia, which are 1) Hifdzu Ad-Deen, 2) Hifdzu Nafs, 3) Hifdzu Aql, 4) Hifdzu Nasl, 5) Hifdzu Maal—the results of research conducted by Widiastuti Et Al. (2022) and Jatmiko and Azizon (2021) agree that the Islamic Human Development Index (I-HDI) negatively and significantly affects poverty levels. This research shows that religious values prove useful for human well-being and that they encourage more employment and decrease the rate of poverty. Therefore, the first hypothesis in this research was formulated as follows:

H1. The Islamic Human Development Index (I-HDI) has a negative effect on poverty.

Islamic Philanthropy

Islamic philanthropy is one of the main instruments of Islamic social finance. Islamic philanthropy includes Islamic social and financial instruments, which include *Zakah*, *Waqf*, *Infaq*, and *Sadaqah* (ZISWAF). Shahid et al. (2023) and Umar et al. (2022) explain in their research that Islamic philanthropy has a negative and significant effect on poverty. This phenomenon comes from ethical orientation as the basis of ZISWAF payment is adequate financial resources collected to assist Muslim-majority nations in achieving urgent SDGs. Thus, the second hypothesis formulated in this research is as follows:

H2. Islamic philanthropy has a negative effect on poverty.

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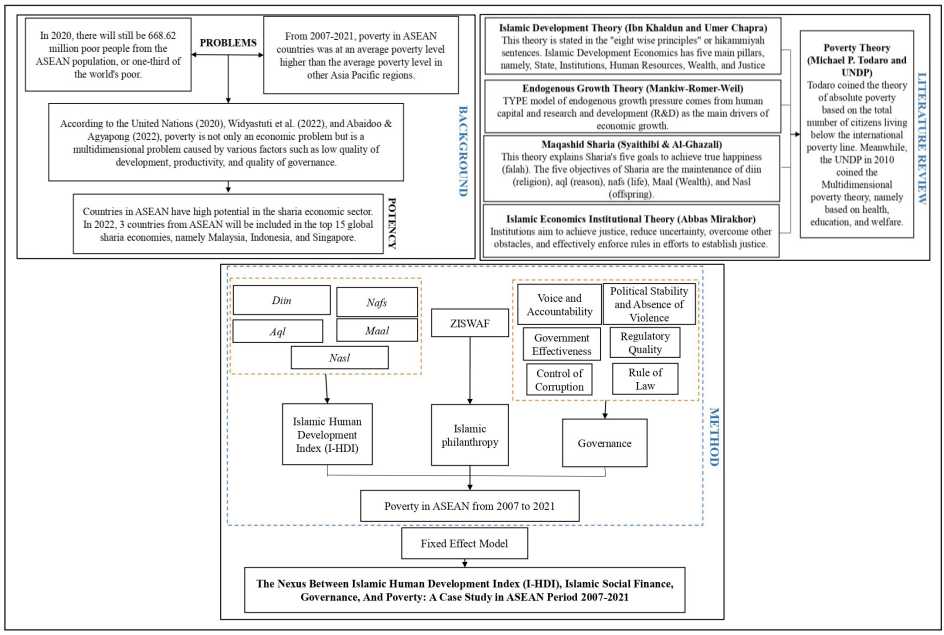
Governance

According to the World Bank (2021), there are six indicators for measuring government governance or what is commonly known as the Good Governance Indiex, including Voice and Accountability (VA), Political Stability No Violence (PV), Government Effectiveness (GE), Regulatory Quality (RQ), Rule of Law (RL), and Control of Corruption (CC). The results of several previous studies, such as the study conducted by Akobeng (2020), provide similar analysis results that democratic attributes of free expression guarantee civil liberties and political participation of citizens in criticizing the government and giving public opinion, so it helps to improve governance qualities to solve poverty problems. Therefore, in this research, a hypothesis is formulated as follows:

H3. Voice and Accountability (VA) has a negative effect on poverty
H4. Political Stability No Violence (PV) has a negative effect on poverty
H5. Government Effectiveness (GE) has a negative effect on poverty
H6. Regulatory Quality (RQ) has a negative effect on poverty
H7. Rule of Law (RL) has a negative effect on poverty
H8. Control of Corruption (CC) has a negative effect on poverty

In summary, the conceptual framework of this research can be seen in Figure 1.

