

## NATIONAL INCOME IN THE PERSPECTIVE OF ISLAMIC ECONOMICS

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**Abstrak:** *Knowing national income from a traditional and economic perspective. This study examines Islam in detail. The purpose of this study is to determine the understanding of national income, the Islamic economic perspective on the national approach, and the factors that affect the national approach. Literature research and reasoning techniques are the strategies used in this research. The basis of discussion in the research is literature review and several works. According to the results of this study, the national income of a country is the total national income of a country, entered in society in a country within one year. Also receive public salaries Estimates using indicators such as (Gross Domestic Product) or wages. Gross public income (GNI), a measure of the value of all labor and products within the territory of a country or by residents of a country. Sources of national income from the point of view of Islamic economics are ghanimah, zakat, sadaqah, infaq, ushr, jizyah, kharaj, mining tax, and waqf. Interest and total supply, utilization and reserve funds, and investment are factors that affect wages.*

**Kata kunci :** *GDP, Islamic Economics, National Income*

**Abstract:** *Knowing national income from a traditional and economic perspective. This study examines Islam in detail. The purpose of this study is to determine the understanding of national income, the Islamic economic perspective on the national approach, and the factors that affect the national approach. Literature research and reasoning techniques are the strategies used in this research. The basis of discussion in the research is literature review and several works. According to the results of this study, the national income of a country is the total national income of a country, entered in society in a country within one year. Also receive public salaries Estimates using indicators such as (Gross Domestic Product) or wages. Gross public income (GNI), a measure of the value of all labor and products within the territory of a country or by residents of a country. Sources of national income from the point of view of Islamic economics are ghanimah, zakat, sadaqah, infaq, ushr, jizyah, kharaj, mining tax, and waqf. Interest and total supply, utilization and reserve funds, and investment are factors that affect wages.*

**Keywords:** *GDP, Islamic Economics, National Income*

## **Pendahuluan**

Based on Adinugraha, H. H., Effendi, B., Rohmawati, I., & Khazani, A. N. (2021). ,the life of a Muslim is completely immersed in Islam, the Islamic economy globally is not a derivative of economic activities from Islam (Natadipurba). The problems of Islamic finance cannot be separated from the basics, predicting history and relating it to the historical context of humanity as a whole. According to Apriliana, E. S. (2022)., Islamic economic policies are based on the concept of justice and equality derived from the Prophet Muhammad SAW. The state must implement policies based on the Quran, Hadith and ijma to achieve happiness now and in the future Apriliana, E. S. (2022).

Among the most important indicators of the macroeconomic situation is the growth and income of the national economy. Theoretically, the total national population and per capita income of a country increases along with economic development (Assume the quantity of growth is higher than the quantity of population growth). There are many descriptions of national income. The terms "gross national product" (GNP) and "Gross Domestic Product" (GDP) can be used to describe "national income", or National Income (NI), this is the term. There are different versions of the same situation. In addition to the three concepts above, there are several additional concepts used every year to assess the economic performance of a country. If per person, capital increases over time and the economy is said to grow.

In general, national income is very important for the benefit of the people globally and for every member of the people. For example, as farmers, they are interested and greatly affected by changes in national income. For example, if national income falls, the price of agricultural products will also fall. Likewise, the impact on employment and the opening of business opportunities, assuming a decrease in public creation/a decrease in public wages, which results in a reduction in business potential to open doors and increase unemployment. If the national income product and national income decrease, several economic problems will arise. Therefore, the most basic development goals or objectives to

be achieved, various economic and national problems arise in order to improve various economic activities and economic efforts to increase national income. The purpose of this study is to clarify the definition of national income and what is the perspective? The State's Approach to Islamic Economics and the Factors Influencing the Approach.

### **Method**

For that, a literature review method and the author's critical evaluation of this research are needed. According to Dewantara, A. (2020)., in his book "Library Research", literature research is a type of research that uses libraries as a source of data, literature research is limited to library materials, limited to fieldwork. In connection with this, the research in this study is based on literature research and several literary works related to the research topic. The fifteen journals consisting of seven Indonesian journals and eight English-language journals are written works that are read. This study uses secondary data, which is obtained by analyzing data from various books and scientific journals related to research findings. The purpose of this examination is to explain Indonesia's national income with a focus on the approach of the sharia economy presented according to the sources of the data studied.

