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The effect of exports, imports, labor, and IHDI on economic growth with investment from China as a moderating variable

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ABSTRACT :

This study was conducted to determine the influence of exports, imports, labor, Islamic Human Development Index (IHDI) on economic growth with investment from China as moderation variable. The data of this study is panel data on 33 provinces in Indonesia in the period 2014-2022 from Central Statistics Agency, Central Bank, and Investment Coordinating Board. Hypothesis testing of this study used regression analysis and Moderated Regression Analysis (MRA) with E-views 9 program. The result of this study shows that partially export had a positive and significant effect on economic growth,while imports, IHDI and investment from China have no significant effect on economic growth. In addition, the result also shows that the investment from China cannot moderate the effect of imports and IHDI on economic growth. There is a need for new regulation in the application of investment from China. So, that they can provide benefits to the Indonesian economy. In this way, it will create prosperity for the community in accordance with the goals of Islam, namely the achievement of falah..

Key words: : exports, imports, labor, IHDI, investment from China, economic growth

INTRODUCTION

Economic development in a country can be measured by economic growth compared to the previous period. High economic growth will have an impact on increases in other fields, so economic growth becomes a country's priority to prosper the community (Asnidar, 2018). During the leadership of President Joko Widodo, Indonesia was fairly fast economically. The threat of a turbulent recession in the world makes the economy experience a slump, but the Indonesian economy is still above 5 percent. This is evidenced by 2022 data, where in the first quarter the Indonesian economy grew 5,01%. Then, in the second quarter it increased to 5,44% (yoy), in the third quarter rise to 5,72% (yoy), as well as in the fourth quarter it was still above 5%. However, the good economic growth was denied by economist Faisal Basri who said that the growth that occurred was considered less qualified. Although the economy continues to increase, it has not had an impact on employment and there is still a lot of unemployment (CNN 2023).

Indonesia has abundant natural wealth and holds great potential. The advantages possessed by Indonesia make other countries interested in establishing cooperation in meeting needs, one of which is China. Cooperation between Indonesia and China has been established for quite a long time, since 1950 in various fields, from politics, economy, security, and development (Anis, 2021). In recent years, China has had fairly good economic integrity and has managed to become a superpower in terms of international trade. This can be proven by the encroachment of Chinese products in the Indonesian Market in considerable quantities.

International trade is an effort made by the state in stabilizing the economy and meeting the needs of the state. Thus, it can be said that the role between one country and another cannot be relinquished. The existence of international trade will encourage economic growth through export-import activities (Zulzilah et al., 2022). Export-import is one indicator to measure the success of a country in a developing economy. If the value of export increase, the economy will increase. However, if imports dominate more, it will result in decreased domestic production and increased unemployment, so people's purchasing power will weaken.

Several studies also discuss the effect of export-import on economic growth. Research conducted by Nawiyah (2020) shows the results that exports have a significant effect on economic growth; while Putri et, al (2021) showed that export have a significant negative effect on economic growth. Zulzilah (2022) shows that exports have a significant positive effect on economic growth while imports have no significant effect on economic growth.

Research conducted by Setiawan (2022) shows that international trade does not affect economic growth. In contrast, research by Bambungan, et al (2021) that in the short term and long term Indonesian exports have a significantly negative impact on economic growth. Imports themselves show that there is no effect either in the short or long term on economic growth.

Another important indicator of economic growth is the fulfillment of labor. A large number of workers will make a productive workforce increase, provided that the workforce is absorbed by available job opportunities (Bayu, 2020). But if the workforce is greater than the job opportunity, it will cause problems. To maximize labor absorption, the government makes efforts through investment. The investment made by the government is expected to be able to absorb labor which then has implications for reducing unemployment and will increase economic growth (Purba, 2020).

(Nawiyah, 2020) shows the results that labor has a significant positive effect on economic growth; Ningsih (2018) shows results of research that partially the workforce in Batam has not had a significant effect on economic growth; (Astuti, 2018) showed that labor has a positive and insignificant relationship with economic growth in Palalawan district.

