

Actualization of Indonesian Economic and Cultural Development Reviewed from Ibn Khaldun's Thoughts

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ABSTRACT

The problem of poverty in Indonesia is very complex which can trigger economic and socio-cultural problems, namely that there is a poor population of 9.36 percent. This indicates that prosperity has not been achieved in economic development in Indonesia. Ibnu Khaldun explained that a developed country is determined by the strength of the government implementing sharia and justice which is implicitly in accordance with the ideals of national development in Indonesia. The aim of this research is to analyze the actualization of Indonesia's economic development in terms of Ibnu Khaldun's thoughts. The research method used is qualitative library research sourced from secondary data using library research techniques from Muqaddimah books, journal articles and various kinds of relevant library materials which are then analyzed using descriptive analysis methods. The results of this research are that Indonesia's economic development has not yet achieved economic and socio-cultural balance as stated by Ibnu Khaldun. This is based on an imbalance between state revenues and government expenditure. The high taxes imposed on the public cannot yet be directly proportional to state spending which should be able to reduce inequality, poverty and so on, especially in underdeveloped areas.

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1. INTRODUCTION

Economic development is one of the areas of national development with the aim of welfare and prosperity of the people (Arfianto & Balahmar, 2014), continuously carrying out stages in the process of change for the better, where the benchmark for development success can be seen from economic growth and the reduction of income inequality. Between residents, between regions, and between sectors (Marini, 2016). The development contains the definition that there is a process that causes something to grow more advanced and organized. conceptually, economic development has been transformed from the concept of economic growth, which is accompanied by changes every year, namely equality, justice, the improvement of the quality of life, and the improvement of the environment. Apart from that, economic development is a cultural process caused by economic problems and is part of cultural reality that can shape economic sensitivity (Bagianto et al., 2020).

According to (Arifin, 2020) the culture of poverty in Indonesia occurs as a result of poor people who are helpless in facing the capitalist economy. The unique character of poverty in Indonesian society requires a balanced structural and cultural approach. The main indicators of economic development are supported by the availability of economic resources, namely human resources, natural resources, and productive capital resources (Sembiring et al., 2023), as well as the government as a policy maker and driver of the economy to achieve a developed country, prosperous, and cultured.

Based on the 2023 BPS publication, the level of welfare in Indonesia is still in the improvement stage (BPS, 2023); however, the problem of poverty remains a complex problem, and a solution must be immediately sought. (Idrus & Rosida, 2020), Namely 9.36 percent of the poor population. This greatly affects the achievement of national development, which triggers other problems, such as cases of malnutrition in children, namely 13.8 percent in 2018, and unequal distribution between regions where development is only concentrated in one region, such as health infrastructure and energy distribution. Health for eastern Indonesia, which is underdeveloped and has border areas, is still poor. Therefore, the Papua region has the largest number of poor people in Indonesia, with 26.03% in Papua Province and 20.49% in West Papua Province (Putri, 2023). Research conducted by (Purnamasari et al., 2016) states that infrastructure development in the Indonesia-Malaysia border area in Sambas has not been able to improve the welfare of the people in the area, the high unemployment rate in Indonesia is influenced by the lack of employment opportunities, as well as cases of corruption and abuse of authority which violates the norm.

Seeing the importance of economic development in a country (Hapsoro & Bangun, 2020), explains that good relations between economics and socio-culture can create fair relations so that Indonesia can create justice and prosperity for an even society, both materially and spiritually. This has been explained in the 4th Paragraph of the 1945 Constitution, namely general welfare and the intelligent life of the nation.

Many economists have put forward the concept of development and economic growth. However, the concept of development and economic growth that is currently developing only fulfills material aspects without involving spiritual, religious, faith ,and cultural solidarity components to obtain economic benefits, which is called a secular economy or capitalist economy, the theories of which come mostly from western economists, such as The theory put forward by

Adam Smith is that in economic development, the accumulation of capital from people's savings invested in the real sector will determine whether the rate of economic growth is fast or slow so that it will continuously increase productivity and per capita income.

