

WELFARE IN ISLAMIC PERSPECTIVE: A REVIEW OF ISLAMIC PRODUCTIVITY AND MICROECONOMICS

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ABSTRACT

This study aims to analyze the influence of economic productivity, Islamic consumption, and Islamic production on welfare in Indonesia in 2023. Social inequality and unequal distribution of welfare remain fundamental issues, raising profound questions about the continued increase in economic growth that has not been fully absorbed by the lower levels of society. This study uses quantitative methods from secondary data obtained from the Central Statistics Agency (BPS), National Zakat Agency (BAZNAS), and halal.kemenperin.go.id. This study sample covers 34 provinces out of a population of 38 provinces in Indonesia in the 2023 period, due to limited data availability. Multiple linear regression was used for data analysis, while SPSS version 25 was utilized for data processing. The results of this study indicate that, simultaneously, economic productivity, Islamic consumption, and Islamic production have a positive and significant effect on welfare. Partially, economic productivity has a positive but insignificant effect on welfare. Then, partially, Islamic consumption has a negative but insignificant effect on welfare. And partially, Islamic production has a positive and significant effect on welfare. This finding confirms that prosperity in Islamic economics is not only determined by economic growth alone, but also by the blessings of balanced and fair productive and consumption activities.

Keywords: Welfare, Economic Productivity, Islamic Consumption, and Islamic Production.

INTRODUCTION

Amid the increasingly competitive turbulence of global economic growth, public welfare can no longer be adequately measured solely by income growth. Although Indonesia's macroeconomic indicators show a positive trend, social disparities and unequal distribution of welfare remain fundamental issues. This phenomenon raises critical questions about why rising economic growth has not been fully absorbed by the lower strata of society.

In the midst of these challenges, Islamic economics emerges as an alternative paradigm that offers a balance between material prosperity and spiritual well-being. This paradigm emphasizes productivity, ethical consumption, and halal production values as key instruments in building equitable and sustainable welfare.

Empirically, Indonesia's welfare achievement exhibits notable dynamics. Statistics Indonesia (BPS) recorded the national welfare index at 56.17 in 2023,

with income inequality reflected in a Gini ratio of 0.388, an increase compared to the previous year. This condition indicates that improvements in welfare have not been evenly distributed across all segments of society. One contributing factor can be traced to productivity and economic behavior that are not yet fully grounded in Islamic principles. In the framework of Islamic economics, welfare is measured not only by income levels but also by the extent to which moral values, justice, and blessings are realized through economic activities (Rafsanjani, 2018).

From the productivity perspective, the Ministry of Manpower (KEMNAKER) reported that Indonesia's labor productivity index in 2023 reached 87.96, a decline compared to 2022. This decline illustrates challenges to national economic competitiveness. Productivity measurement can be viewed through components of work efficiency and production (Wijaya & Manurung, 2021). In the Islamic perspective, productivity is not assessed merely by increased output but also by how work results generate benefits and blessings for society at large. Therefore, productivity enhancement must be accompanied by Islamic work ethics to meaningfully contribute to welfare (Hassan & Choundhury, 2019).

Meanwhile, consumption patterns in Indonesian society show an upward trend. BPS recorded average monthly per capita expenditure in 2023 at IDR 1,451,870, an increase from the previous year. However, this rise in consumption does not fully reflect improvements in welfare, as it is largely directed toward tertiary needs. In Islamic consumption theory, consumption behavior should be proportional and oriented toward public benefit (*maslahah*), rather than merely fulfilling

desires (Restuninghayati, 2022). The mismatch between increased consumption and welfare indicates a gap between economic practices and Islamic values that emphasize balance.

Furthermore, the halal production sector has become a vital pillar of the modern Islamic economy. Reports from the Halal Product Assurance Agency (BPJPH) show that halal certificates issued through SIHALAL in 2023 reached 1,232,911, a significant increase compared to 107,747 in 2022. In addition, the National Committee for Islamic Economy and Finance (KNEKS) reported that Indonesia's total halal product trade from January to October 2023 reached USD 53.43 billion, with exports amounting to USD 42.33 billion. These figures demonstrate that the halal production sector is not only experiencing economic growth but also holds substantial potential to strengthen public welfare through job creation and the distribution of value added in accordance with Islamic principles (Syaparuddin, 2017).

