Talent Development & Excellence
Vol.12, No. 1, 2020, 3464 - 3489

Measuring the Economic Islamicity Index inthe Archipelagic Indonesia : Does Spatial Role Affect it ?

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Abstract

Purpose:

This research aims to measure Economic Islamicity Index through the elaboration process and adaptation of Maqashid Shariah Principles and Economics Principles, then conducted spatial mapping in Islamic economic performance in 34 Province of Indonesia.

Methodology:

The research approach uses the Embedded Mix Method by developing Multi-Stage Weighted Index results in the Economic Islamicity Index. It was followed by testing global spatial effects with Global Moran's I analysis and testing local spatial effects through the Local Indicator of Spatial Autocorrelation (LISA) consisting of LISA Cluster Map and LISA Significance Map.

Finding:

The empirical results of the Economic Islamicity Index demonstrate that the Islamic economic performance of Indonesia is very central to DKI Jakarta province and Java island. Meanwhile, spatial global shows a strong spatial autocorrelation relationship with Islamic economic performance in every Indonesia province. Then, the local spatial analysis revealed a significant spatial relationship to Islamic economic performance in DKI Jakarta, South Sulawesi, West Sulawesi, West Java, Banten and central Sulawesi with surrounding areas that are divided into High-High and Low-Low categories.

Originality: This research conducts the process of elaboration and adaptation of Maqashid Shariah Principles and Economics Principles to measure Economic Islamicity Index, then promote spatial role in mapping Islamic economic performance in the Indonesian archipelago.

***Keywords*:** Economic Islamicity Index, Spatial Effect, Islamic Economic and Archipelagic Indonesia

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

http://www.iratde.com

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INTRODUCTION

Religion plays an important role in economic growth, including the role of government policy in paying attention to the needs of people who have a majority religion (De Jong, 2008). According to Diamant (2019), Indonesia is an archipelago country that has the largest Muslim population in the world (87.1%), the majority of which are domiciled in Java (13.77 million), Sumatra (44.1 million), Sulawesi (14 million), Kalimantan (10.7 million people), Bali and Nusa Tenggara (5.2 million people), Maluku and Papua (2.2 million people). The implication is that economic strategies and policies cannot be separated from Islamic values such as strategies to improve the political sector, regulation, economy, and improvement of the Islamic economic ecosystem as global recognition places Indonesia as the first country in the 2019 Islamic Finance Country Index (Edbiz, 2019).

Researchers (e.g Campante and Yanagizawa-Drott, 2015; McCleary and Barro, 2006; Nath, 2007; Oday, 2017; Welch and Mueller, 2001) are of the view that religion has a two-way interaction with the economy. When religion plays a dependent variable, economic behavior and development influences religiosity, but when religion acts as an independent variable religiosity will affect economic growth through consumer behavior in consumption, saving up to investing. Religion also contributes in showing how the economy is implemented in society, as well as describing religious values as spiritual capital that has a psychological role in shaping consumer behavior (Binzel and Carvalho, 2017; Iyer, 2016; Kuran, 2018; Norris and Inglehart, 2004).

Basten and Betz (2011) said that in addition to the role of religion, spatial geography plays an important role in increasing economic growth, when religious values have built culture and ethos for the workforce, while spatial aspects function to map the influence of inter-regional linkages and define policies which is able to overcome the negative effects of economic inequality, so that economic justice can be created for each individual (Ascani et al., 2012; Jones, 2017).

The spatial method is theoretically a very powerful approach in analyzing regional linkages through the distribution of religious values (Knott, 2005), this is because spatial roles are significantly able to influence patterns of interaction and cultural diversity (Hervieu-Léger, 2002; Park, 2004). Based on the context of transnational expansion of religion, the ability to explore economically geographically will bring new thinking in defining and determining policy, so that the government can make the right decisions, effectively and efficiently (Michalopoulos et al., 2018; Obadia, 2015; Warf and Winsberg, 2008).

The measurement of the Economic Islamicity Index aims to see the extent of the economic performance of Islam in the largest Muslim country through the approach of education, economic justice, and welfare, to see whether the geographical location of Indonesia as an island nation globally has a spatial pattern distribution based on Islamic economic performance or not. Then do the clustering, based on the level of significance of spatial ability in influencing the surrounding area. Thus this research is expected to answer related to the improvement of Islamic economic performance in the Indonesian archipelago.

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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LITERATURE

The Role of Religion in Economic Activity

The relationship between religion and science will always be an interesting debate, because both have a dynamic nature over time (Cragun, 2015). Universal religious values aim to regulate every activity of human life, while with the rapid development of knowledge, it will be very difficult to limit what is science and what is not (Bainbridge, 2011). Thus, the relationship between religion and science will greatly depend on the time, religious values and social life between individuals (Baker, 2012; Sherkat, 2011).

The role of religion in social life, especially economic activities, cannot be separated, researchers (Kirchmaier et al., 2018; Klaubert, 2010; Renneboog and Spaenjers, 2009) agree that basically religion aims to guide individuals to save and behave frugally, so that they can minimize the occurrence of economic risk (Ma et al., 2018). Wijngaards and Sent (2011) revealed that there are three economic perspectives in religion. First, religion forms rational behavior in individuals through preference for beliefs in religious values. Second, religion interprets how households work in meeting their needs (McCleary and Barro, 2006). Third, in contrast to rational choices, beliefs and ideologies of a religion are seen as exogenous inputs for political economy policy, so that it will indirectly influence individuals in making decisions (Kuran, 2009).