Figure 1. Conceptual Framework of Research



Source: Authors (2023)

Methods

The sample used a purposive sampling method with the criteria: 1) countries in the ASEAN region, 2) countries that use Islamic economic instruments, and 3) countries with published financial reports and statistical data on Islamic economic instruments. Indonesia, Malaysia, Singapore, and Brunei Darussalam were selected as samples. This research used 540 panel data from 2007 to 2021, which will be calculated through a regression model. The I-HDI model is adapted from Widiastuti et al. (2022). All the proxy indicators are based on Widiastuti's version except the proxy of the Ad-deen dimension. This author modified this proxy from homicide index to crime rate index due to the broader crime so that it could represent the more appropriate situation of moral value in a country.

Table 2. I-HDI Model Framework

Dimensions	Hifdzu Ad-Deen	Hifdzu Nafs	Hifdzu Aql	Hifdzu Nasl	Hifdzu Maal
Indicator	Crime Rate/100k population	Life Expectancy Rate	Primary School Enrollment	Mortality Rate/1000 infant	GNP per capita (USD)
Index	Deen Index	Nafs Index	Aql Index	Nasl Index	Maal Index

Source: adapted from Widiastuti et al. (2022)

In the next step, the I-HDI value is calculated using the simple weighted index (SWI) method, using a percentage of 20 in each dimension to produce a 100% result. Here are the details:

$$I\text{-}HDI = (20\% * din\ index) + (20\% * nafs\ index) + (20\% * aql\ index) + (20\% * nasl\ index) + (20\% * mal\ index)$$

The following is the regression model used in this research:

$$PVTit = \alpha it + \beta 1IHDIit + \beta 2IPit + \beta 3VAit + \beta 4PVit + \beta 5GEit + \beta 6RQit + \beta 7RLit + \beta 8CCit + \varepsilon it$$

Where:

α = Constant

β1 = Regression coefficient for the independent variable IHDI

β2 = Regression coefficient for the independent variable Islamic Philanthropy

β3 = Regression coefficient for the independent variable Voice and Accountability

β4 = Regression coefficient for the independent variable Political Stability nonviolence

β5 = Regression coefficient for the independent variable Government Effectiveness

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$\beta 6$ = Regression coefficient for the independent variable Regulatory Quality
$\beta 7$ = Regression coefficient for the independent variable Rule of Law
$\beta 8$ = Regression coefficient for the independent variable Control of Corruption
PVT_{it} = Number of poverty in area i in period t
$IHDI_{it}$ = IHDI of region i in period t
IP_{it} = Islamic Philanthropy for region i in period t
VA_{it} = Voice and Accountability of region i in period t
PV_{it} = Political Stability NoViolence of region i in period t
GE_{it} = Government Effectiveness of region i in period t
RQ_{it} = Regulatory Quality for region i in period t
RL_{it} = Rule of Law for region i in period t
CC_{it} = Control of Corruption in area i in period t
ε_{it} = Nuisance coefficient/random error

