



The Influence of Digital Economic Growth and Productive Work Force Toward Human Development Index in Indonesia Viewed from a Maqashid Sharia Perspective

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Article History:	Abstract
<p>Submitted: July 30th, 2024</p> <p>Revised: September 7th, 2024</p> <p>Accepted: September 13th, 2024</p> <p>Published: November 13th, 2024</p> <p>By: International Journal of Islamic Economics (IJIE)</p> <p>Copyright: ©2024. Anas Malik et al.,</p> <div></div> <p>This article is licensed under the Creative Commons Attribution-Share Alike 4.0 International License. http://creativecommons.org/licenses/by-sa/4.0/</p>	<p>Introduction: Community productivity is critical in maintaining quality of life to avoid disasters. The use of digital technology in the economic aspect has also provided opportunities for people far from the market to earn income to meet their living needs.</p> <p>Objective: The research problem is formulated as follows: What is the influence of digital economic growth and productive labor on the Human Development Index in Indonesia in 2018-2022, both partially and simultaneously, and how is this viewed from a <i>maqasid syariah</i> perspective?</p> <p>Method: This research is presented as five-year time series data and analyzed using quantitative descriptive methods and multiple linear regression analysis, using EvIEWS 10 as an analytical tool. The sampling technique used was purposive sampling, with sample criteria in the form of digital economic growth, productive workforce, and data during the 2018-2022 period.</p> <p>Result: The digital economic growth variable partially has a negative and insignificant effect on the Human Development Index. Meanwhile, the productive labor variable positively and significantly affects the Human Development Index. Simultaneously, the growth of the digital economy and productive workforce has had a positive and significant effect on the Human Development Index in Indonesia in 2018-2022. From a <i>maqasid syariah</i> perspective, digital economic activities are permitted if no arguments prohibit them.</p> <p>Implication: This research provides valuable insights that can influence how we view and approach digital economic growth and productive labor in Indonesia's human development context. By considering these impacts, various parties can optimize their strategies to advance people's quality of life more effectively.</p> <p>Keywords: Digital Economy; Human Development; <i>Maqasid Syariah</i>; Workforce.</p>

A. Introduction

The existence of humans as social and economic creatures has brought us to the reality of actual human development. Poverty, income disparities, increasing unemployment, increasing school dropout rates, the substitution of human roles by technology in production

activities, health threats that lead to death, inadequate infrastructure and services in the health sector, and labor market disparities between villages. And cities have become a real problem in human development that has developed over time, especially in Indonesia (Setiawan et al., 2023) (Luqman, 2019). Human development aims to expand the range of human opportunities or choices to improve the quality of life by optimizing existing abilities. Humans need to invest in health, education, and skills to work productively and creatively to make it happen. (UNDP, 1993) (Uddin, 2023).

Overall, this case has opened a new page in the study of human development in Indonesia; at that time, the central aspect of human life that was most affected was health and living standards. However, the education side also felt the impact as a domino effect from a decline in income (GDP), a measure of living standards. You can see the Indonesian HDI trend in Table 1.1 below to get a clear picture.

Table 1.1
Status of Indonesian Human Development 2018-2022

Year	Basic Dimensions of HDI				HD (%)	Status of Human Development
	Health (Life Expectancy/UH H)	Education*		Living Standard**		
		RLS	HLS			
2018	71.20 yrs	8.17 yrs	12.91 yrs	Rp. 11,059,000	71.39	Tall
2019	71.34 yrs	8.34 yrs	12.95 yrs	Rp. 11,299,000	71.92	Tall
2020	71.47 yrs	8.48 yrs	12.98 yrs	Rp. 11,013,000	71.94	Tall
2021	71.57 yrs	8.54 yrs	13.08 yrs	Rp. 11,156,000	72.29	Tall
2022	71.85 yrs	8.69 yrs	13.10 yrs	Rp. 11,479,000	72.91	Tall

* Consists of the Expected Years of Schooling (HLS) and Average Years of Schooling (RLS) in Indonesia

