

## MEASURING MUSLIM WELFARE: A FALAH-BASED INDEX

Muhammad Arfan Harahap<sup>1\*</sup>

Sukiman<sup>2</sup>

Isnaini Harahap<sup>3</sup>

<sup>1,2,3</sup>Universitas Islam Negeri Sumatera Utara, Indonesia

\*<sup>1</sup>Corresponding Email: [muhammadarfanharahap@gmail.com](mailto:muhammadarfanharahap@gmail.com)

**ABSTRACT** – The concept of welfare remains a subject of ongoing debate, and the prevailing frameworks for assessing welfare need to be adapted to align with Islamic principles. This study delves into the concept of *Falah*, a state of well-being rooted in Islamic values, to develop a 'Falah Welfare Index' and analyze it within a Muslim community in Langkat Regency, Indonesia. Additionally, the study explores the variables that influence *Falah* welfare. Employing a mixed-methods approach with an exploratory sequential design, this research qualitatively constructs a *falah* welfare index and quantitatively measures both community welfare levels and the impact of predictor variables on the criterion variable of *falah* welfare. A key finding of this study is the establishment of a *falah* welfare index comprising three categories: *fakir* (extreme poverty), *miskin* (poor), and *falah* (well-being). Moreover, the results reveal a positive influence of religiosity, Islamic work ethics, Islamic consumption ethics, Islamic investment patterns, and Islamic wealth management on *falah* welfare. The implications of this research offer a novel approach to measuring welfare within Muslim societies and solidify the concept of *falah* as a cornerstone of welfare evaluation from an Islamic economic perspective.

**Keywords:** The concept of *Falah*, Welfare, *Falah* Welfare Index

**ABSTRAK** – Pengukuran Kesejahteraan Muslim: Analisis Indeks Berbasis *Falah*. Kesejahteraan masih menjadi fenomena yang terus diperdebatkan dan pengukuran kesejahteraan seorang Muslim perlu disesuaikan dengan karakteristik keislaman. Tujuan penelitian ini untuk mengeksplorasi konsep *falah* dalam membangun 'Indeks Kesejahteraan *Falah*' dan menganalisis tingkat kesejahteraan masyarakat Muslim di Kabupaten Langkat, Sumatera Utara, Indonesia. Selain itu, penelitian ini juga menganalisis variabel yang mempengaruhi variabel kesejahteraan *falah*. Metode penelitian ini menggunakan mixed method dengan the exploratory sequential design. Secara kualitatif membangun indeks kesejahteraan *falah* dan secara kuantitatif melakukan pengukuran terhadap tingkat kesejahteraan masyarakat dan mengukur pengaruh variabel predictor terhadap variabel criterion. Analisis data dilakukan dengan pendekatan Structural Equation Modeling-Partial Least Square (SEM-PLS). Temuan utama penelitian ini adalah terbangunnya indeks kesejahteraan *falah* dengan tiga katagori tingkatan yaitu *fakir*, *miskin* dan *falah*. Hasil lainnya menunjukkan terdapat pengaruh positif variabel religiusitas, etika bekerja Islami, etika konsumsi Islami, pola investasi Islami dan pengelolaan harta Islami terhadap variabel Kesejahteraan *Falah*. Implikasi penelitian ini memberikan alternative baru pada pengukuran tingkat kesejahteraan masyarakat Muslim dan mempermanenkan konsep *falah* sebagai konsep kesejahteraan dalam perspektif ekonomi Islam.

**Kata Kunci:** Konsep *Falah*, Kesejahteraan, Indeks Kesejahteraan *Falah*

## **INTRODUCTION**

The concept of well-being is multifaceted, encompassing both material and spiritual dimensions. Within the framework of Islamic economics, this understanding is profoundly articulated through the concept of *falah* (Khan, 1991; Chapra, 2008; Kader, 2021). This comprehensive notion transcends earthly concerns, encompassing both worldly prosperity and eternal fulfillment (Kadji & Widiyanti, 2023). Rooted in the Quranic imperative to attain a life of *Falah*, Islamic economics seeks to develop instruments and frameworks that foster this holistic well-being.

However, conventional measures of welfare often fall short of capturing the nuanced meaning of *falah*. Grounded in secular frameworks, these metrics overlook the crucial role of spiritual aspects in attaining true prosperity. As Hoetoro (2020) argues, existing welfare measures fail to fully capture the holistic nature of *falah*, which intricately weaves spiritual elements with material factors. This necessitates the development of new approaches that align with Islamic perspectives on well-being (Joshnloo, 2017; Chowdhury, 2016).

