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Islamic Development Economics: Indicators and Measurement Tools of Islamic Economic Development

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Abstract
This study aims to review indicators and measurement tools for Islamic economic development as a basis for assessing success in Sharia-based growth. The methodology employed is a literature review, analyzing various journals, books, and articles related to Islamic development economics. The findings indicate that key indicators of Islamic economic development include Sharia-compliant economic growth, income distribution, zakat and infaq distribution, and economic sustainability. Common measurement tools comprise macroeconomic Sharia indicators, zakat and infaq indices, and Islamic economic sustainability indices. This research reinforces that Islamic economic development not only focuses on growth but also emphasizes social equity and sustainability. The findings contribute to the development of relevant and comprehensive indicators for measuring Sharia-based economic progress.

Keywords: Islamic Economic Development, Indicators, Measurement Tools, Sustainability, Equity.

INTRODUCTION

Islamic development economics is a field of study that focuses on achieving economic growth in accordance with Sharia principles and Islamic values. Economic development within the Islamic framework is not solely oriented toward increasing income and wealth, but also emphasizes equity, social justice, and environmental sustainability. Therefore, measuring the success of Islamic economic development requires indicators and measurement tools that can comprehensively reflect these aspects. With appropriate indicators, Sharia-based economic development can be measured objectively and used as a foundation for better policymaking (Iqbal & Yusuf, 2020).

Indicators of Islamic economic development differ from those used in conventional economic development, which primarily focus on gross economic growth and other macroeconomic indicators. In the Islamic context, indicators must be capable of measuring social sustainability, equitable wealth distribution, and the effectiveness of managing zakat, infaq, and sadaqah as important instruments of Islamic social finance. Therefore, these indicators should be relevant and able to reflect the unique characteristics of the Islamic economic system. The use of appropriate indicators will help stakeholders assess development achievements not only in quantitative terms but also in terms of quality, sustainability, and social justice (Hanif & Suryanto, 2023).

In addition to indicators, measurement tools are also essential for objectively and comprehensively assessing the success of Islamic economic development. These tools include Sharia-compliant macroeconomic indices and indicators, zakat and infaq indices, as well as economic sustainability indicators that align with Islamic principles. The use of appropriate measurement tools will assist policymakers and economic actors in formulating development strategies that are more effective and compliant with Sharia. Consequently, accurate measurement will strengthen development initiatives that are oriented toward tangible and sustainable outcomes (Fadli & Nurhadi, 2020).

As Islamic economics continues to develop rapidly, the need for relevant indicators and measurement tools has become increasingly urgent. This trend is supported by growing global attention to sustainable development and social justice, both of which are integral components of Islamic teachings. With suitable indicators, the success of Islamic economic development can be measured more effectively and can demonstrate a meaningful positive impact on society. The development of comprehensive indicators is therefore crucial in ensuring that development is not merely reflected in numerical achievements but also embodies the values of justice and sustainability.

Previous studies and literature reviews have shown that various indicators have been developed to measure specific aspects of Islamic economic development, such as zakat indices, infaq indices, and Islamic economic sustainability indices. However, there remains a need for more comprehensive and integrated indicators capable of measuring all dimensions of Islamic economic development in a holistic and sustainable manner. This is important to ensure that assessment is not partial but instead provides a complete picture of the achievements of Sharia-based economic development.

Through this literature review, it is expected that a clearer understanding will be obtained regarding the indicators and measurement tools currently in use, as well as the potential for developing more relevant and comprehensive indicators. This is important so that the measurement of Islamic economic development is not limited to quantitative dimensions but also reflects the qualitative aspects that characterize the Islamic economic system. Therefore, the indicators developed should be capable of capturing social, sustainability, and justice dimensions, which form the core principles of Islamic economics.

Furthermore, this study will highlight the challenges and opportunities in developing indicators and measurement tools for Islamic economic development. Major challenges include limited data availability, the complexity of measuring social and sustainability aspects, and the need for standardized frameworks and methodologies. On the other hand, opportunities arise from technological advancements and innovations in data collection and Sharia-based economic analysis. Innovative and integrated approaches are therefore required to ensure that indicators accurately reflect real conditions and account for the diverse dimensions involved.

