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THE EFFECT OF LITERACY, POPULATION DENSITY, AND EDUCATION ON UNEMPLOYMENT IN ASEAN FROM AN ISLAMIC ECONOMIC PERSPECTIVE

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ABSTRACT

Unemployment is one of the enduring macroeconomic issues that both developed and emerging nations, including those in ASEAN, must deal with. The purpose of this study is to examine, from an Islamic economic perspective, how unemployment rates in 10 ASEAN countries relate to literacy, population density, and educational achievement. Panel data from the 10 ASEAN nations for 2018–2024, obtained from the World Bank and the ASEAN Statistical Annual, is used in this research using a saturation sampling technique. The data was analyzed using EViews 12 software at a significance level of $\alpha=0.05$. According to the research findings, literacy levels have a considerable positive impact on unemployment rates in the ten ASEAN countries, whereas population density and educational attainment had little effect. At the same time, population density, education levels, and literacy levels all have a big impact on unemployment rates. In Islamic economics, unemployment is seen as a social and economic problem that is contrary to the principles of justice and welfare of the maqashid sharia, especially the preservation of life and property.

A. INTRODUCTION

Unemployment is a macroeconomic issue that continues to be a problem faced by both developing and developed countries, including ASEAN countries. According to World Bank data, in 2024, the unemployment rate in the ASEAN region still showed significant variation, with an average of 2.3%. Indonesia recorded a figure of 3.01%, Brunei Darussalam 5.25%, and Vietnam only 1.1%. This figure indicates a significant disparity between countries. Unemployment in ASEAN is generally driven by rapid demographic growth, limited employment opportunities, and suboptimal employment policies. The unemployment rate is an important indicator of welfare and income equality. Unemployment, which results from an imbalance between the growth of the workforce and the skills required to absorb the labor, has a significant impact on the economic and social structure. In ASEAN countries, this problem is further complicated because economic progress has not yet generated sufficient jobs to keep pace with population growth, resulting in an increasing unemployment rate (Dzulfiqar 2024).

One economic indicator that demonstrates how well a nation's economy is growing is the unemployment rate. The unemployment rate can be used to determine whether a country's economic development is progressing well, slowing down, or declining (Patra, Nuraini, and Fuddin 2022). Unemployment itself can be defined as a situation where individuals of working age and within the labor force are willing to work but have not yet found the desired job (Elpisah 2022).

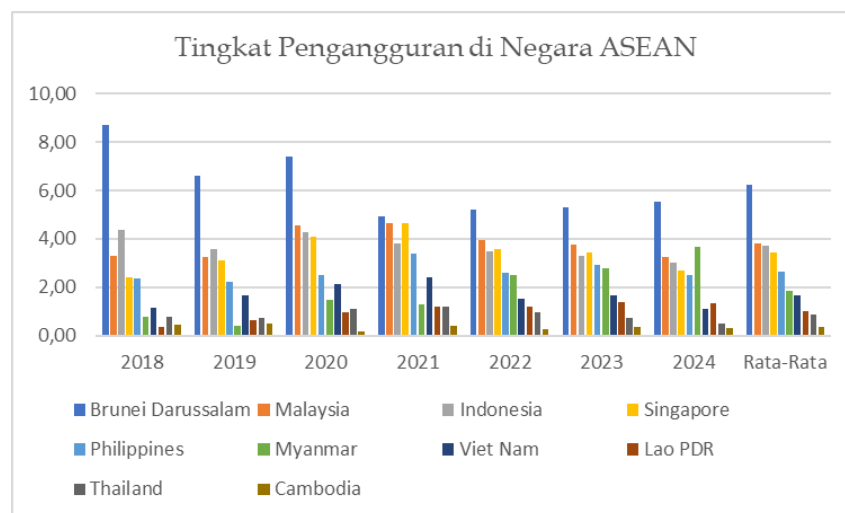


Figure 1. Unemployment Rate in ASEAN Countries 2018-2024

Source: World Bank

The unemployment rates in ASEAN nations from 2018 to 2024 are strikingly compared in Figure 1 above. Brunei Darussalam recorded the highest average rate at 6.23%, although it decreased from 8.70% to 5.52%. Malaysia and Indonesia followed in second and third place, respectively, with averages of 3.81% and 3.69%, respectively. These rates spiked during the 2020–2021 pandemic before declining until 2024. Cambodia had the lowest average unemployment rate at 0.34%. These differences reflect the diversity of economic structures, employment policies, and adaptive capacities of each ASEAN country.