Various previous studies show mixed findings regarding the factors influencing welfare. Zulmairoh et al. emphasize that productivity in Islamic economics is oriented not only toward individual profit but also toward collective welfare, while consumption plays a role in achieving a balance between spiritual and material well-being (Aiza Zulmairoh et al., 2024). Thalib et al. found that productivity has a negative and significant effect on farmers' welfare (Thalib et al., 2025). Conversely, Andini et al. reported that productivity has a negative but insignificant effect on farmers' welfare (Andini et al., 2024). Nugroho and Wulandhari found that consumption has a positive and significant effect on welfare (Nugroho & Wulandhari, 2023).

while Fitriyanti and Masruchin concluded that household consumption does not significantly affect agricultural laborers' welfare (Fitriyanti & Masruchin, 2023). Choerunnisa et al. stated that production in Islamic economics focuses not only on material profit but also considers moral and social aspects (Choerunnisa et al., 2024). Meanwhile, Ariyanti et al. argued that surplus rice production affects the welfare of Indonesian society from an Islamic perspective by safeguarding religion, life, intellect, wealth, and lineage (Ariyanti et al., 2024). However, Imtinan emphasized that the principle of economic welfare forms the foundation of all production activities, and that government intervention must be strengthened to support efforts to achieve welfare (Imtinan, 2021). Therefore, this study aims to analyze the effects of economic productivity, Islamic consumption, and Islamic production on welfare.

LITERATUR REVIEW

Welfare

According to Law Number 11 of 2009 on Social Welfare, Chapter I Article 1, social welfare refers to a condition in which the material, spiritual, and social needs of citizens are fulfilled, enabling them to live decently, develop themselves, and perform their social functions (Adi Fahrudin, 2012). In Al-Ghazali's perspective, welfare is closely associated with the realization of *maslahah* aimed at protecting the objectives of Islamic law (*Maqasid al-Shariah*).

In order to realize welfare in an Islamic society through the attainment of *maslahah*, it can be achieved through sources of welfare, namely the preservation of religion, life, intellect, lineage, and wealth (Rohman, 2010). Worldly and hereafter welfare can be

attained through the activities of Muslims in fulfilling their living needs by organizing and distributing resources in accordance with Islamic teachings. At the micro level, true welfare is achieved when all production, distribution, and consumption activities are carried out in line with Islamic principles (Syaparuddin, 2017).

Human welfare from an Islamic perspective is comprehensively reflected through the Islamic Human Development Index (I-HDI). This index represents the equilibrium between material and non-material aspects in human development (Mahri et al., 2021). According to Al-Shatibi, the basic *maslahah* for human life consists of five elements: religion (*ad-din*), life (*an-nafs*), intellect (*al-'aql*), lineage (*an-nasl*), and wealth (*al-mal*). These five elements constitute fundamental human needs that must be fulfilled so that humans can live happily in this world and the hereafter (Rafsanjani, 2018).

Economic Productivity

Productivity encompasses two basic concepts, namely efficiency and effectiveness. Efficiency concerns resource utilization, whereas effectiveness emphasizes the results and quality of the outputs generated (Wijaya & Manurung, 2021). Productivity can be defined as an attitude toward continuous improvement that results in high-quality goods and services as well as a better quality of life (Sukesi et al., 2012). This mental attitude can be realized through various activities related to improving individual quality as well as work-related activities.

According to Hassan and Choudhury, productivity in the Islamic economic system is not built on substitution among production factors, as in conventional economic theory, but rather on comprehensive

complementarity among goods, services, and production factors (Hassan & Choundhury, 2019). When each factor complements the others, productivity improvement is not only measured by increased output but also by the *barakah* (blessing) that arises from the integration of intention, work ethics, and spiritual values. Furthermore, the absence of the concept of marginal productivity in Islamic economics is due to the rejection of the notion of static equilibrium (*steady-state equilibrium*) and the optimal point in neoclassical theory.