The bilateral relationship between Indonesia and China continues to improve, which can be seen from the upward trend in investment. From the report of the National Development Planning Agency (Bappenas), it was recorded that development projects using funds from China were 23 ports, 15 airports, road construction, the construction of the railway, and the construction of power plants with a capacity of 35 MW (Ningsih, 2018). However, many of the development projects are not accompanied by government efforts to reduce unemployment. In addition, in practice, this project activity uses labor from China, which is they implement a Turnkey project, which means the project owner has the right to use labor from the country of origin. This is evidenced by the statement of the Minister of Manpower, Hanif Dhakiri who stated that there were 41 thousand Permits to Use Foreign Workers (IMTA). So, many development projects do not significantly affect the absorption of Indonesian workers (Nawiyah, 2020).

Research conducted by (Doku et al., 2017) with a sample of 10 African countries from 2003-2012 showed a 1% increase in Chinese FDI in Africa significantly increasing Africa's GDP by 0,607%; Research conducted by (Ali, 2019) shows the results that different effect on economic growth in 3 Maghreb countries (Tunisia, Algeria, Morocco) where FDI has a positive effect on economic growth in Marocco and does not affect economic growth in Algeria and Tunisia. While research conducted by (Saleem et al., 2020) with data from 1975-2016 shows the results that all countries (except Bangladesh) have long-term cointegration between FDI, GDP, and open trade, where FDI is the dependent variable. Thus, FDI has contributed to economic growth.

The quality of humans in a country will affect the economy (Rahim et al., 2022). Islam highly values the role of the man. The Man was created on earth, his purpose was a caliph fil Ardhi who would prosper the earth. Development and humans have a very close relationship, so it can be said that the process of improving the quality of development is with human development itself.

In Islam, the development is based on maqasid asy syariah which includes five basics; the protection of religion, soul, reason, offspring, and property(Rukiah et al., 2019). In Islam, the benchmark for human development through Islamic Human Development Index (IHDI) which aims to achieve blessings in the world and the hereafter *(falah)*.

By looking at several indicators that are very influential on economic growth, researchers are interested in seeing the effect of exports, imports, labor, and I-HDI on economic growth, and see the role of investment from China as moderating variable. This research will help the government in designing policies that need to be implemented so that they will have an impact on maximum economic growth

Methods

This research is a quantitative type with secondary data in the form of panel data. Time in this study was for 8 years from 2014-2021. The variable in this study consists of 4 independent variables, 1 dependent variable, and 1 moderation variable. Independent variables include exports, imports, labor, and IHDI against the dependent variable namely economic growth with investment from China as a moderation variable. The population in this study consisted of 33 provinces in Indonesia for 8 years, from 2014 to 2021. While several observations were studied there are 264 observations. The sampling technique uses purposive sampling. The characteristics needed to be sampled in this study are local governments that have been operating since 2014. The data used in this study is annual data. Data were taken from Central Statistics Agency, Indonesian Bank, and Investment Coordinating Board. In analyzing data, the techniques used in this study were Multiple Regression Analysis must meet 5 assumptions; normality test, heteroscedasticity test, autocorrelation test, multicollinearity test, and hypothesis test (Bawono, 2018). The second analysis on moderating variables uses an interaction test or Moderated Regression Analysis which is a multiple regression and in the equation contains an element of interaction.

Result

Data Analysis

1. Descriptive Statistics

   Descriptive statistics provide an overview of data on average, minimum, maximum, and standard deviation.

TABLE 4. 1 Descriptive Statistics. *Source*: Processed eviews, 2023

Descriptive Statistics	Export	Import	Labor	IHDI	Investment from China	Economic Growth
Mean	4784.52	4528.035	7549835	39.3879	85105.52	4.26E+08
Median	1569.35	342.65	4204041	40.3392	4756.75	1.75E+08
Maximum	33668.4	96001.6	44625166	70.3681	1528347	2.91E+09
Minimum	2.4	0	769259	1.44804	0	24042077
Std. Dev.	6618.64	14391.18	10447990	11.9473	232554.3	6.03E+08
Observations	264	264	264	264	264	264

From the table of descriptive statistics, it can be seen that the mean value of export is 4784.52 and the standard deviation is 6618.64. The maximum value of export is 33668.4

and the minimum value is 2.4. The mean value of import is 4528.035 with a standard deviation is 14391.18. The maximum value of import is 96001 and the minimum value is 0. The mean of labor is 7549835 with a standard deviation of 10447990. The maximum value of import is 44625166 and the minimum value is 769259. The mean value of IHDI is 39.3879 and the standard deviation is 11.9473, the maximum value is 70.36807 and the minimum value is 1.448391. The mean value of Investment from China is 85105.52 with a standard deviation is 232554.3. The maximum value of Investment from China is 1528347 and the minimum value is 0.000000

Stationarity test

This test is performed using a unit root test to find out if the data is continued to the next test.

