

Analysis of Effects of Zakat, Inflation, General Allocation of Funds (DAU), and Direct Cash Assistance (BLT) to Poverty in Indonesia

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Abstract

This study aims to determine and analyze the effect of zakat, inflation, general allocation funds, and direct cash assistance on poverty in Indonesia. This research was conducted using secondary data with time series data, namely the period 2018-2022 which includes data on the distribution of zakat funds, the inflation rate, general allocation funds, data on the distribution of direct cash assistance and data on the number and percentage of the poor population in Indonesia. The number of samples tested was 60 data which were processed using Microsoft Excel and E-Views 12. This study used a quantitative approach with multiple linear regression models which explained the relationship between variables by using hypothesis testing using IBM SPSS Statistics 25. The results of this study indicated that variables zakat and direct cash assistance have no effect on poverty. Meanwhile, inflation and general allocation funds partially have a negative and significant effect on poverty. However, the simultaneous test shows that all independent variables simultaneously or jointly influence poverty in Indonesia.

Keywords: Zakat, Inflation, General Allocation Fund, Direct Cash Assistance, and Poverty in Indonesia

A. Introduction

According to World Bank, poverty is defined as something that is not able to be achieved by the population to meet the lowest standard of living (Kamaluddin, 1998). The inability of a person of community to meet the lowest necessities of life is not far of from several aspects. Kuncoro (2000) shows the causes of poverty in the population divided into three views. First, poverty is caused by an unequal distribution of income caused by a gap in the ownership of resources. Second, the difference in the quality of human resources caused by a lack of independence which leads to low productivity, low levels of wages, and discrimination and offspring. Third, poverty results from differences in access to capital.

Poverty is one of the biggest problems in developing countries (Todaro, 2002). In general, developing countries are countries that have not yet achieved industrialization and are depopulated and have an average or lower standard of living. According to the

Central Bureau of Statistics (BPS), poverty is defined as the financial inability to meet basic food and other needs.

Indonesia has a poverty rate 9-10 percent of the total population (BPS, 2018-2023). This condition as a problem between the government and society. Poverty can be the cause of high crime rates which in turn creates a social crisis and threatens political, legal and security stability. Therefore, there is a need for cooperation between households and the community and the government to overcome this problem through appropriate regulations (Komariyah & Kunaifi, 2020). How to utilize resources to the maximum extent possible, for example using zakat. Zakat is a sum of assets that must be given by Muslims and given to those who are entitled to it (the poor and other mustahik) in accordance with the conditions stipulated in sharia law. With the help of zakat, people in need can earn their share of life and fulfil their obligations to Allah (Murobbi, 2021). With the help of zakat, even people who have nothing feel part of the society. Poor people are also aware will be respected because people who have it feel empathy (Atabik, 2015). In the economy, zakat can play a role in preventing the hoarding of wealth by some people and forcing those who have it to share their wealth among the poor and the needy. Thus, zakat also serves as origin potential financing to eradicate poverty.

In term of state problem, the problem of inflation cannot be far away. If inflation is a condition where the prices of goods and services in general continue to soar up. General means that the price increase does not only apply to one type of item, but the price increase includes a group of items consumed by residents, and the price increase also affects the prices of other items on the market. Consistency means no price increase alone (Suparmono, 2004).

When associated with poverty, then the rate increase inflation can increase the poor if accompanied by increasing purchasing power or income of the poor (Imelia, 2012). By overcoming poverty, the government has attempted to reduce poverty in Indonesia. To help underprivileged communities, the government is trying to provide assistance from the Regional Revenue and Expenditure Budget (APBD). In this case the APBD can be used as one of the efforts in increasing economic growth, minimizing unemployment and alleviating poverty. These regional revenues include Main Regional Revenues (PAD),

General Allocation Funds (DAU) and Special Funds (DAK), but Regional Expenditure includes Development Expenditures (Syahidin et al., 2020). Under Law No. 33 of 2004 regarding financial stability between the central and regional governments, it is stipulated that DAU is the budget obtained from APBD revenues which aims to equalize inter-regional financial opportunities for financial regional needs related to the implementation of decentralization (Istimal, 2012).

In addition, in 2020-2022, when the world was hit by the Covid-19 case, the disaster had a major impact on the world economy, especially in Indonesia. In order to stabilize the economy and prevent an increase in the poverty rate, the government is helping people affected by Covid-19 with assistance in the form of Direct Cash Assistance (BLT). The Direct Cash Assistance (BLT) is a government assistance strategy in the form of cash intended for residents poor for his livelihood (Putra, 2019). Total government expenditure for BLT- Village Funds is Rp 600.000 per month to each eligible poor family for a period of 3 (three) months and Rp 300.000 per month for the next three months. BLT-Village Funds is tax-free, so the Direct Cash Assistance program distributed by the used to meet their daily needs. Because the Direct Cash Assistance program is temporary, it is only available under certain conditions (Dewi & Andrianus, 2021). In this case, in order to find out how Zakat, Inflation, General Allocation Fund and Direct Cash Assistance effect poverty, a more in depth observation and analysis is needed.