Literacy is one of the many elements that contribute to high unemployment rates. Literacy is the capacity to understand, assess, and analyze economic concepts,

words, and statistics that are used in daily life. Literacy has several indicators, one of which is the Literacy Rate (Windasari, Maulida, and Desmawan 2022). The percentage of individuals aged 15 and older who can read and write Latin and other alphabets without needing to comprehend what they are reading or writing is known as the Literacy Rate (AKL). (Windasari, Maulida, and Desmawan 2022). According to Von Thunen's theory, higher education leads to increased employment opportunities, which ultimately leads to increased income. This trend is evident in literacy rates across countries. One indicator for measuring social welfare is the percentage of the literate population. By utilizing these writing and reading skills, citizens can be more involved in the economic development process by reducing unemployment rates. This aligns with research by (Yoga, Putra, and Utomo 2022). This suggests that the literacy rate has a direct, positive, but insignificant, effect on unemployment. This contrasts with research by (Ihsani and Tsani 2025) which explains that high literacy rates do not significantly reduce unemployment because reading and writing are fundamental skills, while the labor market requires more than just literacy and other skills that support production activities.

Marxist theory explains that population pressure in a country is not a pressure on food, but rather a pressure on employment opportunities (Sabiq and Nurwati 2021). Based on this theory, population size can be a contributing factor to unemployment. A growing population will impact employment opportunities. This is consistent with study by (Ismayani and Hura 2022) which indicates that population density has a major impact on Padang City's unemployment rate.

In addition to the two factors mentioned above, another important factor that can influence the rise and fall of unemployment rates in a country is education rate. According to Human Capital Theory, education serves as an individual's capital. Through education, a person will gain a better understanding of a particular field, thus developing better problem-solving skills and a high capacity to produce goods and services. College graduates typically earn higher wages than school graduates. Higher educated people have more employment possibilities and a lower unemployment rate. This argument runs counter to research by (Afifah and Hanifa 2022). This implies that the unemployment rate in East Java Province is positively and significantly impacted by educational attainment. The unemployment rate may rise in proportion to the population's level of education. This happens as a result of the population's average duration of education rising but staying low between 2017 and 2021, at about 7.59 years, or the first year of junior high school. Most residents find it difficult to enter the labor market because the minimum education requirement for employment is a high school diploma. As a result, the unemployment rate in East Java Province rises as the average amount of time spent in school without a degree increases.

Previous research has tended to focus on analyzing a single independent variable literacy rate, population density, or education rate in relation to unemployment rates. Some studies have also found results inconsistent with theory. In contrast to earlier studies, the goal of this one is to assess the combined effects of population density, education levels, and literacy rates on unemployment rates in ten ASEAN nations from 2018 to 2024.

Islam encourages its adherents to labor and produce; in fact, it demands it of those who are capable. Additionally, Allah desires to reward people who strive and act in accordance with Allah SWT's teachings. Verse 105 of QS. At-Taubah means the

following: "**And say:** *'There's no doubt that Allah, His Messenger, and the believers will see your efforts. Allah, who is All-Knowing of the visible and the invisible, will inform you of your actions when you return to Him. '*"

This commandment demonstrates the concept of worship, or the right to seek sustenance through remembrance, namely, gaining good fortune. Islam strictly forbids unemployment. Unemployment is related to underutilized human resources due to limited job opportunities or poor quality (Anggraini, Fasa, and Suharto 2023).

The selection of the 10 ASEAN countries for this study was based on several considerations. First, each country has distinct regional autonomy characteristics, yet has not yet demonstrated optimal results in addressing unemployment. Second, there is a dearth of research that specifically examines the relationship between unemployment rates and literacy, learning, and population density. The data demonstrates that unemployment rates in the 10 ASEAN countries continue to fluctuate.

B. METHOD

The causal relationship between the independent variables (literacy rates, population density, and educational attainment) and the dependent variable (unemployment rates) in ten ASEAN nations is investigated in this study using quantitative methodologies and a causal associative research design. The study population includes all ASEAN member countries with data related to the research variables during the period 2018–2024. Due to saturation of the illustration-taking approach, all ASEAN countries were employed as study illustrations.

Panel data was created using secondary data in the form of cross-sectional annual data (time series) for every nation. The data was compiled using official data documents from the World Bank and the ASEAN Statistical Yearbook. Because it uses secondary data from international institutions, the data validity is relatively high. However, to ensure consistency, *cross-checks* between sources and descriptive statistical tests (minimum, maximum, standard deviation) were performed. Furthermore, the data was selected and arranged in a panel format (country $\times$ year).