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Table 3. Research Variable

NO	VARIABLE	EFERENCE	INDICATOR	DEFINITION	SOURCE
1	*Islamic Human Development Index* (I-HDI)	*The nexus between Islamic social finance, quality of human resources, governance, and Poverty* Tika Widiastuti et.al (2022)	*Diin*	The dimension of the diin index is measured by the crime rate value from 2007 to 2021, using the following formula: Diin Index = $\frac{original\ value\ of\ the\ crime - minimum\ value\ of\ crime}{maximum\ value\ of\ the\ crime - minimum\ value\ of\ crime}$	• Badan Pusat Statistik Indonesia • Department of Statistik Malaysia • Singapore Department of Statistics • Department of Economic Planning and Statistics Brunei Darussalam
			Nafs	The dimension of the nafs index is measured by the life expectancy (LE) value from 2007 to 2021 using the following formula: Nafs Index = $\frac{original\ value\ of\ the\ \mathrm{LE} - minimum\ value\ of\ LE}{maximum\ value\ of\ the\ LE - minimum\ value\ of\ LE}$	
			Nasl	The dimension of the nafs index is measured by the mortality rate (MR) value from 2007 to 2021 using the following formula: Nasl Index = $\frac{original\ value\ of\ the\ \mathrm{MR} - minimum\ value\ of\ MR}{maximum\ value\ of\ the\ MR - minimum\ value\ of\ MR}$	
			Aql	The dimension of the *aql* index diukur is measured by the primary school enrollment (PSE) value from 2007 to 2021, using the following formula: Aql Index = $\frac{original\ value\ of\ the\ \mathrm{PSE} - minimum\ value\ of\ PSE}{maximum\ value\ of\ the\ PSE - minimum\ value\ of\ PSE}$	
			Mal	The dimension of the nafs index is measured by the GNP value from 2007 to 2021, using the following formula Maal Index = $\frac{original\ value\ of\ the\ \mathrm{GNP} - minimum\ value\ of\ GNP}{maximum\ value\ of\ the\ GNP - minimum\ value\ of\ GNP}$	

NO	VARIABLE	EFERENCE	INDICATOR	DEFINITION	SOURCE
2	Islamic Philanthropy		ZISWAF (Zakah, Infaq, Shadaqah, Waqf)	The data used in this research is the average of the total value of Zakat, Infaq, Sadaqah (ZIS) with the total cash waqf, with the following formula: ZISWAF= $\bar{X}$ Zakah+Infaq+Shadaqah+Waqf	• BAZNAS and BWI Indonesia • MAIWP Malaysia • MUIS • Kementeria Hal Ehwal Ugama Brunei Darrussalam
3	Governance	*Policy Research Working Paper: The Worldwide Governance Indicators* World Bank (2010)	VA, PV, GE, RQ, RL, CC.	World Governance Indicators (WGI) are measured in 2 ways, customary standard units from -2.5 to 2.5 and natural percentile rankings ranging from 0 (lowest) to 100 (highest) among all countries throughout the world. In this research, the units used are standard because the scope of the research only focuses on government governance. The value of each governance indicator is calculated using the following formula: $SD[g_j \mid y_{j1}, \ldots, y_{jK}] = \left(1 + \sum_{k=1}^{K} \sigma_k^{-2}\right)^{-1/2}$	• The Worldwide Governance Indicators (2022)

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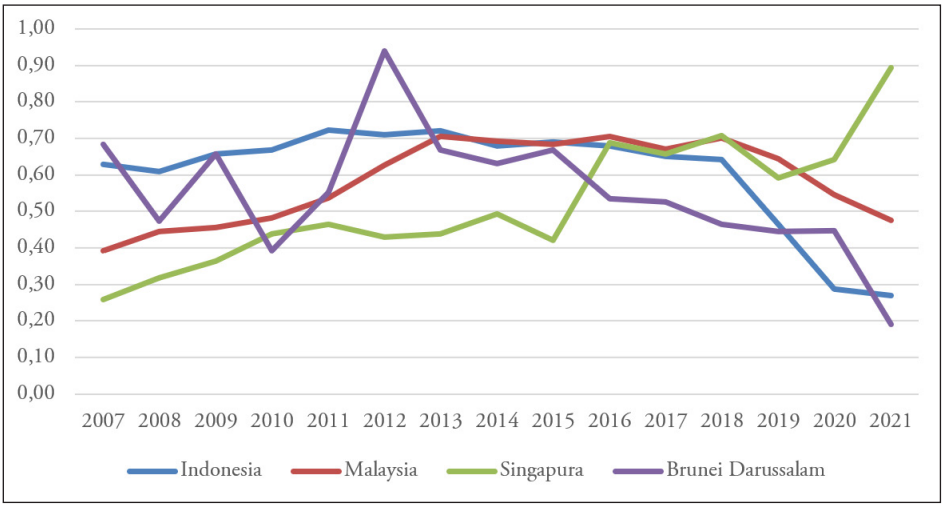
Results and Discussion

