



## Determinants of Economic Growth in the South Sumatra Region: Analysis of Labor Force Participation Rate, Human Development Index, and Population Growth from an Islamic Economic Perspective

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### Abstract

**Purpose:** This study aims to analyze the influence of the Labor Force Participation Rate (TPAK), Human Development Index (HDI), and population growth on economic growth in the Southern Sumatra region, which includes the provinces of Lampung, South Sumatra, Jambi, Bengkulu, and the Bangka Belitung Islands during the period 2015–2024. **Methodology:** This study uses a quantitative approach with secondary data obtained from the Central Statistics Agency (BPS), the Inter-Provincial Central Statistics Agency (BPS) in the South Sumatra and South Sumatra regions, and other official sources. The analysis technique used involves several stages, namely the Chow Test, the Hausman Test, and the Lagrange Multiplier Test. This is followed by Assumption Testing and Hypothesis Testing. **Findings:** The results of this study indicate that increased labor force participation and human development are related to increased economic growth. This research can simultaneously have a significant impact in explaining regional economic conditions. A gap in this research is the limited number of studies that discuss the interrelationships between these research variables using a panel data approach. This research is expected to contribute to the development of regional economic studies and Islamic economics to support equitable and sustainable economic growth.

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## A. Introduction

Economic growth is often used as a primary criterion for evaluating a region's development achievements. Macroeconomically, this improvement is reflected in the increased capacity of the regional economy to produce goods and services, typically indicated by Regional Gross Domestic Product (GDP) (Putra et al., 2023). Economic growth is not only measured by increasing output and regional income, but also reflects an increase in community welfare, quality of life, and sustainable social development (Akbar et al., 2023). Therefore, social and demographic factors have an important role in determining the direction and sustainability of economic growth in a region (Syawie, 2011).

The South Sumatra region, encompassing the provinces of Lampung, South Sumatra, Jambi, Bengkulu, and the Bangka Belitung Islands, boasts significant economic resources that facilitate regional economic activity, supported by abundant natural resources and a sizable working-age population. According to an official publication by the Central Statistics Agency (BPS), the region's economic growth trend from 2015 to 2024 shows a shifting pattern and remains unstable. This raises questions about the effectiveness of labor utilization and the quality of human development in influencing regional economic performance. The substantial demographic potential has not been effectively translated into stable and sustainable economic growth, necessitating further examination of its driving factors.

Economic development in a region is influenced by various factors, including employment conditions, quality of human resources, and demographic shifts (Miswar & Tri, 2019). The Labor Force Participation Rate (LFPR) is an indicator that measures the involvement of the working-age population in economic activity. Increasing this involvement conceptually increases regional productive capacity (Faelassuffa Assa & Eppy Yuliani, 2021). However, increased labor force participation does not inherently lead to optimal growth unless it is accompanied by adequate productivity and skills. The Human Development Index (HDI) is often used as a primary metric for evaluating the quality of human development, as it captures a community's achievements in education, health, and living standards (Nastiti & Nailufar, 2024). Improving the quality of human capital through education, skills, and mastery of technology has an important role in encouraging innovation and increasing economic production capacity in the long term (Hanushek & Woessmann, 2020).

The relationship between population growth and economic growth shows a dynamic relationship, because an increase in population can be a potential for development if supported by the quality of human resources, education and adequate employment opportunities (Eny, 2020). On the other hand, population growth that is not balanced by increased productivity and economic capacity can put pressure on regional economic development (Crespo Cuaresma et al., 2014). However, from a contemporary perspective, population growth can present opportunities through demographic dividends, provided it is supported by quality education and job availability (Harun, 2020). Thus, the relationship between the Labor Force Participation Rate, Human Development Index and Growth becomes a determining factor for increasing Economic Growth in the South Sumatra region.

