

The Influence Of ZIS Fund Distribution, Sharia Financing, And Social Assistance Program On Poverty Alleviation: Islamic Human Development Index As An Intervening Variable

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Abstract

Introduction to The Problem: The poverty level in Indonesia will increase at the end of 2022, while the growth in the realization of distribution of ZIS funds, Sharia Financing, Social assistance program Program and I-HDI, represented by IPM, will experience good growth and increase significantly in 2022.

Purpose/Objective Study: This research aims to determine the influence of distribution of ZIS funds, sharia financing, and social assistance program on poverty. Islamic human development index as a mediator between the influence of ZIS, sharia financing, and social assistance program for poverty alleviation.

Design/Methodology/Approach: The analysis model use is the Structural Equation Model (SEM) method with the Partial Least Squares (PLS) approach. The sample consisted of 10 provinces with the largest Muslim population in Indonesia. The data used was 50 data obtained a 5 year period in 10 provinces. The data use is secondary data obtained from the official website of the relevant institution. Data were processed using Smart PLS 4.0 software.

Findings: The results of this research show that the distribution of ZIS funds has a significant negative effect on poverty, sharia financing has a significant negative effect on poverty, social assistance program has a significant positive effect on poverty, the Islamic human development index is able to mediate the effect of distribution ZIS funds, sharia financing, and social assistance program towards poverty alleviation.

Paper Type: Research Article

Keywords: ZIS, sharia financing, social assistance program, Islamic Human Depelovment Index, poverty.

Introduction

Poverty is one of the central problems by developing countries. According to Wulandari et al (2022), the concept of poverty has been studied a lot, but has not obtained optimal results. According to Istan (2017), poverty has also become an economic, social and political problem throughout the world, including in Muslim countries. Indonesia, with the

largest Muslim population, namely around 86.93% of the total population, is a developing industrial country. As a developing country, Indonesia still has a major problem regarding people living below the poverty line (Ayuniyyah et al., 2018). Based on data from the Central Statistics Agency (BPS), at the end of 2022 the number of poor people in Indonesia tends to increase, reaching 26.36 million people, an increase of 0.20 million from March 2022. Thus, the problem of poverty in Indonesia must be addressed immediately so that it does not have an even greater impact. big impact on the national economy (Afdali et al., 2021). Poverty reduction is one of the main policy priorities of the Indonesian government. This is in line with the commitment to achieve the first goal in the Sustainable Development Goals (SDGs), namely efforts to eradicate poverty. Ayuniyyah et al (2018), in his research stated that one strategy to solve the problem of poverty is to use instruments based on local culture or religion. Indonesia, with the largest Muslim population, namely around 86.93% of the total population, is a developing industrial country (Nugroho et al., 2020).

According to Murobbi (2021), Zakat, Infaq and Alms (ZIS) is one of the Islamic philanthropy sectors which is very important for eradicating poverty, equalizing income and avoiding social inequality. Pratama et.al's research (2022), proves that Zakat, Infaq and Alms (ZIS) is able to reduce poverty levels in Indonesia. Based on BAZNAS data, the growth of ZIS fund distribution every year always experiences very good growth. In 2020 there was growth of Rp. 4,311.65 billion or 42.16% compared to 2019, however in 2021 there was a slight decrease in growth compared to 2020. However, the growth of ZIS fund collection experienced a very good increase in 2022, namely 58.90% compared to 2021 which was only amounting to 34.75% (BAZNAS, 2022).

Apart from looking at the distribution of ZIS funds, poverty alleviation in Indonesia, as a country with the largest Muslim population, is also inseparable from the role of sharia financial institutions in it. The Indonesian government has a big desire to become a sharia financial center, one of which is to improve the welfare of Indonesian society, whose plans are in line with the basic concept of sharia finance, namely to create a prosperous society (hadarah) that fulfills spiritual and intellectual aspects (tamadhun and thaqafah) (Fahmi Zarkasy, 2015). According to data from the Financial Services Authority (OJK), the total level of financing distribution for all types of contracts from sharia banks and sharia business units in Indonesia reached IDR 470 trillion in August 2022, growing 18.51% in a year (year-on-year/yoy).Tends to increase every year. This gives a lot of hope, including the number of poor people and the problem of poverty itself. It is hoped that Islamic banking will be able to play a bigger role, especially in alleviating poverty. The personality of Islamic banks towards the middle class has been demonstrated by their financing orientation towards very large MSMEs.