TABLE 4. 2 Stationarity Test. *Source*: Attachment 3. Descriptive test result

VARIABLE	PROB.	EXPLANATION
EXPORT	0.0152	*Stationer on the level with lag 1*
IMPORT	0.0000	*Stationer on the level with lag 1*
LABOR	0.0000	*Stationer on the level with lag 1*
IHDI	0.0000	*Stationer on the level with lag 1*
ECONOMIC GROWTH	0.0000	*Stationer on the level with lag 1*
INVESTMENT FROM CHINA	0.0000	*Stationer on the level with lag 1*

From the table above, it is found that the variables of export, import, labor, IHDI, economic growth, and investment from China have a value of less than 0,05. So, the data has been stationarity at the level.

Choosing a Regression Model

a. Chow Test

TABLE 4. 3. Chow Test Result. *Source*: Eviews Processed Product, 2023

Effects Test	Statistic	d.f.	Prob.
Cross-section F	18.109812	(32,226)	0.0000
Cross-section Chi-square	335.529628	32	0.0000

The Chow test is performed to determine which model is selected between Common Effect Model and the Fixed Effect Model. The test result shows a probability value is 0,0000, which is less than 0,05 so the selected model is the Fixed Effect Model

b. Hausman Test

TABEL 4. 4. Hausman Test Result. *Source*: Eviews Processed Product, 2023

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	194.317777	5	0.0000

Hausman test was conducted to determine which model is selected between the Fixed Effect Model and Random Effect Model. The test results show a probability value is 0,0000, which is less than 0,05. So the selected model is the Fixed Effect Model.

Classical Assumption Test

a. Normality Test

Based on the test carried out, the result of the Jarque-Bera value is 0,000000, which is lower than the alpha value (0,05). So, it can be said that the data is not normally distributed. Thus, researchers tried to carry out treatment using Logaritma Natural (LN), with the results that the data was normally distributed because the Jarque-Berra value was greater than alpha (0,055842 > 0,05)

b. Multicollinearity test

The multicollinearity test in this study used auxiliary regression. Because the data experiences symptoms of multicollinearity, several variables are excluded, namely the LN_X3 variable, LN_X1_Z variable, and LN_X3_Z. Then obtained the results:

TABLE 4. 5. Multicollinearity test results after removing some variables. *Source:* Attachment 7b. Multicollinearity test results after removing some variables

R Square variabel independen	**Perbandingan dengan R Square utama**	**Kesimpulan**
LN_X1 = 0.926182	0.986767> 0.926182	The model does not contain multicollinearity
LN_X2 = 0.945987	0.986767 > 0.945987	The model does not contain multicollinearity
LN_X4 = 0.984446	0.986767 > 0.984446	The model does not contain multicollinearity
LN_Z = 0.982818	0.986767 > 0.982818	The model does not contain multicollinearity
LN_X2.Z = 0.970673	0.986767 > 0.970673	The model does not contain multicollinearity

LN_X4.Z = 0.984403	0.986767 > 0.984403	The model does not contain multicollinearity

After removing several variables, it is found that all R Square of independent values is greater than the main R Square value. So, can be concluded that the data does not contain multicollinearity.

c. Heteroskedasticity test

The heteroskedasticity test in this study used statistical test methods with the results:

TABLE 4. 6. Heteroskedasticity test result. *Source*: Eviews Processed Product, 2023

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.241930	0.150431	1.608248	0.1092
LN_X1_	0.002451	0.005337	0.459212	0.6465
LN_X2_	-0.001263	0.004915	-0.256980	0.7974
LN_X4_	-0.049673	0.040332	-1.231611	0.2194
LN_Z_	0.001166	0.006084	0.191651	0.8482
LN_X2_Z_	0.000468	0.000478	0.979924	0.3282
LN_X4_Z_	-0.001680	0.001630	-1.030736	0.3038

From the results of the heteroskedasticity test, it was found that the probability value of each variable was greater than 0,05. So, it can be concluded that the data does not contain heteroskedasticity.

d. Autocorrelation test

Autocorrelation tests are performed to determine whether in the model there is a relationship between residuals in period t and residuals in period t-1. The results of the autocorrelation test are:

