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THE EFFECT OF MIGRANT WORKER REMITTANCES, UNEMPLOYMENT, AND ECONOMIC GROWTH ON POVERTY IN INDONESIA: VECM ANALYSIS FROM AN ISLAMIC ECONOMIC PERSPECTIVE (2010-2024)

Muhammad Rizki Zuliandika
UIN Raden Intan Lampung, Indonesia (mrizkizuliandika14@gmail.com)

Erike Anggraeni
UIN Raden Intan Lampung, Indonesia (erike@radenintan.ac.id)

Is Susanto
UIN Raden Intan Lampung, Indonesia (issusanto@radenintan.ac.id)

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ABSTRACT

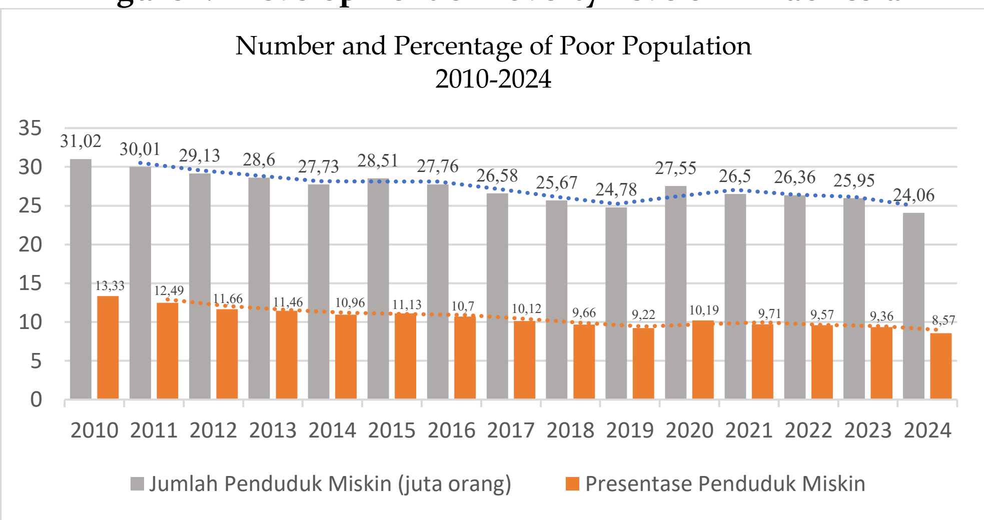
Poverty in Indonesia remains become challenge although trend its decline positive. Utilization remittances worker migrant not optimal, level unemployment fluctuating, and growth economy no always inclusive. Research this aim for analyze influence remittances worker migrants, unemployment, and growth economy to poverty in Indonesia in perspective economy Islam. The data used is sequential data time per semester for 2010-2024 obtained from the Central Statistics Agency, Bank Indonesia, BP2MI and other relevant literature, analyzed use approach *Vector Error Correction Model* (VECM) with help device EViews 12 software. Research results show that in term length, remittances and growth economy own influence negative and significant to poverty, while level unemployment no influential significant. On the other hand, in term short, unemployment and growth economy influential significant, whereas remittances no. Findings this confirm that alleviation poverty need growth inclusive and equitable economy, management remittances in a way productive, as well as creation field work dignified in accordance principle economy Islam. In general academic, findings this enrich literature empirically. In practical, to be base policy alleviation poverty based Islamic values.

A. INTRODUCTION

Poverty is problem classic that is still become challenge main in development economy, both in developing countries and developed countries. According to World Bank definition of poverty no just lack financial, but rather conditions in which individuals or group public no own adequate access to source power required for fulfil need base they (Ferezegia, 2018) . Within the framework economy macro, poverty viewed as consequence from interaction between various variables economy aggregate like growth economy, level unemployment, and the flow remittances. According to Todaro, the level of poverty no can measured with or without refers to the poverty line. The idea that refers to the poverty line called poverty absolute, and the idea that is not refers to the poverty line called relative poverty (Lestari et al., 2024).

Poverty in Indonesia is still be one of issue main influencing factors welfare social and economic conditions of the country. Poverty no Again understood only limited to inability in economics, but also failure fulfil rights basis and differences treatment for somebody or a group of people in undergo life in a way dignified (Imanto et al., 2020) . Poor conditions also cause existence limitations access for get a number of facilities in various sectors that can make stopped or decline productivity something group and individual, many aspect life someone and can own impact term significant long-term impact on individuals, families, and communities in a way overall (Ilham & Dian Octaviani, 2024) . Problem poverty no only Because increasing tendency, but because consequences that include room scope economy social and instability politics. Therefore that, alleviation poverty must prioritized in development economy, good term long and term short (Priseptian & Primandhana, 2022) .