Furthermore, diverse approaches and parameters are employed to measure welfare in Muslim-majority countries today (Batchelor, 2021). Indices such as the Maqasid Human Wellbeing Index (Sarkawi et al., 2017), the Maqasid Index of Governance (Abdul-Rauf, 2015), and the Islamic Index for rating Muslim countries (Chapra, 2008) exemplify this variety. Despite their valuable contributions, these indices reflect various interpretations of *falah* and necessitate further exploration to adapt to the evolving realities of Muslim communities.

Moreover, a fundamental theoretical gap exists between established models like Maslow's Hierarchy of Needs and Islamic welfare theory. Conventional measurements, anchored in Maslow's framework, neglect the significance of spiritual aspects in attaining well-being (Crandall et al., 2020). As Islamic welfare theory delves into the complexities of both worldly and spiritual dimensions, it becomes evident that Maslow's framework falls short in representing the multifaceted nature of *falah*. Therefore, developing a *falah* index constitutes a crucial step toward assessing well-being from an Islamic perspective, offering a more comprehensive and relevant understanding for Muslim communities.



This paper embarks on a critical exploration of Falah and its implications for measuring well-being in Muslim communities. It first delves into the theoretical underpinnings of falah within Islamic economics, highlighting its holistic nature and distinguishing it from conventional welfare frameworks. The paper then analyzes existing Islamic welfare indices, identifying their strengths and limitations in operationalizing the concept of falah. Subsequently, it explores the empirical factors that influence falah-based well-being, drawing upon relevant research in various domains. Utilizing this multifaceted understanding, the paper proposes the development and application of a falah index, focusing on a Muslim-majority community in Langkat Regency, Indonesia. This pilot study aims to test the feasibility and effectiveness of the falah index in a real-world context, offering valuable insights for its further refinement and adaptation.

By undertaking these objectives, this research aspires to contribute to a deeper understanding of well-being within Muslim communities. By developing and applying a falah-based index, this paper seeks to provide a more nuanced and relevant framework for assessing progress and guiding interventions that promote the holistic well-being of Muslim communities worldwide.

This paper is structured to facilitate a comprehensive understanding of the research presented. Section 2 delves into a critical review of relevant literature, establishing a robust theoretical foundation for the subsequent analysis. Section 3 meticulously outlines the methodological framework employed in this study, ensuring transparency and replicability. Section 4 presents the findings of the research, accompanied by a nuanced discussion of their implications. Finally, Section 5 draws concluding remarks, summarizing the key takeaways and highlighting potential avenues for future research. A comprehensive list of references is provided for further exploration.

## LITERATURE REVIEW

### Falah Concept and Its Implications for Welfare Measurement

The concept of falah occupies a central position in Islamic economics, encompassing a multi-dimensional understanding of prosperity that transcends material well-being and encompasses both worldly and otherworldly dimensions. This concept, rooted in the Qur'an, appears 40 times in various iterations, signifying meanings such as success, victory, and ultimately, a state of holistic prosperity (Khan, 1994). As illustrated in Table 1, falah manifests at



the micro level through various facets, including 1) survival, which encompasses biological, economic, and social dimensions, such as health, freedom, ownership of production factors, and harmonious social relations; 2) freedom from want, which emphasizing the alleviation of poverty and the pursuit of self-reliance through productive work; and 3) power and dignity, which encompassing self-respect, civil liberties, and protection of honor and life.

Table 1. Micro-level Aspects of Falah Concepts

<i>Falah Aspect</i>	<i>Micro-level</i>
Survival	Biological survival (health, freedom, progeny)
	Economic survival (ownership of factors of production)
	Social survival (fraternity, harmonization of social relations)
	Political survival (freedom in political participation)
Freedom from want	Alleviating poverty
	Self-reliance (work, not idleness)
Power and dignity	Self-respect
	Civil liberties, protection of honour and life

(Source: Concept of Falah Akram Khan Overview)

Beyond its earthly implications, falah extends into the realm of the afterlife, encompassing concepts like eternal life, prosperity, knowledge, and freedom from ignorance. This multifaceted nature of falah underpins the development of the falah index, a novel tool proposed in this research for measuring welfare from an Islamic perspective.