## **DISCUSSION**

### **Definition of National Income**

National income is the total amount of income earned by the population in a country. This income includes business operations, salaries, profits, interest, rent, and other sources of income. Sir William Petty, an Englishman, first mentioned this idea in 1665 when he began to question the national prosperity of the country. On the other hand, modern economists are not satisfied with this view and believe that the production of goods or services in a country is an important indicator of economic activity.

According to Suleman et al. 2020, "national income" refers to the total amount of money produced in a country in a given year. According to Dewantara, A. (2020), national production is the amount of goods or services produced in a country during a certain period of time. Public wages are measured using indicators such as GDP (Gross Domestic Product) and Gross Public Wage (GNP), which measure the value of all labor and products produced by society, including those produced within or outside a country in a given period of time. This calculation allows the provision of information about the established financial threshold and the value of the specified outcome. This allows for the determination of overall consumption, commitments in various financial domains, and established thresholds for success.

According to Sadono Sukirno, people's salary is a number determined by the creation variable used to determine productivity and output in the current year. Therefore, the concept of national income is the total amount of goods and services produced in a country in a certain number of units each year

Finally, predictions about how long a country's economy will last can be made using national statistical data. According to Hasan, A., Harahap, A. S., Az-Zahra, M. T., Ibrahim, M., & Zahra, A. A. (2023)., business people can use this forecast to plan economic activities from time to time and develop economic strategies for national development. In addition, factors such as consumption, savings, investment, demand, and aggregates in general affect national income. There are three ways to measure national GDP:

1. Income income, which means calculating the price of all households in a country over a period of time. Income from wages, rents, interest, and profit on the return of production factors is available to companies.
2. The production approach is a method to adjust the price of each product produced by a country over a period of time in industry, agriculture, mining, services, and trade. The value of the product calculated in this approach is the value of finished goods and services, not the value of raw materials or semi-finished products.

3. Expenditure Approach: It is a method of calculating the total expenditure on the purchase of labor and products shipped within a country during a certain period. The calculation uses the difference in costs and the value of imports and exports of four economic entities: households, governments, and investments.

### **GNP Composition**

According to Heru, M., & ATIKAH, R. (2022) the composition of GNP is greatly influenced by several factors, including:

1. Economic Structure: Each country has a unique economic structure that generates GNP. Although certain countries are still strong in some sectors, such as agriculture, manufacturing, and tourism, many other countries have improved their economic structures in an effort to increase their GNP.
2. Needs: A country's economy produces goods and services that are necessary for the needs of the country or its citizens, excluding export and import activities.
3. Capital Formation: Government savings have a very important function in determining the duration of a country's development because the more independent countries are, the more capital goods are produced, so companies increase their savings to increase their capital goods.

Therefore, from various definitions of BSP can be formulated or affirmed:

1. The total total of goods and services produced domestically (domestically) and net profit abroad constitute gross national income.
2. Net national income is the annual depreciation of all capital goods used in production divided by gross national product.

### **Factors Affecting GNP**

According to Khilmia, A., & Mustofa, M. (2022), the difference in GNP between one country and another is caused by various factors such as:

- a. The topography of this area.
- b. Demographic factors, such as the number and structure of the population, the rate of urbanization, and the rate of migration.
- c. Economic factors, such as key economic sectors, industrialization levels, labor productivity levels, and the availability of capital and technology.
- d. Political and social factors such as political stability, government policies related to the economy, corruption levels, and national security levels.
- e. Historical factors such as cultural heritage and customs, history of colonialism, and international relations.

The state of the economy within a country and the difference in GNP per capita between countries can be caused by the interaction of all these factors. However, even though a country has a large GNP, if the population is also large, then its GNP per capita will be low. This is in the context of Winardi's statement and the lawsuits faced by Indonesia between 1973 and 1980. Due to Indonesia's large population, Indonesia's GDP per capita is low or remains low, but Indonesia's Gross Domestic Income is higher than other ASEAN countries and even higher than Asian and ASEAN countries.