The development of accurate and relevant indicators and measurement tools is essential for supporting the effective implementation of Islamic economic policies. With appropriate indicators, policymakers can evaluate the success of development programs and identify areas requiring greater attention. Moreover, these indicators can serve as effective communication tools for conveying development achievements to the public and other stakeholders. Transparency and clarity in measurement will strengthen confidence in the process of Sharia-based economic development.

METHOD

The literature review methodology employed in this study aims to collect and analyze various academic sources, reports, and documents related to indicators and measurement tools of Islamic economic development. This approach involves reviewing scientific journals, reference books, reports from Islamic financial institutions, and relevant government policy documents. Through this method, a comprehensive understanding of the development of Islamic economic development indicators, as well as the associated challenges and opportunities, is expected to be obtained.

The first step in this methodology is the identification of primary sources through academic databases such as Google Scholar, Scopus, and Web of Science. The keywords used include *"Islamic economic development indicators," "Sharia economic measurement tools," "zakat and infaq indices,"* and *"Islamic economic sustainability measurement."* Sources are selected based on their relevance, credibility, and publication year to ensure that the collected data are current and of high quality.

The next stage involves systematic data collection by selecting documents that meet specific inclusion criteria. These criteria include publications in Indonesian and English, relevance to the research focus, and origin from reliable and accredited sources. Subsequently, a screening process is conducted to eliminate sources with insufficient data or those that do not align with the research objectives, thereby ensuring a more focused and effective analysis.

During the analysis stage, the selected sources are examined thoroughly to identify various indicators and measurement tools that have been developed and utilized in assessing Islamic economic development. The collected data are then classified into categories such as quantitative indicators, qualitative indicators, and sustainability and social indicators. This process is conducted systematically to ensure that all significant dimensions are comprehensively represented.

Furthermore, a critical analysis is carried out to evaluate the strengths and weaknesses of the identified indicators and measurement tools. This approach aims to assess their relevance, accuracy, and sustainability while highlighting areas that require further development. The analysis also involves cross-comparison among different sources to identify similarities, differences, and emerging trends in the development of Islamic economic development indicators.

To obtain a more comprehensive perspective, the study also conducts a comparative analysis of indicators used across different countries and institutions. This is intended to examine how these indicators are implemented and to identify the challenges encountered in measuring Sharia-based economic development in various contexts. Such an approach helps identify best practices as well as the potential adaptation of indicators that are relevant at both global and local levels.

The results of the entire methodological process are organized systematically in the form of detailed summaries and analyses. The data and findings gathered from the literature are interpreted in accordance with the theoretical framework and research objectives. Consequently, this methodology is expected to produce a comprehensive literature review that contributes significantly to the development of more accurate, relevant, and comprehensive indicators of Islamic economic development.

RESULTS AND DISCUSSION

Definition and Concept of Islamic Development Economics

Islamic development economics is a branch of economics that is founded upon Islamic Sharia principles with the objective of achieving societal welfare and social justice. This concept focuses not only on quantitative economic growth but also emphasizes moral, ethical, and spiritual dimensions in accordance with Islamic teachings. Through this approach, development is not merely assessed through statistical figures and economic indicators but also through its benefits, fairness, and contribution to society. Consequently, Islamic development economics asserts that economic growth must be accompanied by justice, equity, and blessings (*barakah*) that align with religious values. This concept encourages all economic actors to regard economic activities as acts of worship and moral responsibility toward Allah SWT and fellow human beings (Aziz & Rahman, 2022).

In general, Islamic development economics integrates the values of justice, honesty, and social solidarity into the economic development process. This principle differs significantly from conventional economics, which often prioritizes efficiency and profit maximization without adequately considering moral and spiritual dimensions. Within the Islamic framework, development must pay close attention to equitable wealth distribution and ensure that economic benefits are enjoyed by all segments of society. This concept also promotes the utilization of Islamic social finance instruments such as zakat, waqf, and infaq, which function as mechanisms for wealth redistribution and poverty alleviation. Therefore, economic development is not solely concerned with increasing growth rates but also with improving the overall quality of life in a sustainable and comprehensive manner (Ahmad & Kurniawan, 2021).