Before further data processing and analysis are carried out, descriptive data is first presented from each research variable which includes the Labor Force Participation Rate, Human Development Index, Population Growth and Economic Growth in the South Sumatra region in 2015-2024 which are obtained through the Central Statistics Agency (BPS) and the Central Statistics Agency from each Province in the South Sumatra region which includes Lampung, South Sumatra, Bengkulu, Jambi, Bangka Belitung in the form of (%) as follows:

Table 1. Descriptive Data for Each Variable

Province	Year	Labor Force Participation Rate	Human Development Index	Population Growth	Economic Growth
Lampung	2015	65,59	66,95	1,1	5,13
	2016	69,6	67,65	1,21	5,14
	2017	67,83	68,25	1,18	5,16
	2018	69,61	69,02	1,16	5,23
	2019	69,06	69,57	1,13	5,26
	2020	70,15	69,69	1,65	-1,66
	2021	69,35	69,9	1,1	2,77
	2022	70,06	70,45	1,07	4,28
	2023	70,04	71,15	1,22	4,55
	2024	70,41	71,81	1,2	4,57
South Sumatra	2015	68,53	67,46	1,4	4,42
	2016	71,58	68,24	1,46	5,04
	2017	69,49	68,86	1,44	5,51
	2018	68,44	69,39	1,41	6,01
	2019	67,66	70,02	1,39	5,69
	2020	68,64	70,01	1,25	-0,11
	2021	68,77	70,24	1,32	3,58
	2022	69,31	70,9	1,27	5,24
	2023	70,72	71,62	1,17	5,08
	2024	70,82	72,3	1,15	5,03
Jambi	2015	66,14	68,89	1,72	4,21
	2016	67,53	69,62	1,8	4,37
	2017	67,51	69,99	1,78	4,6
	2018	68,2	70,65	1,75	4,69
	2019	65,79	71,26	1,72	4,35
	2020	67,79	71,29	1,34	-0,51
	2021	67,17	71,63	1,39	3,7
	2022	67,84	72,14	1,33	5,12
	2023	68,75	72,77	1,33	4,67
	2024	68,87	73,43	1,3	4,51
Bengkulu	2015	70,66	68,59	1,5	5,13
	2016	72,69	69,33	1,69	5,28
	2017	69,3	69,95	1,67	4,98
	2018	70,26	70,64	1,65	4,97
	2019	70,09	71,21	1,63	4,94
	2020	71,73	71,4	1,55	-0,02
	2021	69,75	71,64	1,48	3,27

	2022	69,81	72,16	1,4	4,31
	2023	70,91	72,78	1,35	4,28
	2024	71,71	73,39	1,32	4,62
	2015	66,7	69,05	2,15	4,08
	2016	68,93	69,55	2,2	4,1
	2017	66,72	69,99	2,18	4,47
	2018	67,25	70,67	2,16	4,45
Bangka	2019	67,1	71,3	2,14	3,32
Belitung	2020	66,89	71,47	1,7	-2,29
	2021	65,88	71,69	1,6	5,05
	2022	67,38	72,24	1,52	4,4
	2023	68,34	72,85	1,39	4,38
	2024	68,87	73,33	1,36	0,77

Based on the analysis, economic growth in the provinces on Sumatra Island experienced fluctuating changes during the study period. The Labor Force Participation Rate (TPAK) and Human Development Index (HDI) variables show a positive relationship to economic growth, where improvements in the quality of human resources and high labor involvement in economic activities can encourage increased regional productivity. On the other hand, the Population Growth variable also shows a relationship to the development of economic growth in each province. Therefore, a comprehensive and sustainable development policy is needed to improve the quality of human resources, expand employment opportunities, and maintain regional economic conditions so that economic growth can continue to develop optimally.

The research results of Margono and Nuryadin (2024) found that TPAK had a significant positive effect on economic growth, but the HDI had a negative effect in South Kalimantan (Wahid & Rusmin, 2024). Nelsa's (2025) research in Lampung shows that the HDI does not always have a positive impact on economic growth because the use of human capital is not optimal (Ummi et al., 2025). On the other hand, Sabardin's (2025) research shows that the Human Development Index (HDI) has a positive and significant influence on economic growth in South Sumatra Province (Sabardin et al., 2025). On the other hand, a study conducted by Widyawati and Yusfi (2024) found that an increase in the Labor Force Participation Rate (TPAK) was not always accompanied by a decrease in the poverty rate, which indicates a problem related to labor productivity (Widyawati et al., 2024).