### **Types of national income**

1. GDP/GDP (Gross Domestic Product/Gross Domestic Product)

The total value of goods and services produced by manufacturing units in a country during a year is gross domestic product. Estimates also include goods and services produced by foreign organizations and people working around them. The following formula can be used to determine a country's household consumption, investment, government spending, exports and imports:

$$\text{GNP (Y)} = C + I + G + (X - M) \quad (1)$$

Where:

Government consumption (C)

Investment (I)

Government consumption (G)

Export (X)

Import (M)

$$PDB = C + I + G + (X - M)$$

$$PDB = 200T + 100T + 400T + (120T - 300T)$$

$$GDP = 520T$$

## 2. PNN/NNP (Net National Product)

The total of all goods and services provided by the residents of a country in a certain period after deducting depreciation or amortization costs and capital substitute goods is the meaning of PNN

$$\text{Formula: } NNP = GNP - \text{Shrinkage} \quad (2)$$

For example: Company A's equipment depreciation cost is IDR 12,500, then the total NNP is:

$$NNP = 6,970,000 - 12,500 = 6,957,500$$

## 3. NNI/Net National Income

Gross income of a citizen, minus indirect taxes is the meaning of NNI

$$\text{Formula: } NNI = NNP - \text{Indirect Tax} + \text{Subsidy} \quad (3)$$

For example: If the product sales tax is IDR 140,000 and the subsidy is IDR 30,000, then the total NNI is:

$$NII = 6,957,500 - 140,000 + 30,000 = 6,847,500$$

## 4. PI/Personal Income (Individual Income)

The definition of PI is the actual amount of public income after deducting retained profits, insurance premiums, social security contributions, personal taxes and added up to the income transfer payments received.

$$\text{Formula: } PI = (NNI + \text{Transfer Payment}) - (\text{Social Contribution} + \text{Insurance} + \text{Retained Profit} + \text{Corporate Tax}) \quad (4)$$

For example: Transfer payment of IDR 30,000, corporate tax IDR 28,000, retained earnings IDR 42,700, pension contributions of IDR 25,800, insurance of IDR 50,000, total PI is

$$\begin{aligned} \text{PI} &= 6.847.500 + 30.000 - (25.800+50.000+42.700+28.000) \\ &= 6.847.500 + 30.000 - 146.500 \\ &= 6.731.000 \end{aligned}$$

#### 5. DI/Disposable Income

The definition of DI is the amount of income that people receive and is available for direct consumption and investment.

Formula:  $DI = PI - \text{Direct Tax}$  (5)

Example: If the income tax is IDR 166,900, then the amount of DI is:

$$\begin{aligned} DI &= 6.731.000 - 166.900 \\ &= 6.564.100 \end{aligned}$$

### **Purpose and benefits of national income calculation**

1. Purpose of calculating national income
  - a. Determine the level of prosperity of a country.
  - b. Achieve accurate estimates of the annual value of the community's goods and services
  - c. Assist in planning and implementing long-term progress programs.

#### 2. Advantages of Calculating National Income

Basically, the determination of the development of a country, especially economic factors, can be done by calculating national income Mahmudi, W. L., & Luthfi, F. (2020).

This calculation also has many other benefits, including:

- a. Able to understand the economic structure of a country.

National income is a benchmark in determining the state of a country's economy. Additionally, percentage models can be used to describe production and revenue.

- b. Thinking about the economic situation at that time between locations and places.

Analyzing and comparing sales between regions is very important. Aiming to fight for the prosperity of the people.

- c. Able to assess the economic situation of various countries

In addition to knowing how it functions in an economy, it is also important to compare the economy with other countries and know the position of the country.

- d. Supporting the formulation of government economic policies.

### **Islamic national economic perspective**

#### **Measures of Islamic Economics**

Caliphate in the world is the meaning of *mansia* in the Islamic perspective. According to Islam, man was created by Allah to use his body and mind as a caliph, and they have an obligation to use it to the best of their ability to ensure the well-being of everyone. Worship is the only way to strengthen the bond between man and God and maintain harmony. Furthermore, the function of worship is as a reminder that humans are the guardians of this planet. Because Islam upholds the concept of fixed (*tsawabit*) and changeable (*mutaghayyirat*), social relations become possible. These principles include, among others: profit-taking, usury payments, profit-sharing systems, and the use of zakat in the economic sector.

Nizar, M. (2017), Islamic economics is based on the main principles of the Qur'an and the Sunnah. One aspect of Islamic economics is the application of sharia in business activities. This understanding is quite helpful aimed at overcoming money problems in the public domain. Islam, financial and financial laws related to zakat, credit systems, and investments involving usury, among others, affect people's purchasing power.