In the era of disruption, economic activity becomes an uncertain thing. Unpredictable consumer behavior, the presence of financial technology and crypto currency in a fragile financial system, as well as high cases of corruption and organization fraud are the main causes of the emergence of a global economic crisis (Ali, 2013; Gurtner, 2010; Harwick, 2016; Kyrylych, 2013; Nurdany and Kresnowati, 2019). The failure of the liberal economic system has pushed economists (Aydin, 2013, 2015; Choudhury, 1990; Iskandar, 2018; Mahyudi, 2015; Presley and Sessions, 1994) to introduce Islamic economics as a new paradigm, with the aim of prioritizing social welfare, and ensure fairness in every economic transaction; and guarantee individual freedom by using interest-free transactions. This cannot be found in a liberal economic system, because a liberal system is formed based on the concept of secularism which ignores the relationship between religion and world life (Farrukh, 2012; Ibrahim and Alam, 2018; Khan, 2018; Sharif, 2003; Strulik, 2016; Waqas et al., 2016).

The Economic Doctrine of Islam

Researchers (e.g Farahani and Dastan, 2013; Jobarteh and Ergec, 2017; Muye and Hassan, 2016) revealed that Islamic economics through Islamic banking, Islamic capital markets, Islamic insurance and optimization of hajj and zakat funds have played an important role by contributing positive stimulus to the economy (Muheramtohadi, 2019; Nawaz et al., 2019), even in principle Islamic economics is better able to deal with financial crises than conventional economics (Barata, 2019; Hassan, 2018; HGB, 2017). The Islamic approach to economics can be broken down into three patterns. First, how the teachings of Islam in controlling consumer behavior, through Islamic education, supervision and regulation, and encourage the increase of zakat (Chapra, 2011). Second, implement good governance by

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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implementing transparency, transparency, and accountability (Smolo and Mirakhor, 2010). Third, implement a stable monetary policy, by prohibiting the use of usury, and impose gold as an international payment standard (Othman et al., 2011).

In an Islamic perspective, maqasid shariah is defined as a framework of welfare development through the concept approach of educating the individual, establishing justice and welfare society (Zahrah, 1958; Jaya, 2016; Kashif et al., 2016; Rehman and Askari, 2010a; Ullah and Kausar, 2017). Islamic scientists (Arsad at al., 2015; Kamali, 2011; Shinkafi and Ali, 2017) agree that the maqasid principles have a role as Islamic intellectual tools in social, political, and economic aspects to meet the welfare of the community, in other words the Maqasid shariah aims as a means of accelerating economic and social development.

The maqasid shariah approach has long been used in Islamic economic practices, particularly in the financial sector (Akram and Furqani, 2013). Maqasid shariah is considered a comprehensive standard, covering all aspects of life, so that its values and norms are used as guidelines in measuring economic performance (Abdullah, 2015; Soediro and Meutia, 2018). In the banking sector, maqasid shariah is implemented as a guide in the preparation of financing products, by promoting the principle of profit sharing without the imposition of interest, as well as the use of underlying assets in transparent project financing (Razak and Saupi, 2017; Yazid et al., 2015; Zakariyah, 2015). Evidently, the Islamic economy through banking, capital markets and sharia insurance has been able to contribute to economic growth (Majid and Kassim, 2015; Abduh and Omar, 2012; Mansor and Bhatti, 2011; Muye and Hassan, 2016).

The Spatial Effect on Islamic Economic

Li and Li (2018) argued that based on regional and market potential, economic agglomeration in the flow of resource allocation, production factors and market accessibility had a significant influence on economic growth, thus impacting on decreasing economic inequality between regions (Pan, 2012). In modern economics, studies related to geographic geographical economics have been shown to have an important role in the mechanism of polarization and economic inequality (Luo, 2005), Grydehøj and Hayward (2014) suggest that there is an interrelated relationship between spatial distribution activities on economic patterns in the islands, but the effect incurred will vary in each region (Stratford, 2013).

In the Islamic view, the economic aspects of the region and religion have interrelated relationships, the spread of Islam is inseparable from the geographical pattern of trade and economic activity is highly dependent on the religious value of the majority of a region (Michalopoulos et al., 2018; Welch and Mueller, 2001). Zaman (2012) said that the problem in Islamic economics is the inability of experts to combine knowledge, making it difficult to produce new alternatives to Islamic economic theory, especially in explaining the spatial approach in an area that dominates economic activity.

Martin (2015) revealed that it is very important for a government to balance the spatial aspects of the economy, thereby reducing the dependence on certain regions. Problems in economic spatial are not new, for centuries London has become a symbol of prosperity in

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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the United Kingdom with economic, social and political concentration (Krugman, 2005), this has an impact on the high economic dependence on the region resulting in economic inequality. Campbell and Ballas (2013) revealed that the spatial approach in the economy aims to examine the impacts arising from public policies at different geographical levels, so that the government can assess and change economic policies based on spatial effects in the hope of creating equitable economic growth.