Previous research on the influence of employment factors, human development quality, and demographic dynamics on economic growth indicates that the relationship between these variables is not always linear and consistent across regions. Differences in economic structure, labor market characteristics, and levels of human development across provinces can lead to varying impacts (Sie et al., 2026). Therefore, a more specific empirical study is needed in the Southern Sumatra region to obtain a more comprehensive picture of how TPAK, HDI, and population growth interact in influencing regional economic growth. Research in the South Sumatra region, which includes 5 important provinces, is carried out to see how the TPAK, HDI, and population growth influence economic growth in regional areas that have large economic potential but still show inequality and differences in the level of economic development between regions in the South Sumatra region.

The research gap in this study lies in the limited number of studies that simultaneously discuss the influence of the Labor Force Participation Rate (TPAK), the Human Development Index (HDI), and population growth on economic growth in the South Sumatra region using panel data from 2015–2024 and related to an Islamic economic perspective. Previous studies generally only examine one variable or focus on a specific region without linking it to development values in Islamic economics. Therefore, this study is expected to provide additional contributions to the development of regional and Islamic economic studies, particularly those related to the determinants of sustainable economic growth oriented towards community welfare.

## B. Method

This research applies a quantitative approach as its analytical framework. This approach focuses on testing theories or hypotheses by measuring variables in the form of numerical data, which are then analyzed systematically using statistical techniques and analytical models. This method allows for objective and measurable identification of relationships between variables. This study utilizes secondary data compiled in the form of panel data, namely a combination of time series and cross-regional dimensions. The time series dimension covers a ten-year observation period, namely 2015–2024. Meanwhile, the cross-section dimension in this study covers five provinces in the Southern Sumatra region, namely Lampung, South Sumatra, Jambi, Bengkulu, and the Bangka Belitung Islands. In this study, economic growth is used as a dependent variable measured by the growth rate of Gross Regional Domestic Product (GRDP) at constant prices in the five provinces in the South Sumatra region for the period 2015–2024. Meanwhile, the Labor Force Participation Rate (TPAK) is used as an independent variable that shows the percentage of the working-age population that is active in economic activities, both working and looking for work. Another variable, the Human Development Index (HDI), is used to measure the quality of human resources through the dimensions of health, education, and a decent standard of living. Meanwhile, population growth is measured based on the percentage change in population each year which reflects the development of the population in the study area. The data used are all in numerical form so that they can be analyzed using a quantitative approach. The primary data sources were obtained from official publications from the Central Statistics Agency (BPS), both at the national and provincial levels in the South Sumatra and Sumatra Selatan region. Furthermore, this research was supported by various relevant scientific literature, such as books, journal articles, and other academic sources.

## C. Results and Discussion

### 1. Results

In this study, the analysis stage begins with the Chow test, the Hausman test, and the Lagrange Multiplier test to select the most appropriate panel regression model. Next, after the best model is obtained, classical assumption testing and hypothesis testing are conducted to determine the influence of each studied variable.

#### Chow, Hausman, and Lagrange multiplier tests

Table 2. Results of the Feasibility Test of the Regression Model

No	Test Results	Probability
1	Chow Test	0,8041
2	Hausman Test	0,8360
3	Lagrange Multiplier Test	0,2237

Based on the results of the three tests to determine the best model, the following conclusions can be drawn:

- Based on the Chow test, a probability value of 0.8041 was obtained, which is  $>0.05$ ,

which is above the 0.05 significance level. This finding indicates that the model does not show any differences in fixed characteristics between observation units and that the characteristics of each province in Southern Sumatra are relatively homogeneous in explaining the influence of TPAK, HDI, and population growth on economic growth. Therefore, the Common Effects Model (CEM) approach is considered more appropriate than the fixed effects model.

- The Hausman test results show a probability value of 0.8360, which is  $>0.05$ , indicating that the random effects model does not provide a significant difference in estimates compared to the fixed effects model. Therefore, the Random Effects Model (REM) is considered more appropriate for use in this research analysis.
- Furthermore, the Lagrange Multiplier (Breusch-Pagan) test results show a probability value of 0.2237, which is  $>0.05$ , which is greater than the 0.05 significance level. This indicates that there are no significant random effects in the model used. Substantively, this condition can be explained by the fact that variations in economic growth in the study area are largely influenced by the dynamics of macroeconomic variables, such as the Labor Force Participation Rate, human development quality, and population growth, which exhibit relatively similar patterns across provinces during the 2015–2024 period. Therefore, the most appropriate model for use in the analysis is the Common Effect Model (CEM).