Apart from looking at the distribution of ZIS funds and sharia financing, of course the social assistance program budget as per research conducted by Sutomo (2013); Fitri and Kaluge (2017), who show that social assistance program spending can help alleviate poverty. According to studies on social assistance program governance, social assistance program spending is expenditure in the form of transfers of money, goods or services provided by the

central or regional government to the community in order to protect the community from possible social risks, increase economic capacity and community welfare (Muflaha, 2018). According to Sri Mulyani, there are a number of things that the government is focusing on, one of which is spending on social assistance program. In this case, the government continues to make efforts to combat poverty and inequality. Based on the graph above, the Ministry of Finance reports budget realizations of social assistance program spending. In 2022 it will reach IDR 188.2 trillion, growing 5.1% (year-on-year/yoy) from last year when the realization was IDR 179.1 trillion. This figure is also higher than the realization in the first half of 2020 which amounted to IDR 167.3 trillion, and the first half of 2019 which amounted to IDR 141.3 trillion. Apart from looking at the distribution of ZIS funds, Sharia financing, and alleviation programs from the government, poverty in developing countries is also characterized by the poor quality of human resources. This human quality factor is measured by the quality of the IPM (Human Development Index) or in Islam it is measured by the I-HDI (Islamic human development index) (Roseline et al, 2022).

Islamic Human Development Index (I-HDI) which is taken from the maqhasid concept, there are the addition of five maqasid sharia indicators. Based on research conducted by HB Hendrianto In the Introduction of an Islamic Human Development Index (IHDI) to Measure Development in OIC Countries (2009), I-HDI is calculated based on the religious dimension (*ad-dien*) of the indicators used, namely crime rate data. The mental dimension (*an-nafs*) indicator used is life expectancy data. Meanwhile, for the intellectual dimension (*al'-aql*), indicators are used, namely data on literacy rates and average years of schooling. For the hereditary dimension (*an-nasl*), two indicators are used, namely data on the total birth rate and infant mortality rate. For the asset dimension (*al-maal*), a combination of two indicators is used, namely the indicator of individual property ownership and the income distribution indicator. For the indicator of property ownership, the data used is adjusted real per capita expenditure, for the income distribution indicator, the Gini ratio index and poverty depth index data are used. However, before measuring it with I-HDI, it would be good to know the HDI phenomenon in Indonesia as an illustration of the growth in the quality of human resources over the last 5 years. Graph 1.5 above illustrates the growth of HDI which has increased significantly every year. Even in 2022 there will be a very good increase. However, poverty still fluctuates every year and tends to increase in 2022. This is contrary to the theory which states that human development is very important in efforts to eradicate the problem of poverty and inequality in society (Sri et al., 2010).

Based on the phenomena described above, it can be seen that there is a gap between the phenomena and existing theories. From the graph of the poverty level in Indonesia, which is fluctuating and tends to increase at the end of 2022, when compared with the graph of growth in the realization of distribution of ZIS funds, Sharia Financing, Social assistance program, and I-HDI which is represented by HDI which always increases every year, even in 2022 will experience a very significant increase. Of course, this is a gap with the theory which states that ZIS funds play a role in preventing the accumulation of wealth and reducing poverty

(Arwani, 2020). Tohiri and Husaini (2019), explained that sharia financing provides added value to the poor, especially in terms of credit and plays a role in alleviating the problem of poverty. According to a study of social assistance program governance, social assistance program spending is to increase economic capacity and community welfare in alleviating poverty (Mufliha., 2018).

