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## Political Stability and Human Development in The Muslim Countries

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#### **Abstract**

In many Muslim countries, there are dynamics in political stability and security issues. This study examines the relationship between political stability and human development in the Organization of Islamic Cooperation (OIC) member countries. The political stability variable comes from the governance index published by the World Governance Indicator (WGI), which measures political stability, absence of violence, and terrorism. Secondary data on the Human Development Index (HDI) variable comes from the World Bank. This study analyzes 50 OIC member countries for 2003-2021 using the Granger causality method for panel data. The results show a bidirectional causality between the political stability and human development indexes in all OIC member countries. However, in countries with a very high HDI, the relationship between the two variables is unidirectional. In contrast, the two variables have no connection in the countries with a high and low HDI. For this reason, Islam emphasizes the importance of implementing adequate political stability for each OIC country, in order to maintain quality human development.

**Keywords:** political stability, human development, OIC member states

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# 1. INTRODUCTION

In 2019, the United States Bureau of Counterterrorism reported thousands of acts of terrorism around the world. Some areas prone to acts of terrorism are parts of Asia, South America, and Africa. In particular, some of the dominant terrorist organizations are closely related to Islam, such as ISIS (Islamic State of Iraq and Syria), al-Qaidah, al-Shabaab, and Boko Haram, which operate across countries and continents (Counterterrorism, 2020). Terrorism can be defined as political action carried out by an individual or organized group that results in death or threat of death to the civilian population (noncombatant) (El-Aswad, 2016).

Meanwhile, the region with the most intense terrorist attacks in years is the Middle East and North Africa (MENA) region. This condition is closely related to the instability of government and politics that occur there. Statistically, 37% of the world terrorism attacks in 2001-2006 were in the MENA region (Cordesman, 2018). However, terrorism attacks are still rife in other Muslim countries such as

Turkey, Pakistan, Bangladesh, Afghanistan, and Indonesia (Counterterrorism, 2020; Meierrieks & Gries, 2013).

The root causes of political instability, violence, and acts of terrorism vary widely, depending on the country or region where the action took place. Cordesman (2017, 2018) explains some of the leading causes: differences in religious ideology between Sunnis and Shiites, seizure of disputed areas, competition between tribes, power struggles, and poor from that. authoritarian governance. Apart governments' domination of power, the failure of Arab socialism, corruption, and the rise of religious extremism also affect political instability and acts of terrorism.

The high level of political instability and the number of acts of terrorism will significantly impact a country's economy. Actions of terrorism that attack various vital state objects, such as production and distribution centers, will seriously disrupt prices for various commodities. If this condition continues for a long time and covers a wide area, it will disturb

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national production as a whole. If this happens, a country's economic growth will be threatened by political instability and acts of terrorism (Abu, Karim, & Aziz, 2015; Araee, 2016; Baklouti & Boujelbene, 2020; Feng, 1997).

In the long term, political instability, violence, and various acts of terrorism will also threaten human development. Ullah, Azim, & Asghar (2014) indicate that political instability and acts of terrorism will also impact the quality of education and public health, apart from course economic growth. A country whose conditions are not safe and stable will be disrupted by the process of capital accumulation, both physical and human so that it will impact low productivity (Aisen & Veiga, 2010).

Islam strongly opposes unstable political actions and the rise of terrorism as they are fundamentally contrary to the principles of Shariah (Moten, 1993; Jhazbhay, 2008; Boateng, 2017). These acts cause significant harm in terms of warfare and loss of life and their impact on human development, including education, health and social welfare (Wickrama & Mulford, 1996; Fosu, 2002; Mrabet, Alsamara et al., 2021). Therefore, it is important to highlight the role of political stability and acts of terrorism in relation to human development.

This study examines the relationship between political stability and human development index in the Organization of Islamic Cooperation (OIC) member countries. Several Muslim countries are identified as centers of political instability, acts of terrorism, and bloody conflicts that have claimed thousands of lives (Counterterrorism, 2020; Meierrieks & Gries, 2013). This study needs to be done to map the relationship between these variables in several Muslim countries. Henceforth, appropriate social, economic, and political policies can be formulated to achieve human development goals.