Table 3. Results of the Common Effect Model Estimation Model

Variabel	Coefficient	Std. Error	t-Statistic	Prob.
C	18.90274	16.39631	1.152865	0.2549
TPAK	0.037345	0.172113	0.216981	0.0292
HDI	-0.235445	0.169907	-1.385727	0.0172
PP	-0.575807	0.947216	-0.607894	0.5462
R-squared	0.047873			

Based on a series of tests including the Chow test, the Hausman test, and the Lagrange Multiplier test, it can be concluded that the most relevant estimation model for the analysis in this study is the Common Effect Model (CEM).

### Classical Assumption Test

Because the estimation model used in this study is the Common Effects Model (CEM), it is necessary to conduct a classical assumption test to ensure the validity and feasibility of the regression model. The assumption tests performed include a multicollinearity test to determine the relationship between independent variables and a heteroscedasticity test to test for equality of variance in the residuals.

#### a) Multicollinearity Test

Table 4. Multicollinearity Test Results

Variables	TPAK	HDI	PP
TPAK	1.000000	0.123534	-0.341357
HDI	0.123534	1.000000	-0.074379
PP	-0.341357	-0.074379	1.000000

Based on the results of the multicollinearity test, the correlation coefficient values between independent variables show figures below the threshold of 0.85. The correlation between TPAK and HDI was recorded at 0.123534, between TPAK and population growth at -0.341357, and between HDI and population growth at -0.074379. All these values are  $<0.85$ . This condition indicates that there is no strong linear correlation between the independent variables. Therefore, the regression model used is considered not to

experience symptoms of multicollinearity and has met the requirements in the classical assumption test.

b) Heteroscedasticity Test

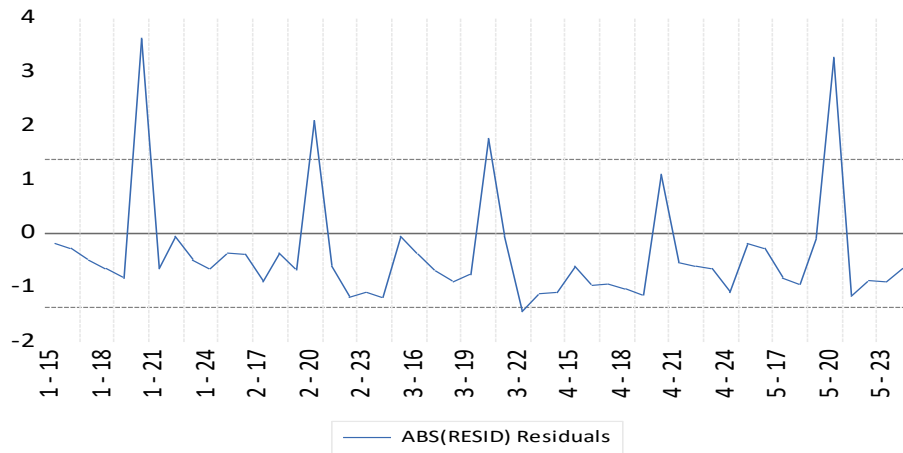


Figure 1. Heteroscedasticity Test Results

The residual graph shown by the blue line shows that the residual value does not exceed the maximum and minimum limits that have been set, namely 500 and -500. This indicates that the residual distribution is relatively consistent so that the error variance can be considered uniform. Thus, the regression model used does not show any indication of heteroscedasticity and has met the assumption of homoscedasticity. Furthermore, there are differences in residual values in each observation in the South Sumatra region that are not influenced by changes in the variables of the Labor Force Participation Rate, Human Development Index, or Population Growth.