Further enriching our understanding of falah is the notion of *maslahah*. As-Syatibi posits that Falah represents the ultimate state of achieving benefit, the ultimate goal of Islamic law (*sharia*) (Melis, 2016). This achievement hinges on realizing and preserving five fundamental components of human life: religion, soul, reason, heredity, and property. Elfenbein (2015) emphasizes that fulfilling these components within the framework of *Sharia* is essential for attaining Falah. Consequently, a *maslahah*-oriented approach encompassing production, consumption, and distribution activities aligns with the pursuit of Falah and ultimately leads to *Al Falah* – glory and victory in life (Nasrulloh, 2021).



## Factors Influencing Falah-Based Welfare

Several key factors at the micro and macro levels demonstrably influence the achievement of falah-based welfare. By examining these factors and their interrelationships, this research seeks to deepen our understanding of the determinants of falah-based welfare and develop a robust framework for measuring well-being within Muslim communities. These include:

*Islamic Work Ethics:* Defined as a set of ethical principles guiding work conduct, Islamic work ethics emphasize integrity, diligence, and social responsibility (K. Khan et al., 2015). Research suggests that adhering to these principles fosters productivity and income growth, ultimately contributing to prosperity (Abbasi & Rana, 2021).

*Religiosity:* A crucial spiritual and behavioral dimension within the Islamic community, religiosity manifests in fulfilling obligations to God and upholding ethical conduct (Achour et al., 2016). Studies have shown that religiosity can positively influence economic development (Listiono, 2020), potentially through its association with higher levels of trust and social capital.

*Islamic Property Management:* This practice emphasizes ethical wealth management, encompassing the acquisition, utilization, protection, distribution, and purification of assets according to Islamic principles (Abdullah et al., 2020). Fulfilling basic needs through responsible wealth management contributes to individual and societal well-being, ultimately aligning with the pursuit of falah.

*Islamic Investment:* Investment within an Islamic framework, known as *istitsmar*, focuses on generating sustainable growth and ethical returns (Salman Ahmed Shaikh & Abdul Ghafar Ismail, 2019). Research indicates a positive relationship between investment and economic growth, laying the foundation for broader societal prosperity (Roundy, 2020).

*Islamic Consumption Ethics:* Consumption, when guided by Islamic principles, is viewed as a positive force contributing to human welfare (Furqani, 2017). Responsible consumption patterns that prioritize essential needs and avoid extravagance are associated with higher levels of well-being and align with the pursuit of holistic prosperity (Maharani, 2020).



## METHODOLOGY

### Research Design

This research employs a mixed-methods approach, specifically an exploratory sequential design, to address the multifaceted nature of well-being within the Islamic framework of the *falah* concept. This design leverages the strengths of both qualitative and quantitative methods, catering to the researcher's focus on theoretical exploration while aiming for generalizability in model development. The qualitative phase, reflecting the researcher's primary orientation, delves into the theoretical and conceptual underpinnings of *falah*-based welfare. This phase involves a comprehensive review of relevant literature, including Islamic economic theories, welfare measurement frameworks, and empirical studies on factors influencing well-being within Muslim communities. Based on the insights gained, a robust and contextually relevant *Falah* index is constructed.

The quantitative phase, building upon the qualitative foundation, utilizes Structural Equation Modeling-Partial Least Square (SEM-PLS) analysis to validate the *falah* index and assess its relationships with identified factors influencing well-being. This approach is particularly suitable for analyzing complex models with latent variables and formative constructs, as is common in social science research. The analysis involved the following key steps: 1) Measurement Model Evaluation: This stage assessed the reliability and validity of the indicators used to measure the *Falah* index and other relevant constructs. 2) Structural Model Evaluation: This phase examined the hypothesized relationships between the *falah* index and the identified factors influencing well-being, testing the model's fit and significance of path coefficients. 3) Model Suitability Evaluation: This final step evaluates the overall quality and robustness of the model, considering factors such as R-squared values, predictive power, and other relevant metrics (Hair et al., 2018; Ibrahim, 2023).

### Sample and Data Collection

The target population for this study comprises married individuals residing in Langkat Regency, Indonesia. A random sampling technique was employed to ensure representativeness and minimize bias in the data collection process. The sample size of 420 was determined based on the Isaac and Michael table for a 5% confidence level and a population exceeding 100,000. Data was collected through self-administered questionnaires distributed to the selected sample.



## Falah Index Development and Validation

The falah index was developed through an iterative process informed by the qualitative phase. The index's structure and weighting of components and indicators were derived from the theoretical and conceptual insights gained during the qualitative analysis. The quantitative phase, through SEM-PLS analysis, validated the falah index's reliability, validity, and structural relationships with relevant factors, ensuring its robustness and suitability for measuring well-being within the context of Langkat Regency.