I-HDI Values of Indonesia, Malaysia, Singapore, and Brunei Darussalam in 2007-2021

Figure 2 shows the I-HDI trend from 4 sample countries. It is shown that from 2007 to 2018, Indonesia was a country that had an I-HDI value that tended to be highest, stable at above 0.6, which shows that the I-HDI quality is quite good. However, the graph has decreased from 2019 to 2021. This is because there was a decrease in the primary school enrollment rate, which reflects a decrease in the Hifdz Aql dimension in Indonesia in that year. The decrease happened due to the pandemic situation. The lack of supervision from students' parents during distance learning from home caused this decline.

Meanwhile, Malaysia, the country with the world's best Sharia economy (State of the Islamic Economy Report, 2019), has an I-HDI value with a trend that tends to increase from 2007, namely 0.39, which continues to increase to 0.7 in 2018. However, this trend decreased from 2019 to 2021 from 0.64 to 0.48. This is because there was a decrease in life expectancy that year. The pandemic that occurred during those years had affected more than 36.000 deaths in Malaysia, so the rate of life expectancy declined. This shows that there has been a decline in the quality of the *nafs* dimensions in Malaysia in the last three years of the research period.

Figure 2. I-HDI Value Results from Indonesia, Malaysia, Singapore, and Brunei Darussalam



Source: processed by the author (2023)

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Singapore is the only country with a trend in I-HDI values that continues to rise. In 2007, the I-IHDI value for this country was only at the level of 0.26, which shows that the quality of human development based on Islamic values still needs to improve. However, this value continues to rise until it reaches 0.89 in 2021. This shows that Singaporeans have a great belief in God, so moral values tend to arise and reflect the improvement in the level of human moral development in Singapore. Brunei Darussalam has an I-HDI value trend that tends to fluctuate during the research period. In 2007, This showed that even though Brunei Darussalam is one of the high-income countries in ASEAN, there is no guarantee that human development based on the Islamic point of view will be as significant as wealth. This fluctuating trend in Brunei Darussalam I-HDI mostly comes from the dimension of diin, which reflects morality, and the dimension of aql, which reflects education. This means that crime and education in Brunei Darussalam still need to reach the minimum value to reach the developed stage.

Descriptive Statistics

Table 4 shows the result of the descriptive statistical analysis that was carried out.

Table 4. Descriptive Statistics

	Y	X1	X2	X3	X4	X5	X6	X7	X8
Mean	11.23248	0.565604	1284.453	-0.305960	0.502639	1.056305	0.852901	0.591639	0.617144
Median	10.36784	0.618251	55.76647	-0.207481	0.587973	1.008153	0.699184	0.519864	0.364990
Maximum	25.31000	0.939465	14998.23	0.184871	1.615670	2.426029	2.255347	1.870237	2.231618
Minimum	3.010000	0.191585	0.002000	-1.061537	-1.198066	-0.331714	-0.388592	-0.698990	-0.889641
Std. Dev.	6.249456	0.151504	3077.765	0.351725	0.830602	0.848318	0.801027	0.802623	1.019334

Source: processed by the author using Eviews 12 (2023)

Based on Table 4, the independent variable X1, the I-HDI, has an average value of 0.56. This means that the average I-HDI level in the four countries studied is 0.56, which indicates a medium level (Widyastuti, 2022). Next, the mean value of the variable X2 is 1.284,45; this shows that the average amount of Islamic philanthropy is enormous, around USD 1.284,45 million. Furthermore, the governance variable indicator X3, VA, shows an average value of -0.30. This indicates that the average Voice Accountability value in the sample is of poor quality because it is a negative number. This reflects that the democratic action of freedom of speech by the media and public opinion in ASEAN is still ineffective in contributing to political views and regulation. Meanwhile, the indicators for other governance are reasonable because they are positive numbers. This means that the other good governance indicators, except the democracy indicators in voice and accountability, have been at a fair to good level in ASEAN.