EViews 12 software with panel data model testing was used to evaluate the study data. The Random Effects Model (REM), Fixed Effects Model (FEM), and Common Effects Model (CEM) were the three methods used to choose panel data regression models (Sugiyono 2019). Following model selection, multicollinearity and heteroscedasticity tests classical assumption tests were performed. Last but not least, hypothesis testing was carried out using the Coefficient of Determination (R^2) test, partial regression (T-test), and simultaneous regression (F-test).

Operational Definition of Variables:

- Unemployment Rate (Y) is measured based on the percentage of the workforce that is unemployed but looking for work.
- Literacy Rate (X_1) is measured by the percentage of the population aged 15 years and over who are able to read and write (Literacy Rate).
- Population Density Rate (X_2) is measured by the number of residents per km^2 .
- Education Rate (X_3) is measured by the average number of years of education completed by the population (Average Length of Schooling).

C. RESULTS AND DISCUSSION

Results

1. Descriptive Statistical Analysis

Table 3.1 Descriptive Statistical Analysis

	TL	TKP	TPD	TPG
Mean	9325.743	918.1078	8.811714	2.551143
Median	9575.000	124.0445	9.025000	2.450000
Maximum	9860.000	7965.878	12.41000	8.700000
Minimum	8190.000	30.88400	5.730000	0.170000
Std. Dev.	496.7544	2313.084	1.896516	1.831859
Observations	70	70	70	70

Source: Eviews 12 processed

The TPG variable, or Unemployment Rate (Y), has an illustration size of 70 with a mean of 2.551143, a median of 2.450000, a maximum of 8.700000, a minimum of 0.170000, and a standard deviation of 1.831859. This issue is explained by the results of the descriptive statistical analysis that have already been discussed. With a mean value of 9325.743, a median value of 9575.000, a maximum value of 9860.000, a lowest value of 8190.000, and a standard deviation value of 496.7544, the TL variable, also known as Literacy Level (X₁), has an illustration dimension of 70. With an illustration dimension of 70, the TKP variable, also known as the Population Density Level (X₂), has the following values: an average of 918.1078, a median of 124.0445, a maximum of 7965.878, a minimum of 30.88400, and a standard deviation of 2313.084. Conversely, the TPD variable, also known as Learning Level, has an illustrative dimension of 70, with 8811714 as the average, 9.025000 as the median, 12.41000 as the maximum, 5.730000 as the minimum, and 1.896516 as the standard deviation.

2. Panel Data Estimation

a. Chow Test

The Constant Effects Model (FEM) and the Universal Effects Model (CEM) are distinguished using the Chow test (Basuki and Prawoto 2016). The Chow test yielded the following findings:

Table 3.2 Chow Test Results

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	10.159091	(9,57)	0.0000
Cross-section Chi-square	66.995214	9	0.0000

Source: Eviews 12 processed

The cross-section Chi-square value is formally recognized with a probability of 0.0000 based on the above Chow test results. In terms of statistics, H_1 is accepted while H_0 is rejected as this value is less than 0.05 ($0.0000 < 0.05$). The Constant Effects Model (FEM) was chosen as the best model based on the findings of the Chow test.

b. Hausman test

The relative superiority of the Random Effects Model (REM) and the Constant Effects Model (FEM) is assessed using the Hausman test (Basuki and Prawoto 2016). The following are the Hausman test results:

Table 3.3 Hausman Test Results

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq.		
	Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.306015	3	0.3468

Source: Eviews 12 processed

The Hausman test results mentioned above indicate that the random effect cross-section value has a probability of 0.3468. H_0 is statistically accepted, however H_1 is rejected because this value is greater than 0.05 ($0.3468 > 0.05$). Thus, the Random Effects Model (REM) is the best model chosen based on the findings of the Hausman Test. A Lagrange Multiplier Test is therefore required.

c. Lagrange Multiplier (LM) Test

Between the Random Effects Model (REM) and the Universal Effects Model (CEM), the LM test was used to determine which model was optimal (Basuki and Prawoto 2016). The outcomes of the LM test are as follows:

Table 3.4 Lagrange Multiplier (LM) Test Results

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	55.31974 (0.0000)	1.412117 (0.2347)	56.73186 (0.0000)

Source: Eviews 12 processed

The Breusch-Pagan Cross-section value was formalized with a probability of 0.0000 based on the LM test findings mentioned above. In terms of statistics, H_1 is accepted while H_0 is rejected as this number is less than 0.05 ($0.0000 < 0.05$). Thus, the Random Effects Model (REM) was chosen as the best model based on the LM results.