B. Research Methods

This study uses a quantitative approach with a form of multiple linear regression that explains the correlation between variables using hypothesis testing (Hany & Islamiyati, 2020). The purpose of the multiple regression analysis test is used to monitor the effects of the independent variables (Zakat, Inflation, General Allocation Fund and Direct Cash Assistance) on the dependent variable (Poverty). The data used is secondary data with time series data, namely data that has a time span of more than one period on one object or data that is made into one with the time span of this study between 2018-2022. The data obtained in this study came from BAZNAS (National Zakat Agency), BPS (Central Bureau of Statistics), and BI (Bank Indonesia).

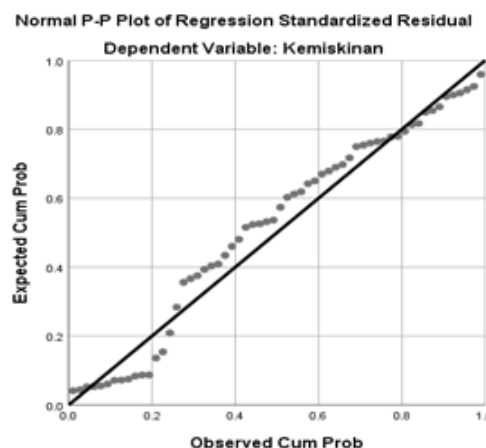
C. Result and Discussion

In this study using a quantitative method of multiple linear regression models to determine the effect of Zakat, Inflation, General Allocation Funds and Direct Cash Assistance on Poverty that took place in Indonesia in the 2018-2022 period, based on secondary data obtained and processed using Eviews12 software and then analyzed using IBM SPSS Statistics 25 results as follows:

1. Classical Assumption Test

According to the results of data processing tests with the Eviews12 and IBM SPSS Statistics 25 by entering the Classical Assumption Test which consists of Normality Test, Heterocedasticity Test: Multicollinierity Test, and Autocorrelation. The following are the results of the classic assumption test:

a. Normality Test



Opinion from Imam Ghozali, (2011:161), the regression form is declared normally distributed if the data plots (dots) that explain the actual data accompany the diagonal line. This form can be proven by the KolmogorovSmirnov Normality Test:

- If the significance $> 0,05$, then the residual values are normal distributed.
- If the significance $< 0,05$, then the residual values are not normally distributed

One-Sample Kolmogorov-Smirnov Test

			Unstandardize d Residual	Unstandardize d Residual
N			60	60
Normal Parameters ^{a,b}	Mean		.0000000	.0000000
	Std. Deviation		.21411768	.21411768
Most Extreme Differences	Absolute		.120	.120
	Positive		.120	.120
	Negative		-.099	-.099
Test Statistic			.120	.120
Asymp. Sig. (2-tailed)			.031 ^c	.031 ^c
Exact Sig. (2-tailed)			.325	.325
Point Probability			.000	.000

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

According to the Kolmogorov Smirnov Test, the exact sig. (2-tailed) of 0,325, which is greater than 0,05. Conclusion: the regression model is normally distributed.

b. Multicollinearity Test

The opinion of Imam Ghozali (2011-107-108), does not experience multicollinearity. If the Tolerance value > 0,100 and the VIF value < 10,00.

Coefficients^a

Model	Unstandardize d Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Toleran ce	VIF
(Constant)	14.400	1.497			9.621	.000		
Zakat	.054	.066	.147		.809	.422	.298	3.359
Inflasi	-.125	.027	-.497		-4.592	.000	.838	1.193
Dana Alokasi Umum (DAU)	-.577	.227	-.451		-2.541	.014	.312	3.210
Bantuan Langsung Tunai (BLT)	.007	.005	.143		1.259	.213	.761	1.315