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Regression Results

Determining the best regression model for panel data used in this research was carried out through 3 tests: the Chow, Hausman, and Lagrance tests. These three tests were carried out to determine the best regression model between the Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM). Chow test is used to compare the best model between CEM and FEM. If the probability value is smaller than 0.10, then FEM will be used and vice versa. Based on Table 5, the probability value is 0.00. So, the model chosen for this test is the Fixed Effect Model (FEM) regression model. The following are the results of the Chow test carried out in this research.

Table 5. Chow Test

Redundant Fixed Effects Tests Equation: Untitled Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	27.021523	(3,48)	0.0000
Cross-section Chi-square	59.346708	3	0.0000

Source: processed by the author using Eviews 12 (2023)

Next, the Hausman test is used to compare the best model between FEM and REM. In this research, the REM model cannot be used because it does not meet the assumptions, which is that the time series data used is 15 data from the 2007-202 period, which is more significant than the cross-sections used, which are four countries. Therefore, the regression model chosen is the FEM. Next, the Lagrance Test selects the best model between the CEM and REM. However, because both models had been rejected from the previous tests, there was no need to carry out this test. So, based on the three tests that were carried out previously, it was concluded that the best regression model chosen was the Fixed Effect Model (FEM). Table 6 is the regression result using the Fixed Effect Model (FEM).

Based on the regression results, it was determined that the regression equation used in this research was:

$$Y = 2.28 - 0.33X1 - 0.15X2 - 0.97X3 - 0.04X4 - 0.08X5 - 0.35X6 + 1.70X7 - 0.92X8$$

Based on the regression output value, it can be seen that the F stat probability value is 0.00. This value is below the significance value of 10% or 0.10. Therefore,

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Table 6. Fixed Effect Model (FEM) Regression Result

Dependent Variable: Y
Method: Panel Least Squares
Date: 10/13/23 Time: 02:50
Sample: 2007 2021
Periods included: 15
Cross-sections included: 4
Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.277377	0.320501	7.105685	0.0000
X1	-0.334004	0.174984	-1.908770	0.0623
X2	-0.155518	0.042780	-3.635274	0.0007
X3	-0.965842	0.366640	-2.634308	0.0113
X4	-0.039987	0.332606	-0.120223	0.9048
X5	-0.082730	0.396316	-0.208748	0.8355
X6	-0.353272	0.361914	-0.976121	0.3339
X7	1.702972	0.674056	2.526456	0.0149
X8	-0.922739	0.345424	-2.671322	0.0103

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.825506	Mean dependent var	2.240718
Adjusted R-squared	0.785518	S.D. dependent var	0.630207
S.E. of regression	0.291862	Akaike info criterion	0.551788
Sum squared resid	4.088815	Schwarz criterion	0.970657
Log likelihood	-4.553633	Hannan-Quinn criter.	0.715630
F-statistic	20.64378	Durbin-Watson stat	0.914822
Prob(F-statistic)	0.000000		

Source: processed by the author using Eviews 12 (2023)

all the independent variables used in this research simultaneously influence the dependent variable. Furthermore, based on the t-stat test, it is known that the probability value of variable X1, namely I-HDI, is 0.06 with a t-stat value of -1.9, which shows a negative influence. Furthermore, variable X2, Islamic Philanthropy, has a probability value of 0.00 with a t-stat value of -3.6, showing a significantly negative influence. Therefore, it is concluded that this means that X1 and X2 influence the dependent variable Yin in a significantly negative way. In conclusion, increasing the I-HDI and Islamic Philanthropy value decreases the poverty rate. Governance is represented in variables X3, X4, X5, X6, X7, X8. A variable with a probability value below the significance value of 10% or 0.10 shows a significant influence. This means that the X3, X7, and X8, which are VA, RL, and CC, affect poverty significantly. From the t-stat values of -0,1 and -2,6, variables X3 and X8 negatively affect poverty. In short, if the voice of accountability and control of corruption value is increasing, it decreases the rate of poverty. However, on the opposite, the t-stat value of the X7 variable, Rule of Law, is 2,5. This value

represents a positive effect on poverty. In short, if the value of the rule of law increases, the poverty rate increases. Meanwhile, variables X4, X5, and X6, which are PV, GE, and RQ, do not significantly influence poverty because all of those variables have a probability value above 0,10.