The Random Effects Model (REM) was chosen as the most suitable model for this study to examine the effects of population density, education level, and literacy level on unemployment based on the results of the aforementioned regression equations, specifically the Chow Test, the Hausman Test, and the Lagrange Multiplier (LM) Test. Additionally, the Random Effects Model (REM) estimated findings are used to generate the following equation:

$$TPG = -96.36990 + 10.37543 * TL - 0.188242 * TKP + 1.457111 * TPD$$

The model output can be interpreted in the ways listed below:

- 1) The constant value is -96.36990 shows that if the variables Literacy Rate, Population Density Rate, and Education Rate are not taken into account or have a value of zero, then the Unemployment Rate figure is estimated at -96.36990.
- 2) Literacy Rate Coefficient (X_1) is 10.37543 This indicates that, if all other variables stay the same, the unemployment rate will rise by 10.37543 for every unit increase in literacy. On the other hand, the unemployment rate will drop by 10.37543 for every unit decline in literacy.
- 3) Population Density Rate Coefficient (X_2) is -0.188242 This indicates that, provided all other factors stay the same, the unemployment rate will drop by 0.188242 for every unit rise in population density. However, if population density drops by one unit, the unemployment rate will rise by 0.188242.
- 4) The coefficient of Education Rate (X_3) of 1.457111 This means that if other variables remain constant, each one-unit increase in the Learning Level will increase the Unemployment Rate by 1.457111. However, if the learning rate decreases by one unit, the jobless rate will decrease by 1.457111.

3. Classical Assumption Test

(Basuki and Prawoto 2016) Shows that not all types of conventional hypothesis testing are necessary for linear regression models, especially those that use the Ordinary Least Squares (OLS) technique. This panel data analysis includes tests for heteroscedasticity and multicollinearity. One benefit of using panel data is that it removes the need for conventional assumption checks like autocorrelation and normalcy. Depending on the model, two distinct techniques were employed to conduct classical assumption testing using EViews 12 software. While the Universal Effects Model (CEM) and Constant Effects Model (FEM) used the OLS technique, the Random Effects Model (REM) used the Generalized Least Squares Method (GLS).

a. Multicollinearity Test

The degree of correlation between independent variables in a multiple linear regression model can be determined using a multicollinearity test. This test's objective is to confirm if a correlation between the independent variables has been found by the regression model. (Ariani, Hardiyanto, and Anam 2023).

Table 3.5 Multicollinearity Test Results

	TL	TKP	TPD
TL	1.000000	0.522410	0.888612
TKP	0.522410	1.000000	0.698970
TPD	0.888612	0.698970	1.000000

Source: Eviews 12 processed

In a multicollinearity test, if the correlation value is less than 0,90 ($<0,90$), there is no multicollinearity problem (Ghozali 2021). The correlation between the TL and TKP variables is 0.522410, the correlation between the TL and TPD variables is 0.888612, and the correlation between the TKP and TPD variables is 0.698970, according to the findings of the multicollinearity test. Since the outcomes of this investigation are less than 0.90, multicollinearity is not an issue.

b. Heteroscedasticity Test

To determine if the residual variance in the regression model varies in part from one observation to the next, the heteroscedasticity test is employed (Ghozali 2021).

Table 3.6 Results Heteroscedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	34.33805	21.87612	1.569659	0.1213
TL	-3.970071	2.520525	-1.575097	0.1200
TKP	-0.098980	0.078666	-1.258234	0.2127
TPD	1.328713	0.729622	1.821098	0.0731

Source: Eviews 12 processed

According to the findings of the heteroscedasticity test, the liability of the TL variable is 0.1200, the TKP variable is 0.2127, and the TPD variable is 0.0731. These findings demonstrate that there is no heteroscedasticity issue because each independent variable's probability value is higher than 0.05.