The index comprises two main dimensions: worldly well-being and otherworldly well-being, each further divided into six components and 11 indicators. Each indicator is measured by specific survey items (40 sub-indicators). The accumulated values of these dimensions form a maximum value of 1, with a value closer to 1 indicating a higher level of welfare. Each dimension carries a weight of 0.50, collectively summing up to 1. The Worldly Well-being dimension includes three components: 1) survival (weight: 0.17), 2) freedom of desire (weight: 0.17), and 3) strength and self-esteem (weight: 0.16). The Otherworldly Well-being dimension also includes three components: 1) eternal survival (weight: 0.17), 2) eternal happiness (weight: 0.17), and 3) eternal glory (weight: 0.16). The detailed Falah Index can be seen in Table 2.

Table 2. The Falah Index

Dimension	Component	Weight = 1	Indicators	Weight = 1	Sub	
Worldly well-being	Survival	0.17	Biological Survival;	0.042	0.014	
			Health. Freedom and		0.014	
			Progeny		0.014	
			Economic Survival;		0.042	0.011
			Ownership of Factors of			0.011
			Production			0.011
	Social Survival; Fraternity.	0.042	0.011			
	and Harmonization of		0.011			
	Social Relations		0.011			
	Political Survival; Freedom	0.042	0.014			
in Political Participation	0.014					
Freedom from want	0.17	Alleviating poverty	0.085	0.028		
				0.028		



Dimension	Component	Weight = 1	Indicators	Weight = 1	Sub		
Otherworldly well-being	Power and honour	0.16	Self-reliance i.e. work rather than parasitic idleness	0.085	0.028		
			Self-respect	0.080	0.040		
			Civil liberties. protection of honour and life	0.080	0.027		
		Eternal Survival	0.17	Afterlife belief		0.170	0.043
							0.043
							0.043
	Eternal Happiness	0.17	Ibadah		0.170	0.028	
						0.028	
						0.028	
	Eternal Glory	0.16	Tazkiyatun Nafs/ Soul cleansing		0.160	0.032	
						0.032	
						0.032	
Total		1		1	1		

(Source: Exploration results)

## RESULTS AND DISCUSSIONS

### Measurement Model Evaluation

Convergent validity was confirmed through Average Variance Extracted (AVE) values exceeding 0.50 for all constructs (Islamic Work Ethics, Islamic Consumption Ethics, Falah Welfare, Islamic Property Management, Islamic Investment Patterns, and Religiosity).

Table 3. Results of Measurement Model Evaluation

Variable	Cronbach alpha	Composite reliability	Composite reliability	AVE	HTMT
Islamic work ethics	0.847	0.848	0.884	0.522	0.894
Islamic consumption ethics	0.816	0.819	0.866	0.520	0.793
Welfare falah	0.974	0.977	0.976	0.504	
Islamic Asset Management	0.861	0.864	0.892	0.508	0.804
Islamic Investment Pattern	0.779	0.789	0.850	0.532	0.677
Religiosity	0.956	0.958	0.961	0.620	0.831

(Source: Smart PLS 4 Results)





In this study, collinearity was tested using the inner model Collinearity Statistics (VIF) value. The generally recommended VIF value limit in SEM-PLS is less than 5 as seen in Table 3.

### Structural Model Evaluation

The VIF values of the inner model for each variable are as follows: Islamic Work Ethics is 3.176, Islamic Consumption Ethics is 2.897, Islamic Asset Management is 2.084, Islamic Investment Pattern is 1.231, and Religiosity is 3.929. Inner model Collinearity Statistics (VIF) values are all below 5, indicating no significant collinearity issues. The VIF value for each variable can be seen in Table 4.

Table 4. Structural Model Evaluation Results

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics ( O/STDEV )	P values	VIF	97.5%
Islamic Work Ethics → Falah Welfare	0.235	0.231	0.046	5.144	0.000	3,176	0.320
Islamic Consumption Ethics → Falah Welfare	0.065	0.063	0.035	1.836	0.066	2,897	0.132
Islamic Asset t → Falah Welfare	0.225	0.225	0.033	6.845	0.000	2,084	0.289
Islamic Investment Pattern → Falah Welfare	0.277	0.275	0.028	9.983	0.000	1,231	0.327
Religiosity → Falah Welfare	0.318	0.324	0.063	5.029	0.000	3,929	0.456

(Source: Smart PLS 4 Results)

The T Statistics or Path Coefficient is a measure that indicates the relationship between hypothesized constructs. The standard value for the path coefficient ranges from -1 to +1. A path coefficient is considered statistically significant if its t-value exceeds 1.96, at a significance level of 5%. Similarly, a p-value is deemed statistically significant if it is less than 0.05.