Figure 1.1 Development of Poverty Levels in Indonesia



Source : Central Statistics Agency (2025)

The poverty level measured from number and percentage poor population in Indonesia shows trend decline from 2010 to 2024, although had time experience improvements in some year certain consequence factor external like increase price material fires in 2015 and the COVID-19 pandemic in 2020, based on data from the Central Statistics Agency (2025), the number of the number of poor people has decreased from 31.03 million people in 2010 to 24.06 million people in 2024, with percentage poverty decrease to 8.57%, reflecting progress significant in development economy national. But even though trend poverty in Indonesia in general general show decline every year, phenomenon this no is linear and stable. There is periods certain areas where poverty return increase consequence shock economy, which of course impact wide to society. Conditions this show that poverty still become problem vulnerable strategic to change condition macroeconomics.

Growth economy is indicator main thing that describes economy a country, growth economy is very important for knowing and evaluating development a particular country in field economy (Rifa Khairunnisa, Madnasir, 2024). For measure growth economy in a country, can seen from product level domestic the country's gross domestic product (GDP) (Todi et al., 2025). Growth economy indicates existence improvement production, which is basically expand chance work and potential reduce level poverty. Growth economics is also often used as gauge measuring success development. In general theory, growth high economy should impact positive to welfare society. However in in practice, no all growth nature inclusive. When distribution results growth no evenly distributed, poor and vulnerable groups precisely no get benefit directly. This is result in a phenomenon in which growth economy walk along with improvement inequality, which ultimately weaken the impact to subtraction poverty.

Based on Central Statistics Agency report growth Indonesian economy throughout period 2010 to 2024. One of the point crucial occurred in 2020, where the rate growth economy recorded experience contraction by -2.07%. Decrease this is impact direct from crisis global health consequences the COVID-19 pandemic that began hit in the quarter first year the crisis the cause obstruction activity economy domestic and global, decline request aggregate, as well as weakening price commodities international, which is overall participate pressing performance economy national.

According to Lisa Nansadiqa (2024) in his research find results that economic growth against poverty in term short there is influence from the shock caused by economic growth on poverty whereas in term medium and in term long no there is influence from the shock caused by economic growth on poverty (Nansadiqa, 2024) . Whereas according to Feliks Arfid Guampe, Abdi Sakti Walenta and Fredrik Bastian Kawani in his research state that growth economy own influence positive and negative significant to Poverty (Guampe et al., 2022).

Unemployment rates are also often made into as indicator for evaluate quality performance government in a country or area. Success or failure government in managing the country and its people can reflected from size percentage existing unemployment. Unemployment also becomes variables important in explain poverty unemployment become reason direct decline income house stairs, height number unemployment signify no optimally system economy in create field work. This is result in public age productive no own income remains, which has an impact on increasing burden economy family. In addition, unemployment structural and unemployment open cause regional inequality and disparities welfare interregional, which also exacerbates poverty.

Based on The Central Statistics Agency report shows that the unemployment rate in Indonesia shows significant fluctuations. The most striking increase occurred in 2020, which recorded increase by 1.84% compared to with 2019, so that reached 7.07%.

The increase the can understood as impact from the crisis that arose consequence COVID-19 pandemic. The Indonesian government is designing various strategies and programs for reduce level unemployment with objective main prevent occurrence poverty, which can impact directly to individuals or group communities experiencing unemployment. Unemployment result in individual or group become no productive and unproductive get income that can be earned used for fulfil need base they. Condition this is the end will leading to the occurrence of poverty.

According to Ainil Zaqiah, Mike Triani and Isra Yeni (2023) in his research state that unemployment influential positive and significant to level poverty in Indonesia (Zaqiah et al., 2023). Meanwhile According to Siti Hanifah and Nurul Hanifah stated that unemployment influence negative and no significant to poverty (Hanifah & Hanifa, 2021).