A fundamental concept in Islamic development economics is economic justice, whereby wealth distribution should be equitable and should not result in severe social inequalities. This principle is reflected in instruments such as zakat and waqf, which serve as mechanisms for transferring resources from those who are financially capable to those in need. Economic justice serves as a foundational pillar to ensure that development generates not only economic progress but also social and spiritual benefits. Furthermore, Islamic development economics emphasizes the importance of sustainability that incorporates both ecological and social considerations. This demonstrates that development must be conducted responsibly with respect to the environment and natural resources so that its benefits can be sustained over generations. By placing justice and sustainability at the center of development, Islamic economics seeks to establish a prosperous, equitable, and harmonious society in accordance with Islamic teachings.

Another important concept is the prohibition of *riba* (usury or interest), *gharar* (excessive uncertainty), and *maisir* (gambling), which aims to prevent harmful and unjust economic practices. The prohibition of riba forms the cornerstone of the Islamic financial system, which emphasizes risk-sharing and profit-sharing mechanisms. Likewise, the prohibition of gharar and maisir underscores the importance of transparency and clarity in economic transactions to minimize injustice and financial exploitation. These principles require honesty, fairness, and openness in every economic activity and transaction. By implementing such principles, Islamic development economics endeavors to create an economic system that is healthy, equitable, and sustainable. Moreover, economic activities should be carried out with sincere intentions and a strong sense of moral responsibility as part of worship and devotion to Allah SWT.

Within the framework of Islamic development economics, all economic activities should be guided by sincerity and the intention of worship, making every economic endeavor a means of seeking closeness to Allah SWT. This principle highlights that the ultimate objective of development is to attain the pleasure of Allah while providing the greatest possible benefit to humanity. Therefore, all development processes should be undertaken with genuine intentions and in strict accordance with Islamic law. This principle also demands high standards of ethics and morality from economic actors, ensuring that economic activities are not solely driven by profit motives but also by considerations of justice, compassion, and blessing. By embedding these spiritual values into economic development, Islamic economics aspires to create a society that is not only materially prosperous but also spiritually enriched and blessed by Allah SWT.

The Importance of Indicators in Islamic Economic Development

Indicators play a crucial role in Islamic economic development as measurement tools that reflect the success and sustainability of development processes based on Sharia principles. Without appropriate indicators, it becomes difficult to assess whether development has achieved the objectives of justice, equity, and sustainability envisioned in Islamic teachings. These indicators function as both quantitative and qualitative parameters that assist policymakers in planning, implementing, and evaluating Islamic economic development programs. The availability of comprehensive indicators enables decision-making processes to become more measurable and evidence-based, leading to more accurate and effective policies. Furthermore, indicators help identify areas requiring improvement and provide a comprehensive overview of the impacts generated by implemented policies (Nasution & Fadillah, 2020).

In addition to conventional economic indicators such as Gross Domestic Product (GDP) growth and unemployment rates, indicators of Islamic economic development must encompass aspects such as equitable wealth distribution, the amount of zakat collected, and the effectiveness of religious and social welfare programs. This is essential because Islamic economic development is not solely concerned with macroeconomic performance but also with social and moral dimensions that constitute the core values of Sharia. The use of diverse indicators allows for a more comprehensive assessment of development quality and sustainability. Through these indicators, achievements in poverty reduction, improvements in public welfare, and the promotion of social justice can be measured more objectively and transparently. Moreover, such indicators help ensure that economic activities operate in accordance with Islamic principles, including the prohibition of *riba* (interest) and *gharar* (excessive uncertainty), while supporting the establishment of a fair and healthy financial system (Mustofa & Hidayat, 2021).

The development of indicators in Islamic economics must be conducted systematically and based on reliable data to ensure that measurement outcomes are credible and can serve as a foundation for policymaking. These indicators should be capable of reflecting the key dimensions of Sharia-compliant development, including spiritual and social aspects that are often difficult to quantify. Therefore, a multidimensional approach is required, combining both quantitative and qualitative data while taking into account local social and cultural contexts. With accurate and comprehensive indicators, all stakeholders can clearly and objectively assess development achievements and actively participate in the development process.