The t-statistic for religiosity is 5.029, which is greater than the critical value of 1.96, indicating a significant effect. The p-value is less than 0.05 (0.000), further confirming this significance. This suggests that changes in religiosity are having a substantial impact on Falah Welfare. Further, with a t-statistic of 5.144, Islamic Work Ethics also shows a significant effect on Falah Welfare. The p-value of 0.000 supports this finding. This implies that variations in Islamic Work Ethics are significantly enhancing Falah Welfare. For the Islamic Asset Management variable, the result shows a t-statistic of 6.845, indicating a significant influence on Falah Welfare. The p-value of 0.000 reaffirms this



significance, suggesting that changes in Islamic Asset Management are notably increasing Falah Welfare.

In addition, the Islamic Investment Pattern variable has a t-statistic of 9.983, demonstrating a significant effect on Falah Welfare. The p-value of 0.000 further confirms this. This means that alterations in the Islamic Investment Pattern are significantly boosting Falah Welfare. Lastly, the Islamic Consumption Ethics variable has a t-statistic of 1.836, which is less than the critical value of 1.96, indicating that it does not have a significant effect on Falah Welfare. The p-value of 0.066, which is greater than 0.05, supports this finding. This suggests that changes in Islamic Consumption Ethics are not significantly affecting Falah Welfare.

### **Bootstrapping Results**

Path coefficient analysis revealed significant positive relationships between Religiosity, Islamic Work Ethics, Islamic Asset Management, and Islamic Investment Patterns on Falah Welfare. Meanwhile, Islamic Consumption Ethics showed a non-significant influence. Based on the test, it is evident that the independent variables influence the dependent variable. The specific impact of each predictor variable on the criterion variable can be viewed in Figure 1. The figure serves as a graphical representation of the path coefficients derived from the analysis. Each arrow signifies the association between two variables, with the receiving variable indicated by the arrowhead. The thickness of the arrow directly correlates with the strength of the relationship; thicker arrows denote stronger impacts. Furthermore, the numerical values adjacent to the arrows represent the path coefficients, quantifying the direct influence of one variable on another. Positive values indicate a positive correlation, while negative values indicate an inverse relationship.

The structural model's robustness was assessed using a 95% Confidence Interval for the path coefficients. Within this range, the influence of Islamic Work Ethics on Falah Welfare varied from 0.140 to 0.320. Islamic Consumption Ethics demonstrated a range of -0.005 to 0.132, while Islamic Asset Management's impact fell within the bounds of 0.156 and 0.289. Islamic Investment Patterns displayed a range of 0.218 to 0.327, and Religiosity's influence spanned from 0.210 to 0.456. These results provide confirmation that the research data successfully passed the rigorous structural model test.