Malthus expressed an almost similar opinion that the accumulation of capital, which is the profit of entrepreneurs (results from investment), can increase the country's economic growth. However, Chapra stated that economic development that is only based on materialism components will not lead society to prosperity (Huda, 2015), so it is necessary to include moral and religious values as components of the country's economic development, which reflects the existence of the concept of Islamic development by an Islamic Economics figure, namely Ibn Khaldun.

Ibn Khaldun His full name is Abd al-Rahman bin Muhammad bin Khaldun al-Hadrawi an expert on jurisprudence, philosopher, traveler, historian, writer, and author who was born in 732 AH in Tunis and adhered to the Maliki school of thought (Aini & Abidin, 2022). Ibn Khaldun's phenomenal thoughts on economics and the history of Islamic civilization are contained in his work entitled *Muqaddimah*, which contains theories about history, including social sciences, have succeeded in building Islam (Ridwan et al., 2023) and provides new theories (Henry, 2020). Ibn Khaldun believes that one social phenomenon and another are interrelated, where economic phenomena will influence the culture and progress of the country (Revi Fitriani, 2019), and are based on the principles of development and social welfare (Iqbal & Hendra, 2022). Ibn Khaldun's development concept emphasizes the concept of *asabiyyah*, which underlies the progress or destruction of a country and civilization. The word *asabiyyah* is interpreted as social solidarity, emphasizing a culture of awareness, harmony, and unity in society (Arifqi, 2019). One of these concepts explains that whether a country is developed or not is determined by the strength of the government in implementing sharia and justice (Arifqi, 2019).

Seeing the importance of implementing Indonesia's economic development, which aims to create material and spiritual justice in accordance with the 4th paragraph of the 1945 Constitution, this can be in line with the concept of Islamic development put forward by Ibn Khaldun. Therefore, researchers are interested in analyzing the actualization of economic development in Indonesia in terms of Ibn Khaldun's thoughts.

2. METHODS

This research uses a qualitative *library research approach* in the form of a library study sourced from secondary data, consisting of sources from the main book Ibn Khaldun *Al Muqaddimah* and its translation, *news* articles, institutional publications (BPS), and research journals. So, the data collection technique used is a *literature review technique* by examining literature, books, articles, journals, and various kinds of relevant library materials regarding economic and cultural development in Indonesia in the last ten years and economic development according to Ibn Khaldun's thoughts, which are then data analyzed using the descriptive analysis method.

3. RESULTS AND DISCUSSION

3.1. The Concept of Islamic Development According to Ibn Khaldun's Thoughts

Islamic development is part of the Islamic economic system, which is currently an alternative to economic systems worldwide. Even Western scientists are starting to recognize the value of the results of Islamic economic thinking, which can provide coolness and promote prosperity (Arif, 2012) . This is based on the Islamic economic system, which can combine economic activities with divine and humanitarian values without secularization and materialism (Indriana & Halim, 2020). In its development, the Islamic economic system was built based on the thoughts of previous Islamic economists, including the concept of economic development and the steps that the state should implement to develop a better and more prosperous human civilization because good civilization indicates a consistent culture.

Ibn Khaldun was a Muslim scientist who succeeded in advancing Islamic civilization with science. He was known as a figure in the field of social sciences, historian, philosopher, writer, ushul fiqh expert and was even considered the father of economics who western scientists recognized in his time. Name complete Ibn Khaldun was Abd al-Rahman bin Muhammad bin Khaldun al-Hadrawi who was born in 732 AH in Tunis (Aini & Abidin, 2022; Sofyan et al., 2023). The most phenomenal work containing economic and development thoughts is contained in Ibnu Khaldun's Muqaddimah Book , where the first volume of al- I'bar was successfully completed in five months, then continued the next volume of al- I'bar (Henry, 2020). The behavior of society which is described using historical instruments of civilization and culture in the book, becomes a tool for understanding the natural dynamics of a society, where society, which was initially in the form of small groups, became a more complex society, including its relationship to economic problems.

Overall, Ibn Khaldun's economic and development thinking in the Muqaddimah explains the theory of value, where state income is not related to the amount of money circulating in society but rather profits from the realization of labor. Furthermore, financial theory is related to taxes, balance of payments, and international trade, as well as price theory, including market mechanisms, which ultimately have an impact on the concept of the country's economic development (Rahmania et al., 2022).