Hypothesis Testing

a) T-Test (Partial)

Table 5. T-Test Results

Variables	Coefficient	Std. Error	t-Statistic	Probability
C	18.90274	16.39631	1.152865	0.2549
TPAK	0.037345	0.172113	0,216981	0.0292
HDI	-0.235445	0.169907	-1,385727	0.0172
PP	-0.575807	0.947216	-0,607894	0.5462

The partial estimation results show the contribution of each independent variable to the dependent variable as follows:

- Based on the t-test results for the Labor Force Participation Rate (X1), the t-statistic was 0.216981 with a probability of 0.0292, which is <0.05, meaning it is lower than the 0.05 significance level. These results indicate that Ha is accepted and Ho is rejected, thus concluding that the TPAK variable has a significant influence on economic growth.
- The t-test results for the Human Development Index (X2) showed a t-statistic of -1.385727 with a probability of 0.0172, which is <0.05, meaning it is less than 0.05. Thus, Ha is accepted and Ho is rejected, indicating that the HDI variable has a significant influence on economic growth.
- Based on the t-test results for the Population Growth (X3), the t-statistic was -0.607894 with a probability of 0.5462, which is >0.05, and greater than the 0.05 significance level. Therefore, Ha is rejected and Ho is accepted, which shows that

the population growth variable does not have a significant influence on economic growth.

b) F Test (Simultaneous)

Table 6. F Test Results

F-statistic	0,770964
Prob(F-statistic)	0,000000

The F-test results show a calculated F-value of 0.770964 with a probability value of 0.000000, which is lower than the 0.05 significance level. This indicates that the TPAK, HDI, and population growth variables collectively have a significant influence on economic growth.

c) R2 Test (Coefficient of Determination)

Table 7. R2 Test Results

R-squared	0,047873
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Based on the regression results, the R<sup>2</sup> value was 0.047. This indicates that the TPAK, HDI, and population growth variables are related to economic growth, but their contribution to explaining variations in economic growth is still relatively low, suggesting that other factors outside the model are more dominant. These three variables only explain 4.7% of the variation in economic growth in the South Sumatra region.

## 2. Discussion

### The Influence of Labor Force Participation Rate on Economic Growth

Based on the panel data regression results, the Labor Force Participation Rate (LFPR) variable has a coefficient value of 0.037345 with a positive coefficient direction and a probability value of  $0.0292 < 0.05$ . This indicates that an increase in the number of people involved in economic activities can directly drive an increase in regional output. This condition can occur because high labor force participation is always accompanied by an increase in productivity, skills, and adequate job quality (Yeo & Lee, 2020). In the context of the research area, it's likely that a significant portion of the workforce is still absorbed in low-value-added sectors, thus limiting their contribution to economic growth. This confirms that the labor force is sufficient to generate optimal growth without the support of improvements in human resource quality and the efficiency of the economic structure.

(Micheal & Stephen, 2009) states that economic growth is influenced by the quantity, quality, and productivity of the workforce. These findings align with several previous studies that have shown a significant relationship between the Labor Force Participation Rate (LFPR) and economic growth, conducted by (Darwin et al., 2023) using panel data regression methods in North Sumatra. The results showed that the workforce variable had a significant positive effect on economic growth. This finding suggests that increasing the workforce has been able to optimally contribute to economic growth due to high labor productivity and the dominance of sectors with relatively low added value.

### The Influence of the Human Development Index on Economic Growth

Based on the panel data regression results, the Human Development Index (HDI) variable has a coefficient value of -0.235445 with a negative coefficient direction and a probability value of  $0.0172 < 0.05$ . This indicates that improving the quality of human development during the ten-year study period can directly impact improving regional economic performance. These results indicate that improvements in the dimensions of education, health, and the standard of living of the community have been fully able to be translated into measurable economic growth within the observation period. Based on the panel data regression results, the Human Development Index (HDI) variable has a

coefficient value of -0.235445 with a negative coefficient direction and a probability value of  $0.0172 < 0.05$ . This indicates that improving the quality of human development during the ten-year study period can directly impact improving regional economic performance. These results indicate that improvements in the dimensions of education, health, and the standard of living of the community have been fully able to be translated into measurable economic growth within the observation period.