### 2. METHODS

Political stability, peace, and security (the absence of acts of terrorism) are reflections of the quality of a country's institutions (Kaufmann, 2010; Kaufmann, Kraay, & Zoido-Lobatan, 1999). However, some measure institutions' quality with Government Effectiveness (GE) and Regulatory Quality (RQ). Findings from Kebede & Takyi (2017) in 27 countries in Sub-Saharan Africa 1996-2004 show that economic growth affects institutions' quality (GE and RQ) and not vice versa. Meanwhile,

several other researchers use different proxies of quality for institutions, such as Graafland (2020) with the economic freedom index; Abeyasinghe (2004) with democracy index; nor Han, Khan, & Zhuang (2014), as well as Filippidis & Katrakilidis (2015) with governance index from World Governance Indicator. All of these studies indicate the vital role of institutions in economic growth (Gross Domestic Product, GDP).

Researchers have quite widely carried out studies that link political stability and acts of terrorism with economic growth. A study conducted by Baklouti & Boujelbene (2020) in MENA 1998-2011 found that political stability is needed to strengthen the influence of democracy on economic growth, and vice versa. These findings support the research by Meierrieks & Gries (2013) in 160 countries from 1970-2007, which revealed the fact that there was a causal relationship between terrorism and economic growth. Shahbaz & Khan (2020) also prove that terroris, has a negative influence on economic growth in Pakistan.

However, several studies have shown that the relationship between political stability and terrorism and economic growth is bidirectional rather than unidirectional. Research conducted by Araee (2016) in 153 countries (2002-2012); Abu et al., (2015) in 15 countries ECOWAS (1996-2012); and Heo & Tan (2001) in 32 developing countries (1950-1982) shows the influence of political stability and acts of terrorism on economic growth, but the reverse does not apply. A safe and conducive situation in a country will encourage producing goods and services to run smoothly so that high economic growth will be achieved.

Furthermore, the quality of institutions is for economic growth and economic development in a broader sense. Cáceres (2010) conducted a study in 10 Latin American countries (2000-2008) that shows a causal relationship between the two. In particular, political stability also affects the human development index (HDI) in 33 Asian countries from 1990 to 2012 (Ullah et al., 2014). But unfortunately, studies on the causality between political stability and acts of terrorism (PS) and the human development index (HDI) are still very limited, especially those that analyze Muslim countries (OIC members). Therefore, research on this topic is critical to do.

Theoretically, the quality of institutions in a country (formal and informal) will drive economic growth by reducing transaction costs, efficiency, and

certainty in law enforcement (D. North, 1986 & 1994). Countries with good quality institutions will be able to invite more investment (Abeyasinghe, 2004), the development of a better banking sector (Filippidis & Katrakilidis, 2015), and avoid various disturbances that are detrimental to the business sector (Meierrieks & Gries, 2013).

With the creation of political stability and security in a country, various economic activities will normally run without obstacles and disturbances. The business sector will grow by itself, both in terms of demand and supply side. The banking and capital market sectors will also find their growth momentum (Filippidis & Katrakilidis, 2015). A stable and safe political situation also accelerates the role of democracy in promoting economic growth, which, in the long run, will improve economic development (Baklouti & Boujelbene, 2020). Besides, government budget will be more effective and productive in promoting economic growth in a politically stable and safe country (Araee, 2016). This situation occurs because a country experiencing political instability and various acts of terrorism will allocate a large part of its budget to maintain defense and security (Cordesman, 2018).

One measure of the success of a country's economic development is the increase in the population's quality of life as measured by the human development index (Todaro & Smith, 2015). The Development Index measures three dimensions of people's welfare: income, education, health, and life expectancy. A country that can achieve a high human development index shows that economic development has been going well (Mukherjee & Chakraborty, 2010). One factor that directly or indirectly affects human development is political stability, the absence of violence, and terrorism. The process of producing goods and services, education, and health services will run optimally in a stable situation where various acts of violence do not occur (Araee, 2016; Meierrieks & Gries, 2013). However, the high quality of human development will also encourage people to avoid confrontation and various acts of violence. They entrust the resolution of conflicts and public problems through constitutional channels. Therefore, the quality of human development has a reciprocal effect (causality) with political stability and the absence of acts of terrorism (Cáceres, 2010; Ullah et al., 2014).

This research examines OIC member countries, which represent countries with Islamic populations. This study employs data of the Human Development Index (HDI) from the World Bank as well as the Political Stability and Absence of Violence/Terrorism (PS) index from the World Governance Indicator (WGI). This Political Stability index captures public perceptions regarding the instability of the situation or attempts to overthrow the government through actions that cannot be justified, such as violence or terrorism acts that are motivated by political interests. (Kaufmann, Kraay, & Zoido-Lobaton, 1999).

