DJIEB Vol. 4 No. 2 (2024)
DJIEB
Diponegoro Journal of Islamic Economics and Business
https://ejournal2.undip.ac.id/index.php/djieb/index

THE INFLUENCE OF THE GINI RATIO, GOVERNMENT EXPENDITURE, EDUCATION LEVEL AND ZIS (ZAKAT, INFAQ, ALMS) ON POVERTY IN 34 PROVINCES IN INDONESIA IN 2020-2023

Diyah Ariyani & Dhurotun Nafisyah
Universitas Islam Negeri Salatiga, Salatiga, Indonesia
Corresponding author : diyahariyani.dey@uinsalatiga.ac.id

***Received**: 26 Agustus 2024; **Revised**: 25 November 2024; **Accepted**: 28 November 2024*
***Available online**: 31 Desember 2024; **Published regulardy**: Desember 2024*

Abstract

Indonesia is a country that has a problem with its poverty level. In Indonesia, poverty is a social problem that has existed for a long time. However, poverty in Indonesia has experienced a continuing downward trend, although the decline has been slow. This study aims to determine the effect of the Gini ratio, government spending, education level and ZIS (Zakat, Infaq and Sadaqah) on poverty levels in 34 provinces in Indonesia. The method used is multiple linear regression, namely panel data with 136 observations for 4 years starting from 2020 to 2023 using data analysis tools in the form of eviews 10. Based on this research, the results obtained are that the gini ratio variable has a positive and significant effect on the poverty rate in 34 provinces in Indonesia, government spending has a positive and insignificant effect on the poverty rate in 34 provinces in Indonesia, the level of education has a negative and significant effect on the poverty rate in 34 provinces in Indonesia, ZIS has a positive and insignificant effect on the poverty rate in 34 provinces in Indonesia.

***Keywords:** Gini Ratio, Government Expenditure, Education level, ZIS and Poverty Level*

INTRODUCTION

Indonesia is one of the countries that has problems with its poverty rate. Where in Indonesia the problem of poverty has been a social problem that has existed for a long time (Igrisa et al., 2023). However, poverty in Indonesia has experienced a downward trend, although the decline is slow. The decline in poverty rates is very positive news. This shows that the policies and programs implemented by the government to overcome poverty have produced good results. The strategies used to reduce poverty can be very diverse, ranging from direct assistance programs to those in need, to infrastructure development, education, and skills training to increase economic opportunities (Zaqiah et al., 2023).

The poverty level is influenced by many factors, including the Gini ratio, government spending, education and ZIS distribution. The Gini ratio is a measuring tool used to measure income inequality. The higher the level of income inequality, the higher the level of poverty. Inequality occurs because of differences in income between one region and another.

Apart from the Gini ratio, there are other factors that influence the poverty rate, namely government spending. Government spending is an action taken by the government to regulate the running of the economy by determining the amount of state revenue and expenditure each year. With the right spending, the government can create policies that support economic growth and social welfare. One form of policy implemented by the government to overcome poverty is through fiscal decentralization policies. Fiscal decentralization policy is one of the government's efforts to support the achievement of regional community welfare. Through fiscal decentralization, regional governments have greater autonomy in managing resources and budgets to meet regional needs, including poverty alleviation (Soleh & Wahyuni, 2021).

Increasing or decreasing government spending can increase or decrease national income. Government spending helps reduce existing unemployment by increasing total spending in the economy. Expanding government spending can also accelerate economic growth, which can stimulate investment and increase wages, thereby reducing poverty. Another factor that influences the poverty rate is the level of education. By improving existing education, it is hoped that the quality of existing human resources can be improved. The higher the level of education, the greater the opportunity to get a better job and reduce poverty rates.

Another factor that is considered to influence poverty is ZIS (Zakat, Infaq and Alms). In Islam, zakat, infaq and alms (ZIS) have an important role in reducing social inequality and poverty. This concept is part of the principles of zakat taught in Islam. Zakat is an obligation for Muslims who are able to give some of their wealth to those in need, such as orphans, poor widows, people in debt, and the poor (Tamimi & Syarbaini, 2023).

Research by Putra & Robertus (2022) states that the gini ratio has a negative effect on poverty. This is different from the research of Muhammad et al., (2024) which states that the gini ratio has a positive effect on poverty.

Government spending has an important role in reducing poverty. Because government spending affects the rise and fall of the poverty rate. Research by M. D. P. Putra & Setiawati, (2023) which states that government spending has a positive and significant effect on poverty. Meanwhile, research by Akmal & Aisyah, (2023) states that government spending has a negative and insignificant effect on poverty.