Ibn Khaldun thought that there was a relationship between the economics, politics (state), and culture of a country. So, in socio-cultural and economic principles, the government is responsible for fulfilling basic needs and creating social balance (Zainal et al., 2018). Economic problems also play a role in cultural and state development (Revi Fitriani, 2019). The importance of implementing economic and socio-cultural balance in order to achieve development and prosperity goals, Ibn Khaldun, revealed important steps with detailed images as follows:

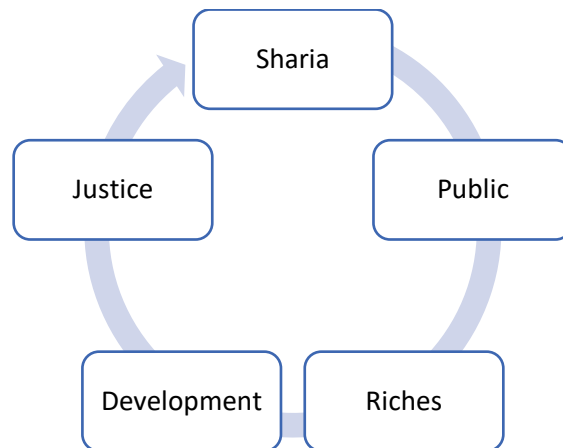


Figure 1. *Ibn khaldun's concept of economic balance in achieving development source: muqaddimah book in (huda, 2015)*

Based on the picture above, the concept of balance established by Ibn Khaldun shows that there is a variable relationship that is mutually sustainable as a condition for realizing prosperity in a country so that no variables are considered fixed or constant as in conventional economics (Aini & Abidin, 2022). This is what produces justice and the achievement of equitable economic development. The following is an explanation of each variable that can build a country's economy:

- a. A strong government will not be realized except through the implementation of sharia, which is based on the Koran and hadith. In general, Sharia recognizes that people living in poverty have the right to receive guarantees and assistance from the state to obtain a decent standard of living. This means that the government needs to build a culture based on sharia by making regulations
- b. The country will become stronger if society participates in implementing and forming a culture based on sharia in social and economic life voluntarily and sincerely.
- c. People who participate in implementing sharia indirectly have an attitude of integrity, obedience, simplicity, and togetherness, so they will use their wealth in the form of resources to contribute to advancing society. Prosperous communities will find it easier to pay ZIZWAF as an effort to realize economic justice.
- d. Wealth cannot be obtained except through development, development that is based on the guidance of the Shari'a, and government implementation that prioritizes justice.

If a country is prosperous, it can carry out sustainable development by emphasizing what sectors a country has advantages (specialization) and other supporting factors, such as educational facilities, training centers, worship facilities, road facilities and infrastructure, sharia industry, and the production sector on a global scale, utilizing and advancing existing culture in order to gain economic value

Collaboration between the state and the private sector has a big influence on economic development, such as state spending, the imposition of high taxes, which actually kills production, and the development of cities and underdeveloped areas. The details of Ibn Khaldun's thoughts on economic development are as follows:

a. Theory of value (markets and international trade)

Ibn Khaldun's thoughts and value theory cannot be determined by the amount of money circulating in society. However, it is determined by the level of production of goods and services and a healthy balance of payments. The better the balance of payments, the greater the productivity. Therefore, this greatly influences the demand and supply of workers who can be absorbed properly. Apart from that, it will also affect prices and international trade.

International trade links differences in price levels between countries with the availability of factors of production. If the population is large, work specialization will occur, thereby increasing surpluses and international trade (Suryaningrat & Wahab, 2023).