** Adjusted Real Per Capita Expenditure Achievement in Indonesia

Source: BPS, 2023

Table 1.2
Basic Dimensional Growth Rate
Indonesian Human Development Index (HDI) 2018-2022
In percent (%),

Year	Growth Rate of Basic Dimensions of HDI			
	Health (Life Expectancy/UHH)	Education*		Living Standard**
		RLS	HLS	
2018	0.20	0.86	0.47	3.70
2019	0.20	2.08	0.31	2.17
2020	0.18	1.68	0.23	-2.53
2021	0.14	0.71	0.77	1.30
2022	0.39	1.76	0.15	2.90

* Consists of the Expected Years of Schooling (HLS) and Average Years of Schooling (RLS) in Indonesia

** Adjusted Real Per Capita Expenditure Achievement in Indonesia

Source: BPS (Data processed), 2023

Based on Table 1.2 above, it can be confirmed that the economic sector (Revenue) in 2020 experienced the most substantial impact from the Covid-19 Pandemic; this is as projected through a decrease in the growth rate of the standard of living dimension, which was eroded by -2.53 %. In the education and health dimensions, the growth rate only experienced a slowdown, slightly smaller than in previous years. So, it can be assumed that the emergence of the COVID-19 pandemic disaster has had a significant influence on slowing down human development in Indonesia, especially the most critical impact felt in the income aspect of the community - economic measures in the dimension of decent living standards. At the same time, education and health dimensions also feel the impact, but to a smaller extent.

Referring to research by (Temasek & Bain Company, 2022) and digital data publication by (Kepios Pte, 2023) revealed findings about the digital activities of the Indonesian people, which have great potential to drive the growth of the digital economy. The Temasek and Bain Company study also presents calculations of output growth from various forms of product utilization activities in the digital economy sectors. In their research, Temasek et al. only used 4 of the nine digital economic industries as a reference for calculating digital economic output, including ride-hailing or *Transport and Food*, *E-commerce*, *Online Media*, and *Online Travel*. The overall output growth results can be seen in Table 1.3 below.

Table 1.3
Potential Number of Users *and* Total Growth of the Indonesian Digital Economy
2018-2022

Year	Digital Economy Growth (GMV, \$B)	Internet Users/Internet Users (Million People)
2018	\$27,000,000,000.00	132.7
2019	\$41,000,000,000.00	150.0
2020	\$44,000,000,000.00	175.4
2021	\$70,000,000,000.00	202.6
2022	\$77,000,000,000.00	204.7

Source: *Economy SEA Report* by Google, Temasek, and Bain Company and datareportal.com (Data processed), 2018-2022

Based on the data in the table above, it is known that there has been a significant increase in the value of digital economic transactions from 2018 to 2022, followed by the number of users. The most crucial growth rate occurred in 2019 at 51.85% and experienced a slowdown in the following year, namely 2020 at 7.32%, then increased again in 2021 at 59.09% and slowed again by 10% in 2022. A unique phenomenon in Indonesia is that the calculated results of the four sectors of digital economic growth experience high fluctuations. However, the results can still confirm that in 2020-2021, people flocked to adopt digitalization to carry out their financial activities so as not to be hampered by the COVID-19 pandemic disaster.

One unfortunate thing about calculating digital economic growth activities is that the financial services sector has not been involved. In reality, digital products in this sector are mushrooming in Indonesian society. The financial services sector produces financial products that are very applicable to supporting transaction activities and are suitable for the pragmatic culture of Indonesian society. This is supported by the statement of the

Chairman of the OJK Board of Commissioners (Wimboh Santoso, 2019). he revealed that the Indonesian people have an affinity for financial technology products, one of the factors of which is due to the country's geographical position, which has several islands reaching 17,000 islands, where the dominant life of the people of the country is located in remote areas (remote areas) So digitalization in the financial services sector, in particular, is very helpful for people in Indonesia. A clear picture of the country's great potential in empowering the financial services sector can be shown in Table 1.4 below.