On the other hand, remittances from Worker Indonesian migrants (PMI) often considered as instrument important in reduce pressure economy House ladder. Transfer money from abroad capable increase power buy family recipients and even become source investment education or business small. Remittance potential increase consumption and investment house ladder as well as repair condition economy family. However, the impact to alleviation poverty is very dependent on the goal use of the funds whether for consumption term short or investment long term if only used for consumption, its effects to alleviation poverty tend nature temporary and not sustainable.

Based on Bank Indonesia and BP2MI reports, Remittances sent by Workers Indonesian Migrants (PMI) experienced trend improvement significant throughout 2010 to 2019, with mark recorded amounting to 6.735 million USD in 2014 and reaching the peak amounting to 11.435 million USD in 2019. The increase this influenced by growth stable and growing global economy number of PMI in the destination country main such as Malaysia, Saudi Arabia, and Taiwan. However, the COVID-19 pandemic in 2020 caused decline remittances to 9.427 million USD, which continues until 2021. Decrease this due to restrictions mobility, repatriation force PMI, as well as decline request power work in sectors strategic. Positive trend return seen in 2023, with remittances reached 14.217 million USD, and increased more continue in 2024 to 15,540 million USD, surpassing level pre-pandemic.

According to Misdawati and Syahrituah Siregar (2020), in his research find that remittances influential negative significant to alleviation poverty in Indonesia (Misdawati & Siregar, 2020), which indicates that improvement remittances correlated with decline level poverty. On the other hand, research conducted by Cendanawangi, Hariani, and Ariani shows that that remittances own connection positive and significant to poverty (Cendanawangi et al., 2020), which means that flow remittances not yet fully effective in push repair condition socio economic recipients at the level House ladder.

In the Islamic perspective, poverty (*al-faqr*) is not only considered as problem economy only, but as crisis multidimensional which can threaten quality life individual, stability social, and even the moral sustainability of society. Islam is very much against it. poverty and consider it as disaster that must be fought (Permana & Nisa, 2024) . Islam views poverty as problem structural and moral that must be overcome in a way systematically by individuals, society, and the state. In conditions of poverty, a person can lost honor man *(karma insāniyyah)* and experience decline quality of worship, education, participation social, as well as can become evil. In the context of this, the Qur'an commands to always there is a group of active people invite to kindness, inviting to good deeds, and prevent evil, as the word of Allah SWT:

وَلْتَكُنْ مِّنْكُمْ اُمَّةٌ يَّدْعُوْنَ اِلَى الْخَيْرِ وَيَأْمُرُوْنَ بِالْمَعْرُوْفِ وَيَنْهَوْنَ عَنِ الْمُنْكَرِ ۗ وَاُولٰۤىِٕكَ هُمُ الْمُفْلِحُوْنَ

"It should be there is between You a group of people who call to virtue, ordering (doing) what is virtuous, and preventing from the evil. They those are the successful people" (QS. Ali'Imran: 104)

This verse load principle base not quite enough answer social in Islam, which requires people for invite to goodness, upholding values justice, and prevent all form deviation. In perspective poverty, call for Amar Ma'ruf Nahi Mungkar can interpreted as moral and systemic calling for build structure a fair and pro-poor economy. Ongoing poverty continously no just phenomenon economy, but also form problem structural that must be prevented through distribution fair wealth and intervention policy based Islamic values are comprehensive and based mark humanity for overcome inequality and poverty (Egi Ramdani Nugraha Saputra, 2024) .

So from that objective from analysis this is for explore and understand influence remittances worker migrants, unemployment and growth economy to poverty in Indonesia during period 2010-2024 with approach Islamic economics. Research This expected can give contribution in formulate more policies effective in reduce poverty in Indonesia, with consider factors relevant and in depth economics, as well notice principles Islamic economics that can push welfare social in a way fair and equitable.

B. RESEARCH METHODS

Study this use approach quantitative with secondary data sequential time *(time series)* period 2010-2024, the population used in study This is all data regarding Remittance Worker Indonesian Migrants, Unemployment Rate, Economic Growth, and Poverty Rate using indicator presentation poor people in Indonesia. Data sourced from Bank Indonesia, the Protection Agency Worker Indonesian Migrants (BP2MI) and the Central Statistics Agency (BPS). Analysis done use *Vector Error Correction Model* (VECM) with help device EViews 12 software. This model chosen Because allows analysis relatedness term short and long term long in a way simultaneously, so that relevant for study dynamics every variables. Stages analysis includes:

1. Stationarity Test, testing whether every variables stationary at level or need difference, using the Augmented Dickey-Fuller (ADF) Test.
2. Optimum Lag Test, determines the most appropriate lag length based on criteria information (AIC, SC, and HQ) for ensure a free model from autocorrelation.
3. Var Stability Test, ensures the model is in condition stable through inspection root characteristics that must be is at in circle unit.
4. Granger Causality Test, identifies direction connection causality between variable.
5. Cointegration Test, testing There is whether or not connection term long between variables use Johansen Cointegration Test method.