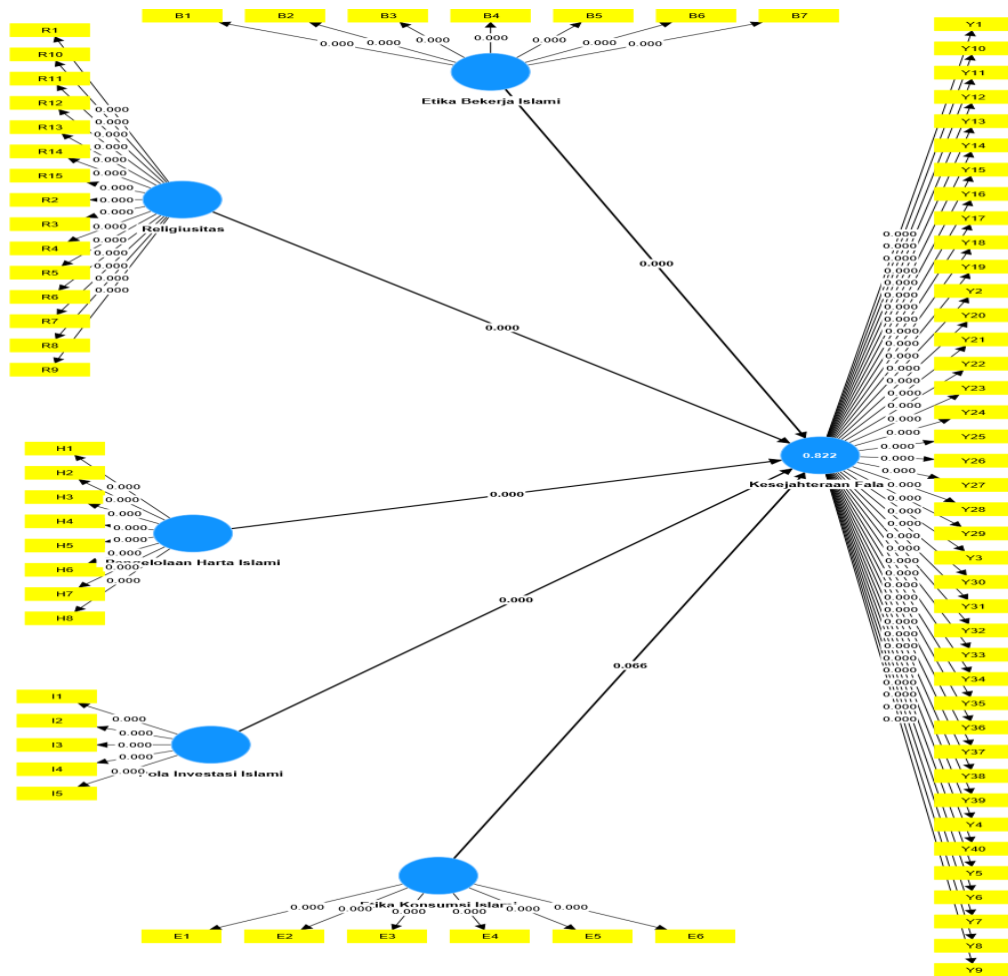


Figure 1. Output Bootstrapping  
(Source: Smart PLS 4 Results)

Figure 1 reveals that Islamic investment patterns exert the strongest direct influence on Fala welfare, followed by Islamic work ethics, religiosity, and Islamic asset management. Islamic consumption ethics exhibits a considerably weaker and statistically insignificant direct effect. This suggests that while all five variables contribute to Fala welfare to some degree, their individual impacts vary in magnitude.

This analysis offers valuable insights into the factors contributing to Fala welfare within Islamic frameworks. It underscores the importance of religious adherence, ethical work practices, responsible asset management, and mindful investment strategies. While ethical consumption may also play a role, its direct influence appears to be less pronounced or statistically significant within the context of this particular study.



### Model Suitability and Goodness Evaluation

The influence at the structural level can be observed by examining the f-square value. The levels of the f-square value are categorized into three distinct groups: low (0.02), moderate (0.15), and high (0.35). In the context of Islamic Work Ethics, the f-square value's influence on the Falah Welfare variable is low, with a value of 0.092. Similarly, the Islamic Consumption Ethics variable also falls into the low category with an f-square value of 0.008. The Islamic Asset Management variable, with an f-square value of 0.137, falls into the moderate category. The Islamic Investment Pattern Variable, on the other hand, has a high f-square value of 0.350. The f-square value of the Religiosity variable is moderate, with a value of 0.145. These f-square values can be referenced in Table 5.

Table 5. F-square value

	<b>Falah Welfare</b>
Islamic Work Ethics	0.098
Islamic Consumption Ethics	0.008
Islamic Property Management	0.137
Islamic Investment Patterns	0.350
Religiosity	0.145

(Source: Smart PLS 4 Results)

The Coefficient of Determination (R-square), is utilized to evaluate the predictive power of a model. The predictive accuracy of the model increases with a higher R-square value. An R-square value of 0.25 is deemed weak, 0.50 is viewed as moderate, and 0.75 is regarded as substantial. With an R-square value of 0.822, the model's predictive power can be assessed as substantial or high. This R-square coefficient of 0.822 indicates that the variables of Religiosity, Islamic work ethics, Islamic investment patterns, Islamic consumption ethics, and Islamic wealth management collectively influence the Falah Welfare variable by 82%. The R-square value is displayed in Table 6.

Table 6. R-square value

	<b>R-square</b>	<b>R-square adjusted</b>
Falah Welfare	0.822	0.820

(Source: Smart PLS 4 Results)

The structural model's evaluation involves a close examination of the Stone-Geiser Q2 value. With a Q2 value of 0.45, the Falah welfare criterion variable



suggests that the structural model of this research has a high predictive relevance, meaning the predictor variables can reliably predict Falah welfare. This means that the predictor variables can effectively predict the criterion variable.

The fit of the model is determined by the Standardized Root Mean Square Residual (SRMR) value. A model is considered well-fitting if the SRMR value is below 0.08. The data in Table 7 shows an SRMR value of 0.069, which is less than 0.080, indicating that the research model fits well or is a good match.