a. Dependent Variable: Kemiskinan

Based on the test results above: Zakat = Tolerance 0,298, VIF 3,359

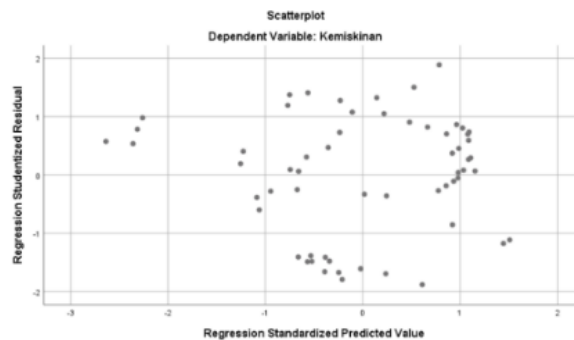
Inflation = Tolerance 0,838, VIF 1,193

Allocation Fund (DAU) = Tolerance 0,312, VIF 3,210

Direct Cash Assistance (BLT) = Tolerance 0,761, VIF 1,315

From the test results above, it is known that the Tolerance value of all X variables > 0,100 and the VIF value is < 10,00, so the Tolerance and VIF values of all X variables meet the requirements of the Multicollinearity Test. Conclusion: there are no symptoms of multicollinearity.

c. Heteroscedasticity



The opinion of Imam Ghozali (2011:139), does not experience Heteroscedasticity if there is no specific shape (wavy, widening, then narrowing) in the scatterplots image, and the points spread above and below the number 0 on According to Imam Ghozali (2011:111), Autocorrelation symptoms will not occur, if the Durbin Watson score is between due to (4-du).

In the Autocorrelation Test above, the decision is made:

- If the DW score lies below -2, there is positive autocorrelation.
- If the DW score lies between -2 to +2 the Y axis. From the scatterplots image above, there is no clear pattern, so there is no Heteroscedasticity. Conclusion: there are no symptoms heroscedasticity.

d. Autocorrelation Test (Durbin Wa-tson)

According to Imam Ghozali (2011:111), Autocorrelation symptoms will not occur, if the Durbin Watson score is between du to (4-du).

In the Autocorrelation Test above, the decision is made:

- If the DW score lies below -2, there is positive autocorrelation.
- If the DW value is above +2 there is negative autocorrelation..

Based on the results above, the DW value is 1.211, lying between -2 to +2, which means it meets the Autocorrelation Test. Conclusion: there is no autocorrelation problem.

2. Model Statistical Test

a. Partial Test

<u>Coefficients^a</u>							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	14.400	1.497		9.621	.000		
Zakat	.054	.066	.147	.809	.422	.298	3.359
Inflasi	-.125	.027	-.497	-4.592	.000	.838	1.193
Dana Alokasi Umum (DAU)	-.577	.227	-.451	-2.541	.014	.312	3.210
Bantuan Langsung Tunai (BLT)	.007	.005	.143	1.259	.213	.761	1.315

a. Dependent Variable: Kemiskinan

According to Imam Ghazali (2011:101), if the Sig. value $< 0,05$ means that the independent variable (X) partially has an effect on the dependent variable (Y).

Opinion from V. Wiratna Sujarweni (2014:155), if the value of T count $> T$ table, it means that the independent variable (X) partially has an effect on the dependent variable (Y). Based on the test results above:

- Zakat = sig. 0,422 $> 0,05$ and t count 0,809 $< 2,004$ indicates that the variable distribution of Zakat funds (X1) partially does not have a significant effect on the poverty variable (Y).
- Inflation = sig. 0,000 $< 0,05$ and t count -4,592 $< 2,004$ indicates that the Inflation variable (X2) has a significant negative effect on the poverty variable (Y).
- General Allocation Fund = sig. 0,014 $< 0,05$ and t count -2,541 $< 2,004$ shows that the General Allocation Fund variable (X3) has a significant negative effect on the poverty variable (Y).
- Direct Cash Assistance = sig. 0,213 $> 0,05$ and t count 1,259 $< 2,004$ indicates that the Direct Cash Assistance variable (X4) has no significant effect on the poverty variable (Y).

Simultaneous Test

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2.311	4	.578	11.750	.000 ^b
Residual	2.705	55	.049		
Total	5.016	59			

a. Dependent Variable: Kemiskinan

b. Predictors: (Constant), Bantuan Langsung Tunai (BLT), Inflasi, Dana Alokasi Umum (DAU), Zakat

According Imam Gho-zali (2011;101), if the Sig. value is $< 0,05$, it means that the independent variable (X) simultaneously has an effect on the dependent variable (Y).

Opinion V. Wiratna Sujarweni (2014;154), if the value of F count $> F$ table, it means that the independent variable (X) partially has an effect on the dependent variable (Y).

From the above results it can be seen that the sig. value $0,000 < 0,05$ and the value of f count $11,75 > 2,38$. This means that Zakat (X1), Inflation (X2), General Allocation Fund (X3), and Direct Cash Assistance (X4) simultaneously have an effect on Poverty (Y).

3. Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.679 ^a	.461	.422	.22177

a. Predictors: (Constant), Bantuan Langsung Tunai (BLT), Inflasi, Dana Alokasi Umum (DAU), Zakat

b. Dependent Variable: Kemiskinan

Based on the output above, it is known that the R Square value is 0,461. This means that the effect of variables X1, X2, X3, and X4 simultaneously on variable Y is 46,1%. While the other 53,9% is influenced by other variables that are not examined or not included in this research model.

Based on the results of the above analysis, the results of the hypothesis can be obtained, namely:

The Effect of Zakat on Poverty

Indonesia as a country with the largest Muslim population in the world has become a must in implementing the values in Islamic law, especially in the obligation to give zakat. Zakat is a mandatory contribution for every Muslim with the aim of helping the needs of other Muslims who are more entitled and more in need. Zakat can be linked to the development of economic conditions in the household.

The results of this study shows that there is no significant effect between zakat and poverty in the country of Indonesia for the period 2018-2022, which is shown by sig. 0,422 and t count 0,809. The results of this test agree with previous research by Devialina (2008) in her title "The Effect of Zakat Utilization on Household Empowerment and Poverty Alleviation (Case: Urban Self-reliant Community Program, Bidaracina Village, Jatinegara District, East Jakarta)" shows that the zakat budget through the Urban Self-reliant Community Program strategy has not been able to improve the welfare of poor households but only to empower households to be able to continue their efforts (Amalia & Mahalli, 2012).

The Effect of Inflation on Poverty

Based on the results of the data analysis conducted, it shows that there is a significant negative effect between the inflation variable and poverty in the country of Indonesia for the period 2018-2022, as indicated by the sig. 0,000 and t count -4,592. In this case, it is different from previous research conducted by Muhammad Najib Murobbi (2021) which examines "The Effect of Zakat, Infaq, Sadaqah and Inflation on Poverty in Indonesia which shows that the inflation variable has no significant and positive effect on economic growth in Indonesia (Murobbi, 2021).

However, this research is corroborated by previous research from Fitri Amalia (2012) with the title "The Effect of Education, Unemployment and Inflation on Poverty Levels in Eastern Indonesia (KTI) for the Period 2001-2010" showing that the inflation variable negatively effects the poverty rate in KTI. This may be because inflation is a macroeconomic factor that determines the transformation of poverty conditions in a country. Economic growth followed by an improvement in the distribution of income between partnerships can certainly increase collective purchasing power, increase per

capita spending, so as to minimize the number of poor people or the poverty rate of a country (Amalia, 2012).

The Effect of General Allocation Fund (DAU) on Poverty

The General Allocation Fund is a budget transfer from the central government given to regional governments that aims to meet the imbalance in the content and needs of each region to be allocated with certain aspects so that equalization of financial capabilities between regions is realized.

From the results of data analysis obtained shows the sig. value $0,014 < 0,05$ and t count $-2,541 < 004$ which means that the General Allocation Fund variable has a significant negative effect on the poverty variable. So that there is a relationship, namely if the General Allocation Fund increases, it minimizes the poverty rate.

The Effect of Direct Cash Assistance (BLT) on Poverty

The results of the analysis in this study show that this variable has a sig. 0,213 and count 1,259, meaning that the Direct Cash Assistance variable has no significant effect on the poverty variable. This agrees with previous research conducted by Harwidiandisyah (2011) entitled "The Impact of Direct Cash Assistance on Community Welfare in Maccini Baji Village, Bajeng Subdistrict, Gowa Regency" which shows that basically BLT can help the poor, but this effort cannot improve the quality of life of the poor, let alone reduce poverty, because this effort is a short-term effort and is not permanent (Harwidiandisyah, 2011).

In addition, the results of this study are also in line with previous reseach conducted by Ratna Dewi and Habib Furqony Andrianus (2021). The results of this study show that the BLT program policy has caused a lot of criticism because the allocation and distbursement are ambiguous. This effort has not been able to overcome the problem of poverty continuously and cannot stimulate the productivity of the poor because this effort only hampers the level of community spending ability and the level of fulfilment of the needs of the poor.

D. Conclusion

From the results of the discussion and data analysis that has been presented, it can be concluded that inflation and general allocation funds have a negative and significant effect

on poverty in the country of Indonesia in the period 2018-2022. While the variables of zakat and direct cash assistance do not have a significant effect on poverty in Indonesia. However, zakat and direct cash assistance have a positive tendency towards poverty in Indonesia for the period 2018-2022. The distribution of zakat funds, inflation, general allocation funds and direct cash assistance has a significant effect simultaneously or simultaneously on poverty in Indonesia for the period 2018-2022.

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