6. VECM Model Estimation, estimating the model for know influence term short and long term long.
7. Variance Decomputation Test, measures contribution relatively every variables free to variables bound in explain variations in level poverty.

C. RESULTS AND DISCUSSION

Stationarity Test

Table 1. Results of the Stationarity Test at the First Difference Level

Variables	ADF	Prob.*
PMI Remittances	-3.841964	0.0069
Unemployment Rate	-8.590917	0.0000
Economic growth	-5.582207	0.0001
Poverty Level	-5.696213	0.0001

Source: Results of Eviews 12 Process
1st Difference: *

Based on the ADF test results presented in Table 1, all variables, namely Indonesian Migrant Worker Remittances (X1), Unemployment Rate (X2), Economic Growth (X3), and Poverty Rate (Y), have probability values <0.05 after the first differentiation. This indicates that the four variables are integrated at lag one or I(1), and have become stationary after the first difference. Thus, it can be concluded that all variables in this study have fulfilled the stationarity requirements in the first differentiation.

Optimal Lag Test

Table 2. Results of the Lag Length Criteria Test

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-19.14344	NA	6.97e-05	1.780264	**1.973818***	1.836001
1	4.280616	**37.83885***	**4.01e-05***	**1,209,183***	2.176950	**1.487865***
2	12.40120	10.61922	8.13e-05	1.815292	3.557272	2.316920
3	30.74678	18.34559	8.94e-05	1.634863	4.151056	2.359435

Source: Results of Eviews 12 Process

Based on the test results, all criteria showed optimal values marked with an asterisk (*) in the estimation results. Therefore, the optimal lag selected in this study was lag 1 because it provided the minimum or best value for almost all lag selection criteria.

VAR Stability Test

Table 3. VAR Stability Test

Root	Modulus
-0.622288	0.622288
-0.342238	0.342238
0.183880 - 0.172745i	0.252295
0.183880 + 0.172745i	0.252295

Source: Results of Eviews 12 Process

Based on the results of the VAR Stability Test, the VAR model is declared stable if all characteristic roots (roots of the characteristic polynomial) have a modulus value of less than 1 (one). Thus, the results of the stability test on this model show that all characteristic roots have a modulus value <1, thus it is declared stable at the VAR level.

Granger caseness test

Table 4. Results of the Granger Causality test

Null Hypothesis:	Obs	F-Statistic	Prob.
X1 does not Granger Cause Y	29	8.80370	0.0064
Y does not Granger Cause X1		0.39108	0.5372
X2 does not Granger Cause Y	29	0.00112	0.9735
Y does not Granger Cause X2		4.61789	0.0411
X3 does not Granger Cause Y	29	0.29069	0.5944
Y does not Granger Cause X3		2.39473	0.1338

Source: Results of Eviews 12 Process

Based on the results of the Granger Causality test above, the PMI Remittance variable (X1) statistically has a significant effect on the Poverty Level (Y) as evidenced by a probability value of <0.05, namely 0.0064. Meanwhile, the Poverty Level variable (Y) statistically does not significantly affect PMI Remittance (X1) as evidenced by a probability value of >0.05, namely 0.5372. So it can be concluded that there is a unidirectional causal relationship, namely PMI Remittance which statistically has a significant effect on the Poverty Level and does not apply vice versa.

The Unemployment Rate variable (X2) statistically does not significantly affect the Poverty Rate (Y) this is evidenced by the probability value >0.05, namely 0.9735. Meanwhile, the Poverty Rate variable (Y) statistically has a significant effect on the Unemployment Rate (X2) this is evidenced by the probability value <0.05, namely 0.0411. So it can be concluded that there is a unidirectional causal relationship between the Unemployment Rate variable (X2) and the Poverty Rate (Y), namely the Poverty Rate (Y) which statistically has a significant effect on the Unemployment Rate (X2) but does not apply vice versa.