METHODOLOGY

The design in this study uses the Embedded Mix Method approach, namely by developing the results of the analysis of qualitative techniques into quantitative analysis as an additional role to be able to answer questions in a study (Creswell and Clark, 2007), through the process of elaboration and adaptation to the Maqashid Shariah Principles dimension, the Economics Principles variable and the Measurement Indicator (Zahrah, 1958; Rehman and Askari, 2010a). The Embedded Mix Method approach is used because of problems that cannot be answered by using one approach. In addition, this method also provides more comprehensive findings (Creswell, 2009). The following theoretical framework in the Embedded Mix Method approach:

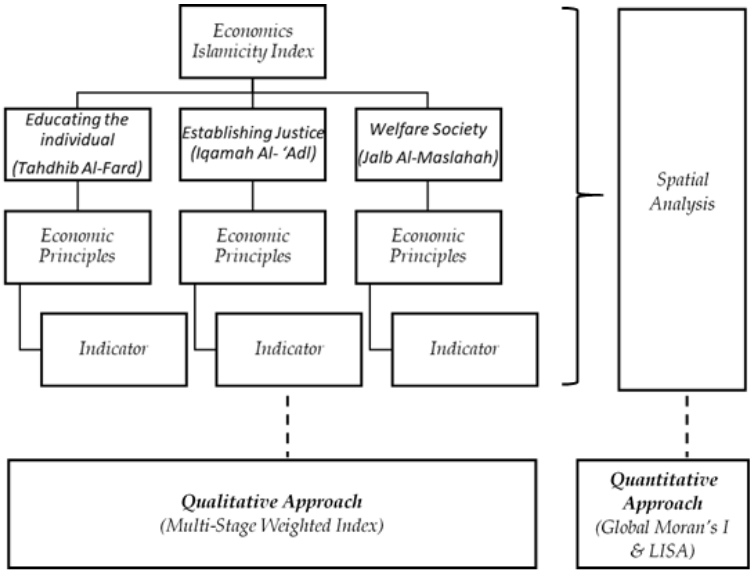

Figure 1. Theoritical Framework of Embedded Mix Method

Qualitative approach is used in the stage of weighting and measurement in the Economic Islamicity Index through the adaptation of the Maqashid Sharia Principles which are defined in the dimensions of Educating The Individual, Establishing Justice and Welfare Society (Zahrah, 1958). Furthermore, the Islamic Value contained in the Maqashid Sharia Principles is reduced to eleven Economics Principles variables (Askari and Mohammadkhan, 2016) which are then proxied in twenty-two indicators that are considered relevant. Basically the Economic Islamicity Index aims to carry out the process of evaluating Islamic economics on aspects of policy, achievement, justice, welfare and economy to conform to Islamic values (Askari, 2019; Rehman and Askari, 2010a).

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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Based on the results of measurements on the Economic Islamicity Index, an advanced analysis phase is based on a Quantitative approach through testing Global Moran's I and Local Indicators of Spatial Autocorrelation (LISA) (Anselin et al., 2006), this test aims to answer problems that cannot be found with Using a Qualitative approach, related to the process of identifying provinces that have the influence of spatial influence based on the measurement results of the Economic Islamicity Index. The following operational variables are used in this study.

Table 1. Weight Score of Economic Islamicity Index Components

NO	***MSP DIEMENSION***	***WEIGHTED SCORE***	***EP VARIABLE***	***WEIGHTED SCORE***	***INDICATOR***	***WEIGHTED SCORE***
1	*Educating the Individual (Tahdhib Al-Fard)* X_1	0.30	*Equal Access to Education (X_{11})*	*1.00*	*Population with at least Some Secondary Education (X_{111})*	*0.30*
					Human Development Report (X_{112})	*0.40*
					Illiterate (X_{113})	*0.30*
2	*Establishing Justice (Iqamah Al- 'Adl)* X_2	*0.30*	*Property Rights and Sanctity of Contracts (X_{21})*	*0.25*	*Property and Contract Rights (X_{211})*	*1.00*
			Economic Justice (X_{22})	*0.25*	*Income Distribution (Gini Ratio) (X_{221})*	*1.00*
			Prevention of Corruption (X_{23})	*0.25*	*Corruption Case (X_{231})*	*1.00*
			Provision for the Poor, Aid, and Basic Human Needs (X_{24})	*0.25*	*Population below Poverty Line (X_{241})*	*1.00*
3	*Welfare Society (Jalb Al-Maslahah)* X_3	*0.40*	*Taxation and Social Welfare (X_{31})*	*0.10*	*Taxes on Incomes (X_{311})*	*1.00*
			Health Care	*0.10*	*Percent of*	*1.00*

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			(X_{32})		*Health Satisfaction (X_{321})*	
			Economic Opportunity and Economic Freedom (X_{33})	*0.20*	*Gender Equality Indicators (X_{331})*	*0.30*
					Ease of Doing Business Indicators (X_{332})	*0.30*
					Competitiveness Index (X_{333})	*0.40*
			Job Creation and Equal Access to Employment (X_{34})	*0.20*	*Unemployment Rate (X_{341})*	*0.50*
					Labor Force (X_{342})	*0.50*
			Economic Prosperity (X_{35})	*0.20*	*RGDP (X_{351})*	*0.25*
					Index of the Effect of Inflation on Consumption (X_{352})	*0.25*
					Consumer Tendency Index (X_{353})	*0.25*
					RGDP per Capita (X_{354})	*0.25*
			Islamic Finance (X_{36})	*0.20*	*Islamic Banking Fund on Financing (X_{361})*	*0.25*
					Investor of Islamic Mutual Fund (X_{362})	*0.25*
					Fund of Pilgrimage	*0.25*

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					candidates (X_{363})	
					National Zakat Index (X_{364})	*0.25*

Sources: Adopted Askari and Mohammadkhan (2016)

This study uses secondary data in the form of financial reports that have been published by the Central Statistics Agency, Bank Indonesia, Indonesia Corruption Watch, National Zakat Agency, Ministry of Religion and Financial Services Authority in 2018. Measurement of Economic Islamicity Index intends to reveal the ranking of Islamic economic performance through scoring in the sector of access to education, economic justice and welfare in all provinces in Indonesia.