Table 1.4
Potential Transaction Value in the *Financial Services Sector in Indonesia* 2018-2022

Year	<i>Financial Services Sector Transaction Value</i> (GMV, USD)
2018	\$1,493,711,113,740.80
2019	\$1,816,761,958,012.80
2020	\$1,827,295,075,553.60
2021	\$2,717,729,517,385.60
2022	\$3,489,028,243,334.40

Source: Indonesiabaik.id and Katadata.co.id (Data processed), 2023

From the table above, it can be understood that the transaction value in this sector is tremendous, reaching quadrillion Rupiah after currency conversion, which permanently experiences a significant increase in transaction value every year. This data is formed from two product components in the *financial services sector*: *Cashless Payment* and *Proprietary Channels*.

Looking back at the explanation regarding the Pandemic case above, if we examine it more deeply, we can find that productivity is the primary support in advancing the basic dimensions of HDI, one of which is a decent standard of living. The increase in living standards depends significantly on the amount of human productivity in obtaining income to facilitate the flow of funds and public expenditure to fulfill daily living needs. Table 1.5 below shows data on the development of the level of productivity of the Indonesian population who have jobs or are currently working from 2018-2022.

Table 1.5
Productivity Level of the Working Population (PYB) of Indonesia 2018-2022

Year	Productive Labor Force/PYB*** (Million people)	Gross Domestic Product (GDP) Constant Prices Base Year 2010 (Billions of rupiah)	Labor Productivity Level (Million rupiah/labor)
2018	126.282.186	Rp. 10,425,851,000.90	82.56
2019	128.755.271	Rp. 10,949,155,000.40	85.04
2020	128,454,184	Rp. 10,722,999,000.30	83.48
2021	131,050,523	Rp. 11,120,077,000.90	84.85
2022	135,296,713	Rp. 11,710,397,000.80	86.55

*** Data on the number of working population (labor force) in August

Source: BPS (Data processed), 2023

Based on Table 1.5 above, productivity development experienced a decline in 2020 by 1.56 million rupiah/workforce from the previous year. This decrease was caused by a

decline in national income and the number of working people (PYB). Even though in the last period, namely in 2018-2019, the level of productivity experienced an increase in growth, it turns out that this increase cannot continue in 2020 as a result of the large number of victims who died during the pandemic, with the most significant number being in the **age range**. 30-59 years old (first most important), and 60-70 years old (second largest), and 15-29 years old (third most significant).

From the perspective of *maqasid Sharia* (the objectives of Sharia), the labor force has several critical dimensions related to society's social, economic, and spiritual well-being. *Maqasid Sharia* is the ultimate goal of Sharia law: to achieve good and prevent harm in human life. The workforce based on *maqasid Sharia* should be able to guarantee a safe, healthy, and harmless work environment (Musolli, 2018). This includes protection of workers' rights, occupational health, and safety, providing fair wages and equal employment opportunities, applying the principles of justice and ethics in the determination of wages and workers' rights, applying work ethics by sharia principles, including integrity, honesty, and responsibility in every aspect of work and professional relationships (Zainuri et al., 2023). By considering these dimensions of *maqasid syariah*, labor force-related practices can be organized so that they not only meet economic needs but are also aligned with the primary objectives of *syariah*. This will help create a work environment that is productive but also ethical and fair and supports society's overall social and spiritual development (Arno et al., 2024).

The novelty of this research lies from 2018 to 2022, which covers significant changes in the digital economic landscape in Indonesia, including the impact of the COVID-19 pandemic that may affect the dynamics of the digital economy and workforce. In addition, this study also combines the analysis of two main variables, namely digital economic growth and productive labor, in one regression analysis model. This study explores the impact of the digital economy and productive labor from a *maqasid syariah* perspective, which can provide additional guidance on the conformity of digital economic practices with sharia principles. This provides a new dimension to the digital economy's study by considering Sharia's *maqasid* values.