Table 7. SRMR Values

	Saturated model	Estimated model
SRMR	0.069	0.069
d_ULS	15.899	15.899
d_G	14.423	14.423
Chi-square	20123.386	20123.386
NFI	0.496	0.496

(Source: Smart PLS 4 Results)

### Measuring Community Well-being using Falah Index

Traditional poverty measurements often fall short when capturing the full picture of well-being within Muslim communities. To address this gap, the Falah index offers a comprehensive tool that encompasses both worldly and otherworldly dimensions of prosperity. Applying this index in Langkat Regency reveals intriguing insights into the welfare status of the local Muslim population. This index categorizes welfare into three levels: the Fakir category (Falah welfare index value < 0.50), the Poor category (value < 0.75), and the Falah category (value < 1) as presented in Table 8.

Table 8. Level of Welfare using the Falah Index

No	Welfare Level	Indeks Value	Sample	Percentage
1	Falah	< 1	269	64.05
2	Poor	< 0.75	151	35.95
3	Fakir	< 0.50	0	0
Total			420	100.00

(Source: Smart PLS 4 Results)

Examining the sample through this lens paints a unique picture compared to traditional poverty statistics. While 64.05% of individuals fall within the Falah category, indicating relative prosperity, 35.95% still face economic challenges.



Notably, no participant was categorized as *Fakir*. These findings differ from the government's measurements, which reported a poverty rate of 9.42% in 2022. These highlight the Falah index's ability to capture a broader spectrum of well-being beyond material factors.

The differences between the Falah index results and the official poverty rate stem from the unique indicators used in the former. By incorporating spiritual fulfillment and otherworldly well-being alongside economic parameters, the Falah index provides a nuanced understanding of prosperity within Muslim communities. This aligns with the cultural context where religious principles play a significant role in shaping perceptions and experiences of well-being.

Therefore, the Falah index emerges as a valuable tool for accurately assessing the welfare conditions of Muslim populations. Its multidimensional approach captures the complexities of well-being within these communities, offering a more holistic picture than traditional poverty metrics. This research underscores the importance of tailoring welfare assessments to specific cultural contexts and value systems, allowing for a more comprehensive and accurate understanding of well-being within diverse communities.

### **Religiosity Influence on Falah Welfare**

The level of religiosity has a significant positive impact on Falah Welfare, as indicated by the t statistics ( $5.029 > 1.96$ ) and p-value ( $0.000 < 0.05$ ). This suggests that any change in religiosity will notably enhance Falah Welfare. These findings align with previous research, such as Sulaiman et al. (2021), which also demonstrated a positive and significant correlation between religiosity and personal well-being. Additionally, other studies have highlighted the restorative benefits of religiosity in promoting societal prosperity (Cunningham, 2016; Umuri & Ibrahim, 2020). Moreover, Achour et al. (2014) linked religiosity with well-being using the Personal Well-Being Index (PWI), while Joshanloo (2021) documented positive associations between religiosity and welfare. Tumewang et al. (2021) also emphasized the role of religiosity in shaping beliefs, knowledge, attitudes, and spiritual well-being.

### **Islamic Work Ethics Influence on Falah Welfare**

The variable of Islamic Work Ethics significantly influences the Falah Welfare variable, as demonstrated by the t statistics ( $5,144 > 1.96$ ) and p-value ( $0.000 <$



0.05). This indicates that any modification in the Islamic Work Ethics variable notably enhances the Falah Welfare variable. This study corroborates the findings of previous research (Mohammad et al., 2018; Ibrahim, 2022), which discovered that IWE directly and indirectly impacts attitudes and work outcomes. This research also supports the assertion that IWE has economic, moral, and social dimensions that ultimately foster prosperity. Work income significantly affects the household life cycle.

While conventional theory links work with social status and welfare (Sage, 2019), Islam underscores the significance of IWE or work ethic (Ibrahim, 2016). Workers with a weaker work ethic experience lower life satisfaction compared to those with a stronger work ethic (Ibrahim, 2017). The Islamic work ethic promotes cooperation, which minimizes conflict and aids in overcoming obstacles that impede material success and prosperity.

### **Islamic Property Management Influence on Falah Welfare**

The Islamic Property Management variable significantly impacts the Welfare variable, as evidenced by the t statistic ( $6.845 > 1.96$ ) and p-value ( $0.000 < 0.05$ ). This implies that any alteration in the Islamic Asset Management variable will notably boost the Falah Welfare variable. This study reinforces the viewpoint of Choirunnisak (2017), which posits that according to Islamic teachings, the desire to acquire material goods or wealth can serve as motivation to work harder and strive.