Productivity measurement tools are divided into two types: (1) Physical productivity is assessed using quantitative indicators, including size, length, weight, production volume, time, and labor input; and (2) Value Productivity, which measures productivity using monetary values expressed in rupiah, yen, won, or dollars. Based on this view, productivity measurement can be seen from two components: work efficiency, which can be observed through target achievement, punctuality, and attendance accuracy; and production, which relates to work output that can be assessed through quality, monthly improvement, and the percentage of conformity with expectations (Wijaya & Manurung, 2021).

Islamic Consumption

Consumption refers to all activities of utilizing and exhausting the utility of goods and services to meet needs in order to sustain life (Restuninghayati, 2022). In Islam, economic activity is one means of creating *maslahah* toward *falah* and *sa'adah* (happiness in this world and the hereafter). The motive for consumption in Islam is essentially to achieve such *maslahah*. Although naturally, an individual's motive and purpose in

consuming is to sustain life, Islam provides limits and guidance in consumption to avoid *israf* and *tabdzir*, namely excessive consumption, which is prohibited in Islam because it harms oneself and others. This prohibition is stated in the Qur'an, among others in Surah Al-A'raf verse 31 (Sumar'in, 2013).

Moreover, consumption limits in Islam do not only consider halal-haram aspects but also whether something is good, appropriate, clean, and not repulsive. Likewise, consumption regulations in Sharia do not only apply to food and beverages but also encompass other types of commodities. Prohibitions or restrictions are directly related to preventing harm to moral and spiritual aspects. Consumption in Islam is not limited to material consumption but also includes social consumption embodied in zakat and almsgiving (*sadaqah*). The Islamic consumption model can be formulated as follows (Restuninghayati, 2022):

$$C = Co + cYd + dYd$$

This model indicates three main components or motives of individual consumption: basic needs consumption (Co), secondary/tertiary or luxury needs (cYd), and the need for righteous deeds (dYd). From this analysis, faith influences an individual's consumption behavior. This demonstrates the alignment between human behavioral potential to maximize righteous deeds and the teachings of the Prophet Muhammad (peace be upon him). Individuals are encouraged to improve their economic conditions so that they can maximize their usefulness to others.

Islamic Production

Production is the backbone of economic activities. Consumption, distribution, and trade activities cannot exist without an initial production

process (Beik et al., 2022). A Muslim producer is an organization, group, or individual who produces goods or services that generate *maslahah*. According to Syaparuddin, studying Muslim producer behavior is crucial in organizing production outcomes guided by Islamic teachings in order to achieve welfare in this world and the hereafter (Syaparuddin, 2017). In general, religious knowledge provides guidance to producers regarding what goods to produce, where business capital is obtained, how prices are set, what production processes are used, and how products are marketed (Beik et al., 2022).

In Islamic law, production activities must avoid products containing haram substances, avoid funding sources derived from *riba* and *maysir*, and avoid unlawful and unjust practices such as marketing defective products, hoarding goods to increase prices, and engaging in production processes that damage the environment. Production activities must comply with Islamic principles, including both moral guidance and Sharia legal provisions (Restuninghayati, 2022). Halal certification serves as a primary instrument in ensuring compliance with modern Islamic production criteria. It is also viewed as a mechanism for Islamizing modern production systems by ensuring Sharia compliance and linking moral values with economic efficiency (Idris et al., 2025). Therefore, halal certification can be regarded as an indicator of producers' adherence to Islamic values in production activities.

Previous Studies

Research conducted by Zulmairoh et al. states that productivity in Islamic economics is not solely about individual profit but also about contributing to the *maslahah* of the ummah (Aiza Zulmairoh et al., 2024).