Based on the R-squared value shown in Table 6, which is 0.8255. This value shows that all independent % can explain the dependent variable by 82.55%. Meanwhile, the adjusted R-squared value results only explain how much influence the significant independent variables have on the dependent variable in this study. The value 0.7855 means that five significant variables, namely X1, X2, and X3, can explain the dependent variable by 78,55%.

Discussion

The Influence of the Islamic Human Development Index I-HDI on Poverty in ASEAN in 2007-2021

The regression results on the independent variable show a significant adverse effect. Therefore, H1 in this research, which is I-HDI and has a significant negative effect on poverty in ASEAN for the 2007-2021 period, is accepted. This means the higher the I-HDI value, the lower the poverty rate. So, the higher the I-HDI value that represents, the better the quality of human development in the border dimension, including the Sharia dimension, an appropriate benchmark contributing to lowering the poverty level. This research results align with a previous study from Qudah et al. (2022). The study shows similar results, showing that higher I-HDI affected the lower poverty level.

Furthermore, the results of this research also prove the Islamic Economics Development Theory and Endogenous Growth Theory. In the Islamic development model formulated by Umer Chapra, human resources (Human Beings), one of the essential points of achieving welfare is human. Humans are the goal and tool of development. As a development goal, welfare is aimed at humanity. When prosperity is fulfilled, humans can work effectively and creatively. Meanwhile, as a development tool, humans are the subjects who work to build. Moreover, Endogenous Growth Theory emphasizes the development of human, social, cultural, and religious capital as crucial characteristics of economic growth.

The Influence of Islamic Philanthropy on Poverty in ASEAN in 2007-2021

The regression results on the independent variable show a significant adverse effect. Therefore, H2 in this research, namely that Islamic philanthropy significantly

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negatively affects poverty in ASEAN for 2007-2021, is accepted. This means that the higher the value of Islamic Philanthropy, the lower the poverty level. ASEAN countries have the potential to collect a significant amount of ZISWAF. This could be used as social protection for low-income people and accelerate those in need to meet their basic needs and fulfill education and health assurance. The results of this research are in line with previous studies, namely Qudah et al. (2022), Umar et al. (2022), and Widiastuti et al. (2022). These studies show similar results, namely that Islamic philanthropy significantly reduces poverty. Apart from that, the results of this research also prove the Islamic Development Theory. In that theory, Ibnu Khaldun emphasized that the role of investment will grow and develop when it is spent for the benefit of society, to be given to those who can afford it so that it can eliminate hardship.

The Influence of Governance on Poverty in ASEAN in 2007-2021

The Influence of Voice and Accountability (VA) on Poverty in ASEAN in 2007-2021

The regression results on the independent variable show a significant adverse effect. Therefore, H3 in this research, Voice and Accountability (VA), significantly negatively affected poverty in ASEAN for 2007-2021. This means that the higher the voice accountability value, the lower the poverty level. Voice and accountability reflect the quality of democratic action in a country. The excellent quality of this indicator comes from public participation in free media and the freedom of speech by citizens to critics. It gives insight into fixing some bad or injustice public policies. This research's results align with previous studies, namely Akobeng (2020) and Widiastuti et al. (2022). These studies show similar results: Voice and accountability can reduce poverty levels. Apart from that, the results of this research also prove the Endogenous Growth Theory. In this theory, it is explained that social capital and cultural capital are two of the critical characteristics of economic growth. Apart from that, the results of this research also prove the Islamic institutional economic theory. In this theory, it is also explained that the main institutional categories in Islam include people's aspirations to increase trust in public authorities.