The implementation of the Islamic economic system in a country has several goals. First and foremost, integrate Islamic law into the entire economic system. This is because the development of society is based on the Islamic economic system, which provides material and spiritual characteristics to society. Furthermore, it addresses the economic challenges faced by Muslim

countries and educates the Muslim population about their dependence on capitalist and communist economic systems in the Western and Eastern regions. Third, protect society from consumerism and hedonism and promote Islamic principles in all economic endeavors. Fourth, developing an economic system that prioritizes solidarity and unity among Muslim nations. The ultimate goal of the implementation of Islamic monetary policy is to achieve government assistance (falah) from the community as a whole. Nizar, M. (2018).

A country's Gross Domestic Product (GDP) is used as a measure of economic health in conventional economies. Following an analysis of all data (GNP per capita), government assistance also increases when GNP increases, or vice versa. Economics has discussed the problem of perfection of the measure of welfare. Nordhaus and Tobin of Yale University discussed the MEW (Proportion of Monetary Government Assistance) among these two financial experts. However, this idea has not yet been created, and it is generally expected to use the original GNP per capita. Some factors that indicate that GNP is not always used as a measure of a country's government authority are according Nizar, M. (2018):

- a. GNP only covers goods sold in the market, excluding goods that are produced or consumed directly. For example, to meet daily needs other than rice (in Indonesia), the majority of the population also consumes vegetables and plants sold in stores for personal use, which has a significant negative impact on their level of well-being. Nizar, M. (2022).
- b. GNP evaluates leisure time in an estimate, creating a significant difference. The fact is that countries have reduced working hours for this period and are reducing them. The gap between GNP and welfare is widening in this regard. Nizar, M., Jamhuri, M., & Rakhmawati, A. (2024).
- c. When recreation is not included in the GNP estimates, which constitutes a significant difference. The reality of the situation is that countries have the energy to work for evaluation and reduce this time. In this case, the gap between GNP and welfare is widening.
- d. Pollution problems are not taken into account

As can be seen from these examples, GNP is difficult to use as a benchmark for national income or to express the quality of life of a country. The use of *falah* benchmarks as a reference is the main distinguishing factor of Islamic economics against the traditional economic system Nizar, M., Ratnasari, R. T., & Usman, I. (2024). *Falah* covers spiritual aspects and basic welfare. In Islam, the human soul is the essence of existence. Therefore, every worldly activity, including economic activity, aims not only to meet physical needs (physical), but also to meet spiritual needs, because the spirit is the true essence of human beings (Huda, et al. 2009). In other words, in addition to strengthening the elements of *falah* in the analysis of government assistance, the calculation of public salaries also needs to consider how the collaboration of *waqf*, *zakat*, and contribution instruments in managing government assistance from individuals (Pane, A. A. (2023).

This shows that macroeconomic conditions are closely related to micro aspects. The principles of Islamic finance necessitate the discovery of an appropriate method for measuring the level of monetary government support and social government assistance, taking into account the moral and social framework of Islam (Putri, S. (2020). From the perspective of the Islamic economic system, there are four main aspects that can be measured through the National Income approach (Rahmah, Z. Z., Mutfarida, B., Purnama, C., Fatmah, D., Rahmah, M., Hasani, S., & Rahmah, Y. (2024).:

1. The distribution of income at the personal level is now determined based on national income.

Although intended to assess market economic activity, the bnb's gross national product is not able to provide an illumination of the actual structure and distribution per individual. Whereas the production process that is not applied to the market cannot be known by GNP means that GNP does not record the useful point of family activity that is directly consumed nor published its actual point, this action properly hypnotizes the donation of the individual government in the discretionary castle bracket. The processing of glamour goods and the provision

of primary necessities are valued on conventional GNP calculations. To get the progress of the Islamic financial system, delivering solutions as a result of which the influence of the creation of primary needs is more important than the improvement of wasteful products.

## 2. Public Budget for National Production in the State Territory

The contribution of measuring the production of subsystem commodities precisely is a recognition of conventional economics. However, it is important to include the production of subsystem raw materials in the calculation of GNP. This program, especially food production, has a crucial role in agrarian Islamic countries known for their global financial systems. Before deciding on the level of self-sufficiency commodity production, it is necessary to first carry out the price level that will be applied. Because people's lives are highly dependent on this sector and are a central issue in income distribution, this lack of clarity is clearly a shortcoming that needs to be addressed immediately (Rakhmawati, A., Kusumawati, A., Rahardjo, K., & Muhammad, N. (2020).