Apart from looking at the gap between theory and the phenomena described above, there are several previous research results that have proven that research results vary from one study to another. There are those who state that the relationship between ZIS funds (zakat, infaq and shadaqah) has a significant negative influence on alleviating the problem of poverty (Setyaningsih, W. 2021; Murobbi, 2021; Munandar et al., 2020; Hany and Islamiyati, 2020; Rafsanjani and firdayetti, 2019; Mauliadi and Amri, 2019; Nur Alifia, 2020; Gunawan, 2020; Nafi'ah, 2020). Meanwhile, other research results state that ZIS funds (zakat, infaq and shadaqah) do not have a significant negative effect on poverty (Bahariansyar, M. 2017; tawakkal and sapha, 2018; Widiastuti, 2021; Wibowo, 2019); (Eris Munandar, Mulia Amirullah, 2020).

Other research results also state that ZIS funds (zakat, infaq and shadaqah) on poverty have a positive and insignificant influence (Pasha, 2021; Pasha and Pratama, 2021). In their research, Hidzana (2020) and Syarbaini et al (2022) I-HDI has a negative and insignificant effect on poverty levels, whereas in their research Reza et al (2018) and Juliansyah et.al (2018) I-DHI has a significant negative effect on poverty levels. Several previous studies that examined the influence of human resource quality on poverty only focused on HDI in examining its influence on poverty. This is not yet comprehensive with the objectives of Islamic economics, namely through the I-HDI concept, although there are several previous studies that studied I-HDI but did not use this I-HDI variable as an intervening variable and the data used in previous research was time series data. (Yulius Darma et al., 2018) and (Syarbaini, et al., 2022).

Therefore, this research takes a different perspective, namely by using panel data and using the Islamic Human Development Index (I-HDI) variable as an intervening variable using the SEM analysis method. therefore, Poverty is negatively correlated with the quality of human resources. This occurs when a lower level of poverty corresponds to a higher quality of human capital in a given population. In this case, I-HDI acts as a mediator or as a variable that bridges the relationship between the ZIS variables, sharia financing and social assistance program towards poverty alleviation. Because the level of poverty and human development will improve as a result of increasing disbursed zakat funds, sharia financing and social assistance program funds so that the quality of human resources can be improved. Therefore, I-HDI increases along with increasing social welfare (Rahim et al., 2022).

Through the background explained above, researchers want to test the influence of ZIS, Sharia Financing, and Social assistance program, on poverty with I-HDI (Islamic-Human Deployment Index) as an intervening variable, so this research aims to determine (1) the influence distribution of ZIS funds to poverty, (2) sharia financing to poverty, (3) social

assistance program funds to poverty, and (3) Islamic human development index as a mediator between the influence of ZIS, sharia financing and social assistance program to poverty alleviation.

Methodology

The analysis model use is the Structural Equation Model (SEM) method with the Partial Least Squares (PLS) approach. The sample consisted of 10 provinces with the largest Muslim population in Indonesia. The data used was 50 data obtained a 5 year period in 10 provinces. The data use is secondary data obtained from the official website of the relevant institution. Data were processed using Smart PLS 4.0 software. The population in this study is the total distribution of ZIS funds (Zakat, Infaq, Sadaqah), sharia financing, social assistance program, Islamic human development index components, and the amount of poverty in 10 provinces in Indonesia in a five year period starting from 2018 to 2022. data can be obtained from the website (www.baznas.go.id) And (www.bps.go.id) and OJK.

The type of data used is panel data. Panel data is a combination of time series data and cross section data. The cross section data in this research is the amount of poverty, data on the distribution of ZIS (Zakat, Infaq, Sadaqah) funds, sharia financing, social assistance program, and the Islamic Human Development Index (I-HDI) in 10 provinces in Indonesia. Meanwhile, the time series data in this study has 5 observation periods, namely for 5 years (2018-2022) using annual reports. The data in this research comes from secondary data, namely data obtained through other parties, not directly examined by researchers from the research subjects. Secondary data was obtained from reference books, the internet, literature, journals, and data related to research objectives(Sujarweni, 2020). The data used is data obtained in the form of BPS, OJK and BAZNAS data reports. The data was processed using Smart PLS software version 4.0. The data was then analyzed using the Structural Equation Modeling (SEM) method with the Partial Least Square (PLS) approach.