TABLE 4. 7 Autocorrelation Test Result. *Source*: Eviews Processed Product, 2023

R-squared	0.287514	Mean dependent var	0.052473
Adjusted R-squared	0.142033	S.D. dependent var	0.046057
S.E. of regression	0.042661	Akaike info criterion	-3.314891
Sum squared resid	0.347611	Schwarz criterion	-2.718801
Log-likelihood	422.8699	Hannan-Quinn criter.	-3.074467
F-statistic	1.976297	Durbin-Watson stat	2.002640
Prob(F-statistic)	0.001395		
Inverted AR Roots	-.07		

From this output, the value of Durbin Watson is 2,002640. The number of dl:1.735 and du: 1.8383. For the value of 4-dl: 2.265 and value 4-du: 2.1617.

Then, enter a known value with the equation:

du < d < 4-du = 1.8383 < 2.002640 < 2.1617

Based on the results of the autocorrelation test, it was found that the value of 4-du was greater than Durbin Watson by 2.002640, and the value of *Durbin Watson* was greater than the value of du. So, it can be concluded that there is no positive and negative autocorrelation in this equation (Bawono & Fendha, 2018).

TABLE 4. 8 Multiple Regression Test Result Source: Eviews Processed Product, 2023

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.082365	0.186709	-0.441142	0.6596
LN_X1_	0.010896	0.005353	2.035417	0.0432
LN_X2_	-0.004213	0.004893	-0.861098	0.3903
LN_X4_	0.027770	0.050315	0.551932	0.5816
LN_Z_	-0.001536	0.005630	-0.272839	0.7853
LN_X2_Z_	-4.79E-05	0.000496	-0.096437	0.9233
LN_X4_Z_	-0.000128	0.001474	-0.086791	0.9309
AR(1)	-0.068245	0.066207	-1.030789	0.3039

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.287514	Mean dependent var	0.052473
Adjusted R-squared	0.142033	S.D. dependent var	0.046057
S.E. of regression	0.042661	Akaike info criterion	-3.314891
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Prob(F-statistic)	0.001395		
Inverted AR Roots	-.07		

Statistical Test

a. t Test (partial)

1) The Effect of Exports on economic growth

   Based on the table 4.13, it is known that the probability value of exports is 0,0432 where the probability value < 0,05 with a positive coefficient of 0,010896. So, it can be concluded that partial export variables have a positive and significant effect on economic growth.

2) The Effect of Imports on economic growth

Based on the table 4.13, it is known that the probability value of imports is 0,3903 where the probability value > 0,05 with a negative coefficient of 0,004213. So, it can be concluded that partially import variables have a negative and insignificant effect on economic growth.

3) The Effect of IHDI on economic growth

   Based on the table 4.13, it is known that the probability value of IHDI is 0,5816 where the probability value > 0,05 with a positive coefficient of 0,027770. So, it can be concluded that partially IHDI variables have a positive and insignificant effect on economic growth

4) The Effect of Investment from China on economic growth

   Based on the table 4.13, it is known that the probability value of Investment from China is 0,7853 where the probability value > 0,05 with a negative coefficient of 0,001536. So, it can be concluded that partial Investment from China variables has a negative and insignificant effect on economic growth

5) The effect of Investment from China in weakening the effect of Import on economic growth.

   Based on the results in the table 4.13 above, shows the results of the variable interaction of import and investment from China with a negative coefficient of 4.79E-05 and a probability value of 0,9233 > 0,05. So that, investment from China is declared insignificant in weakening the effect of imports on economic growth

6) The effect of Investment from China in strengthening the effect of IHDI on economic growth.

   Based on the results in the table 4.13 above, shows the results of the variable interaction of IHDI and investment from China with a negative coefficient of 0,000128 and a probability value of 0,9309 > 0,05. So that, investment from China is declared insignificant in strengthening the effect of IHDI on economic growth

b. F Test (Simultan)

   The f test is performed to see how the impact of the independent variable on the dependent variable simultaneously. From the regression results, the results of F-Statistics is 0,001395 < 0,05. It means that variables of exports, imports, IHDI, and investment from China simultaneously affect economic growth

c. R^2 Test

   This test is performed to determine the extent to which the model can describe the variation of the dependent variable. R-Square value is obtained at 0,287514, which means that variation in changes in exports, imports, IHDI, and investment from China can explain economic growth of 28,75%, while the rest 71,25% is explained by other variables that are not included in the model.