Multi-Stage Weighted Index

The Economic Islamicity Index is a process of measuring economic performance based on Islamic values (Zahrah, 1958), through the Educating The Individual approach, Establishing Justice and Welfare Society in collaboration with the eleventh Economics Principles, namely Equal Access to Education, Property Rights and Sanctity of Sanctions Contracts, Economic Justice, Prevention of Corruption, Provision for the Poor, Aid, and Basic Human Needs, Taxation and Social Welfare, Health Care, Economic Opportunity and Economic Freedom, Job Creation and Equal Access to Employment, Economic Prosperity, Islamic Finance (Askari and Mohammadkhan, 2016)

The measurement of the Economic Islamicity Index is carried out by the Multi-Stage Weighted Index method, through a ranking that combines the weighting process in the dimensions of the Maqashid Sharia Principles, the Economics Principles variable and the Index Indicators. Hilmiyah et al (2018) said that the estimation of the Multi-Stage Weighted Index was carried out through five systematic stages, so that measurements were more comprehensive and objective. The first stage, making the score scale liker with a range of values from 1 to 5 that represents the worst and the best conditions. The second step, calculates each variable using the following calculation formulation:

$$I_i = \frac{(S_i - S_{min})}{(S_{max} - S_{min})}$$

Where,

I_i =Index of variable i

S_i =The actual score on the measurement variable i

S_{max} = Maximum Score

S_{min} = Minimum Score

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The value produced in the calculation of the index is in the range 0.00 - 1.00, this means that the lower the value of an index the worse the Islamic economic performance, but the greater the index value obtained by a province, indicating that the province has good performance over the economy Islamic. The third stage, do the multiplication on the index obtained on each indicator with a predetermined weighting value. Based on the research design, the indicators on the variable Property Rights and Sanctity of Contracts, Economic Justice, Prevention of Corruption, Taxation and Social Welfare and Health Care are not formulated in more detail, while the other variables can be formulated into several indicators, the following are examples of formulations calculation of the Equal Access to Education Variable index.

$$X_{11} = 0.30X_{111} + 0.40X_{112} + 0.30X_{113}$$

Where,

X_{11} : Equal Access to Education Variable Index
X_{111} : Index Indicator Population with at least Some Secondary Education
X_{112} : Human Development Report Indicator Index
X_{113} : Indeks Indikator *Illiterate*

The fourth stage, the process of multiplying the index results on the Economic Principle variable with a predetermined weight, so that an index value can be obtained on the Maqashid Shariah Principles dimension, the following is an example of the calculation formulation of the Establishing Justice dimension (Iqamah Al-Adl):

$$X_2 = 0.25X_{21} + 0.25X_{22} + 0.25X_{23} + 0.25X_{24}$$

Where,

X_2 : Establishing Justice Dimension Index (Iqamah Al- ‘Adl)
X_{21} : Property Rights and Sanctity of Contracts variable index
X_{22} *:* Index of Economic Justice variables
X_{23} *:* Index of Prevention of Corruption variable
X_{24} *:* Provision for the Poor, Aid, and Basic Human Needs variable index

The fifth stage, this stage is the final process by multiplying all the index results in the Maqashid Shariah Principles dimension obtained by the predetermined weight values, namely:

$$EI^2 = 0.30X_1 + 0.30X_2 + 0.40X_3$$

Where,

EI^2 : *Economic Islamicity Index*
X_1 : Dimensions of Educating (Tahdhib Al-Fard)
X_2 : Dimensions of Establishing Justice (Iqamah Al- ‘Adl)
X_3 *:* Dimensions of Welfare Society (Jalb Al-Maslahah)

Based on the results of the calculation of the Economic Islamicity Index, it can be grouped into five criteria as follows:

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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Table 2. Economic Islamicity Index Category

No	Score	Information
1	0 – 0,20	Not good
2	0,21 – 0,40	deficient
3	0,41 – 0,60	Pretty good
4	0,61 – 0,80	Good
5	0,81 – 1,00	Very good

Global Moran's I

The Global Moran's I test is used in identifying the pattern of an area of spatial grouping in the surrounding area, through the randomization value of pseudo spatial autocorrelation p <0.05 (Tsai, 2012). Measurements on the Moran's I coefficient value are between -1 <I <1, where 1 shows perfect positive autocorrelation, while -1 indicates that the occurrence of perfect negative autocorrelation, with the following formulation (Anselin et al., 2006)

$$I_i = \frac{1}{s^2} \frac{\sum_{i=1}^{n} \sum_{j=1}^{n} w_{ij}(z_i - \bar{z})(z_j - \bar{z})}{\sum_{i=1}^{n} \sum_{j=1}^{n} w_{ij}}$$

Where: $s^2 = \frac{1}{n} \sum_{i=1}^{n} (z_i - \bar{z})$

$n$indicates the number of provinces, $Z_i$is the value of the Economic Islamicity Index in the province$i$, $Z_j$is the value of the Economic Islamicity Index in the province j, $\bar{Z}$is the average number of Economic Islamicity Index values. While$w_{ij}$is a weighting matrix between provinces$i$and province$j$.