Results and Discussion

Analyze the pattern of relationships between variables to determine the direct or indirect influence of the independent variable on the dependent variable using path analysis. Through path analysis, the form of relationship between variables can be identified along with the path and strength of the relationship between variables. The path analysis model is shown in Figure 1 below.

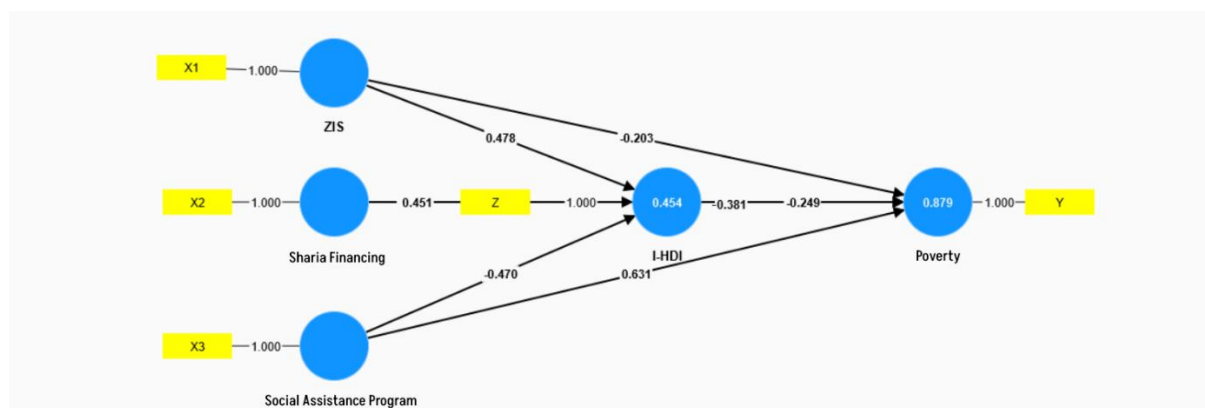


Figure 1. Path Analysis

Source: SmartPLS 4.0 Output (2023)

Hypothesis testing is seen from the significance value of the relationship between variables and the coefficient of the relationship between the influence of the independent variable on the dependent variable. The results of the path analysis test show the significance between the variables in the research. The path coefficient shows the direction and how much influence the Independent Variable has on the Endogenous Variable. The significance of the model can be seen by comparing the t-values with the calculated t-value which in the intervening model uses a calculated t of 1.96. The results of the hypothesis test to test the direct effect are explained in Table 1 below:

Table 1. Path coefficients and t-values for direct effects

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	<i>hypothesis Accepted</i>
ZIS→I-HDI	0.478	0.475	0.136	3,518	0,000	H1: Accepted
ZIS→Poverty	-0.203	-0.2	0.09	2,257	0.024	H2: Accepted
Sharia Financing→I-HDI	0.451	-0.464	0.086	5,217	0,000	H3: Accepted
Sharia Financing→Poverty	-0.381	0.383	0.088	4,333	0,000	H4: Accepted

Social assistance program → I-HDI	-0.47	-0.464	0.11	4,257	0,000	H5: Unaccepted
Social assistance program → Poverty	0.631	0.629	0.094	6,739	0,000	H6: Unaccepted
I-HDI → Poverty	-0.249	-0.247	0.077	3,233	0.001	H7: Accepted

Source: PLS 4.0 Output (2023)

The Influence of ZIS Fund Distribution on I-HDI

The ZIS path coefficient on I-HDI has a value of 0.478, indicating a positive influence from ZIS on I-HDI. The t-statistic value > 1.96 or $3,518 > 1.96$ means that ZIS has a significant positive effect on I-HDI, so the research hypothesis (H1) ZIS Funds on I-HDI is accepted. This is in line with the theory presented by Khasandy and Barduddin (2019), which states that Zakat, Infaq and alms can improve the quality of human resources in improving welfare. The results of this research are in line with research conducted by previous researchers which found that ZIS and I-HDI have unidirectional causality, namely causality from ZIS to I-HDI (Tamimi & Imsar, 2023; Atmajaya & Widiyati (2021); Wahdati (2022); Almeyda & Rusgianto (2023).