The Economic Growth variable (X3) statistically does not have a significant effect on the Poverty Level (Y) and the Poverty Level variable (Y) statistically does not have a significant effect on Economic Growth (X3) as evidenced by the probability value >0.05, namely 0.5944 and 0.1338 respectively, so it is concluded that there is no causality between the two variables Economic Growth (X3) and Poverty Level (Y)

Cointegration Test

Table 5. Cointegration test results

Hypothesis	Eigenvalue	Trace Statistics	0.05 Critical Value	Probability
None	0.563499	61.45839	47.85613	0.0016
At most 1	0.513725	39.07637	29.79707	0.0032
At most 2	0.368929	19.60991	15.49471	0.0113
At most 3	0.233527	7.180821	3.841465	0.0074

Source: Results of Eviews 12 Process

Based on the test results shown in Table 5, it is known that the Trace Test contains four significant cointegration equations. These four equations have Trace Statistic values greater than the critical value at the 5% significance level and their probability is <0.05. Thus, it can be concluded that there is a significant and stable long-term relationship between the variables of Indonesian Migrant Worker Remittances (X1), Unemployment Rate (X2), Economic Growth (X3), and Poverty Rate (Y). This finding supports the validity of using the VECM model in explaining short-term dynamics between variables within a long-term cointegrated relationship framework.

VECM Model Estimation

Table 6. Vecm Model Estimation Results (Long Run)

Long-term				
Variables	Coefficient	t-Statistic	t-Table	Description
D(X1)	-0.455587	-2.04664	-1.7139	Significant
D(X2)	-0.151679	-0.78238	-1.7139	Not significant
D(X3)	-0.494303	-5.32404	-1.7139	Significant

Source: Results of Eviews 12 Process

Determination significance statistics done with compare t- statistic value against the t- table at the level significance of 5% (α = 0.05). Based on degrees relevant freedom , obtained t - table of ±1.7139. Therefore, the coefficient considered significant if t- count < -1.7139 or t- count > +1.7139, or in a way general |t- count | > 1.7139. Based on results *The Vector Error Correction Model (VECM)* estimation model in Table 6 can be concluded that in term long there is significant relationship between variables remittances worker Indonesian migrants (D(X1)) and growth economy (D(X3)) while in the variable level unemployment (D(X2)) shows unintended influence significant.

Table 7. Vecm Model Estimation Results (Short Term)

Short-term				
Variables	Coefficient	t-Statistic	t-Table	Description
D(X1)	-0.111962	-0.89500	-1.7139	Not significant
D(X2)	1.512160	3.20851	-1.7139	Significant
D(X3)	1.633654	2.08378	-1.7139	Significant

Source: Results of Eviews 12 Process

The variable D(X1) has a coefficient of -0.111962 and a t-statistic of -0.89500, smaller than the t-table of ±1.7139, so it is not statistically significant. In contrast, the variables D(X2) and D(X3) show a positive and significant influence in the short term, with t-statistics of 3.20851 and 2.08378, respectively, which exceed the t-table value. This indicates that changes in X2 and X3 in the short term have a direct impact on the poverty rate, while X1 does not have a significant influence.

Variance Decomposition

Table 8. Variance Decomposition Test Results

Variance Decomposition of D(Y-Poverty Rate)

Period	SE	D(X1)	D(X2)	D(X3)	D(Y)
1	0.387071	2.097072	7.354095	31.74190	58.80693
2	0.449285	2.476299	5.458706	44.52775	47.53725
3	0.562880	1.656047	3.479450	58.93824	35.92626
4	0.613706	1.447404	3.108668	59.41256	36.03136
5	0.675903	1.544923	2.567905	62.27934	33.60783
6	0.731719	1.324207	2.232987	64.64575	31.79706
7	0.782358	1.184202	1.969918	65.58940	31.25648
8	0.826784	1.102290	1.797661	66.62222	30.47783
9	0.874928	1.019225	1.614668	67.65576	29.71034
10	0.915093	0.943483	1.504454	68.19915	29.35292

Source : Results of Eviews 12 Process

Variance decomposition results against D(Y) (level poverty) shows that the contribution of internal shocks decreased from 58.80 (period 1) to 29.35 (period 10), while growth economy (D(X3)) becomes determinant main with increased contribution significant from 31.74 to 68.20. On the other hand, the role of remittances Worker Indonesian migrants (D(X1)) and the level unemployment (D(X2)) against fluctuations poverty relatively small and continuous decreased, each only accounted for 0.94 and 1.50 at the end period. This result confirm that growth economy hold role crucial in influence dynamics poverty term long in Indonesia.