Another theory of value comes from the theory of money, which states that gold and silver are standard monetary measures in terms of payments or transactions and can even be used as reserves of value because they do not fluctuate drastically. Therefore, the authority to regulate the value of money must be handed over to the state. Prosperity and development will be achieved if the speed of money circulation in society comes from the number of transactions carried out.

b. Financial theory (fiscal policy)

The financial thinking put forward by Ibn Khaldun is related to fiscal policy, which places great emphasis on government spending and state revenues. According to him, there is a need for political balance and balanced income and expenditure budgets in each country so that the more government spending, the greater the development that will be carried out, in this case, because the government is the largest market player for goods or services, which is one source of income. The state's state spending comes from taxes. State spending must focus on empowerment and ensuring legal stability to maximize production and innovation needed by society. Therefore, the effect of taxes on incentives and productivity is very clear. State spending can also accelerate the development of cities and underdeveloped areas so that each region has the same standards.

Ibn Khaldun's tax thinking is one of the thoughts that contribute to the country's economic development. Where this concept comes first there is a comparison with the theory put forward by Adam Smith regarding the Canons of taxation (Equality, Certainty, Confidence in payments, and economy in collection) (Sukmalia et al., 2021).

Taxes as a source of state income must be managed well to provide maximum results and later be used to improve the social welfare of the people. Equal distribution of taxes between people and people shows equality in that all people are obliged to pay taxes without any exceptions. However, excessive taxation will weaken production itself. Therefore, Ibnu Khaldun believes that the existence of a taxation department is very important for the state's power to regulate its operations.

3.2. Developments and strategies for Economic Development in Indonesia for 2013-2023

In order to achieve development targets, Indonesia's investment funding policy is directed at ensuring the availability and optimization of development funds towards independence in development funding. The main development funding strategy is to optimize existing and future development sources and schemes and improve the quality of source funds and development funding schemes.

To carry out the expected development, there is a strategy for five years, where to achieve the target of average economic growth of 6.3 - 6.8 percent per year, it is necessary to collect a cumulative investment of IDR 11,913.2 trillion - 12,462.6 trillion over five years. The remaining investment needs can be obtained from the business and banking world, non-bank financial institutions, capital markets (shares and bonds), foreign funds, and retained earnings. Apart from investment returns which have a major contribution to the country's development, government funding comes from tax collections from the public and non-tax revenues originating from grants, foreign financing, and domestic financing.

In order to increase state revenue, the government will develop and perfect tax revenue and non-tax revenue policies while maintaining the investment climate. The government can also implement economic development in the form of government spending. The following is an effective government spending strategy:

- a. Improving and strengthening planning and budgeting that connects the central government through improving the formulation of the RPJMN (National Medium Term Development Plan), Renstra (Ministry Strategic Plan), RKP (Government Annual Work Plan), and perfecting the preparation of regional government RPJMD (Regional Medium Term Development Plan).
- b. Funding priorities should be placed on activities that can multiply domestic economic activities, thereby creating extensive employment opportunities and supporting efforts to improve the quality of public services.
- c. Improve budget administration mechanisms and make budget disbursement faster and more accountable.

Based on reports sourced from Kominfo publications, the Minister of Communication and Information, Rudiantara Indonesia, revealed that Indonesia's economic growth has been stable in the last ten years (Kominfo, 2017). In the last ten years, the government has continued to implement various measures to increase economic activity, overcome regional disparities, and encourage sustainable development and economic growth in the country. One of the main policy instruments that are the basis for regional development-based economic development, especially infrastructure transformation, is the determination of priorities for infrastructure programs/projects, especially through National Strategic Projects (PSN) (Ekon.go.id, 2022)..

Throughout the last ten years, economic development in Indonesia has experienced major developments in the infrastructure development sector to increase accessibility and connectivity of regions throughout Indonesia, such as toll road construction. Furthermore, the railway infrastructure project has opened access to remote areas. Overall, these infrastructure projects positively impact regional economic growth, ease of access to economic centers, and inviting new investors. However, many investors often come from abroad or are foreign investors rather than domestic investors. Social and human development aspects include building schools, hospitals, and other public facilities and better access to education and health services (setneg.go.id/, 2024).

The Indonesian government is starting to realize the role of culture in economic development. Therefore, the development of soft infrastructure is formed through regional culture, such as the plan to roll out special allocation funds in stages, starting from the regions and going down to the provinces. Establish an integrated cultural data collection system that integrates all cultural data from the regions and promotes cultural tourism abroad. This is proven by the increasing number of foreign tourists coming to Indonesia. Based on data from BPS,

foreign tourists reached 798.47 thousand visits, dominated by Malaysian, Australian, and Singaporean tourists (Antaranews, 2024).