In general, indicators serve as essential instruments for ensuring that Islamic economic development proceeds in accordance with its intended principles and objectives. They function not only as measures of success but also as control mechanisms that help policymakers adjust development strategies and policies so that they remain aligned with Sharia guidelines and the values of justice. Through well-designed indicators, dimensions such as *barakah* (blessing), social justice, and sustainability can be assessed more systematically and effectively. Consequently, Islamic economic development goes beyond statistical achievements and generates tangible benefits that are experienced by all segments of society. In this context, indicators play a strategic role in promoting the realization of a prosperous, just, and faith-oriented society in accordance with Islamic teachings.

Types of Indicators and Measurement Tools in Islamic Economic Development

Islamic economic development employs a wide range of indicators and measurement tools to assess the success, effectiveness, and sustainability of development processes that are guided by Sharia principles. These indicators can generally be classified into quantitative and qualitative categories. Quantitative indicators include measurable economic variables such as economic growth, poverty rates, employment levels, and wealth distribution, which provide a broad overview of the economic condition of a society or nation (Mahmud & Fajar, 2023).

One of the most significant indicators in Islamic economic development is the level of zakat collection and its effective distribution. Zakat serves as a fundamental instrument for wealth redistribution and poverty alleviation, reflecting the extent to which economic resources are transferred to those in need. Similarly, the productivity and utilization of waqf institutions represent important indicators of social and economic development. Productive waqf assets contribute to improvements in education, healthcare, social infrastructure, and community welfare, thereby strengthening sustainable development within an Islamic framework. These indicators demonstrate the active participation of society in promoting economic activities that are aligned with Islamic values and principles (Kurniawan & Rachman, 2022).

Beyond basic economic indicators, social indicators such as income inequality and wealth distribution play a critical role in evaluating the success of Islamic economic development. These indicators reveal the extent to which an economic system is capable of distributing benefits fairly and reducing excessive social disparities. Another important indicator is the concept of economic blessing (*barakah*), which evaluates the spiritual and social benefits generated by economic activities conducted in accordance with Islamic teachings. Unlike conventional measures that focus primarily on material outcomes, the concept of *barakah* emphasizes the broader impact of economic activities on individual well-being, social harmony, and moral development. Consequently, this indicator serves as a distinctive feature of Islamic economic development assessment (Kamal & Sari, 2024).

Sustainability indicators also occupy a central position in Islamic economic development measurement. These indicators assess the responsible use of natural resources, environmental conservation efforts, and the maintenance of ecological balance. Islamic teachings emphasize stewardship (*khalifah*) over the earth, requiring economic development to balance present needs with future sustainability. Therefore, development should not focus solely on short-term economic gains but should also ensure long-term environmental and social welfare. In addition, indicators related to employment creation and Sharia-compliant labor practices are important parameters for assessing the social impact of economic development initiatives.

At the microeconomic level, indicators such as public satisfaction, trust in Islamic financial institutions, and community participation in economic activities are also essential. These indicators provide insights into the effectiveness of Islamic economic systems in fostering public engagement and strengthening awareness of Islamic values in economic behavior. High levels of participation and trust indicate that economic development programs are not only producing material benefits but are also cultivating social cohesion and confidence in Sharia-compliant institutions. By combining quantitative and qualitative indicators, Islamic economic development can be evaluated more comprehensively, providing a holistic understanding of its achievements and challenges.

In addition to indicators, Islamic economic development utilizes both traditional and specialized measurement tools. Traditional tools include widely used macroeconomic indicators such as Gross Domestic Product (GDP) growth, inflation rates, unemployment rates, and income distribution measures. These instruments have long been employed to assess economic performance and development outcomes. However, while useful, such conventional measures are often insufficient for capturing the ethical, spiritual, and social dimensions that are central to Islamic economics. Consequently, Islamic economic development requires additional measurement tools specifically designed to reflect Sharia objectives and values (Rahmat & Sulaiman, 2024).