The Impact of Migrant Workers' Remittances on Poverty

Based on results VECM model estimation, obtained that remittances Worker Indonesian Migrants (PMI) have influence negative and significant to level poverty in term long, as indicated by the value statistics -2.04664, which is more small from t-table value of ±1.7139. This means that the increase remittances in a way statistics correlated with decline level poverty in Indonesia in term long. However thus, in term short influence remittances to poverty no significant in a way statistics (t- statistic -0.89500), which indicates that flow remittances not yet necessarily give impact direct or relatively small to repair condition economy House ladder recipient or can it is said is still relatively small. This is in line with the research of Misdawati, Syahrituah Siregar (2020) Remittances Still relatively small in decline poverty, because part big power work use remittances for fulfil need consumption , only a little from those who finally use For add investment.

Remittances sent by Workers Indonesian Migrants (PMI) play role important in strengthen resilience economy national. Remittances or incoming money transfers to Indonesia is source state revenue in form foreign exchange (Afriska et al., 2019) . In addition, the flow of funds capable increase income House ladder in a way structural, so that push mobility social to a more prosperous direction. If managed with good, remittance no only will strengthen economy family, but also create ecosystem economy more local resilient and inclusive, ultimately speed up the reduction process poverty in a way sustainable.

The Impact of Unemployment on Poverty

Based on results VECM estimation, obtained that variables level unemployment no own significant influence to poverty. This is reflected from t-statistic value in the long term long of -0.78238 < - 1.7139. This is indicates that fluctuations unemployment no in a way direct determine change level poverty in long term. Meanwhile results estimate term short show that variables level unemployment has a t- statistic amounting to 3,20851, which is absolute more big than t- table value (|3.20851| > 1.7139). Therefore that, can concluded that level unemployment influential in a way significant in term short to dynamics system, in particular in respond imbalance long-term.

Comparison this confirm difference role unemployment in term different times, namely nature significant in a way dynamic in term short, but no become factor determinant in term long. This is implies that unemployment tend functioning as mechanism response or adjustment to fluctuations variables economy others, not as reason direct from poverty that alone.

The Impact of Economic Growth on Poverty

The results of the Vector Error Correction Model (VECM) estimation model show that variables growth economy own significant influence to level poverty, good in term long and term short. In the long term length, the t- statistic value is -5.32404, which is absolute more big from t- table value of ±1.7139, indicating that growth economy influential negative and significant to poverty. In the long term short, growth the economy also plays a role significant with mark statistics 2.08378. This means that every improvement growth economy in a way structural contribute to decline level poverty.

With thus matter This in line with theory economy macro which states that growth inclusive economy capable create field work, improve income society, and expand access to service basic, so that speed up the reduction process poverty.

The Influence of Migrant Workers' Remittances, Unemployment and Economic Growth on Poverty from an Islamic Perspective

Remittances generated by Workers Indonesian Migrants (PMI) in essence is results from Work hard work, patience, and sacrifices made for get halal livelihood. Utilization remittances in a way appropriate no only increase welfare family recipient, but can also become instrument strategic in alleviation poverty. From an Islamic perspective, the activity work and manage the result in a way productive is part from order for charity in the future will accountable before God, as confirmed in QS. AT-Taubah ayah 105:

وَقُلِ اعْمَلُوْا فَسَيَرَى اللّٰهُ عَمَلَكُمْ وَرَسُوْلُهٗ وَالْمُؤْمِنُوْنَۗ وَسَتُرَدُّوْنَ اِلٰى عٰلِمِ الْغَيْبِ وَالشَّهَادَةِ فَيُنَبِّئُكُمْ بِمَا كُنْتُمْ تَعْمَلُوْنَۚ

"Work you, then Allah and His Messenger and the believers will see your job that, and you will returned to (Allah) Who Knows the unseen and the real, then He proclaimed to You what has been You do it".