B. Literature Review

In particular, there is still no research regarding the influence of digital economic growth on HDI, and it is likely that through an approach, previous research findings regarding the impact of economic growth on HDI can be an ideal representation while studying the influence of digital economic growth trends or **implemented** economic growth, online for human development.

The results of Novegya's research show that the influence of the economic growth variable on the HDI variable is positive and significant in South Sumatra Province. Under conditions as long as the other independent variable, namely unemployment, remains constant, increasing economic growth by 1% will increase the HDI by 1.657% (Primandari, 2020).

This is a different view from the research results of (Andri Irawan, 2022), which shows that the influence of economic growth on HDI is positive and insignificant; this occurs due to the inability of economic growth to accompany equitable human development. Jahtu Wijaya showed the same research results as Andri Irawan and added supporting arguments that economic growth was identified as having not been able to reach essential sectors comprehensively, such as the health sector and the education sector, especially in 2014-2018 nationally (Ningrum et al., 2020). In other research, economic growth's effect on HDI is harmful and significant. As stated in research by Mayang Dwi Pitaloka and PS Prabowo, economic growth pays less attention to human development priorities, especially in the government consumption expenditure and household consumption sectors, and is more focused on the gross fixed capital formation sector, which prioritizes infrastructure improvement and development. Government consumption expenditure is a direct bridge to meeting public needs, such as education and improving health. As for household consumption expenditure, it fulfills direct household needs regarding individual quality of life (Mayang Dwi Pitaloka & P.S Prabowo, 2022). Complementing the study of Economic Growth on HDI, the research shows the negative and insignificant influence of economic growth on HDI (Umiyati et al., 2017). The same research results add insight into the empirical phenomenon that this can occur because the increase in per capita income is not in rhythm with the growth rate (McGillivray, 2023).

The next step is to examine the phenomenon of the Productive Work Force (AKP) on HDI through an empirical lens. Four previous research findings dominate the findings that the influence of AKP on HDI is positive and significant. However, there is one finding that can explain that the Labor Force also has the opportunity to have a negative influence on HDI. Labor variables positively and significantly affect HDI (Islamiatus Izzah & Martha Hendarti, 2021).

Referring to the results of research by Assa and Eppy revealed that the Labor Force Participation Rate (TPAK) can have a good, positive, or negative effect on HDI, depending on how socio-economic conditions in a region can create conditions that open up opportunities for TPAK to contribute to this area. A positive direction can be made if the workforce's productivity is good, thus increasing the selling value of the workforce in the work area. Meanwhile, a negative direction will be created if labor productivity is not good; this will cause a decrease in the selling value of labor, so companies will prefer and replace it with technology to reduce production costs (Faelassuffa & Yuliani, 2022).

From the perspective of *maqasid Sharia* (the objectives of Sharia), the labor force has several critical dimensions related to society's social, economic, and spiritual well-being. *Maqasid Sharia* is the ultimate goal of the Sharia law: to achieve good and prevent harm in human life. There are five main objectives of *maqasid Sharia* known as "*al-maqasid al-shari'ah*"—preservation of Religion (*Hifz al-Din*): Ensuring freedom of religion and worship following Islamic teachings. In the context of the workforce, this includes providing a work environment that allows workers to carry out their religious obligations, such as prayer times and adherence to Islamic ethical principles—preservation of the Soul (*Hifz al-Nafs*): Protecting human life and health. For the workforce, this means ensuring that working conditions are

safe, healthy, and free from hazards that could harm workers' physical or mental health. Occupational safety and protection from exploitation also fall under this category (Arno et al., 2024).

Preservation of the Intellect (*Hifz al-'Aql*): Preserving and promoting intellect and education. In this regard, the workforce needs to have access to adequate training and education to improve their skills and knowledge. Education and skills development are essential to maqasid Sharia as they support individuals' productivity and intellectual capabilities. Preservation of Property (*Hifz al-Mal*): Protecting and managing wealth fairly and ethically. This includes ensuring fair wages and transparent business practices in employers' and workers' relationships. Within the maqasid shariah framework, the management and distribution of wealth should be done moderately to avoid the accumulation of wealth in the hands of a few—preservation of Descent (*Hifz al-Nasl*): Preserving offspring and families. In the labor force context, this relates to the balance between work and personal life, such as protecting family rights and opportunities for workers to care for their families (Zainuri et al., 2023).