## 3. National Income as a Benchmark for Islamic Economic Welfare

The basic need for goods and services needs to be expressed as a percentage of total consumption. The professor's research is very interesting to explore. William Nordhaus and James Tobin of the Financial Government Assistance Act (MEW) in Western Monetary Conditions. MEW is a measure of household consumption that contributes to people's welfare, while GNP measures output. MEW's estimates are based on the premise that household prosperity is the final part of the economy that depends on how much people consume. This concept provides good information that can be used as an estimate of the minimum living rate according to Islamic teachings, even though MEW is measured in a Western context. (Rakhmawati, A., Nizar, M., & Murtadlo, K. (2019).

## 4. National Income as an Indicator of Islamic Social Welfare through the Value of Compensation

Aimed at decision-making, clearer records allow analysis of additional sectors and types of social activities. When compared to the donations that Islam often gives

to everyone in need, zakat, one of the most significant forms of money transfers in Islamic countries, is actually predictable.

Sources of National Income in Islamic Economics:

The economic system of Islamic countries is governed by the principles that the government must use for the welfare of the people. According to (Rakhmawati, A., Nizar, M., Sulhan, M., Febrianti, D., & Maulinda, S. (2024).), the challenge faced is fiscal policy related to public finance. According to Rakhmawati, A., Nizar, M., Sulhan, M., Febrianti, D., & Maulinda, S. (2024). Islam defines good public financial management as a process in which the government collects and distributes sources of public income for the needs of the community. From the time of the Prophet to the time of Khulafaur Rashidin, public financial management has been applied in Islam for a long period of time Setiawan, D., & Athoillah, M. A. (2023).

In prophetic times, the very main source of state revenue was ghanimah, or the spoils of war. One-fifth (khums) of what is obtained is given to the government. Jizyah, infaq, kharraj, and ushr were additional sources of income during the time of the Prophet (Setiawan, D., & Athoillah, M. A. (2023).. Aldiwan was founded by Umar bin KKhattab with the aim of establishing Baitul Maal during his tenure. He managed the institution for a considerable period, covering an area of 15 million square kilometers with a population of about 62 million people, which was one-third of the total population at that time. From the time of the Prophet to the time of Khulafaur Rashidin, the management of public finances has been Islamized for a long period of time (Setiawan, D., & Athoillah, M. A. (2023). During the prophetic era, ghanimah, or spoils of war, became the most significant source of state revenue. Part of what is obtained, i.e. one-fifth (khums), is given to the government. Additional sources of income during the time of the Prophet included jizyah, infaq, kharraj, and ushr (Islahi, 1988). Al-diwan, as an institution founded by Umar bin Khattab, played a role in the establishment of Baitul Maal during his tenure. He managed this institution for a long time, representing a very large area with a significant population, which is currently

equivalent to 39 countries and created 0 mustahiq (Sintawati, D., Nizar, M., Iltiham, M. F., & Farida, A. (2023)). This shows that the monetary approach is not entirely the responsibility of experts (the government) in achieving the social assistance provided by the government. Here are some sources of state revenue from the perspective of Islamic Economics.

### 1. *Ghanimah*

Ghanimah is derived from the word "ghanama," which means to obtain the result of 'the spoils of war. 'The wealth obtained is the result of wars against polytheists in other areas, either in the form of movable or fixed assets, such as land, jewelry, camels, weapons, and others. As much as 1/5 of the wealth was given to Allah and His Messenger, the Prophet's shahabah, the poor, orphans, and Ibn Sabil, while the remaining 4/5 was given to the army that participated in the war. The rest of the property was collected in Baitul Mal for distribution (Sintawati, D., Nizar, M., Iltiham, M. F., & Farida, A. (2023)).

### 2. *Zakat*

Zakat comes from the word "zaka", which means "to grow". However, according to sharia, zakat is defined as a great right and is legally obligatory to be given to people who have been determined. The property in question reaches haul and nisab and is full property (Huda et al. 2015). Gold and silver, livestock (goats, cows, camels, and buffaloes), fruits (dates and grapes), grains (corn, wheat, and rice), and business property are all assets for which zakat is obligated. As a result, it is a person's responsibility to give part of their income or property to donate zakat to the less fortunate (Widiastuti, T., Herianingrum, S., Ningsih, S., Setiwati, A., Latifah, F. N., Ulfi, I., ... & Mubarrok, U. S. (2020).).