The level of education will affect the quality and productivity of the community in order to get a prosperous life and be free from poverty. Research by Netri et al. (2023) states that education has a positive effect on poverty. Meanwhile , research by Thalib et al., (2023) the level of education has a negative and insignificant effect on poverty.

ZIS is considered as one of the instruments to reduce poverty levels through income redistribution. In research Tamimi & Syarbaini, (2023) stated that ZIS has a positive effect on poverty levels. This is inversely proportional to the research

conducted by Widiastuti & Kosasih, (2021) which states that ZIS has a negative effect on poverty levels.

From the background explanation and research above, it is clear that the poverty level is influenced by the Gini ratio, government spending, education level and ZIS. However, the impact given does not always have a positive influence or impact, so it is necessary to test the related variables to find out the truth. Apart from that, the emergence of research gaps from previous studies is a consideration for conducting research to find the truth. Therefore, the author is interested in researching and using the latest data regarding "The Influence of the Gini Ratio, Government Expenditure, Education Level and ZIS (Zakat, Infaq, Alms) on Poverty in 34 Provinces in Indonesia in 2020-2023".

LITERATURE REVIEW / THEORETICAL BACKGROUND

1. The Vicious Circle of Poverty Theory

The Vicious Circle of Poverty Theory, proposed by Ragnar Nurkse, explains the interconnectedness of various issues that reinforce each other, making it difficult for a region or country to escape poverty. In this context, poverty is not only a result of certain factors but also a cause of other factors that perpetuate poverty itself. This means that a country is poor because it is poor (a poor country is poor because it is poor) (Mahendra & Fitanto, 2024). Ragnar Nurkse's perspective on the vicious circle of poverty provides a profound understanding of how poverty can become a difficult cycle to break. The main factors that make it challenging for a country to escape this vicious circle include backwardness, market imperfections, and a lack of capital, all of which lead to low productivity. Low productivity results in low income, which in turn leads to low savings and investment, and the cycle continues (Adriana, 2018).

2. Poverty

The definition of poverty, as outlined by the Central Bureau of Statistics (BPS), refers to an individual's inability to meet basic needs, both in terms of food and non-food essentials (Melliny et al., 2022). Sharp offers an economic perspective on the causes of poverty, identifying the following factors: 1) Poverty arising from inequality in the ownership of resources among individuals, leading to income distribution disparities. 2) Poverty resulting from differences in the quality of human resources. 3) Poverty caused by differences in individuals' access to capital (Panggabean & Matondang, 2019).

3. Gini Ratio

According to a BPS survey, the Gini ratio is defined as a tool to measure income inequality within a society. The Gini ratio value ranges from 0 to 1, with a value closer to 1 indicating higher income inequality. Inequality, as defined by the KBBI, refers to a condition marked by imbalance, defects, flaws, or irregularities. Income is defined as the amount of money received by members of society as compensation for national production factors at a given time. Income inequality, as defined by Todaro and Smith (2016), refers to the differences in income received or generated by individuals, resulting in uneven distribution of national income among the population (Wibowo & Pangestuty, 2023).

4. Government Expenditure

Government Expenditure is a component of fiscal policy, which refers to actions taken by the government to regulate the economy by determining the annual national income and spending, as reflected in the State Budget (APBN) and Regional Budget (APBD) documents. Aries Djaenuri also posits that government expenditure refers to the funds disbursed from the government's treasury to finance governmental activities or other objectives within the government's authority (Nahumuri, 2019). Government expenditure is an effort to reduce poverty. This is evidenced by the negative relationship between government expenditure and poverty. When government expenditure increases, poverty levels decrease, and vice versa (Sinaga et al., 2024)

5. Education Level

According to Andrew, education level is a long-term process that employs systematic and organized procedures through which managerial personnel learn conceptual and theoretical knowledge for general purposes (Djordian, 2021). Education is a process of enhancing knowledge, skills, and other capabilities. Improving education will, in turn, help increase an individual's productivity and quality, thereby also improving overall well-being (Zaqiah et al., 2023). The prevalence of poverty often reflects a high level of ignorance within a population. Ignorance can be a factor that perpetuates poverty, as less educated individuals tend to have limited skills and, consequently, fewer employment opportunities. Education is considered one of the most crucial ways to break the cycle of poverty. By providing better and higher-quality educational access to the public, particularly to those who are less fortunate, the chances of escaping poverty increase significantly. Therefore, efforts to improve education levels, especially among the underprivileged, can be an effective strategy for combating poverty and empowering communities. Investment in education represents a long-term investment that can bring about significant changes in reducing poverty and enhancing overall social and economic well-being (Vendison et al., 2022).