Thalib et al. also found that productivity has a significant negative effect on the welfare of oil palm farmers in Pangeya Village, Boalemo Regency (Thalib et al., 2025). In contrast, Andini et al. revealed that productivity negatively affects the welfare of oil palm farmers in Tanjung Medan Village, although the effect is not statistically significant (Andini et al., 2024).

Zulmairoh et al. further stated that consumption aims to meet basic needs fairly and sustainably and to achieve balanced spiritual and material welfare (Aiza Zulmairoh et al., 2024). Nugroho and Wulandhari found a significant positive effect of consumption on welfare (Nugroho & Wulandhari, 2023). Conversely, Fitriyanti and Masruchin found that household consumption does not have a significant effect on the welfare of agricultural laborers (Fitriyanti & Masruchin, 2023).

Choerunnisa et al. stated that production in Islamic economics focuses on material profit while also considering moral and social aspects, and that production can enhance community welfare through fairer distribution, poverty reduction, and the creation of more ethical employment opportunities (Choerunnisa et al., 2024). Ariyanti et al. found that despite fluctuations in domestic rice production and continuous population growth, Indonesia still experiences a surplus sufficient to meet societal needs. Furthermore, rice production surplus positively affects public welfare from an Islamic perspective, namely the preservation of religion, life, intellect, wealth, and lineage (Ariyanti et al., 2024). However, Imtinan argued that the principle of economic welfare forms the foundation of all production activities, and that government intervention must be

increased to support efforts toward achieving welfare (Imtinan, 2021).

Hypotheses

Based on the background and theoretical framework, the researcher proposes the following hypotheses:

Hypothesis 1: Economic Productivity, Islamic Consumption, and Islamic Production simultaneously influence Welfare.

Hypothesis 2: Economic Productivity partially influences Welfare.

Hypothesis 3: Islamic Consumption partially influences Welfare.

Hypothesis 4: Islamic Production partially influences Welfare.

METHODS

A quantitative method using an associative research design is employed to examine the relationships between the research variables. It aims to analyze the relationships between the independent variables Economic Productivity (X1), Islamic Consumption (X2), and Islamic Production (X3)—and the dependent variable, Welfare (Y). Secondary data for this study were collected from official publications by Central Statistics Agency (BPS), National Zakat Agency (BAZNAS), and halal.kemenperin.go.id platform. The research sample covers 34 provinces out of the 38 provinces in Indonesia during the 2023 period, due to limitations in data availability. Then, multiple linear regression was used for data analysis, while SPSS version 25 was utilized for data processing. (Creswel, 2023).

RESULT AND DISCUSSION

Normality Test

Table 1. Normality Test after

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	34
Asymp. Sig. (2-tailed)	,060

Based on the results of the One-Sample Kolmogorov–Smirnov test shown in the table above, the Asymp. Sig. (2-tailed) value is $0.060 > 0.05$. This

indicates that the data in this study are normally distributed.

Multicollinearity Test

Table 2. Multicollinearity Test

Collinearity Statistics	
Tolerance	VIF
0,998	1,002
1,000	1,000
0,998	1,002

Based on the output results in the table above, it can be seen that the tolerance values for variables (X1), (X2), and (X3) are 0.998, 1.000, and 0.998, respectively. Meanwhile, the VIF values for variables (X1), (X2), and (X3) are 1.002, 1.000, and 1.002, respectively.

These results indicate that there are no symptoms of multicollinearity among the three variables, as all variables have tolerance values greater than 0.1 and VIF values less than 10.

Heteroscedasticity Test

Table 3. Heteroscedasticity Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,429	0,184	-0,036	84,18992

This study uses the White test to identify heteroscedasticity. Based on the output results in the table above, the R-square value obtained is 0.184. This value is then calculated using the following formula:

$$\text{Chi Square Hitung} = N \times R \text{ Square}$$

$$\text{Chi Square Hitung} = 34 \times 0,184$$

$$\text{Chi Square Hitung} = 6,256$$

Thus, the calculated chi-square value is 6.256, while the chi-square table value is 14.017. Since the calculated chi-square value (6.256) is smaller than the chi-square table value (14.017), it can be concluded that there is no heteroscedasticity problem.