DISCUSSION

This study was conducted to see the influence between variables in the study. The sample used in the study consisted of 264 observational data from Central Statistics Agency, BKPM, and Central Bank from 2014 to 2021 in 33 provinces in Indonesia. The results of research on the influence of the independent variable on the dependent variable are:

1. The Effect of Export on economic growth

   One indicator of economic success is economic growth. Economic growth can be measured by national income and one of the large components is exports. Exports are the outflow of goods and services from one country to another. In macroeconomic theory, exports and economic growth have a positive relationship. When export activities increase, domestic productivity also increases and will absorb labor in full, so that unemployment decreases. Thus, it will make income per capita increase followed by people's purchasing power increase as well. In addition, more export activities than imports will make the value of the country's currency depreciate. This happens because the price of domestic products is lower for trading partners which makes the demand for goods increase. The large demand for these goods will have an impact on increasing state income well, which can make economic growth increase. The results of this study are the following theory and the result of research conducted by Nawiyah (2020), Putri (2021), and Zulzilah (2022) which prove that exports have a positive and significant effect on economic growth.

2. The Effect of Imports on economic growth

   Imports are the inflow of goods and services from a country into the country. The purpose of imports is to meet the needs of people who are not yet available in the country. However, if imports are excessive, it will reduce domestic production and make labor absorption decrease. Thus it will have an impact on increasing unemployment. In addition, the domestic product that has not been able to compete with foreign products will make foreign products dominate the domestic market with better quality and cheaper prices. Excessive imports in a country will have a negative impact on currency exchange namely the decline in the value of rupiah currency, and this will have an impact on a country’s economy.

In this study, it was found that imports have a negative impact on economic growth, but not significantly. So it can be said that the size of the imports value does not have a significant effect on economic growth. According to the researcher's analysis, this happens because Indonesian people have an attraction to domestic products (Meranti, 2015). Innovation in producing goods that have good quality and are not inferior to the imported product makes domestic productivity increase and affects the absorption of labor. This is evidenced by the growing development of micro, small, and medium enterprises (MSMEs) after covid-19. The existence of this outbreak makes people's creativity and innovation continue to grow, especially in digital-based businesses. In addition, Kominfo mentioned that the quality of the domestic product is not inferior to imported products. But, it still needs encouragement to get better. The Ministry of BUMN also took attraction to care by creating a platform that combines MSMEs and BUMN to facilitate MSMEs in financing. Thus, the presence of imported goods will not affect economic growth. The results of this study are following research conducted by Zulzilah (2022) which states that imports have a negative and insignificant effect on economic growth.

3. The Effect of IHDI on economic growth

Human resources are the main capital in the development of a country. Islamic Human Development Index is a measuring tool used to see the quality of Human Resources from material and nonmaterial sides which includes five indicators, the are; dimension of religion, the dimension of the soul, the dimension of reason, the dimension of offspring, and the dimension of property (Ikhwan et al., 2020). For religion index is measured through the crime rate, the soul index is measured through the actual value of life expectancy, the Intelligence index is measured through the expected length of schooling and the average length of schooling, the offspring index is measured through health complaints, and for wealth index is measured through government spending and the poverty depth index. If the quality of Human resources is better; from the religious side it has a low crime rate, from the soul side it has a high life expectancy value, from the intelligence side has a high school expectancy and length of the school, from the offspring side has a low level of health complaints, and from property side by increased government expenditure and low poverty, it will affect better work productivity which will have an impact on economic growth, so that it will create a society that prosperous. Thus, the results of this study show that IHDI has a positive effect on economic growth, but has no significant impact.

4. The Effect of Investment from China on economic growth

Investment is an activity that will produce goods and services for the future. Investment allocated to the infrastructure and social sectors can boost the economy, such as: improving roads to make it easier to distribute goods and services so which will increase production. From here will create new jobs that affect economic growth. In this study, it was found that investment from China had a negative and insignificant effect on economic growth. This happens because the investment made by the Chinese side is centralized in certain projects so that it does not touch small areas. In addition, the project carried out also prioritizes workers from investor countries (China), which means that investment does not make domestic labor productivity increase.