C. Research Methodology

This research is presented as time series data for 5 years, which was studied using quantitative-descriptive methods with multiple linear regression analysis and analytical tools, namely Eviews 10. The research sampling technique is nonprobability sampling with purposive sampling. Nonprobability Sampling is a method used when the elements of a population are unknown or do not have the same opportunities to be selected for research. The criteria used include growth digital economy, productive workforce, and index human development presented in a time data series with the number of research samples, namely $n = 5$ or 5 years starting from 2018 to 2022 in each variable.

D. Results and Discussion

Data Analysis Results

Multiple Linear Regression Analysis

Table 1.6
Hasil Analisis Regresi Linier Berganda

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.758366	0.733336	-3.761393	0.0640
LNK1	-0.001771	0.000461	-3.839066	0.0616
LNK2	0.385842	0.040199	9.598261	0.0107
R-squared	0.978776	Mean dependent var		4.280000
Adjusted R-squared	0.957551	S.D. dependent var		0.007071
S.E. of regression	0.001457	Akaike info criterion		-9.941358
Sum squared resid	4.24E-06	Schwarz criterion		-10.17570
Log-likelihood	27.85339	Hannan-Quinn criteria.		-10.57030
F-statistic	46.11558	Durbin-Watson stat		2.315785
Prob(F-statistic)	0.021224			

Source: Results of data processing with Eviews 10

Based on Table 4.8 above, the multiple linear regression equation is obtained, namely:

$$\text{LnIPM} = -2.758366 - 0.001771 \text{ LnPED} + 0.385842 \text{ LnAKP}$$

Information: a = Constant
 b1 and b2 = Coefficient
 Ln = Natural Logarithm
 HDI (Y) = Human Development Index Indonesia
 PED (X1) = Digital Economic Growth Indonesia
 AKP (X2) = Productive Labor Force Indonesia

Hypothesis testing

1. t-test (Partial)

The t-test shows that the t-table is 2.91999, the tcount for the digital economic growth variable is -1.099030 , and the tcount for the productive workforce variable is 4.281457. So the results of the t-test are obtained as follows, namely :

- PED (LnX1) = tcount < ttable = -3.839066 < 2.91999. So, H01 is accepted because there is no significant influence between digital economic growth and the human development index.
- AKP (LnX2) = tcount > ttable = 9.598261 > 2.91999. So, H02 is rejected

because the productive workforce significantly influences the human development index.

2. F Test (Simultaneous)

According to the results of the F test, it is known that $F_{count} > F_{table}$ or $46.11558 > 19.00$; therefore, H_0 is accepted, stating that there is a significant influence between the variables of digital economic growth and the productive workforce simultaneously on the human development index variable.

3. Coefficient of Determination Test (R^2)

The Eviews 10 data processing results show that the Adjusted R -R-squared value is 0.957551. To get the actual percentage of the coefficient of determination (K.D.), it is necessary to calculate using the following formula.

$$\begin{aligned} KD &= \text{Adjusted R-squared} \times 100\% \\ &= 0,957551 \times 100\% \\ &= 95,76\% \end{aligned}$$

Based on the calculation above, the coefficient of determination is 95.76%. Thus, it is known that the proportion of *independent variables* simultaneously can contribute to explaining or influencing the *dependent variable* by 95.76 %. Other variables outside the regression model influence the remaining 4.24% of the maximum percentage of 100%.