The Influence of Sharia Financing on I-HDI

The Sharia Financing path coefficient for I-HDI has a value of 0.451, indicating the positive influence of sharia financing on I-HDI. The t-statistic value > 1.96 or $5.217 > 1.96$ means that sharia financing has a significant positive effect on I-HDI, so the research hypothesis (H2) is accepted, as in research by Amalia et.al (2021), the greater the sharia bank financing distributed the higher the value of the quality of human resources. Increasing capital assistance for productive businesses through financing will have the potential to increase income and reduce unemployment, which will have an impact on improving the quality of human resources. This is in accordance with research by Nurdany, 2016 which states that financing distributed to the public by sharia banking will have an effect on increasing production of goods, processing of raw materials, trade volume, and/or carrying out other economic activities by partners (entrepreneurs) who apply for financing.

An increase in sharia banking financing will cause the exchange of goods and services in society to increase, increased economic activity can improve the welfare of society from an economic perspective. Meanwhile, if you look at welfare from another aspect, religiosity for example, people who get financing from sharia banking will feel more comfortable because they are free from things that are prohibited in Islam. The comfort felt by the community in

using sharia bank financing can also be categorized as inner well-being, or religious well-being. Financing in sharia banking was also found to have a significant positive effect on people's welfare as proxied by the growth of Gross Domestic Regional Product (GRDP) in Jordan in the 1980-2012 period by Al-Oqool, Okab, & Bashayreh (2014); Wahyuningsih, et.al (2019).

The Influence of Distribution of Social assistance program Funds on I-HDI

The path coefficient for social assistance program funds towards I-HDI has a value of -0.470, indicating that there is a negative influence from social assistance program funds towards I-HDI. The t-statistic value > 1.96 or $4,257$ or $4,257 > 1.96$ means that social assistance program funds have a significant negative effect on I-HDI. In research conducted by previous researchers, the results were that social assistance program and I-HDI have unidirectional causality, namely the direction of assistance. social to I-HDI is negative. The results of this research fail to prove that social assistance program funds have a positive influence on I-HDI as done by Handayani et.al (2022), stating that social assistance program has a significant positive effect on I-HDI. In his research, Akba (2018) also explained that these social assistance program funds have not fully increased community productivity and improved the quality of human resources. Therefore, serious attention from the government is needed for the development and distribution of social assistance program funds in Indonesia to help the community's needs in a targeted manner and the community must be given education that these social assistance program funds should not be used as dependency and make the recipients unproductive.

The Influence of ZIS Fund Distribution on Poverty

The ZIS path coefficient on poverty has a value of -0.203, indicating the negative influence of ZIS on poverty. The t-statistic value > 1.96 or $2,257$ or $2,257 > 1.96$ means that ZIS has a negative and significant effect on poverty, so the research hypothesis (H4) ZIS Funds Against Poverty is accepted. This is in line with the theory presented by Khasandy and Barduddin (2019), meaning that if the amount of distribution of ZIS funds is more precise and adequate, poverty will decrease. This is of course in line with the theory that the benefits and functions of zakat, infaq and alms are to help poor people escape the tangled threads of poverty. And in line with previous research conducted by Murobbi et.al (2021) and Pratama et.al (2022), which stated that Zakat, Infaq and Alms (ZIS) funds are one sector of Islamic philanthropy which is very important for eradicating poverty, equalizing income and avoiding social inequality.

The Influence of Sharia Financing on Poverty

The coefficient of sharia financing on poverty is -0.381, this shows that there is a negative influence of sharia financing on poverty. The t-statistic value > 1.96 or $4,333$ or $4,333 > 1.96$ means that ZIS has a significant positive effect on poverty, so the research hypothesis (H5) is sharia financing on poverty. accepted. This is in line with research by Tohirin &

Husaini (2019) and Quilim et al (2021), which found similar results at the national level, that Islamic bank financing provides benefits to the poor, and the effect is even stronger than credit from conventional banks. Meanwhile, a study conducted by Iskandar & Possumah (2018) found that areas with a high Islamic financial inclusion index (ISFI/Index of Sharia Financial Inclusion) tend to be better able to reduce poverty rates. Furthermore, the profit sharing system and prohibition of speculation create financial system stability and reduce inflation to a low level, thereby making the economy more resilient (Hossain, 2016); (Fahmi Zarkasy, 2015) and (Nugroho, 2020).