The Influence of Political Stability No Violence (PV) on Poverty in ASEAN in 2007-2021

The regression results on the independent variable X4, namely Political Stability No Violence (PV) or political stability and the absence of terrorism, show

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no significant influence. So, the independent variable X54, Political Stability No Violence (PV), cannot explain its influence on poverty in ASEAN in 2007-2021. Therefore, the independent variable, H4, in this research, namely Political Stability No Violence (PV), has a significant negative effect on poverty in ASEAN for the 2007-2021 period and is rejected. These research results could be attributed to several studies stating that political stability and terrorism in a country are not the primary factors directly influencing poverty. Nnam et al. (2020) state that political instability and terrorism in a country have more significant implications for security issues.

The Influence of Government Effectiveness (GE) on Poverty in ASEAN in 2007-2021

The regression results on the independent variable X5, Government Effectiveness (GE), show no significant influence. So, the independent variable X5, Government Effectiveness (GE), cannot explain its influence on poverty in ASEAN in 2007-2021. Therefore, H5 in this research, namely that Government Effectiveness (GE) has a significant negative effect on poverty in ASEAN for the 2007-2021 period, is rejected. These research results could be attributed to several studies stating that the effectiveness of government in a country is not a factor that influences poverty. Sari & Prastyani (2021) and Widiastuti et al. (2022) stated that Government Effectiveness does not affect poverty alleviation and economic growth.

The Influence of Regulatory Quality (RQ) on Poverty in ASEAN in 2007-2021

The regression results on the independent variable X6, namely Regulatory Quality (RQ), show no significant influence. Thus, the independent variable X6, namely Regulatory Quality (RQ) or regulatory quality, is said to be unable to explain its influence on poverty in ASEAN in 2007-2021. Therefore, H6 in this research, namely that Government Regulatory Quality (RQ) has a significant negative effect on poverty in ASEAN for the 2007-2021 period, is rejected. These research results could be attributed to several studies that state that regulatory quality or the quality of regulatory establishment in a country does not directly influence poverty. (Dwumfour (2020) states that the formation of regulations only directly affects poverty reduction if appropriate regulations are implemented.

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The Influence of Rule of Law (RL) on Poverty in ASEAN in 2007-2021

The regression results on the independent variable X7, namely Rule of Law (RL), have a significant positive effect. This shows contradictory results with the seventh hypothesis (H7). Therefore, H7 in this research, namely that the Rule of Law (RL) significantly negatively affects poverty in ASEAN for the 2007-2021 period, is rejected. Rule of Law (RL) is an indicator that measures the extent to which agents/government can comply with the rules of society and, in particular, the quality of enforcement of contracts, property rights, police, and courts, as well as the likelihood of crime and violence. According to the World Bank (2021), one of the benchmarks for this variable is whether the courts and police have acted reasonably and appropriately. In this context, the influence of RL in increasing poverty levels in ASEAN in 2007-2021 may occur because the public considers that the police and prosecutors in the sample countries studied have carried out unfair actions, causing poverty to increase.

Amrullah & Natamiharja (2020) and Ningtyas & Badriah (2019) stated that the quality of law enforcement in ASEAN is still systemically deviant, causing increasing inequality and poverty. This can be seen by the number of case resolutions, which are sharp downwards and blunt upwards. This means that existing law enforcement can only resolve criminal cases involving middle to lower-class people and has not been able to fully enforce the law on crimes involving middle and upper-class society, such as corruption, gratification, and nepotism. For example, in Indonesia, cases of theft that cause low losses, such as theft of cassava, papaya, chickens, and others, are punished with an average sentence of 2 years in prison. Meanwhile, the punishment imposed for corrupt officials who cause state losses of up to billions of rupiah is, on average, only three years and five months in prison (Mantalean & Sari, 2022). This causes poor people who commit crimes to tend to have difficulty developing and getting out of poverty.