Discussion

The Influence of Digital Economic Growth on the Human Development Index in Indonesia

The analysis results show that the influence of the digital economic growth variable on the Human Development Index (HDI) in Indonesia in 2018-2022 is partially negative and not significant. This is proven by the regression coefficient value of -0.001771 and the t-count value $< t_{table}$ or $-3.839066 < 2.91999$. So, it can be stated that H_0 is accepted. Namely, there is no significant influence between these two variables. The results of this analysis support the findings of previous research conducted by (Umiyati et al., 2017)) and (Zaidatul Khikmah et al., 2020), which showed that economic growth had a negative and insignificant effect on HDI.

This harmful and insignificant influence means that when the digital economic growth variable increases by 1%, it will reduce the HDI by 0.001771 or 0.18%. Considering that this phenomenon has an insignificant influence, the decline did not affect or have a weak influence on HDI. This research revealed one crucial finding: the impact of digital economic growth has not yet been felt comprehensively in various sectors of Indonesian society's life. In theory, of the nine digital economic sectors, only five are used massively. Still, only around two digital economic sectors are used the most by Indonesian people, namely the Finance and E-commerce sectors. It is miserable that many digital financial products, if developed to be more adaptive and in line with socio-economic conditions in Indonesia, such as Edtech, Healthtech, Online Travel, and other sectors, will help the Indonesian people and

government in promoting human development efforts, for example through improvements health sector and massive tourism marketing (Li, 2023).

The growth of the digital economy has been the subject of various studies in recent years, especially in human development. Their research found that economic growth negatively and insignificantly influenced HDI (Umiyati et al., 2017). This finding is consistent with research, which also shows that digital economic growth does not directly improve the quality of life through HDI (States that although the adoption of digital technology has the potential to increase economic efficiency, the results on human development are not always immediate or significant. This is caused by various factors, including infrastructure, accessibility, and society's digital readiness. Ghosh suggests that to achieve a substantial impact on HDI, digital economy strategies must be integrated with education and health policies (Suárez Serrato et al., 2019). Adopting new technologies, including digital technologies, is often more effective in increasing productivity in countries with lower levels of education and skills. Higher. This emphasizes the importance of investing in education and skills training in a digital economy strategy to achieve increased HDI (Mailath et al., 2017).

The Influence of the Productive Labor Force on the Human Development Index in Indonesia

The results of the analysis show that the influence of the productive workforce variable on the Human Development Index (HDI) in Indonesia in 2018-2022 is partially positive and significant. This is proven by the regression coefficient value of 0.385842 and the t-count $>$ t-table or $9.598261 > 2.91999$. So, it can be stated that H_02 is rejected and H_{a2} is accepted because these two variables have a significant influence. This cheerful and significant influence means that when the productive workforce variable increases by 1%, the HDI will increase by 0.385842 or 38.58%.

Research on workforce productivity and its impact on HDI has been widely conducted, supporting these findings. (Islamiatus Izzah & Martha Hendarti, 2021) Their study found that increasing labor force participation positively and significantly affected HDI. These results align with research by (Nurhabibah et al., 2022), which also shows that increasing the number of productive workforce directly improves people's quality of life.

A study by Tariq Abdul Warits states that high labor force participation significantly contributes to increasing people's income, access to better education and health services, and a higher standard of living. This shows that a productive workforce contributes to economic growth and increases HDI. In addition, the ILO theory in KILM 16 (2015) also supports this finding by emphasizing that labor productivity is an essential indicator in understanding the impact of the labor market on living standards. Productive work allows individuals to earn adequate income, which is used to meet basic needs such as health, education, and overall well-being (Dinç & Gökmen, 2023).

Following ILO theory in KILM 16 (2015), it is stated that measuring worker productivity in producing output is a form of understanding the impact of labor market performance on people's living standards. This statement explains and justifies that people

must be productive or work if they want to improve their quality of life. By working, they can earn income to meet their daily living needs, whether the job is done independently, such as opening a business or working with other people (workers or employees). An increase in a person's standard of living is a sign that the quality of life of the individual concerned is progressing. This progress leads them to fulfill increasingly varied life needs, positively impacting their physical, mental, and spiritual development. Having quality health services, nutritious food, a healthy and clean living environment, adequate and adequate education, etc., can encourage a person to be more productive for himself, his family, and his country. All forms of fulfilling these needs must be purchased, so an individual's income plays a huge role in determining his achievement of meeting these life demands.