HDI values range from 0-1,000. Based on these values, UNDP divides the human development status of a country or region into four groups: 1) Low: 0,000 - 0.554; 2) Medium: 0.555 - 0.699; 3) High: 0,700 - 0,799; and 4) Very high: 0,800 - 1,000. This study divides OIC member countries into these four categories with the data period 2003-2019 (Table 1). The total number of countries that become the research object is 50 out of 57 members (depending on availability and completeness of data).

Table 1. List of OIC Member State by HDI Value Category

Category				
Categor				
y	Country			
Very	United Arab Emirates; Bahrain; Brunei			
High (5)	Darussalam; Qatar; Saudi Arabia			
	Albania; Azerbaijan; Algeria; Iran,			
	Islamic Rep; Jordan; Kazakhstan;			
High	Kuwait; Malaysia; Oman; Tunisia;			
(12)	Turkey; Libya			
	Bangladesh; Egypt, Arab Rep; Gabon;			
	Guyana; Indonesia; Iraq; Kyrgyz			
Medium	Republic; Morocco; Tajikistan;			
(12)	Maldives; Syria; Uzbekistan			
	Afghanistan; Benin; Burkina Faso;			
	Cote d'Ivoire; Cameroon; Comoros;			
	Guinea; Mali; Mozambique;			
	Mauritania; Niger; Pakistan; Sudan;			
	Senegal; Sierra Leone; Chad; Togo;			
Low (21)	Uganda; Yemen; Djibouti; Gambia			

**Source**: research findings

The Granger causality test was performed (Gujarati, 2004) with the model built are as follows:

$$HDI_{t} = \sum_{i=1}^{n} \alpha_{i} PS_{t-i} + \sum_{i=1}^{n} \beta_{j} HDI_{t-j} + \mu_{1t}$$

$$PS_{t} = \sum_{i=1}^{n} \gamma_{i} PS_{t-i} + \sum_{i=1}^{n} \delta_{j} HDI_{t-j} + \mu_{2t}$$

Where  $\alpha$ ,  $\beta$ ,  $\gamma$ , and  $\delta$  are coefficients of the respective variables. Whiles  $\mu$  is the error terms under the two equations for HDI and PS, respectively. HDI values are in the range 0-1, while the PS variable values are between -2.5 to 2.5 (approximately).

Before the Granger causality test is carried out, a stationarity test (unit root test) must be carried out first (Gujarati, 2004). The stationarity test methods commonly used are Augmented Dickey-Fuller (ADF) and Philips-Perron (PP). Still, because the data used is panel data, it is necessary to add the Levin, Lin, Chu (LLC) and Im, Pesaran, Shin (IPS) methods (Baltagi, 2005; Hu & Izumida, 2008).

#### 3. RESULTS AND DISCUSSION

Based on the grouping of countries according to HDI values, it is known that countries with a very high HDI (5 countries) have relatively good levels of political stability and are protected from various acts

of violence and terrorism. Conversely, the lower the HDI, the lower the average PS value, even negative (Table 2).

Table 2. Descriptive Statistic Based on HDI Value Category

	Very	Very High		High		Medium		)W
	PS	HDI	PS	HDI	PS	HDI	PS	HDI
							-	
Min	-1,34	0,75	-2,44	0,66	-3,18	0,49	3,00	0,26
Max	1,39	0,87	1,12	0,83	1,08	3 0,72	0,83	0,56
							-	

Mean 0,43 0,82 -0,35 0,75 -0,80 0,64 0,91 0,44 **Source**: research findings

Although the PS index value ranges from -2.5 to 2.5, it can exceed this limit at certain times, especially in extreme situations. In the medium HDI group, the lowest PS score was -3.18 in Iraq in 2004 (the Iraq war against the US invasion). Also, in the low HDI value group, the lowest PS value was -3.00 in Yemen in 2018 (a civil war that has been going on since 2015 and is getting worse).