Simultaneous Test (F-test)

Table 4. Simultaneous Test

ANOVA	
F	Sig.
4,275	,013

Based on the output results in the table above, the F-test yields an F-statistic value of 4.275 with a significance value of $0.013 < 0.05$, H1 is accepted. This means that the

independent variables (X) have a positive and significant effect on the dependent variable (Y) simultaneously.

Partial Test (t-test)

Table 5. Partial Test

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	49,285	3,058		16,117	0,000
	Produktivitas Ekonomi	0,405	0,244	0,254	1,658	0,108
	Konsumsi Islam	-0,599	2,014	-0,045	-0,297	0,768
	Produksi Islam	2,677	0,865	0,473	3,094	0,004

Based on the output results in the table above, for variable (X1), the t-statistic value is 0.108 with a significance value of 0.108. Since the significance value is greater than alpha ($0.108 > 0.05$), H2 is rejected. This means that Economic Productivity (X1) has a positive but insignificant effect on Welfare (Y).

For variable (X2), the t-statistic value is -0.297 with a significance value of 0.768. Since the significance value is

greater than alpha ($0.768 > 0.05$), H3 is rejected. This means that Islamic Consumption (X2) has a negative but insignificant effect on Welfare (Y).

For variable (X3), the t-statistic value is 3.094 with a significance value of 0.004. Since the significance value is smaller than alpha ($0.004 < 0.05$), H4 is accepted. This means that Islamic Production (X3) has a positive and significant effect on Welfare (Y).

Multiple Linear Regression Analysis

Table 6. Multiple Linear Regression Analysis

Coefficients ^a				
Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	49,285	3,058	
	Produktivitas Ekonomi	0,405	0,244	0,254
	Konsumsi Islam	-0,599	2,014	-0,045
	Produksi Islam	2,677	0,865	0,473

Based on the output results in the table above, the regression model obtained is as follows:

$$Y = 49,285 + 0,405X_1 - 0,599X_2 + 2,677X_3 + e$$

The interpretation of the multiple regression analysis results is as follows:

1. The constant value is 49.285. This represents the condition where the welfare variable has not yet been influenced by the independent variables (X1), (X2), and (X3). If the independent variables do not

exist, the dependent variable (Y) does not change.

2. Based on the regression equation, variable (X1) has a positive regression coefficient of 0.405. This means that if (X1) increases by 1%, welfare in Indonesia will increase by 40.5%, assuming other independent variables remain constant.

3. Variable (X2) has a negative regression coefficient of -0.599 . This means that if (X2) increases by 1%, welfare in Indonesia will decrease by 59.9%, assuming other independent variables remain constant.
4. Variable (X3) has a positive regression coefficient of 2.677 . This means that if (X3) increases by 1%, welfare in Indonesia will increase by 267.7%, assuming other independent variables remain constant.

Coefficient of Determination (R^2)

Table 7. Coefficient of Determination

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,547	0,299	0,229	6,68281

Based on the output results in the table above, the R-square value is 0.299 or 29.9%. This figure indicates that variables (X1), (X2), and (X3) simultaneously affect welfare (Y) by 29.9%, while the remaining 70.1% is influenced by other variables not examined in this study.

Discussion

The Effect of Economic Productivity, Islamic Consumption, and Islamic Production on Welfare

Based on the results of the simultaneous test (F-test), economic productivity, Islamic consumption, and Islamic production simultaneously or jointly have a positive and significant effect on welfare in Indonesia in 2023. This indicates that economic productivity, Islamic consumption, and Islamic production collectively have interrelated roles in influencing welfare.

These results are consistent with Syaparuddin's theory, which states that worldly and hereafter welfare can be achieved through the activities of Muslims in fulfilling their needs by organizing and distributing resources in accordance with Islamic teachings. At the micro level, genuine welfare is achieved when all production,

distribution, and consumption activities operate in line with Islamic principles (Syaparuddin, 2017). Furthermore, Sukei et al. argue that productivity represents an attitude of continuous improvement aimed at achieving high-quality goods and services as well as a better quality of life (Sukei et al., 2012).