6. Zakat, Infaq and Alms (ZIS)

Zakat linguistically means blessing, growth, development, fertility or increase. Meanwhile, according to Islamic law, zakat is defined as an obligation for a certain amount of property for a certain group and within a certain time. This obligation is imposed on every Muslim who has reached puberty or not, is wise or not, who has assets that meet the nisab limit (Husen & Qarni, 2023). Infaq comes from the word nafaqa. In the Al Azhar Dictionary, "*nafaqa*" indicates spending or reducing, while "*anfaqa al maal*" is translated as spending money or spending money. In Al Mu'jam Al Wasith, "infaq" is defined as the use of one's and other people's resources for good, including eradicating social injustice and poverty (Utami & Lutfhi, 2023). Alms is defined as a form of worship carried out voluntarily, either by providing material or non-material assistance to others, with the aim of getting closer to Allah SWT. Alms is a form of good deeds that is highly emphasized in Islamic teachings. When giving alms, sincere intentions are very important. Alms must be done with a pure intention only for Allah SWT, not to get praise from other people or for other personal interests. Apart from that, when giving alms, it is recommended not to mention the amount of alms that has been given so as not to

damage the intention and not hurt the feelings of the alms recipient (Anjelina et al., 2020).

RESEARCH METHOD

1. Research Objects and Locations

The type of research used by researchers is quantitative research. The data used is secondary data. The secondary data used in this study are data on Gini Ratio variables, Government Expenditure variables, Education Level Variables, and Poverty Level Variables taken from the official BPS website and ZIS taken from the National Amil Zakat Agency (BAZNAS). The analysis method used is multiple regression test method, classical assumptions and hypothesis testing. Using panel data which is a combination of cross section data and time series data for a period of 4 years starting from 2020-2022 in 34 provinces in Indonesia.

2. Data Analysis Methods

a. Descriptive Statistics

Descriptive statistics is a method for presenting research data in a way that is clearer and easier to understand. Where in this method the data is presented in the form of numbers to provide summary information. Some of those related to descriptive statistics include mean, median, mode, and standard deviation. By doing this descriptive analysis, researchers can present data comprehensively and support a better understanding of the variables under study (Wahyuni, 2020).

b. Classical Assumption Test

1) Normality Test

The normality test is used to test whether the standardized residual values in the regression model are normally or abnormally distributed. The normality test technique can be done and seen through the Jarque Berra (JB) test, namely when the research data is normally distributed, the probability value > 0.05. However, if the research data is not normally distributed, the probability value < 0.05 (Bawono & Shina, 2018).

2) Multicollinearity Test

Multicollinearity is the existence of a linear relationship between independent variables in a regression model. In seeing whether there is a multicollinearity relationship, researchers use a partial method approach between independent variables. The rule of thumb in this method is that if the correlation coefficient is > 0.80, it is suspected that there is a multicollinearity relationship in the model (Basuki & Yuliadi, 2014).

3) Heteroscedasticity Test

The heteroscedasticity test is used to determine whether the classical assumptions in the study have deviations or not. The requirement that must be met in the heteroscedasticity test is that there is no heteroscedasticity problem. If the probability value < 0.05 then the regression model used has symptoms of heteroscedasticity. However, if the probability value > 0.05, the regression model used does not have heteroscedasticity symptoms (Machali, 2016).

c. Panel Data Regression Model

Panel data regression analysis is a technique used to analyze data that has two dimensions, namely time series and cross section data. This method allows researchers to see the effect of several predictor variables on one response variable more effectively, considering that panel data combines time series and cross section data (Alamsyah et al., 2022). In general, the panel data regression model can be expressed in the following equation:

$$Y_{it} = \alpha + \beta_1 x_{1it} + \beta_2 x_{2it} + \beta_3 x_{it} + \beta_4 x4_{it} + e_{it}$$

Description :

Y_{it}	: Response (dependent) variable for individual i at time t
α	: Constant
X1	: Gini Ratio
X2	: Government Spending
X3	: Education Level
X4	: Zakat, Infaq and Alms (ZIS)
$\beta_{(1...4)}$	: Regression coefficient of each independent variable
e	: Error term
i	: Province
t	: Time

d. Common Effect Model

The Common Effect Model is the simplest panel regression approach because it combines time series and cross section data. This model does not pay attention to time or individual data, so it is assumed that provincial data is the same in various time periods. In this model, the approach used is OLS (Ordinary Least Square) or the least squares technique in estimating panel data (Basuki & Yuliadi, 2014).