Even though Indonesia's economic development in terms of infrastructure has developed, if you look at the economic growth figures, it is still at 3.39 percent in the last five years, which means it is in the middle-income trap position (Falah & Syafri, 2023). This growth is still relatively low because a growth rate of 7.5 percent is needed to get out of the middle-income trap in 2030. The following is a picture of Indonesia's economic growth in 2021-2023:

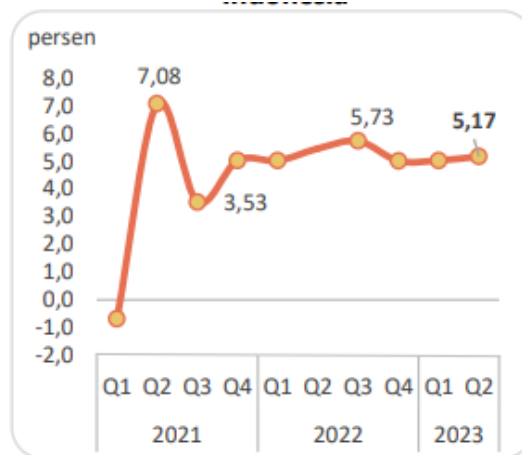


Figure 2. Indonesia's economic growth in 2021-2023 (source : BPS)

Based on data from the Central Statistics Agency (BPS) , Indonesia's economic growth data in 2022 is 5.73 %, higher than the economic growth in 2021 of 3.53 %. If you look at the picture above, Indonesia's economic growth figures in 2022 have managed to rise again due to an increase in exports, imports, and GDP. In 2020, economic growth in Indonesia experienced a very sharp decline due to the COVID-19 pandemic and the implementation of the PSBB policy.

3.3. Discussion

problems that are often encountered in economic growth and development are poverty, high population growth rates, access to education, health facilities, unemployment, women's empowerment, urbanization, migration, and other development problems (Jajang et al., 2021). If you look at the problem of poverty in Indonesia, which is still a major problem, this will give rise to a chain of other problems if it is not resolved immediately. In Islam, poverty can destroy morals, which is directly proportional to crime, the decline in people's intelligence, and is a disaster for which Allah must seek protection.

"O Allah, I seek refuge in You from evil and the torment of hellfire and from the evil that arises from wealth and poverty . " (HR. Abu Daud, An Nasa'i and ibn Majjah).

"From Anas Bin Malik ra Rasulullah SAW said that poverty approaches kufir " (HR. Abu Daud)

The hadith above explains a lot that poverty will weaken faith and bring disbelief. Therefore, eliminating poverty requires economic development. Economic development can be realized if all elements of economic behavior can unite to formulate strategic steps regarding economic development.

Indonesia still views the economic development paradigm as only based on economic growth figures, even though economic growth only revolves around the process of increasing production, which is realized in the form of increased national income or real GDP, and there are other aspects that can be other indicators of economic development, namely indicators in terms of percentages. Poverty, unemployment rate, health index, access to education, and cultural progress.

Ibn Khaldun stated that the state that holds supreme power needs to meet the needs of its people in terms of protection and security, prosperity, and equality. So, to achieve that, the concept of Ashabiyah (solidarity from all components of the country) emphasizes a culture of awareness, harmony, and unity in society. Has a big role in the development of the country. If the asabiyah is strong, then the country that emerges will develop, and conversely, if the asabiyah is weak, then the size of the country that emerges is relatively limited because in relation to each other, they will have an impact on each other, including in terms of reducing poverty levels by equalizing aspects of development in rural and urban areas.