Endogenous growth theory proposed by (Romer, 1990) states that the quality of human capital is a key catalyst for sustainable economic growth. The empirical results of this study reveal that the Human Development Index (HDI) can influence economic growth in South Sumatra. The discrepancy between the theoretical framework and actual findings can be explained by various factors. Improvements in human resource quality are often gradual and require a considerable amount of time before they are reflected in increased economic production (Carillo, 2024). Second, improvements in education and health will not inherently increase productivity unless they are supported by labor market structures and economic sectors that are adept at effectively integrating an educated workforce (Curea & Ciora, 2013). The characteristics of the regional economy, which relies largely on natural resource-based sectors with minimal added value, may limit the direct influence of human development on growth. Consequently, although human capital theoretically holds a strategic position, its impact was not significant during the period studied (Al Faruq, 2024). These findings are in line with several previous studies which showed a significant relationship in research (Argarani & Fitriani, 2024) using panel data regression analysis showed that the HDI has significantly impacted regional economic growth. This indicates that improvements in education, health, and living standards require a long time to translate into increased regional economic output.

### **The Effect of Population Growth on Economic Growth**

Based on the panel data regression results, the Population Growth variable has a coefficient value of -0.575807 with a negative coefficient direction and a probability value of  $0.5462 > 0.05$ . This indicates that population growth during the study period has not had a direct impact on changes in regional economic performance. This condition indicates that population growth during this period has not been a major factor influencing variations in economic growth in the study area. A large population does not necessarily increase economic output if it is not accompanied by expanded employment opportunities, improved education quality, and labor productivity (Lubis, 2014). Therefore, the demographic dynamics that occurred in this study have not been fully able to become the main driver for regional economic growth.

The findings of this study can be explained within the framework of classical population theory put forward by (Robert, 1954), who argues that population growth without a corresponding increase in productive capacity can put pressure on the economy. Within the contemporary development framework, population expansion can serve as an opportunity through the demographic dividend, if accompanied by superior education, skills development, and access to gainful employment (David Bloom, David Canning, 2003). In South Sumatra, the small impact of population expansion on economic development indicates that population growth has not been effectively aligned with increased productivity and value creation. Consequently, demographic factors alone are insufficient to stimulate growth without the support of competent human resources and a robust economic framework. This aligns with the findings of previous research conducted by (Apisa et al., 2025) The research results show that population growth does not significantly impact regional economic growth. This is because population growth has not been matched by improvements in the quality of education, skills, and productivity, resulting in relatively low contributions to economic development.

### **The Influence of Labor Force Participation Rate, Human Development Index and Population Growth on Economic Growth in the South Sumatra Region in 2015-2024**

Based on the results of the research conducted with panel data regression using the Common Effect Model method, then using the joint significance test (F Test) obtained with the result of the probability value of F- (statistic) of 0.000000 < 0.05, it can be concluded that the variables of Labor Force Participation Rate, Human Development Index and Population Growth have a significant influence on Economic Growth in the South Sumatra region in 2015-2024 but have a positive value in each variable and have an inter-relationship between each independent variable and the dependent variable. Meanwhile, the results of the panel data regression analysis seen from the value of 0.047873, this is able to explain 4.7% of the variation in economic growth in the South Sumatra region.

These results indicate that the three variables are related in influencing economic growth. TPAK plays a role in increasing the number of workers involved in the production process, HDI reflects the quality of human resources that determine the level of productivity, while population growth indicates the potential availability of labor and market expansion that can encourage economic activity in the South Sumatra region. The results of this study also indicate that the relationship between these variables and economic growth is strongly influenced by internal regional conditions. Although the Labor Force Participation Rate and Human Development Index in the South Sumatra region tend to increase according to data from the Central Statistics Agency (BPS), economic growth still fluctuates. This suggests that increases in the number and quality of the workforce can be fully offset by increased productivity and optimal labor absorption (Sari et al., 2017). Internal factors such as sufficient quality of workforce skills, employment opportunities, and an economic structure that is not dependent on a particular sector, as well as the fulfillment of innovation and investment are the causes of the maximum contribution of these variables to economic growth (Menajang, 2009). Thus, it can be concluded that the success of increasing economic growth can be determined by the size of the Labor Force Participation Rate, Human Development Index, and population growth, but also by the quality of management of internal factors that support the effectiveness of these three variables in the regional economy.