4. Hypothesis Testing

a. Partial Test (T-Test)

To find out if each independent variable had an impact on the partial dependent variable, a t-statistic test was used. The following table displays the t-test results:

Table 3.7 Partial Test with Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-96.36990	35.17270	-2.739906	0.0079
TL	10.37543	4.045978	2.564380	0.0126
TKP	-0.188242	0.138275	-1.361361	0.1780
TPD	1.457111	1.165775	1.249907	0.2157

Source: Eviews 12 processed

- 1) According to the t-test results, the Literacy Level variable (X_1) yields a coefficient of 10.37543 with a probability of $0.0126 < 0.05$. This demonstrates that the Literacy Level variable considerably raises the Unemployment Rate (Y) in ten ASEAN nations.
- 2) The t-test findings for the Population Density Level variable (X_2) reveal a coefficient of -0.188242 with probability 0.1780 > 0.05 . This indicates that the Unemployment Level (Y) in the ten ASEAN nations is not significantly impacted by the Population Density variable.
- 3) The Learning Level variable (X_3)'s t-test findings showed a coefficient of 1.457111 and a probability of 0.2157 > 0.05 . This indicates that the Unemployment Rate (Y) in the ten ASEAN nations is not significantly impacted by the Learning Level variable.

b. Simultaneous Test (F-Test)

To determine if each independent variable had a substantial impact on the dependent variable at the same time, the F-test was employed. The table below displays the outcomes of various tests.

Table 3.8 Partial Test with Random Effect Model

F-statistic	11.30512
Prob(F-statistic)	0.000004

Source: Eviews 12 processed

According to the test findings in the preceding table, the value (F-Statistic) is 0.000004, indicating that it is below the significance level of 0.05 (< 0.05). This suggests that the unemployment rate in the ten ASEAN nations is significantly influenced by factors like population density, literacy rate, and universal education level.

c. Coefficient of Determination Test (R^2)

(Ghozali 2021) this illustrates how the model's capacity to take into account variations in the dependent variable is only gauged by the coefficient of determination (R^2). The coefficient of determination leads to the following deductions:

Table 3.9 Coefficient of determination (R^2) with Random Effect Model

R-squared	0.339441
Adjusted R-squared	0.309415

Source: Eviews 12 processed

The R-squared value is 0.339441, which is based on the Random Effects Model (REM) results in the regression table above. This shows that the independent variables in the model (such as literacy rate, population density, and education level) might contribute 33.9% to the change in the unemployment rate, even when other variables not included in the model contribute 66.1%.

Discussion

1. The Influence of Literacy Ratels on Unemployment Rate in 10 ASEAN Countries

With a probability of $0.0126 < 0.05$, the Literacy Rate variable has a coefficient value of 10.37543. This indicates that the unemployment rate in ten ASEAN nations is positively and significantly impacted by the literacy rate in this study. This is consistent with studies (Windasari, Maulida, and Desmawan 2022) that found a strong correlation between Banten Province's unemployment rate and literacy rate. As a result, Banten Province's unemployment rate is falling while its literacy rate keeps rising.

In Thunen's theory, higher education leads to broader job opportunities, which ultimately leads to increased income. This aligns with trends in literacy data across various countries. A common measure of social welfare and a gauge of regional development is the proportion of the population that is literate. Equipped with these literacy skills, communities can be more actively involved in the economic development process and indirectly help reduce unemployment.

2. The Effect of Population Density Rate on Unemployment Rate in 10 ASEAN Countries

According to the findings of the hypothesis test, the Population Density variable has a coefficient value of -0.188242 and a probability of 0.1780 (0.05). According to this study, population density has no bearing on unemployment rates in the ten ASEAN nations. This result runs counter to studies by (Rachmawati and Lucky Rachmawati 2023) which demonstrated that population density had a significant detrimental effect. The high population density of Banten Province, which affects the province's unemployment rate, is the cause of this conclusion.

The results of this study also contradict Marxist theory, which explains that population growth does not exert pressure on food (if population is not limited, food shortages will occur) but rather exerts pressure on employment opportunities. High population growth rates result in rapid population growth. Rapid population growth in a region will result in an increasing number of unemployed or jobless people because available jobs are insufficient to meet the increasing population demands each year.

3. The Influence of Education Rate on Unemployment Rates in 10 ASEAN Countries

The Education Level variable has a probability of 0.2157 (0.05) and a coefficient value of 1.457111, according to the findings of the hypothesis test. According to research, education level has little bearing on unemployment rates in ten ASEAN nations. This result runs counter to study by Elfida, Maimun, and Amalia (2023), which demonstrated that open unemployment was considerably and negatively impacted by education levels. This implies that when education levels rise, Aceh Province's open jobless rate will fall. According to human capital theory, a person can raise his income by going back to school. As the number of years of study increases, so do the work prospects and salary levels.