Local Indicator of Spatial Autocorrelation (LISA)

LISA testing aims to project the value of outliers in spatial grouping in certain regions by conducting sensitivity analysis through the LISA Cluster Map and LISA Significance Map (Singh et al., 2017). First, the use of LISA Cluster Map aims to determine the type of spatial

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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autocorrelation grouping in a province in several categories such as High-High, Low-Low, Low-High, High-Low, Not Significant and Neighborless. Second, Anselin (2005) said that the LISA Significance Map analysis aims to reveal the level of significance of the spatial relationship between a province and neighboring regions based on the significance level values of 0.05, 0.01 and 0.001, based on the formulation (Anselin, 1995) as follows.

$$I_i = \frac{\sum_{j=1}^{n} w_{ij}(z_i - \bar{z})(z_j - \bar{z})}{\sum_{i=1}^{n}(z_i - \bar{z})^2}$$

In each province, the values contained in the LISA formulation will provide information and significance values related to the similarity of patterns in the Economic Islamicity Index between provinces i and j. In the LISA analysis, if the statistical test does not address the significance value, it means that the province does not have a spatial pattern in the surrounding area. However, if the test can address the significance value of the spatial pattern, then there could be a tendency for the categories High-High, Low-Low, Low-High and High-Low.

FINDING AND DISCUSSION

This study aims to measure Islamic economic performance in all provinces, through the process of elaboration and adaptation to the dimensions of the Maqashid Shariah Principles (Zahrah, 1958) and the Economics Principles variable (Rehman and Askari, 2010a) to the concept of the Economic Islamicity Index (Askari and Mohammadkhan, 2016). Based on the results of the Index measurement, the spatial mapping is then carried out through the analysis of LISA (LISA Cluster Map and LISA Significance Map) with the aim of seeing the extent of the influence of inter-regional linkages through Islamic economic performance in an island nation.

Multi-Stage Weighted Index

Measurement of the Economic Islamicity Index in this study involves twenty-two proxies that represent the dimensions of the Maqashid Shariah Principles and the Economics Principles variable. Based on the calculation of the Multi-Stage Weighted Index method in stages and in stages, the measurement results are obtained as follows:

Table 3. Economic Islamicity Index

Rank	***Province***	***Economic Islamicity Index***	***Rank***	***Province***	***Economic Islamicity Index***
1	*DKI Jakarta*	*0.87*	*18*	*East Jawa*	*0.54*
2	*Riau Island*	*0.68*	*19*	*Papua West*	*0.54*
3	*East Kalimantan*	*0.65*	*20*	*Central Sulawesi*	*0.54*

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4	*West Jawa*	*0.65*	*21*	*Kalimantan West*	*0.54*
5	*North Sulawesi*	*0.64*	*22*	*Central Jawa*	*0.54*
6	*Banten*	*0.61*	*23*	*Papua*	*0.54*
7	*South Kalimantan*	*0.61*	*24*	*South Sumatera*	*0.53*
8	*Bangka Belitung Island*	*0.60*	*25*	*North Sumatera*	*0.53*
9	*Jambi*	*0.59*	*26*	*Aceh*	*0.51*
10	*DI Yogyakarta*	*0.58*	*27*	*Southeast Sulawesi*	*0.51*
11	*West Sumatera*	*0.58*	*28*	*Bengkulu*	*0.51*
12	*Central Kalimantan*	*0.58*	*29*	*Lampung*	*0.51*
13	*Bali*	*0.58*	*30*	*Maluku*	*0.51*
14	*North Kalimantan*	*0.58*	*31*	*West Nusa Tenggara*	*0.45*
15	*Gorontalo*	*0.56*	*32*	*South Sulawesi*	*0.45*
16	*North Maluku*	*0.56*	*33*	*West Sulawesi*	*0.44*
17	*Riau*	*0.55*	*34*	*East Nusa Tenggara*	*0.41*

Source: Multi-Stage Weighting Processed Data

Table 3 shows that DKI Jakarta Province is the only province with an Islamic economic performance which is categorized as excellent with an index of 0.87. Furthermore, there are six provinces with good categories, namely Riau Island Province (0.68), East Kalimantan Province (0.65), West Java Province (0.65), North Sulawesi Province (0.64), Banten Province (0.61) and South Kalimantan Province (0.61) which ranks 2nd to 7th respectively. Meanwhile, twenty-seven other provinces are categorized quite well through the acquisition of an index between 0.41 - 0.60, and the last ranking status is occupied by the East Nusa Tenggara Province with an index of 0.41. That is, in general, the performance of the Indonesian Islamic economy is included in both categories with an index of 0.56.

The results of the Economic Islamicity Index in depth revealed that, the Province of Aceh with a majority Muslim population and the application of Islamic law, was only able to rank 26th with a value of 0.51. While the Province of Bali, which is predominantly non-Muslim, is ranked 13th above with a score of 0.58, this shows that Islamic economic performance is not necessarily influenced entirely by religious factors (Rehman & Askari, 2010a). In addition, although in general Indonesia's Islamic economic performance is in the good category (0.56), but if it is mapped based on performance per province, it is still found

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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gaps in Islamic economic performance, particularly the performance of the DKI Province which is difficult to equal with other provinces, thereby making DKI Jakarta a epicenter for Indonesia's Islamic economic performance.