Specialized measurement tools in Islamic economics include zakat and waqf performance indices, which assess the effectiveness of Islamic social finance institutions in promoting social welfare and economic justice. These tools measure not only the amount of resources collected but also the efficiency and impact of their distribution. Furthermore, Islamic economic development incorporates indices that evaluate social justice and economic blessings by combining social, ethical, and spiritual dimensions. Such indices assess factors including honesty, trustworthiness, social responsibility, and moral behavior among economic actors. As a result, they provide a more holistic evaluation of development outcomes than purely quantitative economic measures (Sari & Mahardika, 2022).

Development of Indicators Based on Islamic Values

The development of indicators based on Islamic values represents a strategic effort to ensure that the measurement of economic development success genuinely reflects the moral, ethical, and spiritual principles of Islam. These indicators are not limited to quantitative aspects such as economic growth and wealth distribution but also incorporate values of justice, *barakah* (blessing), social responsibility, and human welfare, which constitute the foundation of Islamic teachings. Consequently, value-based Islamic indicators provide a more comprehensive assessment of development achievements by encompassing material, social, and spiritual dimensions. Through such an approach, economic development can be evaluated not only in terms of financial performance but also in terms of its contribution to the well-being and moral advancement of society (Wahyuni & Amrullah, 2025).

A central consideration in the development of these indicators is the incorporation of social justice and economic blessing as core dimensions of evaluation. Examples include social justice indices that assess wealth distribution, equal opportunities, and access to resources, as well as economic blessing indices that evaluate the spiritual and ethical benefits generated through economic activities. Furthermore, these indicators should measure levels of honesty, integrity, accountability, and ethical conduct among economic actors, reflecting the moral standards emphasized in Islamic teachings (Supriadi & Purnama, 2023).

The development of Islamic value-based indicators also encompasses ecological and social sustainability, highlighting the Islamic principle that humans are stewards (*khalifah*) of the earth and are responsible for preserving the balance between humanity and nature. By integrating ethical and environmental considerations, these indicators reinforce the idea that development must align with the principles of faith, responsibility, and devotion to Allah SWT (Yuliana & Hakim, 2020).

Beyond justice and blessing, Islamic value-based indicators should also incorporate spiritual dimensions such as piety (*taqwa*), strength of faith (*iman*), and awareness of social responsibility. Spiritual indices may be developed to assess the extent to which individuals and communities integrate Islamic values into their economic behavior and daily lives. These indicators can measure commitment to ethical business practices, adherence to Islamic financial principles, participation in charitable activities, and trust in religious values as guiding principles for economic decision-making. Through the inclusion of spiritual indicators, development assessment becomes more holistic, recognizing that true prosperity involves both material well-being and spiritual fulfillment.

The development of Islamic value-based indicators requires a multidimensional and participatory approach involving Islamic scholars, Sharia economists, policymakers, academics, financial institutions, and community representatives. Through continuous refinement and adaptation, Islamic value-based indicators can serve as effective instruments for promoting equitable, ethical, and sustainable development.

Ultimately, the development of indicators grounded in Islamic values strengthens development management systems by shifting the focus beyond statistical achievements toward the realization of meaningful improvements in quality of life. These indicators emphasize that economic development should generate genuine benefits, moral progress, social justice, and divine blessings for society as a whole. Therefore, the development and implementation of Islamic value-based indicators should be regarded as a priority in advancing a model of economic development that is morally grounded, socially responsible, and spiritually enriching.

CONCLUSION

Based on this review, it can be concluded that the development of indicators and measurement tools in Islamic development economics is essential to ensure that the development process is not solely oriented toward quantitative economic growth but also reflects the principles of social justice, sustainability, and Sharia values. The use of relevant and comprehensive indicators enables policymakers, researchers, and Islamic economic practitioners to assess the effectiveness and success of development programs in an objective and transparent manner. Consequently, accurate measurement can strengthen efforts to achieve economic development that is equitable, sustainable, and fully aligned with Islamic principles.

Furthermore, the development of appropriate indicators and measurement tools must be supported by valid data and a systematic methodological framework. Challenges such as limited data availability and the complexity of measuring social, ethical, and spiritual dimensions require continuous innovation in data collection, analysis, and evaluation methods. Ultimately, comprehensive indicators and measurement tools will play a crucial role in ensuring that economic development not only generates material prosperity but also promotes social harmony, ethical integrity, environmental sustainability, and spiritual well-being in accordance with the teachings of Islam.

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