These findings are also in line with the research conducted by Zulmairoh et al., who state that productivity in Islamic economics is not merely about individual profit but also about contributing to public welfare, while consumption aims to meet basic individual and societal needs fairly and sustainably to achieve balanced spiritual and material welfare (Aiza Zulmairoh et al., 2024). In addition, Choerunnisa et al. explain that production in Islamic economics focuses on material gains while considering moral and social aspects, and that production can enhance public welfare through fairer distribution, poverty reduction, and the creation of more ethical employment opportunities (Choerunnisa et al., 2024).

In 2023, the Ministry of Manpower of the Republic of Indonesia (KEMNAKER) reported that Indonesia's labor productivity index reached 87.96. According to the National

Committee for Islamic Economics and Finance (KNEKS), household consumption was the main driver of economic growth at 4.82% in 2023, reflecting maintained purchasing power amid global uncertainty. KNEKS also reported that total trade in Indonesian halal products during January–October 2023 reached USD 53.43 billion, with exports amounting to USD 42.33 billion and imports to USD 11.10 billion. This condition was accompanied by Indonesia's welfare index in 2023, which stood at 56.17.

The Effect of Economic Productivity on Welfare

Based on the partial test (t-test) analysis, economic productivity has a positive but insignificant effect on welfare in Indonesia in 2023. This indicates that an increase in economic productivity tends to improve welfare, but not significantly.

This finding is not consistent with the theory of Sukesu et al., which states that productivity is an attitude aimed at continuous improvement to achieve high-quality goods and services and a better quality of life (Sukesu et al., 2012). Furthermore, Hassan and Choudhury argue that productivity in the Islamic economic system is built on comprehensive complementarity among goods, services, and production factors, rather than substitution as in conventional economic theory (Hassan & Choudhury, 2019). When each factor complements the others, productivity improvements are measured not only by increased output but also by the blessings arising from the integration of intention, work ethics, and spiritual values.

The results are consistent with Andini et al.'s research, indicating that productivity negatively affects the welfare of oil palm farmers in Tanjung Medan Village, although the effect is not

significant (Andini et al., 2024). On the other hand, the findings differ from the study by Zulmairoh et al., which states that productivity in Islamic economics concerns not only individual profit but also contributions to public welfare (Aiza Zulmairoh et al., 2024). as well as the study by Thalib et al., which found that productivity has a negative and significant effect on the welfare of oil palm farmers in Pangeya Village, Boalemo Regency (Thalib et al., 2025).

According to BPS data, the growth rate of Gross Domestic Product (GDP) per worker or real GDP growth per employed person in Indonesia in 2023 was 1.63%, down from 2% in 2022. KEMNAKER also reported a labor productivity index of 87.96 in 2023. However, according to the One Data report, labor productivity in the agriculture, forestry, and fisheries sectors remains relatively low, averaging IDR 41.9 million per worker per year, far below productivity in the manufacturing sector at IDR 135.3 million per worker and the financial services sector at IDR 348.6 million per worker per year.

The Effect of Islamic Consumption on Welfare

Based on the partial test (t-test) analysis, Islamic consumption has a negative and insignificant effect on welfare in Indonesia in 2023. This indicates that a decrease in Islamic consumption tends to increase welfare, but not significantly.

These results are not consistent with Sumar'in's theory, which states that the motive for consumption in Islam is fundamentally to achieve public benefit (*maslahah*) (Sumar'in, 2013). even though consumption naturally serves to sustain individual life. Furthermore, Syaparuddin argues that worldly and hereafter welfare can be achieved through Muslim economic activities that

fulfill life's needs by organizing and distributing resources according to Islamic teachings (Syaparuddin, 2017). Genuine welfare is achieved when production, distribution, and consumption activities align with Islamic principles.