In the Book of *al- Kasb*, Imam Asy-Syaibani confirm that cashier or business look for livelihood is activity sharia which has worship value, as long as done with halal and purposeful way for welfare. Principle This relevant in context remittances worker Indonesian migrants (PMI), which is results from activity work abroad. Remittances sent to family in the homeland does not only reflect contribution economy, but also become form implementation mark *al- Kasb* when obtained in a halal manner and used For objective productive, such as education, investment business , or improvement quality life family will give impact in a way micro and macro (Bothy Dewandaru, Afif

Nur Rahmadi, 2019). On the other hand, if remittances only used for consumption moment, the benefits to alleviation poverty become limited. Therefore that, in perspective *al-Kasb,* remittance ideally positioned as instrument empowerment sustainable economy, in line with Islamic values in guard blessings assets and distribution welfare for public.

In perspective Islamic economics, unemployment (*al-bathalah*) is seen as problem serious that is not only impact on the sector economy, but also damage structure social, dignity humans, and stability faith. Islam places work as one of the forms of worship and sources blessings in life. When someone unemployed especially in term a long time then poverty become very likely consequences happened, and in condition certain can lead astray someone on a prohibited act, such as begging, stealing, or even leave religious obligations because pressure life. Islam views work as forms of worship and means main guard honor life human. In a an authentic hadith narrated by Zubair bin Awwam radhiyallahu'anhu, Rasulullah ﷺ said:

"Indeed, one of you is carrying the ropes then go to hill for look for wood burn it later put on his back and sold for sufficient his needs, that more good for him than begging to others, good they give or no." (HR. Bukhari, no. 1471)

This Hadith show that Islam strongly encourages his people for independent in a way economy, even with work that is social considered low even if, as long as done legally and without demeaning price self. In the modern context, the hadith this give base normative for effort empowerment economy poor and unemployed people, with emphasize importance access to jobs, training skills, and strengthening sector business small. With make work as road go out from poverty and dependency, Islam builds moral and structural framework for create system an inclusive, just and humane economy.

Growth economy in perspective Islamic economics has different characteristics compared to with approach conventional. In the context of Islamic economics, growth economy seen from perspective *maqashid al-syariah,* namely objective the main principles of sharia include five principles : protecting religion, life, reason, lineage and property (Lestari et al., 2024). In Islamic economics, growth economy no only measured from improvement indicator macro like Product Gross Domestic Product (GDP), but from ability growth the in create justice, prosperity poor communities, and reduce inequality. Economic goals no solely for reach profit, but also for reach welfare social and sustainable balance for goodness in the afterlife (Permana & Nisa, 2024). Growth and development economy in Islamic perspective has balance from various factors so that no cause gaps and activities business multidimensional. Growth economy own comprehensive nature as well as contain moral, spiritual, and material elements (D Zulfikar et al., 2019).

God's Word in QS. Al-Hasyr (7):59:

كَيْ لَا يَكُوْنَ دُوْلَةً ۢ بَيْنَ الْاَغْنِيَاۤءِ مِنْكُمْۗ

"... so that treasure That Don't circulated only among the rich among You... "

According to the interpretation of Imam al-Qur ṭ ubi in *Al- Jāmi'li Aḥkam al-Qur'ān* (Tafsir QS. Al- Hasyr : 7), explains that paragraph this contain principle justice distribution economy, and become base sharia for prevent monopoly wealth by the economic elite. God provides treasure this to his messenger, so that he share to commanded sectors, where not there is khums (part one fifth) in it. If there is khums in it, then He fall to hand people muslims in its entirety (*Al Jami Al Ahkam Al Qur'an-Tafsir Al Qurtubi*, nd).

D. CONCLUSION

Analysis results *Vector Error Correction Model* show that in term length, remittances and growth economy own influence negative and significant to poverty, while level unemployment no influential significant. On the other hand, in term short, unemployment and growth economy influential significant, whereas remittances no. In perspective Islamic economics, remittances in harmony with principle *al- Kasb,* who encouraged halal work and distribution benefits, so that if managed productive can lower poverty. unemployment (*al- bathalah*) is seen as as problem serious that is not only impact on the sector economy, but also damage structure social, dignity humans, and stability faith. Islam places work as one of the forms of worship and sources blessings in life as hadith Rasulullah SAW. Economic growth must in line with principle distribution fair like the in QS. Al-Hasyr:7, so that its benefits felt all over layer society and not concentrated in groups certain findings this confirm that alleviation poverty need growth inclusive and equitable economy, management remittances in a way productive, as well as creation field work dignified in accordance principles of islamic economics. In general academic, findings this enrich literature empirically. In practical, to be base policy alleviation poverty based Islamic values.

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