



**ISLAMICITY INDEX  
COUNTRY REPORT  
INDONESIA  
2020**

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## I. EXECUTIVE SUMMARY

Development is an inseparable piece of Islamic institutions. Through its book of Law, Al-Qur'an, human development is the center point as well as a visionary of a ruled society. As aspired by the Prophet Muhammad SAW, who transformed a non-rule compliant society of *Yathrib* into becoming highly civilized city called *Madina*, Islamic teachings have been focusing continuous development, law and order, and prosperous civilization, where all human and civil rights, from education and health to economic-political-and legal structure, are observed and preserved. Islamic institutions have been known for their effective measures instilling law and order for a developed, prosperous, and civilized society. However, due to long colonization and other reasons, Islamic teachings have been framed in a way to oppose human development. As a result, human development has lagged in Muslim majority countries.

Islamicity indices are precisely aimed to turn around such conditiona. The motive is to re-instill Islamic institutions into the center of strategic measures, encompassing four major areas of policies: economy, legal and governance, human and political rights, and international relations, while drawing pictures of how the country would stand out if Islamic institutions are employed. The indices measure not only Muslim majority countries, but also Western societies. Such a methodology will keep the indices unbiased in order to measure which country's institutions are closest to Islamic teachings and to assess their performance, even when they are without the Islamic label.

Overall, Indonesia, as the world's largest Muslim dominated nation, is at 62 out of 151 countries. This rank was slightly below last year's position of 61, demonstrates that there are some areas of policies and institutional structure that are not in accord with what Islam recommends.

**Table 1. Islamicity Index: Overall**

Year	Overall Index	
	Rank	Score
2015	88	4.52
2016	77	4.69
2017	74	4.73
2018	64	5.05
2019	61	5.05
2020	62	5.17

This 2020 position reflects that Indonesia should ben continuously improving herself in the four areas of indices. As the country is blessed with natural and human resources and all the potentials to grow, Indonesia should free herself from the problems of colonized nation, such as insecurity and governance. To flourish, the society must be actively striving to achieve zero corruption, more transparency and observing government conducts, while improving homeland security problems via a more latent approaches such as cultural and education systems. The ruling government, who earned trusts from majority of Muslims, should actively rethink on its policies and Islamic institutions. The rank emphasizes one important message for the country, that Indonesia must reconsider her national policies to the alternative, which are Islamic institutions.

## II. SCORES AND RANKING: THE CASE OF INDONESIA

Islamicity indices comprise to four major parts: economic index, legal and governance index, human and political rights index, and international relation index. Each of the indexes consists of several key indicators, of which the index is measured. In the case of Indonesia, the country has achieved some progress, yet homework for improvement are also aplenty. Here are the positions of the last 5 years:

Table 2. Islamicity Index

Year	Overall Index		Economy		Legal and Governance		Human and Political Rights		International Relations	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
2015	88	4.52	90	4.20	82	4.52	79	4.83	62	5.36
2016	77	4.69	72	4.78	76	4.63	82	4.46	62	5.27
2017	74	4.73	69	5.07	75	4.81	92	4.10	62	5.36
2018	64	5.05	57	5.57	71	4.99	92	4.13	39	6.44
2019	61	5.05	52	5.93	69	5.02	92	3.97	42	6.25
2020	62	5.17	63	5.45	66	5.14	86	4.29	20	7.45

### 2.1. Economic Islamicity Index

Economic Islamicity index is measured by 8 key indicators, namely: (1) Economic opportunity and freedom, (2) Job creation and equal access to employment, (3) Property rights and sanctity of contracts, (4) Provisions to eradicate poverty, provision of aid and welfare, (5) Supportive financial system, (6) Adherence to Islamic Finance, (7) Economic Prosperity, and (8) Economic justice.

Table 3. Economic Islamicity Index

Year	Economy	
	Rank	Score
2015	90	4.20
2016	72	4.78
2017	69	5.07
2018	57	5.57
2019	52	5.93
2020	63	5.45

A lot to say about the position of Indonesia economic policy today. Global recession and pandemic crisis are the major determinants for the lapse in economic ranking. It is a systematic risks that affect not only Indonesia, but all countries in the world. Nonetheless,

this crisis alarms the strength of government's fiscal system to sustain the need of people, while also testing the resilience of Indonesian's industries and entrepreneurships. In other words, Indonesia does not have the required supporting resources to endure in such an extreme situation.