Education is one of the main factors determining a person's ability to find work. Education serves as a benchmark for assessing an individual's quality. The higher a person's education, the greater their ability and opportunities to find work. Individuals with a high level of education typically possess a diverse range of skills, which can increase job opportunities and reduce unemployment.

4. The Influence of Literacy Rate, Population Density, and Education Rate on Unemployment Rate in 10 ASEAN Countries

Based on research findings on the correlation between unemployment levels in ten ASEAN countries and characteristics related to learning level, population density, and literacy rate, the likelihood F-Statistic value obtained was $0.000004 < 0.05$. This means that the variables of literacy rate, population density, and education rate simultaneously influence the unemployment rate in 10 ASEAN countries.

5. Islamic Economic Perspective in Reviewing Literacy Rate, Population Density Rate, Education Rate, and Unemployment Rate

In Islamic economics, unemployment is understood as a social and economic problem that contradicts the principles of justice and shared prosperity, the objectives of the maqashid sharia. Muhammad Nejatullah Siddiqi emphasized that unemployment can be addressed through a just economic system, equitable distribution of wealth, and the implementation of sharia financial instruments (Susanti, Kartika, and Albahi 2024), such as zakat, waqf, and profit-sharing systems (mudharabah and musyarakah) that encourage investment in productive sectors. This system aims to create broad employment opportunities, thereby reducing unemployment sustainably, while taking into account moral and social values. This concept aligns with the maqashid sharia, which emphasizes the preservation of the soul (nafs), wealth (mal), and the welfare of the community as a whole. Addressing unemployment in Islamic economics also involves the role of the state in creating a conducive economic climate and empowering communities through skills and entrepreneurship training to increase human resource capacity (Sari, Rizkiyan, and Apriza 2024).

M. Umer Chapra emphasized that the goal of Islamic economics is to achieve equitable prosperity through resource management in accordance with moral and sharia values. Because protecting religion, soul, ideas, generations, and property is the foundation for understanding and putting into practice the principles of maqashid sharia in Islamic economics, literacy becomes crucial. Islamic economic literacy enables individuals not only to understand the material aspects of the economy but also to act

with full social and spiritual responsibility to achieve a balance between economic growth and social justice. (Mursal, Fauzi, and Ditama 2024) underlined that, in addition to reading proficiency, Islamic economic literacy encompasses the ability to apply sharia principles critically for the good of society.

Ibn Khaldun explained the theory of the population expenditure cycle which links population size with levels of expenditure and production; population growth can expand markets (supply and demand) and increase productivity if managed well, but excessive population density has the potential to cause social and economic problems such as unemployment, decreased quality of life, and environmental damage (Kinar Naqiya et al. 2025). Therefore, in accordance with the maqashid sharia, population density must be regulated so that resources are used fairly and benefit the entire community, so that the common good can be realized.

According to Sayyid Qutb, mandatory education contributes to the development of morally and intellectually upright individuals who adhere to the tenets of Islamic law, or maqashid sharia, which include the defense of religion, life, intelligence, generation, and property. Qutb views education as a means to build character and morals in line with Islamic values, enabling individuals to play a responsible role in society socially and economically (Nasution 2020). Education aligned with the maqashid sharia aims to create social balance and justice, thereby reducing inequality and unemployment, and realizing the common good.

D. CONCLUSION

Using panel data regression using a Random Effects Model, this study investigated the impact of population density, literacy, and education on unemployment rates in ten ASEAN nations from 2018 to 2024. According to the results of the simultaneous test (F-test), these three factors taken together significantly affected unemployment rates. However, a partial t-test revealed that neither population density nor educational attainment had an effect on unemployment rates in the 10 ASEAN nations; only literacy levels had a positive and significant link with unemployment rates. This finding confirms that literacy in a region is one of the driving factors to reduce unemployment. In contrast, population density and education variables have not shown a significant impact.

The study's findings highlight the significance of improving human energy resources' quality from an Islamic economic standpoint in order to safeguard maqasid al-syariah, particularly the preservation of concepts and souls. Improved literacy and education rate align with Islamic principles that emphasize the importance of knowledge for the welfare of the people. Meanwhile, the challenge of population density needs to be managed through fair and welfare-oriented policies (*maslahah*) to prevent social and economic inequality. Therefore, unemployment reduction policies in ASEAN must not only consider conventional economic aspects but also align with Islamic values that emphasize justice, shared prosperity, and holistic human development.

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