Tahun Year	Jumlah Penduduk Miskin (juta) Poverty Size (million)			Persentase Penduduk Miskin (%) Percentage of Poverty (%)		
	Perkotaan Urban Areas	Perdesaan Rural Areas	Perkotaan+ Perdesaan Urban+Rural	Perkotaan Urban Areas	Perdesaan Rural Areas	Perkotaan+Perdesaan Urban+Rural
(1)	(2)	(3)	(4)	(5)	(6)	(7)
2019	9,99	15,15	25,14	6,69	12,85	9,41
2020	11,16	15,26	26,42	7,38	12,82	9,78
2021	12,18	15,37	27,54	7,89	13,1	10,14
2022	11,82	14,34	26,16	7,50	12,29	9,54
2023	11,74	14,16	25,90	7,29	12,22	9,36

Sumber/ Source: Badan Pusat Statistik, Berita Resmi Statistik/BPS-Statistik Indonesia, Press Release

Figure 3. Distribution of the number of poor people in urban and rural areas 2019-2023

Based on the table on the distribution of the number of poor people in urban and rural areas in 2019-2023 in Indonesia, the percentage of poor people in rural areas is higher than in urban areas. This can be influenced by several factors, including access to employment opportunities, education, and public facilities in rural areas tends to be limited compared to urban areas, especially in underdeveloped areas and the eastern region of Papua Island and its surroundings, which has the largest number of poor people in Indonesia. Looking at the problems above, the actualization of Indonesia's development has still not achieved socio-cultural and economic balance like the concept of economic development described by Ibn Khaldun. This is because inequality and prosperity are still found, and these can only be felt in certain areas.

According to Ibn Khaldun, economic, social, and cultural balance also means fulfilling all aspects, namely material, spiritual, religious, and faith aspects based on sharia. This has begun to be implemented in Indonesia by developing and accommodating the Islamic economic system, namely the existence of the MUI (Indonesian Ulema Council), the National Sharia Council, and the Sharia Supervisory Board to provide fatwas and supervise the implementation of Islamic financial and non-financial institutions, such as Islamic banking regulated in the Law. -Law

Number 10 of 1998 concerning Sharia Banking which was subsequently updated by establishing Law Number 21 of 2008 concerning Indonesian Sharia Banking (Mustofa, 2018), ZISWAF regulations in Islamic philanthropic institutions which are regulated UU No. 23 Tahun 2011 concerning Zakat Management UU No. 41 Tahun 2004 concerning Waqf, Islamic capital markets are regulated in DSN-MUI No. 40/DSN-MUI/ X/2003 (Subaidi, 2017). Islamic insurance institutions and Islamic education, including Islamic economics education, as well as facilitating judges who understand sharia to resolve sharia disputes.

The availability of sharia regulations in Indonesia in implementing Islamic principles is not fully implemented as a rule in running government because there are still many frauds, abuses of power, cases of corruption, collusion, and nepotism, which increasingly highlight the economic inequality among society. Even though Indonesia is not an Islamic country that is not obliged to implement sharia rules in its entirety, it must still be based on morals, norms, and beliefs as stated in the 1945 Constitution so that people can follow and be educated to build the country together.

The concept of economic balance means from state to society and from society to state (Henry, 2020), namely, balance between expenses or spending government with state revenues. The actualization of Indonesian state revenue comes from investment value obtained from business and banking, non-bank financial institutions, capital markets, foreign capital, retained earnings, and foreign trade proceeds. Indonesia is a country that has comparative advantages in the agricultural and mining sectors, which need to be encouraged and managed well (Hapsoro & Bangun, 2020). Apart from that, the diversity of culture in Indonesia should continue to be utilized to generate economic value.

Ibn Khaldun said that to develop a country is to create international trade by ensuring specialization of what resources are available in the country compared to other countries so that labor will be absorbed (employment increases), production will increase, and this will directly affect state income for the welfare of society. Apart from that, the investment climate originating from within the country and abroad will also improve.

Indonesia's private sector investment has also increased significantly in response to a more conducive business environment. High-quality infrastructure facilities make businesses more reliable and incentivize companies to operate in Indonesia. This creates an attractive investment environment, brings in foreign capital, and increases national production capacity. This actualization is almost in accordance with Ibn Khaldun's thinking in improving the balance of payments and international trade.

Other state revenues are the result of tax collections from the public and non-tax revenues originating from grants, foreign financing, and domestic financing. Taxes are state revenues that have a greater contribution than other state revenues. Based on data from BPS 2022-2024, it is recorded that tax revenues have always increased, namely by 2,034,552.5 in 2022, by 2,118,348 in 2023, and by 2,309,859.8 in 2024. Meanwhile, according to Ibn Khaldun, creating a profitable business environment is done by reducing the tax burden on business people (Andriani, 2021).

