

## POLICY REVIEW

# Toward Applying the Islamic Human Development Index for the Betterment of Muslim Society

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Human civilization has entered the twenty-first century with progress and setback. Economic growth sluggish last year and projected still in negative territory for at least one year ahead due to the impact of novel corona virus. Impact of this devastating crisis reflects in decreased human development standard quality of life. While concept of human development already explained comprehensively through abundant measurements including the Human Development Index (hereafter HDI). Three traditional HDI dimensions, that corresponding to health, education and income, such as: *longevity* as measured by life of expectancy at birth, *knowledge* as measured by a weighted of adult literacy (two-thirds) and gross school enrollment ratio (one-third) and *standard of living* as measured by real per capita gross domestic product adjusted for the differing purchasing power parity of each country's currency to cost of living and for the assumption of diminishing marginal utility of income. This article depicts concept of Islamic Human Development and its function to improve quality of life and betterment society in Moslem majority countries.

One may ask what constitute profound difference between Islamic HDI (hereafter IHDI) and original HDI. Hendrie Anto argued that there is a uniqueness and originality of Islamic perspective on conceptualizing economic development completely different from conventional wisdom. Later on, he continued that “this IHDI is considered within the framework of the Maqāṣid al-Sharī‘ah, which is basically concerned with the promotion of human wellbeing through the preservation of self, wealth, posterity intellect and faith.” However, we have to briefly discuss here on the three dimensions of human development developed by United Nation Development Programme (UNDP) are built upon belief traditional measure of economic development as such Gross National Product, income per capita were inadequate to capture the essence and further development process. Hence, human development dimensions are based on the idea of human capabilities proposed by economic studies Nobel Laureates Amartya Sen. Several economists were contributed to criticize HDI and suggest improvement for examples: Bourgoin and Andreina proposed modified

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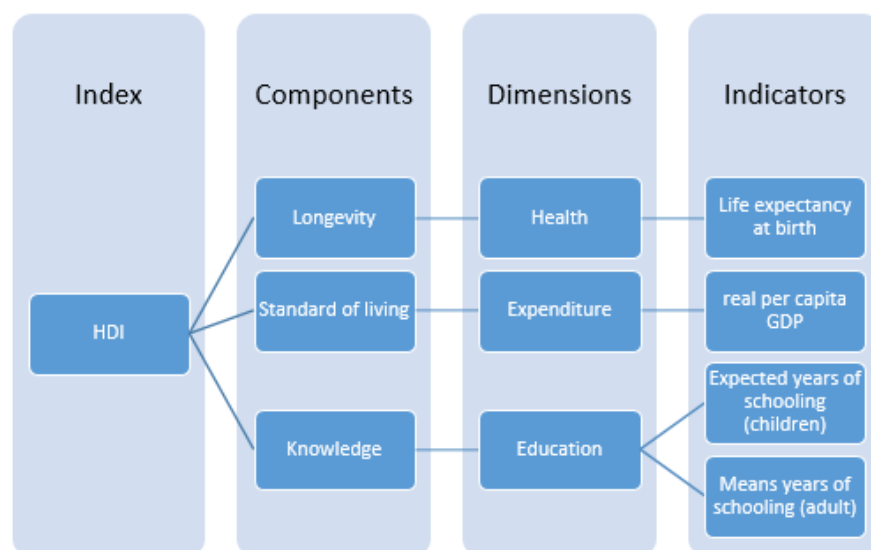
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HDI by adding employment and political freedom dimension, Stanton criticized HDI which does not include the income distribution gap or inequality component. Nevertheless, there are numbers of studies have attempted to construct index with religious and ethical perspective of socioeconomic development in Muslim countries. These studies includes Hasan & Ali (2018) promoted the Shari'ah Deprivation Perception Index, Rehman & Askari (2010) developed the Economic Islamicity Index, and Dar (2004) constructed ethics-augmented human development index.

### LOOKING AT GLOBAL MAPS

Based on several books that elaborate and discuss topics on Islam, such Rahman (1966) and Kuru (2019), with an important caveat that these two books separated with more than twenty years span, there are forty-nine Muslim countries around the world. Top rank of HDI (2019) for Muslim countries consisted of United Arab Emirates/UEA (rank 35), Saudi Arabia (36), Qatar (41), Brunei Darussalam (43), Bahrain (45), Oman (47), Kuwait (57), Turkey (59), Malaysia (61), Albania (69), Bosnia and Herzegovina (75), Tunisia (91), Jordan (102), Turkmenistan (108), Uzbekistan (108), Libya (109), Indonesia (111) and Pakistan (152). These countries ranked as high and medium rank according to Human Development Index of the total 185 countries surveyed by the UNDP. We need to understand also that this rank is measured from year-to-year basis as example we use the HDI UEA in 2017 is rank number 35 and it was the same rank with HDI of 2018 as publication of UNDP on the Human Development Index for year 2019.