Furthermore, Das et al. (2022) suggest that asset management should aim to maximize the potential of existing assets to sustain future income flows. Islamic asset management not only aims to maximize assets but also impacts the social environment. Even modest savings from Muslim income will assist the Muslim community in combating or overcoming consumerism and general inflation issues.

Prosperity is generated through sustainable asset management that considers life after this world (Moghimi, 2018; Ibrahim, et al., 2022). Islamic wealth management offers guidance for life sustainability that maintains a prosperous state. Islamic wealth management is implemented in stages: Wealth creation, Wealth consumption, Wealth purification, Wealth distribution, and Wealth Protection.



### **Islamic Investment Patterns Influence on Falah Welfare**

The variable of Islamic Investment Pattern significantly influences Falah Welfare, with t statistics ( $9.983 > 1.96$ ) and a p-value ( $0.000 < 0.05$ ), indicating that any change in this variable will significantly increase Falah Welfare. This aligns with Choudhury et al. (2019), emphasizing long-term investment to achieve welfare goals such as poverty alleviation and sustainable development in the Muslim world. Islamic investment patterns consider risk, return, religious conformity, environmental factors, and ethics in investment decisions. Binmahfouz and Kabir Hassan (2018) also emphasize the sustainability of Sharia-compliant investment. Additionally, Pardiansyah (2017) highlights that investments aligned with Islamic provisions generate future income and promote prosperity while emphasizing that market risk is essential for lawful profit in Islam. Furthermore, taking profits based on time periods contradicts Islamic investment ethics.

### **Islamic Consumption Ethics Influence on Falah Welfare**

The variable of Islamic Consumption Ethics shows an effect on the Falah Welfare variable (0.065) with a t statistic ( $1.836 > 1.96$ ), but it is not significant at the 5% level or p-value ( $0.066 > 0.05$ ). This suggests that every change in the Islamic Consumption Ethics variable will increase the Falah Welfare variable, but it is not considered significant at the 5% level, although accepted at the 10% significance level.

These findings align with M. A. Khan (2020), who emphasizes the relationship between consumer behavior and material well-being and happiness, challenging the assumption that more material goods lead to greater happiness (Rahim & Bahari, 2018; Kamri et al., 2014). Islamic Economics views consumers as utility maximizers of both material and spiritual desires, with religious norms and values significantly influencing their behavior.

Islamic economics combines positive and normative perspectives, considering consumers as maximizing both moral and economic utility, and basing consumption decisions on moral and ethical standards (Shaikh et al., 2017). While Muslim communities consider consumption ethics in achieving falah prosperity, it is not yet the main variable according to this research.





## CONCLUSION

The study explored the multifaceted factors influencing Falah welfare within Islamic teachings, revealing the intricate interplay of personal habits, faith, and economic principles in shaping a prosperous life. It highlighted the significant impact of religiosity on Falah, emphasizing the role of strong faith in nurturing spiritual well-being and guiding moral actions. Additionally, the study underscored the positive influence of Islamic work ethics and property management on Falah, emphasizing the importance of dedication, efficiency, and ethical asset management for achieving material success. This perspective of Falah offers a unique integration of spiritual and economic well-being, challenging the materialistic focus of conventional economics and advocating for a holistic framework that values both dimensions of human flourishing. The findings also emphasize the need to redefine the purpose of work beyond mere income generation to encompass meaning, purpose, and spiritual fulfillment, highlighting the intrinsic value of work in contributing to overall well-being.

From a policy standpoint, Falah's emphasis on ethical asset management and investment patterns resonates with the global shift toward sustainable development. Policymakers are encouraged to promote ethical business practices and sustainable initiatives that align with Falah's principles, thereby fostering a just and sustainable economic system. Moreover, the importance of religiosity in Falah indicates that spiritual well-being should be a consideration in policy-making, supporting faith-based initiatives and interfaith dialogue to create environments conducive to religious expression and practice.

Future research on this matter should consider the diverse manifestations of the concept across different Muslim communities, influenced by cultural, socio-economic, and geographic factors. Understanding the mechanisms through which various factors influence Falah is also crucial, as it can inform the design of effective interventions and policies. Longitudinal studies are recommended to track the evolution of Falah over time, providing insights into how individuals and communities pursue well-being through life's challenges and stages. By exploring these avenues, we can leverage Falah as a tool to enhance individual and societal well-being, guiding our efforts towards a more equitable and thriving world.



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