Tax imposition is intended so that business people and society are motivated to increase their productivity and spur cultural and business enterprises to grow, considering that tax obligations still need to be fulfilled. However, the imposition of high taxes by the government is no longer in accordance with the initial objectives of tax collection and has a negative impact on production and economic growth (Sukmalia et al., 2021).

Seeing that the tax burden in Indonesia is increasing over time, this has an impact on society, especially small communities, whose means of living are still limited but are still charged high taxes by the government, such as Income Tax (PPH) and Added Tax (VAT). Stamp Duty, Land and Building Tax (PBB), Land and Building Rights Acquisition Fee (BPHTB), regional taxes, and others (Ariffin & Sitabuana, 2022).

Based on his book *Muqaddimah*, Ibnu Khaldun reminded the rulers that one of the factors in the destruction of the state was the imposition of high taxes. State income will indeed increase with high tax charges on the public. However, social rights will be neglected if this continues to be done, especially if the department that manages state taxes acts arbitrarily by implementing unfair and uneven tax charges, fraud, and even corruption. Therefore, consideration is needed for the Indonesian state to improve the tax distribution and management system, which is free from elements of crime, prioritizes justice for the welfare of society, and does not give rise to new negative cultural patterns in society, as exemplified by the government.

The next economic balance in development is government spending. When government spending is not right on target for people's economic activities, the economy will have no positive multiplier effect (Hanifa et al., 2021). Government spending costs come from state revenues, including public tax collections. Ibn Khaldun believes that the more government spending, the greater the development that will be carried out. That way, state spending will accelerate the growth of cities and underdeveloped areas so that each region has the same standards.

Regarding state spending, throughout the last ten years, Indonesia has focused on the infrastructure development sector to increase accessibility and connectivity of regions throughout Indonesia, such as toll road construction. Railway infrastructure projects, building schools, hospitals, and better access to education and health services (setneg.go.id/, 2024). Apart from developing hard infrastructure related to the construction of toll roads and others, the state is starting to form policies that include cultural values as part of the economic value, where culture-based tourism is built.

Even though infrastructure development is increasingly rapid, there are still many inequalities, unequal access to education where there are still many children who do not go to school, high unemployment rates, poverty in underdeveloped areas, and other problems. So, according to Ibnu Khaldun, to ensure economic and social balance in order to achieve economic development, there is a need for collaboration between the government, private sector, and society to jointly help develop the country, carry out economic activities in a good, just manner using the concept of *asabiyah*

Distribution of wealth by implementing and advancing philanthropic instruments, such as *zakat*, *infaq*, and *shadaqah*, can at least increase the sense of solidarity between people, help increase state income, and maximize state expenditure in the context of community welfare in accordance with the 1945 Constitution.

CONCLUSION

Indonesia's economic development has still not achieved economic and social balance, as expressed by Ibn Khaldun. This is based on the imbalance between state revenues and government expenses. The high taxes imposed on the Indonesian people as part of the main state revenue cannot yet be directly proportional to state spending, which should be able to reduce inequality, poverty, unemployment, and injustice, as well as unequal access to education, health, and others, especially in disadvantaged areas. However, In implementing economic development over the last ten years, the government has continued to improve the infrastructure sector to meet the country's development goals. However, in terms of implementing sharia, the Indonesian government continues to develop and accommodate an Islamic economic system that is in line with Ibn Khaldun's thought that a strong country is a country that implements sharia. The most frequently felt obstacles to economic development are the arbitrary behavior of those in power, acts of fraud, corruption, collusion, and nepotism. Therefore, the concept of *ashabiyah* put forward by Ibn Khaldun is a strategy that can be implemented by the state to jointly develop the state, becoming a supervisor and implementer so that it remains within the norm corridor in achieving material and spiritual prosperity. The distribution of ZIS is one instrument that must be encouraged as a source of state revenue other than taxes to reduce the tax burden on the public.

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