e. Fixed Effect Model

Fixed Effect Model is an approach in regression analysis that allows to accommodate differences between individuals or observation units by adding dummy variables for each individual or unit. This model is one of the powerful approaches in panel data analysis to overcome the problem of heterogeneity between individuals or observed units (Basuki & Yuliadi, 2014).

f. Random Effect Model

Random Effect Model is another approach in regression analysis to estimate panel data, which allows variability in error terms among individuals or observation units. In the Random Effect Model, it is assumed that differences between individuals or observation units can be explained by the existence of error terms that vary randomly between individuals or units. in the context of panel data, this model is often referred to as the Error Component Model / ECM or Gneralized Least Square / GLS (Basuki & Yuliadi, 2014).

g. Model Selection Test

h. Chow Test

The chow test is used to determine which model to choose between the Fixed Effect Model or the Common Effect Model. This test is performed by

comparing the sum of the residual squares of the two models. The basis for decision making is if prob > 0.05 then the best model is the Common Effect Model (CEM), but if the opposite result and the chosen one is the Fixed Effect Model (FEM) then proceed to the next test (Basuki & Prawoto, 2009).

i. Hausman Test

The Hausman test is a test to compare the Random Effect Model with the Fixed Effect Model. If the test results of the prob value for random cross secction < 0.05 then the selected model is the Fixed Effect Model. However, if the prob > 0.05 then the selected model is the Random Effect Model (Bawono & Shina, 2018).

j. Hypothesis Test

1) T Test (Partial Test)

The T test is a test conducted to analyze and determine whether the independent variable has an influence or no effect on the dependent variable individually ((Bawono & Shina, 2018). If the probability value < 0.05, it can be concluded that the independent variable significantly affects the dependent variable. If the probability value > 0.05, it can be concluded that the independent variable does not significantly affect the dependent variable.

2) F Test (Simultaneous Test)

The F test is a statistical test used to analyze and determine whether the independent variables have an influence simultaneously or together on the dependent variable or not. The criteria for this test are if the regression model used has a probability value < 0.05, then the independent variables together have an effect on the dependent variable. Conversely, if the regression model used has a probability value > 0.05, then the independent variables together have no effect on the dependent variable (Bawono & Shina, 2018).

3) R Test (Coefficient of Determination Test)

The coefficient of determination test is a statistical test used to see how far the fit and accuracy of the resulting regression model is in representing the observed data set. The Adjusted R-square value has a range of values between 0 and 1. If the Adjusted R-square value is getting bigger or closer to 1, it can be said that the accuracy of the resulting regression model is getting better. However, if the R-square value is closer to 0, the regression accuracy used is getting worse (Chabachib & Abdurahman, 2020).

RESULT AND DISCUSSION

1. Result

a. Descriptive Statistics

Table 1 Descriptive Statistic

	Mean	Std. Dev.	Maximum	Minimum
Poverty (Y)	10.40721	5.277165	27.38000	4.250000
Gini Ratio (X1)	0.346618	0.042899	0.450000	0.240000
Gvernment Expenditure (X2)	10062.03	11811.85	64865.12	1804.550
Education Level (X3)	8.781912	0.916688	11.45000	6.690000

ZIS (X4)	1.19E+11	3.06E+11	2.41E+12	0.000000

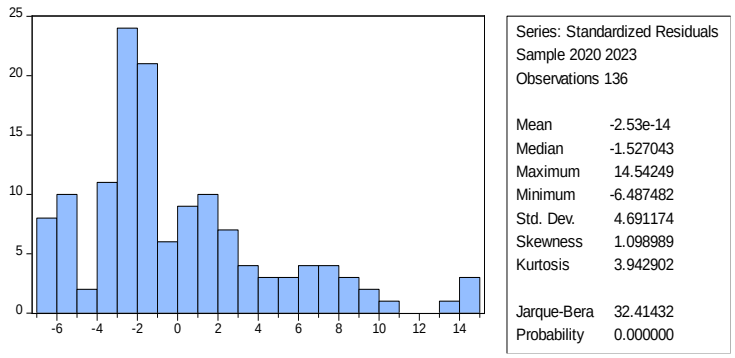
Source : (Processed Data, 2024)

The descriptive statistics above explain that the average value of poverty (Y) in provinces in Indonesia reaches 10,40721. The standard deviation of the poverty variable is 5,277165. With a maximum value of 27,38 and a minimum value of 4,25. The gini ratio variable (X1) has an average value of 0,346618. The standard deviation of the gini ratio variable is 0,042899. Then the maximum value for the gini ratio variable is 0,45 and the minimum value is 0,24. Government spending (X2) has an average value of 10062,03 with a standard deviation value of 11811,85. The government expenditure variable has a maximum value of 64865,12 and a minimum value of 1804,550. The next variable is the level of education (X3) with an average value of 8,781912. The standard deviation value of the education level is 0,918856. The education level variable has a maximum value of 11,45 and a minimum of 6,69. The last variable is ZIS (X4) with an average value of 119365454549,9411. The ZIS variable has a standard deviation value of 305952280847,5064. The ZIS variable has a maximum value of 2406706592131 and a minimum value of 0.