Table 3. Panel Unit Root Test (1st difference)

Method/variable	PS						
Method/variable	All	VH	Н	M	L		
Levin, Lin, Cut	-22,996***	-10,085***	-10,006***	-11,709***	-14,463***		
Im, Pesaran, Shin	-20,085***	-9,041***	-8,303***	-9,503***	-13,065***		
ADF	516,824***	72,741***	104,249***	119,311***	220,524***		
PP	591,135***	88,022***	98,741***	143,832***	260,539 ***		
Method/variable	HDI						
Method/variable	All	VH	Н	M	L		
Levin, Lin, Cut	-15,790***	-2,851***	-7,611***	-9,686***	-9,922***		
Im, Pesaran, Shin	-12,045***	-2,519***	-5,587***	-8,457***	-6,758***		

75.022\*\*\*

66,203\*\*\*

**Source**: research findings

**ADF** 

PP

Notes: \*, \*\*, \*\*\* indicate significant level at 1%, 5%, and 10%, respectively.

334.554\*\*\*

372.243\*\*\*

23.153\*\*

24049\*\*\*

The unit root test of the two variables (PS and HDI) is not stationary at the level. Therefore the test is carried out at 1st difference (table 3). Both variables

in the overall analysis group have shown a stationary condition (significant at  $\alpha = 1\%$ ), so it can be continued with the Granger causality test.

109.289\*\*\*

118,797\*\*\*

127.089\*\*\*

163,192\*\*\*

Table 4. Granger Causality Test between Political Stability and Human Development Index

	<del>-</del>	•	•
Category	H1: PS==> HDI	H2: HDI ==> PS	Conclusion
All	6,164***	3,485**	Bidirectional
Very High HDI	3,474**	1,286	Unidirectional
High HDI	2,218	0,108	No relation
Medium HDI	3,751**	6,589***	Bidirectional
Low HDI	0,202	0,811	No relation

**Source**: research findings

Notes: \*, \*\*, \*\*\* indicate significant level at 1%, 5%, and 10%, respectively.

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Table 4 presents the Granger causality test results for the HDI and PS variables based on five groups of OIC member countries. In general, there is a causality between the PS and HDI (bidirectional) variables, meaning that the more political stability in a country and less violence and acts of terrorism will impact HDI's high quality. Likewise, countries with high HDI will be able to create a stable political atmosphere and avoid various acts of violence and terrorism (Mukherjee & Chakraborty, 2010; Ullah et al., 2014). This causal relationship (bidirectional) also occurs in the group of OIC countries with medium HDI values.

In countries with a very high HDI, only one direction effect occurs, political stability affects the HDI. This finding confirms some previous research that mentions this unidirectional relationship. Sometimes, political stability is achieved because of the rulers' very strong reign, leading to authoritarian rule. This condition does not guarantee that development will increase and be evenly distributed in all sectors (Abu et al., 2015; Han et al., 2014).

Unfortunately, in countries with high and low HDI scores, there is no relationship between PS and HDI. It may occur because there is a large data gap between countries within the group. For example, in the high HDI group of countries, Iran, Turkey, and Libya experienced a surge in political instability during the observation period, while other countries were relatively stable. Likewise, what happened to the low HDI countries group, during the 2003-2019 period, some countries experienced severe political and security conflicts, so that the PS index score changed drastically.

It must be recognized together that many OIC countries are still experiencing turmoil in social, political, security, legal, and bureaucratic problems to this day. The Arab Spring, which took place at the end of 2010 to early 2011, has caused shocks in Muslim countries' various aspects, especially in the Middle East and North Africa. The crisis, which was initially a social and political problem, has expanded to become security, economic, and other turmoil (Arayssi, Fakih, & Haimoun, 2019; Khan, 2014).

In the security aspect, there are still many OIC member countries facing an ongoing domestic crisis. Various militant movements and acts of terrorism have occurred in OIC countries (Estes & Sirgy, 2014). Although these various acts of violence and terrorism did not receive the support from the majority of Muslims, their existence is often identified with the

teachings and the Muslim community (Abdullah, Sukma, Jamhari, & Musa, 2012). Some Muslim countries are currently experiencing conflicts internally and externally, which have resulted in violence (war). There is often a view that Islam teaches violence to its adherents, even though other religions also "teach" violence (Esposito, 2015). It is because religious beliefs can justify someone to commit acts of violence, even a necessity when defending their religion (Tarlow, 2015). The violence allowed in Islam is a reaction to other parties (QS. 2: 192). When the enemy wants peace, it must be responded in peace (QS. 8: 61); even prisoners of war should be treated kindly (QS. 47: 4).

At this time, acts of violence (terrorism) in the name of religion in Muslim countries have emerged because there are also other causes such as politics (al-Qaeda) and the economy. (Boko Haram) (Karlsson & Nilsson, 2015). Of course, this is contrary to Islamic teaching, which states that killing one person without the truth is tantamount to killing all human beings (QS. 5: 32).