Table 4. Economic Islamicity Index of Indonesia Archipelagos

Rank	***Island***	***Economic Islamicity Index***
1	*Java*	*0.63*
2	*Kalimantan*	*0.59*
3	*Sumatera*	*0.55*
4	*Maluku & Papua*	*0.53*
5	*Sulawesi*	*0.52*
6	*Bali & Nusa Tenggara*	*0.47*

Source: Multi-Stage Weighting Processed Data

In this study, the measurement of the Economic Islamicity Index is also based on the division of the Indonesian archipelago, with the aim of mapping the extent to which the Islamic economic performance is implemented in each province within an island. Based on the results of table 4. It is pointed out that the Islamic economic performance of the provinces in Java, overall ranks highest compared to other islands with an index of 0.63. This shows that the island of Java has a central role in improving Islamic economic performance (Ismal, 2010; Trinugroho et al., 2017). Meanwhile, even though it is included in the category of quite good, the islands of Bali and Nusa Tenggara are recorded as regions with the lowest Islamic economic performance among other regions with a value of 0.47. Issues of access to education, economic justice and welfare are still the main domains in improving the quality of the Islamic economy in the region. So there needs to be support from the government seriously in developing Islamic economic potential for the islands.

Global Moran's I

Indonesia is the largest archipelago country in the world, so economic distribution will be very important in influencing regional economic growth. In addition, the spatial role can be assumed as a fundamental factor in mapping the inter-regional linkages in economic aspects. The following is a spatial analysis through the Global Moran's I Randomization test.

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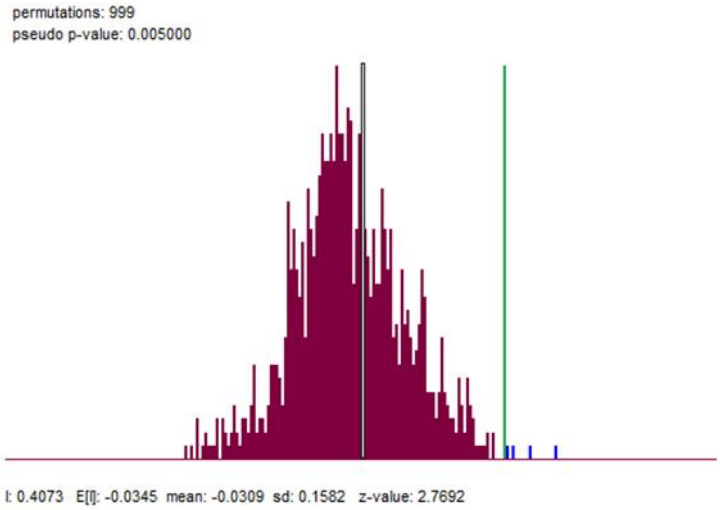
Figure 2. Global Moran's I Randomization



Source: GeoDa software processed data.

Based on the Queen Countiquity weighting results on the Economic Islamicity Index, the Global Moran's I coefficient is 0.4073 and the significance of the pseudo p-value is 0.00500 with a permutatios value of 999, meaning that there is a strong spatial autocorrelation pattern in the model used in this study . Positive autororrelation values indicate that there are similarities in values in adjacent provinces and in groups as a whole as a pattern (Anselin, 2005). Furthermore, to conduct an in-depth analysis, it is necessary to conduct LISA analysis to measure the local spatial influence in a province.

Local Indicator of Spatial Autocorrelation (LISA)

LISA testing aims to analyze the Local Spatial Autocorrelation by assessing the sensitivity of the LISA Cluster Map and LISA Significance Map, so as to prove a spatial relationship in Islamic economic performance in every province in Indonesia. The following are the results of the analysis on the LISA Cluster Map:

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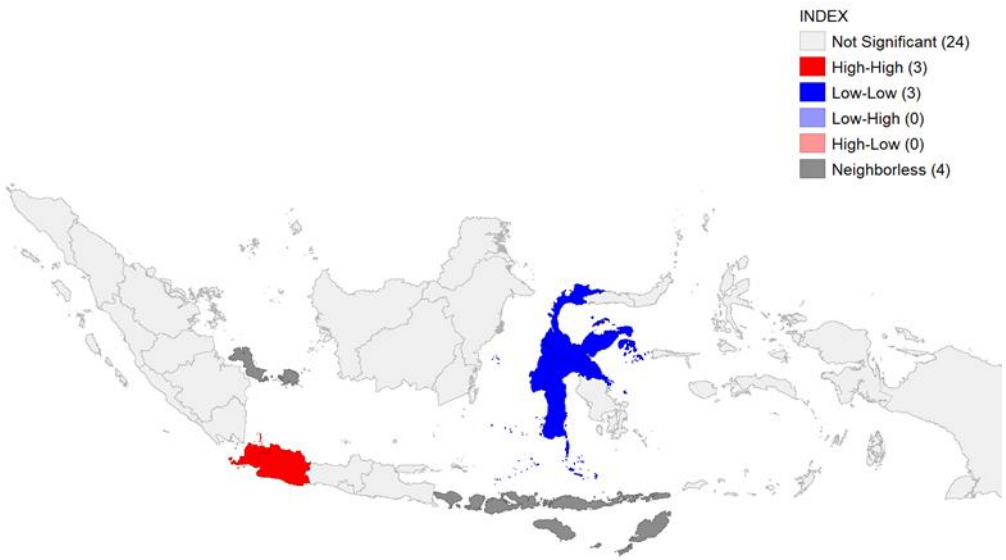
Figure 3. LISA Cluster Map



Source: GeoDa software processed data.