b. Classical Assumption Test

4) Normality Test

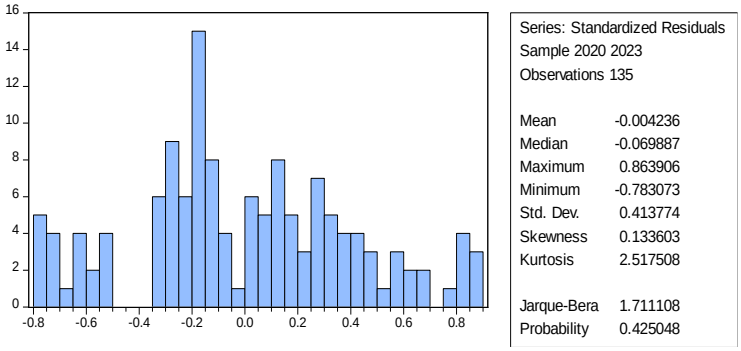
Figure 1. Normality Test



Source : (Processed Data, 2024)

From the test results above, it can be seen that the jarque-bera value is 32.41432 with a probability value of 0,00000 < 0,05, thus regression data can be said to be not normally distributed. So to overcome this, data transformation is carried out using the Log method.

Figure 2. Normality Test Improvement



Source : (Processed Data, 2024)

Based on testing with the log transformation method, it can be seen that the jarque-bera value is 1,711108 with a probability value of 0,425048 > 0,05. Then the data regression can be said to be normally distributed.

5) Multicollinearity Test

Table 2. Multicollinearity Test

	Gini Ratio	Government Expenditure	Education Level	ZIS
Gini Ratio	1	0.362291	-0.079039	0.247948
Government Expenditure	0.362291	1	0.126888	0.624551
Education Level	-0.079039	0.126888	1	0.177752
ZIS	0.247948	0.624551	0.177752	1

Source : (Processed Data, 2024)

Based on the output results in the table above, it can be concluded that there are no multicollinearity symptoms in the regression of the variable values of the gini ratio, government spending, education level and zis because the resulting coefficient value is < 0,80 which means there is no multicollinearity problem.

6) Heteroscedasticity Test

Table 3. Heterokedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob
C	0.609939	0.378548	1.611259	**0.1095**
LOG(Gini Ratio)	-0.061496	0.101159	-0.607917	**0.5443**
LOG(Government Expenditure)	-0.006224	0.015158	-0.410588	**0.6821**
LOG(Education)	-0.059461	0.156328	-0.380358	**0.7043**
LOG(ZIS)	-0.006363	0.004708	-1.351419	**0.1789**

Source : (Processed Data, 2024)

From the output results of table 3, the probabilty value > 0,05 is obtained for each independent variable. So it can be concluded that this regression does not contain heterokeastisitas or passed the heterokedastisitas test.

c. Model Selection Test

1) Chow Test

Table 4. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	913.272203	(33,98)	0.0000
Cross-section Chi-square	779.527587	33	0.0000

Source : (Processed Data, 2024)

Based on the table above, the cross-section chi-square value is 779,527587 with a probability of 0,000 < 0,05, so it can be concluded that the regression used is fixed effect.

d. Hausman Test

Table 5. Hausman Test

Test Summary	Chi-Sq Statistic	Chi-Sq. d.f	Prob.
Cross-section random	5.248938	4	0.2627

Source : (Processed Data, 2024)

Based on the output results in table 5 above, it shows that the probability value of the hausman test is 0.2627 > 0.05. So from the hausman test results, the better model used in this panel data regression is the Random Effect Model.

e. Hypothesis Test

Table 6. Random Effect Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	24.30612	2.718569	8.940776	0.0000
X1_RASIO_GINI	7.800495	3.593475	2.170739	0.0318
X2_PENGELUARAN_PEMERINTAH	1.90E-05	1.57E-05	1.209288	0.2287
X3_TINGKAT_PENDIDIKAN	-1.913651	0.224683	-8.517121	0.0000
X4_ZIS	9.36E-14	1.28E-13	0.729348	0.4671

Effects Specification	S.D.	Rho
Cross-section random	4.656052	0.9960
Idiosyncratic random	0.296541	0.0040