The Influence of Control of Corruption (CC) on Poverty in ASEAN in 2007-2021

The regression results on the independent variable. Therefore, H8 in this research, namely that Control of Corruption (CC) has a significant negative effect on poverty in ASEAN for the 2007-2021 period, is accepted. This means that the higher the government controls small and large corruption, the lower the poverty level. The higher control of corruption in a government builds the better quality of clean institutions. So, the budget allocated for social protection

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will be allocated evenly to those in need. Besides, a country's lesser corruption could also build better social protection infrastructure, such as more affordable education and health care. The results of this research are in line with previous studies, namely Bukhari (2022), Kitunzi (2021), and Widiastuti et al. (2022). These studies show similar results, namely that control of corruption significantly reduces poverty levels. Apart from that, the results of this research also prove the Islamic Development Theory. This theory explains that the role of the state and upholding justice are the main characteristics of development. Apart from that, the results of this research also prove the Islamic institutional economic theory. This theory explains that redistribution of income and wealth and enforcing rules is one way to achieve justice.

Conclusion

This research concludes that the variables I-HDI, Islamic Philanthropy, Voice and Accountability (VA), and Control of Corruption (CC) significantly negatively affected poverty in ASEAN for the 2007-2021 period. The higher the I-HDI, Islamic Philanthropy, VA, and CC scores, the lower the poverty level. The higher the I-HDI value, the better the quality of human development in the border dimension, including the Sharia dimension, an appropriate benchmark contributing to lowering the poverty level. A significant amount of ZISWAF in ASEAN countries could be used as social protection to accelerate people in need to meet their basic needs and fulfill education and health assurance. The excellent quality of public participation from free media and freedom of speech by the citizens to critics and give insight to fix up some wrong or injustice public policies could help reduce poverty. The higher control of corruption in a government will allocate the nation's budget evenly to the appropriate people. So, the country could build a better social protection infrastructure, such as more affordable education and health care.

Meanwhile, the variables Political Stability No Violence (PV), Government Effectiveness (GE), and Regulatory Quality (RQ) do not have a significant effect on poverty in ASEAN for the 2007-2021 period. This means that PV, GE, and RQ cannot explain their influence on poverty levels in ASEAN from 2007 to 2021. The Rule of Law (RL) variable has a significant positive effect on poverty in ASEAN for the 2007-2021 period because the quality of law enforcement in ASEAN is still systemically deviant where the law is sharp downwards and blunt upwards. Simultaneously, I-HDI, Islamic philanthropy, and governance have significantly

negatively affected poverty in ASEAN for the 2007-2021 period. The higher the poverty level, the lower the scores of I-HDI, Islamic Philanthropy, and Governance.

This research has several limitations regarding the objects and data studied. Here are the details: Firstly, the objects studied are only limited to 4 countries in ASEAN, whereas 11 (eleven) countries are in ASEAN. The seven other countries in ASEAN were not included in the research sample due to the need for variable data, especially data on Islamic philanthropy variables. This means that the research results still need to be comprehensive and fully represent conditions in ASEAN. Secondly, official data on Islamic philanthropy from the KHEU Brunei Darussalam portal must be completed. Therefore, the data on Islamic philanthropy from 2007 to 2012 used in this research is secondary data from research thesis data collected by Yatiningrum (2017). Thirdly, official national poverty data in Singapore and Brunei Darussalam were not found because Singapore and Brunei Darussalam do not have a national poverty line, so there is no official publication of poverty data on the DOS and DEPS portals. Therefore, this research uses population data from these two countries with incomes below 2.15 USD or by the 2017 international poverty line.

This research suggests some policy recommendations. First, for the Government in charge of the relevant agencies in each country, it is expected to consider using I-HDI as a benchmark for human development and create new regulations to optimize the various dimensions contained in I-HDI. Secondly, the government in charge of related agencies is expected to formulate new policies to eradicate poverty through the use of Sharia instruments. Lastly, the government in each country can evaluate its governance performance and improve the quality of institutional management in existing agencies.

For the future researchers are expected to be able to use samples from more comprehensive research objects, add variables that have not been studied in this research, and complete the data with primary data.

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