The role of government is very important to regulate the role of investment from China to be more beneficial for the Indonesian economy. This is done by looking at remote areas that can develop potential. In addition, it must prioritize investments that can absorb domestic labor. So, the increase in investment will absorb labor in economic sectors that will create a full workforce, and reduce the unemployment rate. An investment that is oriented not to absorb labor will cause unemployment and have a negative impact on the economy. The results of this study are following research conducted (Supratiyoningsih, 2022) and (Windayana, 2020) which states that investments have a negative and insignificant effect on economic growth

5. The effect of import on economic growth with Investment from China as moderating variable

Imports are the activity of entering goods and services from abroad into the country to meet domestic needs. The existence of imports makes the needs of people who cannot afford to be produced domestically such as electronic devices and others. However, if done excessively, it will certainly have a negative impact on economic growth.

The investment made by foreign parties is a way for foreign investors to invest in the country which can help the development of various sectors that lack funds. In addition, foreign investment will also open new jobs that will absorb labor and reduce unemployment. This makes the productivity of the public increase and foreign workers who transfer knowledge (Ningsih, 2018) makes the knowledge of domestic workers increase. So that can maximize domestic production of goods. So this will have an impact on reducing the volume of imports.

However, the investment made does not provide benefits to the domestic workforce. Investment from China uses a complete package from the country of origin, from the tools used to the workforce, starting from the top manager, and operators to uneducated manual labor. This negatively affects the Indonesian workforce that is not absorbed, in the development projects carried out so that the unemployment rate does not decrease. In addition, the laborers who were sent did not have Indonesian language skills, so they cannot transfer knowledge which results in domestic productivity also does not increase and cannot produce new goods. It means that investment from China cannot provide benefits in terms of imports. Because inability of the country to maximize production.

The government should make policies on foreign investment that can benefit the country. It should be noted that the existence of foreign investment can be a new colonization that makes a country dependent on other countries in all fields both economic, political, and others. There need to be new regulations regarding Chinese investment, such as standardization of labor that is allowed to be sent to Indonesia is a workforce that can speak Indonesian well, so that it can transfer knowledge and have an impact on domestic productivity.

6. The effect of IHDI on economic growth with Investment from China as moderating variable

IHDI is an index of human development in Islam with the Maqasid Sharia approach. Human development is one of the benchmarks of a country's economic success. The economic success of a country is not only seen from one side, but many things both in quantity, quality, and balance between each other. Development in Islam places more emphasis on things; how to make the best use of the resources God gives, and in utilizing them must be one fairly and not tyrannize all parties.

Investment from China is made to mobilize resources to be able to create production capacity in the future. The existence of investment will make the absorption of labor increase due to the ability or quality of Human Resources getting higher and wider employment.

However, research shows that investment from China has not been able to strengthen IHDI's effect on economic growth. This is because the investment made does not contribute much to the improvement of human resources in Indonesia. In implementing development projects, workers sent from their country of origin have limitations in communication due to the inability to speak Indonesian well. So, it has an impact on the transfer of knowledge that should be done, it cannot be done properly, so the ability of domestic workers does not increase. This has an impact on one of the IHDI indicators, namely hifdzu aql.

In addition, the implementation of development projects carried out by China that implements Turnkey projects, namely investment using products, machine tools, and labor from the country of origin will have an impact on the labor of Indonesia. The system used by China will make the workforce in Indonesia not benefit in the form of employment so that the unemployment rate does not decrease and cause poverty in society. This is related to Hifdzu al mal by increasing the poverty rate.

Furthermore, the inability of the public to make ends meet because they do not have a job will have an impact on increasing the crime rate. This relates to the religious dimension. In addition, the inability of the public to meet the needs of life will also have an impact on weak physical and mental states, such as; low health levels in public. It is related to hifdzu nasl. And finally, the inability of the public to meet the needs of life will cause life expectancy to be low, which is related to Hindu nafs. So, all dimensions in maqasid sharia decreased due to investment from China which would affect economic growth. Thus, the results of this study explain that investment from China is not able to strengthen the effect of IHDI on economic growth.

Conclusion

In the equation used, it is found that the model used can explain economic growth by 28,75%. Partial results show that exports have a positive and significant on economic growth, imports have a negative and insignificant effect on economic growth, IHDI has a positive and insignificant effect on economic growth, and investment from China has a negative and insignificant effect on economic growth. For moderation variables, it was found that investment from China could not weaken the effect of imports on economic growth and investment from China could not strengthen the effect of IHDI on economic growth. Meanwhile, simultaneously it was found that variables export, imports, IHDI, and investment from China together affect economic growth.

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