Weighted Statistics			
R-squared	0.420980	Mean dependent var	0.331246
Adjusted R-squared	0.403300	S.D. dependent var	0.385715
S.E. of regression	0.297951	Sum squared resid	11.62949
F-statistic	23.81104	Durbin-Watson stat	1.521499
Prob(F-statistic)	0.000000		

Source : (Processed Data, 2024)

f. T Test (Partial Test)

Based on the output results in table 6, an explanation of the t-test results is obtained, namely: The Gini ratio variable from the test results obtained a positive coefficient value of 2.170739 with a probability value of 0.0318 < 0.05, it can be concluded that the Gini ratio partially has a positive and significant effect on poverty. The Government Expenditure Variable from the test results obtained a

positive coefficient value of 1.209288 with a probability value of 0.4287 > 0.05, it can be concluded that government spending is partially positive and insignificant to poverty. The Education Level Variable from the test results obtained a negative coefficient value of -8.517121 with a probability value of 0.0000 < 0.05, it can be concluded that the level of education partially has a negative and significant effect on poverty. ZIS variable from the test results obtained a positive coefficient value of 0.729348 with a probability value of 0.4761 > 0.05, it can be concluded that ZIS is partially positive and insignificant to poverty.

g. F Test (Simultaneous Test)

Based on the output results in table 6, it can be seen that the prob value (f-statistic) is 0.000000 < 0.05. So it can be concluded that the variables of gini ratio, government spending, education level and ZIS together have an effect on the dependent variable.

h. R Test (Coefficient of Determination Test)

Based on the output results in table 6, it can be seen that the Adjusted R-Square value is 0.403300. This means that the variant of the independent variable can explain the dependent variable by 40%.

2. Discussion

a. Effect of Gini Ratio on Poverty Rate

The results show that the ratio has a positive and significant effect on poverty. Where the higher income inequality causes the percentage of poverty to increase. This happens because natural and economic resources are not evenly distributed across provinces. Provinces that are rich in resources, such as West Java or Kalimantan, tend to have higher incomes, while less developed provinces such as East Nusa Tenggara often face economic difficulties. Provinces with low incomes often have poor access to quality education and health services. Lack of education hinders skills development and employment opportunities, while health problems can reduce people's productivity. Income inequality between provinces hinders social mobility. People in less developed areas are often trapped in poverty due to limited opportunities to move to places with better job opportunities. Overall, income inequality between provinces in Indonesia not only creates differences in wealth, but also hinders efforts to reduce poverty, as poorer groups do not have equal access to opportunities. The results of this study are supported by research conducted by Endrawati et al., (2023) and Muhammad et al., (2024) which shows that research with a positive gini ratio variable.

b. Effect of Government Expenditure on Poverty Level

The results show that government spending is positive towards poverty. This means that an increase or decrease in government spending does not affect the poverty rate. This is because government spending may not be used effectively or efficiently. In addition, government spending may not be large enough or unevenly distributed across the province. If budget allocations are more focused on a few specific regions and not spread evenly, the impact on poverty reduction across the province may not be felt. Government spending on infrastructure or social programs may take time before its impact on poverty reduction is seen. The results of this study are supported by research conducted

by Khamilah, (2018) and Silvia et al., (2023) showing that research with government expenditure variables on poverty levels has a positive and insignificant effect.

c. Effect of Education Level on Poverty Level

The results show that education level is negative and significant to poverty. This means that any increase in education level will reduce the poverty rate. Higher education levels increase the skills and knowledge of individuals. With better skills, people have a greater chance of getting a decent job and high income, which can reduce poverty levels. Education gives individuals access to improve their social and economic status. With adequate education, one has the opportunity to move from low-income jobs to higher-income jobs, thereby improving living standards. Provinces with high levels of education tend to have lower unemployment rates. A good education prepares individuals to enter the labor market and meet the needs of industry, which in turn creates jobs and reduces poverty. The results of this study are supported by research conducted by Juardi et al., (2023) and Zaqiah et al., (2023) showing that research with education level variables has a negative and significant effect on poverty rates.

d. The Effect of ZIS (Zakat, Infaq and Alms) on the Poverty Level

The results showed that ZIS had a positive and insignificant effect on poverty. This means that an increase or decrease in ZIS will not affect poverty partially. This is because ZIS is not distributed evenly, provinces or regions that receive less attention can remain trapped in poverty. For example, if most of the ZIS funds are concentrated in provinces with higher incomes, poorer provinces will not get the necessary support to address poverty issues. In addition, ZIS programs that are not matched with economic empowerment efforts can create dependency. People who are overly dependent on aid may lose motivation to improve their skills or seek better jobs, which in turn can exacerbate poverty. Lack of information regarding ZIS and how to access it is not properly conveyed to the community, many will not be aware of opportunities to get assistance. This keeps them isolated and continues to experience poverty. This research is supported by the research of Tamimi & Syarbaini, (2023) and Pasha, (2020) which shows that ZIS on poverty levels has a positive and insignificant effect.