This finding is consistent with the study by Fitriyanti and Masruchin, which found that household consumption has no significant effect on the welfare of agricultural laborers (Fitriyanti & Masruchin, 2023). However, it differs from the findings of Zulmairoh et al., who state that consumption aims to meet basic individual and societal needs fairly and sustainably to achieve balanced spiritual and material welfare (Aiza Zulmairoh et al., 2024). as well as Nugroho and Wulandhari, who found a positive and significant effect of consumption on welfare (Nugroho & Wulandhari, 2023).

According to BPS, the average monthly per capita expenditure in urban and rural areas in 2023 was IDR 1,451,870, an increase from IDR 1,327,782 in 2022. Although this increase reflects improved purchasing power at the macro level, it does not necessarily correspond to improved welfare, as the rise in consumption is largely driven by tertiary expenditures. Additionally, zakat collection in 2023 reached IDR 32.32 trillion, an increase of 43.74% compared to IDR 22.48 trillion in 2022. However, Indonesia's Gini ratio in 2023 rose to 0.388 from 0.381 in 2022, indicating that charitable consumption in the form of zakat has not yet been evenly distributed.

The Effect of Islamic Production on Welfare

Based on the partial test (t-test) analysis, Islamic production has a positive and significant effect on welfare in Indonesia in 2023. This indicates that

an increase in Islamic production significantly improves welfare.

These results are consistent with Syaparuddin's theory, which states that worldly and hereafter welfare can be achieved through Muslim activities in fulfilling life's needs by organizing and distributing resources in accordance with Islamic teachings (Syaparuddin, 2017). Genuine welfare is achieved when production, distribution, and consumption activities align with Islamic principles. Syaparuddin further emphasizes that understanding Muslim producer behavior is essential in organizing production outcomes guided by Islamic teachings to achieve worldly and hereafter welfare (Syaparuddin, 2017).

These findings are also consistent with the study by Choerunnisa et al., which states that production in Islamic economics focuses on material profit while considering moral and social aspects, and that production can enhance public welfare through fairer distribution and the creation of more ethical employment opportunities (Choerunnisa et al., 2024). Ariyanti et al. also found that despite fluctuations in domestic rice production and continuous population growth, Indonesia still maintains a surplus sufficient to meet societal needs, and that surplus rice production positively affects public welfare from an Islamic perspective, namely the preservation of religion, life, intellect, wealth, and lineage (Ariyanti et al., 2024). However, Imtinan argues that the principle of economic welfare forms the basis of all production activities and that government intervention must be strengthened to support welfare achievement (Imtinan, 2021).

The Halal Product Assurance Organizing Agency (BPJPH) reported that the number of halal certificates issued through SIHALAL in 2023

reached 1,232,911, an increase compared to 107,747 in 2022 and 17,569 in 2021. KNEKS also reported that total trade in Indonesian halal products during January–October 2023 reached USD 53.43 billion, with exports of USD 42.33 billion and imports of USD 11.10 billion. Another KNEKS report, based on Salaam Gateway and Dinar Standard, ranked Indonesia first as the country with the largest number of halal producers among 57 OIC member countries, with 30 global companies, 15 of which are from Indonesia, based on revenue, halal market size, and exports to OIC countries.

CONCLUSION

Based on the results of the discussion, it can be concluded that simultaneously economic productivity, Islamic consumption, and Islamic production have a positive and significant effect on welfare in Indonesia in 2023. This reflects that public welfare does not rely solely on increasing production or consumption capacity, but rather on the integration of moral values, economic efficiency, and blessings in every economic activity. Unequal economic productivity across sectors indicates the need to enhance human resource capacity. On the other hand, the insignificant effect of Islamic consumption suggests that welfare has not been evenly distributed, as consumption patterns remain largely consumptive and are not yet fully oriented toward *maslahah* (public benefit). Meanwhile, the development of halal production and the increase in halal product exports demonstrate that economic activities conducted in accordance with sharia principles have substantial potential to improve welfare in a sustainable manner.

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