Curfews and mobility restrictions are on the surface and have posed a challenging time for businesses to grow, but beneath it liquidity and uncertainty are the real problems hindering business opportunity and job creation. There is a serious problem of distribution in the liquidity, i.e. savings are plenty sitting at the financial intermediaries as they could not move the cash around. Rising savings -yet financing is slowing- is a contraction in the economy that prevent economic prosperity and justice from happening.

Such situation is worsened by a poor social safety net. The Indonesian health safety net could not support the clients' needs in this demanding health crisis. In terms of social aid, such as cash and food subsidies, a lot of fraud, corruption in distribution and the lack of accuracy in data recipient are major issues that need the President's and Vice President's immediate attention. It is a great shame for the country that by the end of 2020, the Minister of Social Affairs was arrested for corruption and fraud surrounding Covid19 Pandemic Social Aid. The only bright point that must be stated here is the development of peer-to-peer safety net, under digital platform such as Kitabisa.com, shines out to relieve the most impacted segments.

### 2.3. Legal and Governance Islamicity Index

Legal and governance index contains the other major issues for Indonesia. The country has been fighting against corruption and instilling integrity and effective governance of the central and local governments. The struggle continues up until today, but from 2020, there is a growing concern on a deliberate attempt to delimit the authority of KPK (Corruption Eradication Commission).

Table 4. Legal and Governance Islamicity Index

Year	Legal and Governance	
	Rank	Score
2015	82	4.52
2016	76	4.63
2017	75	4.81
2018	71	4.99
2019	69	5.02
2020	66	5.14

Despite such drawbacks, together with military and policy, the homeland affairs are able to provide safety and security for the nation, and there is a fair progress on enacting principles of good governance, which then improves governance effectiveness in producing, supervising, and enacting the law and instilling order amongst the people.

#### 2.4. Human and Political Rights Islamicity Index

Human and political rights, which consist of human development, social capital, personal freedom, civil and political rights, human inequality, access to education, access to healthcare, democracy and living condition, are progressively improving.

Table 5. Human and Political Rights Islamicity Index

Year	Human and Political Rights	
	Rank	Score
2015	79	4.83
2016	82	4.46
2017	92	4.10
2018	92	4.13
2019	92	3.97
2020	86	4.29

Despite Covid19 Pandemic crisis, the government has been able to maintain basic human and political rights and safeguard important social capital and individual freedom and access to health and education. However, Indonesia's score and rank also implies that these are not good enough in order to achieve the human development goal. In comparison with other countries, Indonesia is still far below Mongolia, which sits on the 53, and Botswana, which is at 71, on the human and political rights index. The ruling government must address the urgent issue of poor living conditions, stunting and human inequality, which are now escalating more than ever.

#### 2.5. International Relations Islamicity Index

In terms of international relations index, which consists of whether military tensions situations happened, and position of peacefulness, Indonesia must be proud of its achievement to jump in rank from 42 in 2019 to 20 in 2020.

Table 6. International Relations Islamicity Index

Year	International Relations	
	Rank	Score
2015	62	5.36

<b>2016</b>	62	5.27
<b>2017</b>	62	5.36
<b>2018</b>	39	6.44
<b>2019</b>	42	6.25
<b>2020</b>	20	7.45

Sitting at the rank of 20, well above the closest neighbors Malaysia which sits at the 24, situation in Indonesia is relatively calm and peace is observed. Military tensions between neighboring countries and separatist movements are well controlled under the current diplomatic strategy.

### **III. Summary and Recommendations**

Islamicity Indices provide a compass to measure how strong Islamic institutions are reflected in government policies and the human, social, judicial and economic outcomes. In the case of Indonesia, the result of Islamic Indices shows that Indonesia is still far from enacting effective Islamic institution and its resulting policies. Compounded by today's heightened systematic risks, a latent mental problem of colonized nation still persists, particularly in economic and legal systems. More awareness onto the Islamic institutions as well as conscious evaluations on the policies by the current regime would be beneficial for the country to progress, thence achieving the Islamicity indices agenda, which is a transformative reform towards socio-economic development.