### **An Islamic Perspective on the Influence of Labor Force Participation Rate, Human Development Index, and Population Growth on Economic Growth**

In the perspective of Islamic economics, the relationship between the Labor Force Participation Rate (TPAK), the Human Development Index (HDI), and population growth towards economic growth is not only seen as a quantitative relationship in increasing economic output, but also as part of an effort to achieve comprehensive welfare (falah), both materially and spiritually (Hasibuan et al., 2025). Islamic economics emphasizes that development must be based on the principles of justice, balance, and welfare, so that economic growth that occurs is not only high in numbers, but is also able to create equality and prosperity for all of society (Islam Sarolangun et al., 2025).

The Labor Force Participation Rate (TPAK) reflects the level of community involvement in productive economic activities. In Islam, work is both an obligation and a form of worship that demonstrates human responsibility as caliphs on earth. The higher the labor force participation rate, the greater the individual's contribution to creating economic added value. However, Islam emphasizes not only the quantity of labor but also the quality and ethics of work, such as honesty, trustworthiness, and professionalism, so that the results obtained not only increase income but also bring blessings to economic life (Baharuddin, 2019).

The Human Development Index (HDI) in Islamic economics reflects the quality of human resources, which is a key factor in driving economic growth. Improving the quality of education, health, and living standards is part of the effort to develop a holistic human being (Rosdaniah & Aziz, 2024). This aligns with the objectives of sharia (maqasid sharia), particularly in safeguarding the human mind and soul. Quality human resources will be more productive, innovative, and able to adapt to economic changes, thus playing a vital role in promoting sustainable economic growth (Nurrahman et al., 2025).

Meanwhile, population growth is seen as a significant potential driver of economic growth if managed properly. A growing population can be a driving force in providing labor and expanding markets (Khairunisa, 2019). However, without being balanced by the quality of human resources and the availability of jobs, population growth can actually give rise to various economic problems such as unemployment and poverty (Cuaresma et al., 2014). Therefore, proper management is needed so that population growth has a positive impact on economic development (Prana & Nata, 2013).

In the context of this research, there is the word of Allah SWT in QS. Ar-Ra'd verse 11 which emphasizes that the increase in TPAK reflects the efforts of the community in working and producing, the increase in the HDI shows efforts to improve the quality of human resources, and the management of population growth reflects the ability to manage the potential that is owned (LPMQ, 2022). If these three aspects are managed well, they will drive positive changes towards economic growth. Conversely, if human quality is low and labor participation is suboptimal, economic growth will also be hampered. Thus, the word of Allah SWT contained in Surah Ar-Ra'd verse 11 reinforces that the human factor is the primary key to driving sustainable, equitable economic growth in accordance with Islamic economic values (Rahmiyanti, 2018).

#### D. Conclusion

Based on the results of the research conducted as reflected in the results of statistical tests, it can be concluded that the Labor Force Participation Rate (TPAK), Human Development Index (HDI), and population growth in the South Sumatra region from 2015-2024 indicate that these three factors collectively have a significant correlation with economic growth. The study area covers five provinces: Lampung, South Sumatra, Jambi, Bengkulu, and the Bangka Belitung Islands. The relatively low coefficient of determination indicates that economic growth cannot be fully explained by the TPAK, HDI, and population growth variables, because additional factors outside the research model may also have an influence. Nevertheless, the results of panel data regression analysis in the five provinces in the South Sumatra region show a significant simultaneous impact on the dynamics of economic growth. The results of this study indicate that regional economic development is not only influenced by the number of workers and population growth, but also by the quality of human resources, labor productivity, and support for regional development policies. From an Islamic economic perspective, this research also contributes to the study of Islamic economics by emphasizing that economic development is not only oriented towards increasing output, but also towards improving the quality of human resources, equalizing welfare, and optimally utilizing the workforce in accordance with the principles of justice and welfare in Islam.

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## F. Author Contributions Statement

Ridho Fahmi contributed to the conceptualization of the study, data collection, data analysis, and preparation of the original manuscript draft. Budimansyah contributed to the research design, methodology development, data interpretation, and critical revision of the manuscript. Yulistia Devi contributed to the validation of results, supervision of the research process, manuscript review, and editing. All authors participated in discussing the findings, revising the manuscript, and approving the final version for publication. All authors have read and agreed to the published version of the manuscript.

## G. Conflict of Interest

This research was written by researchers free from any conflict of interest from various parties.

## H. AI Usage Statement

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