CONCLUSION

Based on the results of data analysis, hypothesis testing and discussion, the Gini ratio is positive and significant to the poverty rate in 34 provinces in Indonesia in 2020-2023. On the education level variable is negative and significant to poverty in 34 provinces in Indonesia in 2020-2023. And on the distribution variable of government expenditure and ZIS, it is positive and not significant to poverty in 34 provinces in Indonesia in 2020-2023.

Based on the conclusions that have been presented, the authors try to put forward several suggestions, namely (1) The central government that makes fiscal policy is expected to be more focused and consistent in efforts to alleviate poverty and economic equality so that inequality does not occur. (2) The central and local governments have a commitment to cooperate with amil zakat institutions to optimize the collection and distribution of zakat funds to the poor so that they have

additional income and reduce poverty. (3) For the community, it is hoped that they can work together to support the government in the programs and policies that have been established in developing the economy and alleviating poverty problems. (4) For future researchers, it is recommended that further research add sample testing with a longer period of time in order to develop research results which will later make information for the community.

REFERENCES

Adriana, T. (2018). *Influence of Health Level, Educational Level, Productivity Against Poverty in Kalimantan*.

Akmal, M., & Aisyah, S. (2023). The Effect of Human Development Index, Local Revenue and Government Expenditure on Poverty in Enrekang Regency. *ICOR: Journal of Regional Economics*, *4*(1), 1–10.

Alamsyah, I. F., Esra, R., Awalia, S., & Nohe, D. A. (2022). Panel Data Regression Analysis To Determine The Factors That Influence The Number Of Poor People In East Kalimantan. *Proceedings of the National Seminar on Mathematics, Statistics, and Their Applications*, 254–266.

Anjelina, E. D., Salsabila, R., & Fitriyanti, D. A. (2020). The Role of Zakat, Infaq and Sadaqah in Improving Community Economic Welfare. *JIHBIZ Journal of Economics, Finance and Islamic Banking*, *4*(2), 136–147.

Basuki, A. T., & Prawoto, N. (2009). *Regression Analysis in Economic and Business Research (Equipped with Spss and Eviews Applications)*. Fakultas Ekonomi dan Bisnis Universitas Muhammadiyah Yogyakarta.

Basuki, A. T., & Yuliadi, I. (2014). *Electronic data Processing (Spss 15 and Eviews 7)* (1st ed.). Danisa Media.

Bawono, A., & Shina, A. F. I. (2018). *Applied Econometrics for Economics and Islamic Business Applications with Eviews*.

Chabachib, M., & Abdurahman, M. I. (2020). *Determinants Of Firm Value With Capital Structure As A Moderating Variable*. UPT Undip Press 2020.

Djordian, K. (2021). *The effect of education level and work experience on employee performance of PT. Karya Mentari Seraya*.

Endrawati, D., Nujum, S., & Selong, A. (2023). The Effect of Economic Growth, Gini Ratio and Human Development Index on Indonesia's Poverty Rate 2017-2022. *Tambusai Journal of Education*, *7*(3), 20144–20151. https://doi.org/https://doi.org/10.31004/jptam.v7i3.9453

Husen, A., & Qarni, W. (2023). Analysis of the Effectiveness of the Distribution of Zakat Funds at Baznas Asahan Regency 2019-2022. *JIKEM: Journal of Computer Science, Economics and Management*, *3*(2), 3654–3664.

Igrisa, A., Saleh, S. E., & Bumulo, F. (2023). Analysis of Factors that Influence Poverty Levels in Gorontalo Province. *Journal of Economic and Development Studies (JSEP)*, *1*, 1–9.

Juardi, Ahmad, M. A. A., & Iwang, B. (2023). Analysis of Population, Education Level, GRDP, and Inflation on Poverty in South Sulawesi Province. *Bulletin of Economic Studies (BEST)*, *3*(1), 14–24.

Khamilah, H. (2018). The Effect Of Government Expenditure, Unemployment And Economic Growth On The Poverty Rate In The Province Of South

Kalimantan. *JIEP (Journal of Economics and Development)*, *1*(2), 314–324.

Machali, I. (2016). *Quantitative Research Methods; Practical Guide to Planning, Conducting and Analyzing in Quantitative Research*. Program Studi Manajemen Pendidikan Islam (MPI) Fakultas Ilmu Tarbiyah dan Keguruan UIN Sunan Kalijaga Yogyakarta.