### 3. *Alms*

Shadaqa, which means right, is the origin of almsgiving. According to Ibn Taimiyah, alms is a wealth zakat that must be given to people in need (Jauhari 2011). According to sha'ri, alms is a good thing. This is in accordance with the term "kullu ma'rufin shadaqatun", which means that every good is charity, which

means keeping away from evil, providing for the family, and smiling (Wusko, A. U., & Nizar, M. (2017)

#### 4. *Infaq*

Infaq: The term is derived from the word "anfaqa", which means to issue or distribute wealth for a specific purpose Wusko, A. U., & Nizar, M. (2017)). According to Islamic teachings, infaq can also be interpreted as taking out part of the property for a certain purpose Infaq is not limited to nishab, asnaf, or subjects; Therefore, it can be given to anyone and accepted by anyone

#### 5. *Ushr*

Ushr consists of ten percent of the land drained by rainwater and ten percent of the merchandise that infidel traders bring to Islamic territory. According to Wusko, A. U., & Nizar, M. (2017), Ushr is responsible for the actual yield obtained from his soil. agricultural products and fruit plantations, honey, and others). However, the land that is waqf is considered "ushr" land if the owner has planted it. At harvest, agricultural produce is distributed. For land irrigated by natural water sources (rain, currents, etc.) and using production tools (wells, irrigation equipment, etc.), the portion expended is 5%.

#### 6. *Jizyah*

Jizyah comes from the word "jaza", which means compensation. According to Wusko, A. U., & Nizar, M. (2017)not because of wealth, but because Jizyah's disbelief is imposed on non-Muslims. Rich people are what they mean. as a guarantee that non-Muslims can live and live in Islamic countries and obtain the same public facilities as Muslims; However, they do not have to fight to defend Muslims except to defend the country .Although the value of jizyah depends on the principle of justice, it may be different for each person.

#### 7. *Kharaj*

Kharaj, which refers to a contract or surrender, refers to a tax on the proceeds of land or land belonging to non-Muslims that have been conquered and taken over by Muslims. The benefits of cultivation are enjoyed by Muslims and non-Muslims divides Kharaj into two categories: fixed duties and associated

costs. A proportional tax is levied on a portion of the overall agricultural production, but a fixed land tax is levied for one year. The distribution of kharaj is beneficial for all Muslims (PP and PEIUY, P3EI, 2008).

#### 8. *Mining tax*

Taxes are levied on gold, silver, iron, and other commodities found in Islamic territory. Justice requires half of the country's wealth. However, the researchers have an alternative assessment in terms of tax collection.

#### 9. *Waqf*

Waqf comes from the word "hold".) states that waqf is the permanent transfer of individual or institutional rights to a person or waqf nadzir, and the proceeds are used in accordance with Islamic provisions. Wakraf can also be considered an asset whose profits are donated to charity. Since the ownership rights have changed, the property that was gifted is no longer his; place in the sight of Allah only, and must be used to help the government to the community.

### **Islamic State Withdrawal**

The impact of the Islamic state's capability is very important in national fiscal planning. The allocation of assets should include government social assistance, education and examinations, framework, safety and security, ISIS, according to its capabilities. Wow etc. Expenditure in the Islamic system has two main characteristics: Limited consumption and unlimited consumption. Zakat, khumus, and waqf are just a few examples of the limited use of income that can be allocated at the time of expenditure. During zakat, the collected property can only be used in accordance with sharia law to the eight mustahiq committees who have the authority to receive it.

As far as how effectively a country operates, it has become common knowledge that public spending in countries that implement Islamic economics is not constant. The three types of state functions are reflected in the characteristics of public spending. First, the state's ability to understand sustainable sharia. Second, the state's ability to obtain from sharia through ijihad, taking into account the situation that existed at that time. Third, the

capacity to remain operational is influenced by the individual's desire through the choice of shura under certain conditions. State revenue and expenditure must be balanced in good budgeting. However, if the salary is not proportional to the level of consumption, then a shortage will occur. On the other hand, a surplus can appear if expenditure is lower than income. . Various systems such as Mudharabah, Musharakah, and Murabahah can be used to cover the shortcomings, and the examples can be tailored based on social benefits and cooperation. In addition, the government of Islamic countries also has the ability to accumulate assets by offering investment guarantees or bonds in the context of profit and loss sharing Factors affecting national income

In assessing the condition of a country, national income is one of the important metrics. There are various elements that play a role, such as aggregate demand and supply, consumption, savings, and investment factors that all contribute to income levels.