Despite of current achievement, there are many efforts to catch up for Muslim countries to have improve quality of life through series of continuous reform by using the HDI as the starting point in the beginning and the concrete observable policy success during milestone of reform game. Although criticism on three dimensions of HDI resulted with incompleteness or leaving out important variables and inadequate dimension covered. The UNDP keep began publishing HDI with variety of indices such as Multidimensional Poverty Index, Gender Development Index and Gender Inequality Index. To summarize the HDI unto components, dimensions as well as indicators, I depict figure below:



Source: Rama & Yusuf (2019) and Todaro & Smith (2015) with adaptation from author

Important development needs to highlight here that since 2010 geometric mean was introduced over arithmetic mean to compute HDI. This shift to geometric mean was the fact reducing level of substitutability between dimension and geometric mean values an increment in any of the dimension indices equally.

### CONSTRUCTING IHDI

After elaborating about HDI, I turn attention of my article to essence of this paper on constructing the IHDI. There are several important notes which previous literatures have provided important points. *First*, the philosophical foundation of IHDI is grounded from the concept of maqāsid al-Sharī‘ah which is basically concerned with the promotion of human wellbeing through the protection of religion, self, intellect, posterity, and property. Maqāsid al Sharī‘ah means the purposes and ends of Sharī‘ah to achieve maṣlaḥah (the public interest). Maṣlaḥah is the way to falāḥ which is a comprehensive and holistic welfare both in this world and the hereafter. Fulfilling those five objectives of the Sharī‘ah will be the condition for achieving holistic welfare for human beings. Therefore, deriving an index from this approach is more adequate in order to capture the whole dimension of the development of human beings (Rama & Yusuf (2019).

*Second*, based on study of Hendrie Anto of that his findings showed whole rank composition between I-HDI and HDI is slightly difference. In one hand, a number of countries enjoy a better rank in I-HDI compared with HDI. In another hand, several countries suffer a marked deterioration of rank. The high score group in I-HDI is still dominated mostly by Middle East Countries and the bottom line is still dominated by African Countries. One important caveat when we attempt to compare index across countries is factor endowment such as natural resource rich country versus natural resource poor country, populous country vis-à-vis small population country and homogenous ethnic country versus heterogeneous ethnic country. Without paying more attention with these differences, the result will tend to bias and produce spurious conclusion.

*Third*, further study using IHDI from Rama & Yusuf (2019) elaborated and argued that Enrichment of religion, human self, intellect, posterity and wealth is the condition for achieving holistic welfare for human beings. The enrichment of these five dimensions is the theoretical foundation for constructing the Islamic Human Development Index (I-HDI). The index is considerably more holistic and comprehensive than the HDI particularly in capturing the religious and ethical values of socio-economic development in Muslim countries. The constructed index is exercised to rank the human development level for 33 provinces in Indonesia.

The findings of Rama & Ali’s provided confirmation that the whole rank composition between IHDI and HDI is significantly different. They utilized IHDI within the sample of Indonesian provinces. A number of provinces enjoy an improved rank in I-HDI compared with HDI, while several others suffer a downgrade in ranking. However, certain provinces enjoy a consistent higher rank in both indices, and some suffer persistently lower rank. In addition, those who are superior in HDI are not automatically superior in I-HDI. Moreover, in some cases, provinces with the topmost ranks in HDI show a significant deterioration of rank in IHDI and vice versa. Only two provinces remain stable in both indices. Overall, the average value of IHDI for all provinces in Indonesia is below 50 points, meaning that all provinces in Indonesia still

have poor performance in promoting and strengthening the human wellbeing through enrichment of religion, life, education, family and wealth.

*Last but not least*, I argue that constructing IHDI as improvement to the conventional of HDI is an example to broader project of Islamization of science that promoted by many Muslim scholars and intellectuals: Zianuddin Sardar, Ali Syari'ati, Ismail Raji al-Faruqi, Muhammad Naquib al-Attas, Fazrul Rahman among others. There are at least six patterns of Islamization of science such as similarization, parallelization, complementary, comparison, induction, and verification (Nurkhalis 2010). In my opinion, an attempt to construct better index that reflected proper capture of Muslim society through improvement of HDI is a promising project. I argue that constructing IHDI fall into category of parallelization and complementary to conventional index. Then, it should not be perceived as finish line when Muslim scholars could develop IHDI. This attempt has to continue as point of departure to achieve betterment of Muslim society. (\*)

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