Besides, many conflicts within and between OIC countries, especially in the Middle East and Central Asia, have seriously disturbed political stability and security. There are still many OIC member countries facing domestic crises that have not been resolved. Various militant movements and acts of terrorism have occurred in OIC countries (Estes & Sirgy, 2014). Several organizations labeled as perpetrators of terrorism spread in various Muslim countries, such as ISIS in Iraq and Syria; the Taliban in Afghanistan and Pakistan; and Boko Haram in Nigeria (Dawoody-Al, 2015).

On the other hand, it must be admitted that the OIC has a serious inter-member relationship problem, namely the absence of unity among its members. The role of Saudi Arabia in the OIC has become increasingly large and dominant, thus shifting the leadership aspect into a hegemony. It is undoubtedly uncomfortable for some countries that have different interests and ideologies, especially Iran. Given its funding power, Saudi Arabia influenced other Muslim countries by distributing aid for various purposes. Because of this debt of gratitude, many Muslim countries support different interests and action initiatives initiated by Saudi Arabia internationally. Saudi Arabia's funnel of influence is channeled through the OIC and the Islamic Development Bank

(IDB), which are both headquartered in Jeddah (Akbarzadeh & Ahmed, 2018).

The Saudi-Iran conflict shows the strength of identity politics and the struggle for geopolitical interests. The Saudi Arabia-Iran rivalry has the potential to divide OIC member countries and makes the ideal of Islamic unity as a mere fantasy. Each country's domestic and foreign policies show the interest in maintaining and expanding their respective countries' ideologies (political and religious), which are very opposing. Of course, this policy impacts the grouping of countries both in the OIC and the Middle East region. The group of countries close to Iran (Shia) cooperates more with Russia, while the group of countries relative to Saudi Arabia (Sunni) collaborates more with the United States. The existence of ideological and geopolitical conflicts between Saudi Arabia and Iran has made the OIC in general, and the Middle East, in particular, have difficulty unifying steps and taking a firm stand on various Muslim issues. Each country departs from its various interests. This condition is different from the establishment of the OIC in 1969 when the OIC declaration, King Faisal (Saudi Arabia), and Shah (Iran) united with other Muslim countries. At that time, Muslims had a big issue and a common enemy, the Israeli occupation of the Aqsa Mosque in Palestine (Ahmed & Akbarzadeh, 2019).

The competition between Saudi Arabia and Iran, initially sourced from differences in religious understanding (Sunni and Shia), developed into ideological, political, and influence struggles, and so on. One example was when there was an internal conflict in Syria in 2012. Saudi Arabia immediately initiated the OIC meeting and then sanctioned the freezing of Syria's membership. This action was done because President Bashar Asad's regime's atrocities to his people were supported by the armed Shiite militia group with Iran behind it. The two countries are also scrambling for influence and support from other countries, both within the OIC organization and bilateral relations. The Iran-Saudi Arabia conflict shows that there are still clashes within (Islamic) civilizations, not between world civilizations. The OIC should unite to face both internal and external challenges. The increase in jihadist ideology, acts of terrorism, and conflicts between Muslim countries must be stopped; one way is by prioritizing unity and reducing each country's ego (Ilishev, 2016).

Therefore, all OIC state leaders need generosity, a free spirit, and maturity to peacefully resolve various issues in their respective countries and among Islamic nations. A solid Islamic ideology is required, emphasizing a return to Islamic law based on the Quran and Hadith. Islamic teachings staunchly oppose various destructive behaviors toward humans, nature, and the environment. Legal and constitutional avenues must be pursued to prevent bloodshed. Institutionally, the OIC must be more significant in resolving internal and external conflicts within its member countries. It should not be exploited for the benefit of one country at the expense of others. Faith-based unity should promote peace and tranquility among all OIC member countries.

## 4. CONCLUSION

There is a close relationship between the Human Development Index (HDI) and the Political Stability Index (PS). In OIC member countries, high HDI scores are followed by high political stability and a lack of violence and acts of terrorism, and vice versa. In general, the two variables exhibit bidirectional causality in countries with moderate HDI values. However, in countries with very high HDI, there is only a unidirectional relationship where political influences stability positively the Human Development Index. Meanwhile, the two variables do not exhibit a relationship in countries with high and low HDI. Every Islamic country must maintain political stability and ensure the security of its nation to foster economic development.

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