Review of Digital Economic Growth, Labor Force, and Human Development Index in Maqashid Syariah

Digital economic growth and workforce productivity are two critical factors influencing economic and social development in Indonesia, which are reflected in the Human Development Index (Caniago & Wibowo, 2024). From the maqashid Sharia perspective, Sharia goals, economic growth, and workforce productivity must be directed toward achieving general benefits and human welfare. Indonesia's rapid digital economy, supported by technological infrastructure and broad internet penetration, contributes significantly to Gross Domestic Product (GDP). The principle of maqashid Sharia emphasizes the importance of maintaining the five main aspects of life: religion (*din*), soul (*nafs*), reason (*aql*), lineage (*nasl*), and wealth (*maal*) (Al-Ghazali, 2020). A productive workforce is supported by adequate education and training per the principles of protecting minds and assets, ensuring decent work and fair income (BPS.2020). Increasing HDI, which reflects the quality of life and welfare of society, aligns with the objectives of maqashid Sharia to maintain human welfare and the principles of justice (*'adl*) (Kamali, 2020). The importance of distributing the benefits of digital economic growth and workforce productivity through Zakat and Waqf supports the welfare of society as a whole, maintaining a balance between meeting material and spiritual needs (Rahman, 2020). Collaboration between the government, private sector, and society is urgently needed to maximize the benefits of the digital economy and increase HDI throughout the country by sharia principles (Omar & Sari, 2019).

Maqashid sharia, or sharia objectives, is a framework used in Islamic law to ensure that every aspect of human life, including the economy, is managed to achieve prosperity and justice (Sugawara & Nikaido, 2014). Imam Al Ghazali emphasized that in enacting laws, especially those relating to muamalah, one must consider the values used to ensure legal enactment. The illat must be by *Maqasid Syariah*. Al-Ghazali thinks that the relationship established between Shari'a and Istislah is very close. According to al-Gazali, the benefit is maintaining religion, soul, mind, offspring, and property. The five types of benefits above for al-Gazali are on a different priority scale and order when viewed from the objective side, namely essential/primary (*dharu'riyyat*), needs/secondary (*hajjiyat*), complementary/tertiary (*tahsiniyat*), (Musolli, 2018).

The five main objectives of *maqashid Sharia* are to protect religion, soul, mind, lineage, and property (Kamali, 2020). In the context of the growth of the digital economy, staying resourceful can be realized through broader access to technology-based education and training. Safeguarding property involves protecting property rights and creating fair and ethical employment opportunities (Hassan, 2020). In addition, *maqashid Sharia* emphasizes the importance of social justice and equitable distribution of wealth, which can be achieved through zakat and waqf mechanisms (Ahmad, 2019). Zakat, as a form of wealth redistribution, ensures that the benefits of economic growth are enjoyed by all levels of society, especially the less fortunate (Aziz, 2019). As a form of charity, Waqf plays a role in building public facilities such as schools and hospitals that improve the quality of life (Hassan, 2020). Thus, implementing *maqashid Sharia* in the digital economy and workforce productivity increases HDI and ensures economic development with the principles of justice, prosperity, and high ethics based on Islamic values.

E. Conclusion

The potential of the Indonesian halal MSME market can be developed from halal consumption, the halal cosmetics sector, the halal fashion sector, and the halal lifestyle, in addition to the large Indonesian Muslim population that can increase the consumption of halal products, so that it is expected to boost the country's economic growth.

It is hoped that Indonesia will be able to become a player in the halal industry by strengthening the halal MSME market, by increasing understanding and awareness of the consumption of halal products, as well as the importance of halal certification for halal MSME business actors so that products can be accepted both nationally and internationally. The government also provides ease of capital and financing from Islamic banking institutions.

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