Based on the LISA Cluster Map test results, it can be divided into six categories through two different types of spatial autocorrelation, namely positive autocorrelation for provinces included in the High-High and Low-Low quadrants, and negative aotocorrelation for provinces included in the Low-High quadrant and High-Low (Anselin, 2005), following the results of testing on the LISA Cluster Map:

1. The High-High category is a type of positive autocorrelation that points to a province with a high Economic Islamicity Index value surrounded by a province with a high Economic Islamicity Index value. Among them are the provinces of DKI Jakarta, Banten and West Java.
2. The Low-High category is a type of negative autocorrelation that points to a province with a low Economic Islamicity Index value surrounded by a province with a high Economic Islamicity Index value. However, the results of testing on the LISA Cluster Map do not address the provinces included in the Low-High category.
3. The Low-Low category is a type of positive autocorrelation that points to a province with a low Economic Islamicity Index value surrounded by a province with a low Economic Islamicity Index value. Among them are the provinces of South Sulawesi, West Sulawesi and Central Sulawesi.
4. The High-Low category is a type of negative autocorrelation that points to a province with a high Economic Islamicity Index value surrounded by a province with a low Economic Islamicity Index value. However, the test results on the LISA Cluster Map do not address the provinces included in the High-Low category.
5. The Not Significant category shows that a province has no spatial influence on the performance of the Economic Islamicity Index on the surrounding provinces. Among them are Gorontalo, Riau, Riau Islands, South Sumatra, West Kalimantan, Aceh, Bengkulu, Lampung, Central Java, North Sumatra, Jambi, East Java, DI Yogyakarta, South Kalimantan, North Sulawesi, North Kalimantan, North Maluku, Central

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Kalimantan, West Papua, Southeast Sulawesi, West Sumatra, Papua, East Kalimantan and Maluku.

6. The Neighborless category refers to the existence of a province which is considered to have no neighbors in the surrounding area, so that it cannot be identified to what extent the spatial role in the region is. Among them are the Bangka Belitung Province, West Nusa Tenggara, East Nusa Tenggara, and Bali.

The results of the categorization on the LISA Cluster Map show that there is a positive spatial autocorrelation relationship in the provinces of DKI Jakarta, Banten, West Java, South Sulawesi, West Sulawesi and Central Sulawesi. However, twenty-four other provinces were declared to have no spatial influence on the surrounding area and there were four provinces that were included in the Neighborless category. This means that in general, economic policies determined by each region and center only have a partial impact, in line with the findings in the Economic Islamicity Index which point to only seven out of thirty four provinces with good and very good Islamic economic performance. Lack of coordination, lack of understanding of economic potential and differences in program priorities make Islamic economic performance in provinces in Indonesia run independently without involving the surrounding provinces. On the other hand, DKI Jakarta, Banten and West Java Provinces are considered successful in utilizing spatial potential in developing megapolitan areas (Jakarta, Bogor, Depok, Tangerang, Bekasi - Jabodetabek) as integrated economic centers. This is inseparable from the performance of the Islamic economy in each province on the island of Java as the center of Indonesia's Islamic economy.

To sharpen the analysis in this study, a LISA Significant Map was tested with the aim of explaining the level of significance of local spatial autocorrelation in Islamic economic performance in each province. This analysis was carried out by grouping several provinces based on the 0.05, 0.01, 0.001, Not Significant and Neighborless significance criteria. Following are the results of the LISA Significant Map analysis.

Figure 4. LISA Significant Map

Source: GeoDa software processed data.

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Figure 4. shows that there are twenty-two provinces included in the Not Significant criteria, including Gorontalo, Riau, Riau Islands, South Sumatra, West Kalimantan, Aceh, Bengkulu, Lampung, Central Java, North Sumatra, Jambi, East Java, DI Yogyakarta, South Kalimantan, North Sulawesi, North Kalimantan, North Maluku, Central Kalimantan, West Papua, Southeast Sulawesi, West Sumatra, Papua, East Kalimantan and Maluku. In addition, this analysis aimed that there were four provinces included in the Neighborless criteria, including Bangka Belitung, West Nusa Tenggara, East Nusa Tenggara, and Bali. Furthermore, there are four provinces that have a significance level of 0.05, including DKI Jakarta, South Sulawesi, West Sulawesi, West Java. Then, the LISA Significant Map analysis revealed that there were two provinces that had a significance value of 0.01, including Banten and Central Sulawesi. Then, in this analysis found no province that has a spatial influence with a significance level of 0.001.

Based on the results of the LISA Significant Map sensitivity test, it can be explained, that the province which has a significance level of 0.05, is capable enough to influence Islamic economic performance. However, spatial influence is more dominant in provinces that have a significance value of 0.01, for example the provinces of DKI Jakarta, West Java and Banten are neighboring provinces with high Economic Islamicity Index values and included in the category of positive autocorrelation (High-High). Thus, the ability of good economic performance in one of the provinces directly impacts the economic improvement of the surrounding provinces (Grydehøj and Hayward, 2014). Even though the economic center is located in the DKI Jakarta area, Banten Province is considered to have a spatial influence on the improvement of the Islamic economy through support for production factors for the surrounding area (Krugman, 2011). In addition, Central Sulawesi Province is also considered as an area that has an important role in providing a strong spatial influence on improving the economic performance of Islam on the island of Sulawesi, because geographically the position and position of Central Sulawesi Province is in the heart of Sulawesi which borders directly on the four provinces, namely North Sulawesi Province, West Sulawesi, East Sulawesi and South Sulawesi. Thus, the better the Islamic economic performance of Central Sulawesi Province, it is expected to be able to give a good influence on the performance of the Islamic economy in the provinces that are included in the category of Low-Low (West Sulawesi, East Sulawesi and South Sulawesi).