Mahendra, A. F., & Fitanto, B. (2024). Analysis of Fiscal Effect and Decentralization Regional Gross Domestic Product Poverty in District and City East Java Province 2015-2019. *Journal of Development Economic and Social Studies*, *3*, 4.

Melliny, V. D., Purwanti, Y., & Akbar, R. A. (2022). Determining Factors of Poverty Levels in Central Indonesia. *Journal of Management and Business*, *1*, 1–6.

Muhammad, F., Muchtar, M., & Sihombing, P. R. (2024). The Nexus of Gender Inequality and Poverty Rate in Indonesia. *Perspective: Journal of Economics & Management, Bina Sarana Informatika University*, *22*(1), 51–58.

Nahumuri, L. L. (2019). The Essence and Urgency Of Goverment Expenditures For Regional Development. *Equatorial Voice Government Science Journal*, *4*.

Panggabean, M., & Matondang, E. R. L. (2019). Effect of Expenditures Regional Government, Human Development Index (HDI) and Economic Growth Against Regency/ City PovertyLvel in West Kalimantan Province 2010-2017. *Prosiding SATIESP*.

Pasha, M. K. (2020). *The Effect of ZIS, Foreign Direct Investment (FDI), Human Development Index and Inequality on Poverty in Five Provinces in Java.* Iain Salatiga.

Putra, E. P., & Robertus, M. H. (2022). The Effect of Education Level, Health Level and Income Inequality on Regency/City Poverty Levels in West Sumatra Province in 2016-2021. *Diponegoro Journal Of Economics*, *11*, 115–125.

Putra, M. D. P., & Setiawati, R. A. S. (2023). The Effect of Government Expenditure, Population and Unemployment on Poverty in Gresik Regency. *Journal of Promotion Journal of Economic Education UM Metro*, *11*(1), 150–157.

Silvia, P., Asyura, Renilda, Asnidar, & Andiny, P. (2023). The Effect of GRDP and Government Expenditure on HDI and Poverty in Langsa City. *Journal of Accounting Science Research*, *2*(4).

Sinaga, R., Kumenaung, A. G., & Rorong, I. P. (2024). Analysis of the Influence of Government Expenditures, Education and Health on Poverty Levels in North Sulawesi Province. *Journal Of Regional Economic and Financial Development*.

Soleh, M., & Wahyuni, N. (2021). The Influence of HDI, GRDP, Government Expenditures, on Poverty in Central Java with Zakat as Moderating. *IJIEB : Indonesian Journal of Islamic Economics and Business*, *6*, 86–106.

Tamimi, K., & Syarbaini, A. M. B. (2023). Analysis of the Interaction and Contribution of Zakat, Infaq, Alms (ZIS) and Islamic Human

Development Index (I-HDI) to Poverty in Indonesia. *Innovation : Jurnal of Economics, Finance andManagement*, *3*, 678–688.

Thalib, P. S., Canon, S., Popoi, I., Bumulo, F., & Mahmud, M. (2023). The Effect of Education Level and Population Growth on Poverty in Bone Bolango Regency. *Innovative: Journal Of Social Science Research*, *3*(4), 9641–9652.

Utami, S. N., & Lutfhi, F. (2023). The Role of Zakat, Infaq, Sadaqah, and Waqaf in Tackling Poverty Study on Baitulamaal Iltizam Indonesia. *Proceedings of the National Seminar of the Islamic Economics Study Program*.

Vendison, M. N., Pangaleran, R. O., Fenny, F., & Nainggolan, B. R. M. (2022). The Effect of Labor, Education Level, Gross Regional Domestic Product (GRDP), Consumption, and Investment on Poverty in North Sumatra. *Management Studies and Entrepreneurship Journal (MSEJ)*,.

Wahyuni, M. (2020). *Descriptive Statistics for SPSS Manual Data Processing Research Version 25*. Bintang Pustaka Madani.

Wibowo, K. P., & Pangestuty, F. W. (2023). Analysis of Influencing Factors Income Inequality in Indonesia. *Journal of Development Economic and Social Studies*, *2*, 539–549.

Widiastuti, A. S., & Kosasih. (2021). The Effect of ZIS, Economic Growth, Unemployment and Inflation on Poverty Levels in Indonesia. *Maro; Journal of Islamic Economics and Business*, *4*(1).

Zaqiah, A., Triani, M., & Yeni, I. (2023). The Influence of Education Level, Unemployment and Population on Poverty Levels in Indonesia. *Journal Economic and Development Studies*, *5*, 33–42.