**Aggregate Demand and Supply** The costs incurred by the economy at each level of employment are referred to as aggregate demand. This demand is determined by aggregate production. The costs required to acquire goods and services that will be used in the economy over a period of time are known as aggregate spending. Meanwhile, the total value of goods and services produced by business actors over a certain period of time is known as aggregate offer .

The harmony between total interest and total stock will determine the public payments achieved as well as the dominant level of costs. Consumption and Savings In general, consumption is defined as the use or expenditure of goods and services, either directly or indirectly, to meet human needs. Consumption has a close relationship with the level of savings, where savings are part of the income that is not spent by the public. People's behavior in terms of consumption is related to income; When the income obtained is high, people's consumption and savings also tend to increase. National income plays an important role in the amount of quasi-money in Indonesia. The national income level has a significant influence in determining the amount of quasi-money deposited by financial institutions. If the national income increases, then the amount of quasi-money

will also increase, and conversely, if the national income decreases, the amount of quasi-money will also decrease.

In the context of differences relative to income, if people's consumption expenditure increases, then the tendency to save will decrease because money is used more for consumption needs. Although savings may increase in the same period, the percentage will remain smaller compared to the increase in the percentage of consumption. On the other hand, if public consumption decreases, the level of savings will increase, so the relationship between consumption and savings can be said to be inversely proportional.. From this explanation, it can be concluded that the income spent will be used to meet the needs of life, while the rest will be saved and will flow to the government as national income.

### **Investment**

Often referred to as investment, refers to the expenditure made by the company to acquire capital goods and production equipment. The goal is to increase their capacity to provide goods and services. If the number of goods and services produced increases, investment also tends to increase. On the other hand, if the number of goods and services produced decreases, then investment will decrease. This confirms that investment is one of the main factors in measuring the level of national income. According to Keynesian Theory, investment movements will be in line with changes that occur in the economy. Investment encourages people to continue to experience an increase in economic activities and create jobs. With the increase in employment, national income will also increase, which in turn will improve people's welfare

### **Conclusion**

The conclusion that can be drawn from the above analysis is that the total annual income of a country is its national income. Indicators such as Gross Domestic Product (GDP) and Gross National Income (GNP), which measure the total production of goods and services produced within the country's borders or by its citizens, can also be used to analyze national income. The six (six) main

sources of macroeconomic income of a country are as follows: GDP, also known as Gross Domestic Product, NNP, also known as Gross National Product, NNI, or National Income, and PI, also known as Personal Income or again Net Individual Payments, DI (Extra Money) or Net Individual Payments. In addition, Islamic economics views national income as one of the four Indicators that can be used as a benchmark for welfare community. These indicators include household income distribution, rural production, the welfare of the Muslim community, and the calculation of national income as a measure of Islamic socio-economic welfare. From the point of view of Islamic economics, ghanimah, zakat, alms, infaq, ushr, jizyah, Kharaj, mining tax, and waqf are sources of national income. Aggregate demand and supply, consumption and savings, and investment factors that impact income.

### **Suggestion**

Based on the above analysis, there are several conclusions that can be drawn regarding the national income of a country and the role of Islamic economics in measuring people's welfare. Here are some suggestions that can be drawn from the conclusion:

- a. The importance of using comprehensive economic indicators to measure a country's national income, such as GDP, NNP, NNI, and PI. This indicator provides a more complete picture of the economic welfare of the community.
- b. It is necessary to pay attention to the distribution of income so that social and economic welfare increases. Fair policies in taxes and people's economic empowerment can reduce income inequality.
- c. The use of Islamic sources of income such as zakat, alms, infaq, and mining taxes must be carried out to strengthen national revenue. The government needs to develop policies that allow for optimal use of these resources.

- d. The direct influence of aggregate demand and supply on national income. Policies that encourage consumption, savings, and investment can create an economic environment that supports income growth.
- e. Consideration of socio-economic welfare aspects, including rural production and the welfare of Muslim communities, in economic policy planning is very important. National income can be used as a measure of the welfare of the community as a whole.

By using the right indicators, paying attention to income distribution, utilizing Islamic sources of income, encouraging aggregate demand and supply, and paying attention to aspects of socio-economic welfare, it is hoped that inclusive and sustainable economic development can be achieved

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