In the LISA Significant Map Analysis, there were twenty-four provinces listed in the Not Significant category, so that it implied that the regional and central government must not be sufficiently good at designing policies in developing the Islamic economy (Mufraini et al., 2020). In addition, as an archipelagic country, Indonesia needs to increase economic access, education and welfare improvement for provinces that are included in Neighborless criteria such as Bangka Belitung, West Nusa Tenggara, East Nusa Tenggara, and Bali. Although the 4 provinces are islands, based on the results of the Economic Islamicity Index, which is included in the category of the province which is quite good in Islamic economic performance, if the government is able to provide expanded access, it is not impossible for them to be able to exert a spatial influence on the surrounding area.

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CONCLUSION

The results of the Economic Islamicity Index research show that the performance of the Islamic economy in Indonesia as a whole is included in the quite good category. However, there is only one province included in the excellent category of thirty-four provinces, namely DKI Jakarta Province which is the National Capital. This shows that Indonesia as a country with the largest population and Islamic financial market in the world, has not been able to aim for a high degree of Islamic simultaneity, at least in the Islamic economy (Rehman and Askari, 2010b). This study suggests that there is a considerable gap between the Province of DKI Jakarta and other provinces, meaning that there are still gaps in Islamic economic activity in every province in Indonesia, making DKI Jakarta an epicenter for Islamic economic performance. Unexpectedly, the Province of Aceh with a majority Muslim population and the application of Islamic law precisely the economic performance of Islam is under the Province of Bali with a majority of non-Muslim population.

Based on the geographical classification, the results of the Economic Islamicity Index show that Indonesia's Islamic economic performance is still concentrated in the Java Island region compared to other conventionalities. Resosudarmo et al (2011) explained that Java Island is the center of the economy, through excellence in the Tax sector, RGDP, Consumtion per Capita, Infrastructure and the relatively low number of poor people compared to other islands making Java Island as a driving force for the Indonesian economy. The research also found that Bali and Nusa Tenggara Islands are the regions with the smallest performance of Islamic economic activity, because most Islamic economic activities in the region only rely on the Halal Tourism Industry sector (Ameraldo et al., 2019).

Indonesia in its development as an island nation with the largest Muslim population in the world cannot be separated from the spatial role between provinces. Often, archipelagic countries do not involve a spatial role as considerations in economic policy making (Abeyratne and Cooray, 2017), this is evident from the results of the Economic Islamicity Index which aims at DKI Jakarta as the only region with excellent Islamic economic performance. Meanwhile, based on the results of the spatial analysis on Global Moran's I, it was pointed out that the pattern of the distribution of Indonesian territory points to the existence of positive spatial autocorrelation values, thus allowing a province to have a direct influence on the surrounding provinces (Anselin et al., 2006).

Through the Local Spatial Autocorrelation analysis approach in the LISA Cluster Map found a positive spatial local autocorrelation relationship in DKI Jakarta, Banten and West Java Provinces in the (High-High) category. Then, the Provinces of South Sulawesi, West Sulawesi and Central Sulawesi in the category (Low-Low), Meaning, Although Indonesia has global spatial potential in each province, in general the economic policies set by each region and center only have a partial impact on some provinces. Meanwhile, the ability of the Provinces in the High-High category to influence each other is thought to be inseparable from the success of the Greater Jakarta Metropolitan Area as an integrated economic center. In addition, the provinces in the Low-Low category also have very good

ISSN 1869-0459 (print)/ISSN 1869-2885 (online)

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spatial abilities, but their influence tends to be on the low performance of the Islamic economy.

Based on the results of testing the level of spatial significance on the LISA Significant Map found that, DKI Jakarta Province, South Sulawesi, West Sulawesi, West Java are regions that have a spatial significance level of 0.05. In addition to that, Banten and Central Sulawesi Provinces were declared the most spatially influential regions with a significance level of 0.01. However, this analysis also revealed that there were twenty-four provinces in the Not Significant category and four provinces in the Neighborless category. This means that it implies that both the regional and central government have not been sufficiently successful in implementing any Islamic economic development policy. In addition, as an island nation, the government needs to improve the distribution of economic, education and welfare distribution for each province.

Through these findings the government is expected to be able to increase economic growth, through the provision of incentives for various business sectors such as Halal tourism, Halal food, Halal culinary, Fashion and other Islamic economic sectors. In addition, infrastructure development in each region is expected to be the key to Indonesia's economic growth. Researchers hope that the government can involve the Islamic Finance Industry as a channel of financing in the sector, so that the government has indirectly provided an opportunity for expansion of the Islamic financial market share. In addition, the Government needs to improve the optimization of the Hajj and Zakat Funds so as to encourage economic growth in the real sector to become more productive. Furthermore, based on the spatial analysis, it is expected that each regional head can understand the potential of each region, so that the economic policies drawn up can consider the potential in the surrounding area. In the current era of disruption, it is very important for each region to carry out economic synergy, the development of megapolitan areas involving various provinces is expected to encourage economic growth to be more inclusive, so as to create Islamic economic growth that is evenly distributed in every province in Indonesia.

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