The Influence of Distribution of Social assistance program Funds on Poverty

The path coefficient of social assistance program funds to poverty has a value of 0.631, this shows that there is a positive influence of social assistance program funds on poverty. The t-statistic value > 1.96 or $6,739$ or $6,739 > 1.96$ means that social assistance program funds have a significant positive effect on poverty alleviation, so the research hypothesis (H6) Social assistance program funds against poverty is accepted. This is in line with the theory presented by Khasandy and Barduddin (2019). The results of this analysis show that changes to social assistance program will make a positive and significant contribution to poverty. The higher the social assistance program, the more poverty will increase. This contradicts the statement which states that social welfare (Bansos) is a government program which aims to improve community welfare (Irfan, 2023). In addition, social assistance program is provided to the community to fulfill and provide food, clothing and shelter needs and to improve the welfare of the beneficiaries. However, the results of this research are supported by Melati's statement (2021), which revealed that social assistance program does not affect poverty levels, social assistance program does not partially affect poverty rates. The level of social assistance program achieved is still small compared to total regional expenditure and tends to be uneven from year to year. This is also due to unrealized spending on social assistance program by various health and social insurance programs created by the central and state governments, resulting in fewer applications for social assistance program from municipal governments. This is of course due to the inappropriate social assistance program provided to the community.

The Influence of the Islamic Human Development Index (I-HDI) on Poverty

The I-HDI path coefficient on poverty has a value of -0.249 indicating the negative influence of I-HDI on poverty. The t-statistic value > 1.96 or 3.233 or $3.233 > 1.96$ means that I-HDI has a significant negative effect on poverty, so the research hypothesis (H7) of I-HDI on poverty is accepted. This is in line with research results supported by previous research which has examined I-HDI with poverty. Such as research conducted by Khairul Fadilah (2019) which stated that there was a significant negative influence of the I-HDI variable on poverty in the districts/cities of the Special Region of Yogyakarta. This is indicated by the probability value of 0.000, which is smaller than the significance level of 0.05. Then, the coefficient value obtained is -5.358, which shows that the I-HDI variable or Human Development Index based

on Maqashid Syari'ah has a significant negative effect on the poverty variable. Not only that, the results of other research conducted by Ari Kristin Prasetyonigrum and U. Sulia Sukmawati (2018) stated that the I-HDI variable in dealing with poverty in Indonesia had a significant negative influence and Nasyitha (2020), stated that there was a significant negative influence between the I-HDI variable and poverty in districts/cities in East Java.

The results of the indirect influence can be obtained from multiplying the path coefficient of the exogenous variable on the intervening variable with the path coefficient of the intervening variable on the endogenous variable. The total influence can be determined by adding up the direct influence coefficient value with the product of the indirect influence coefficient value. Calculation of path coefficients and t-values for indirect effects can be seen in Table 2.

Table 2. Path coefficients and t-values for indirect effects

	<i>Original sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Values</i>	<i>Hypotesis Accepted</i>
ZIS→I-HDI→Poverty	-0.119	-0.120	0.056	2.132	0.033	H8: Accepted
Financing→I-HDI→Poverty	-0.112	-0.115	0.043	2.614	0.009	H9: Accepted
Social assistance program→I-HDI→Poverty	0.117	0.115	0.046	2.549	0.011	H10: Unaccepted

Source: SmartPLS 4.0 Output (Processed 2023)

The influence between variables directly, indirectly and in total can be seen in Table 3.

Table 3. Total Direct and Indirect Effects

Variable			Influence			T Statistic (0/STDEV)	P Values	Hypothesis Accepted
Independent	Intervening	Dependent	Direct	Indirect	Total			
ZIS	-	I-HDI	0.478			3.518	0,000	H1: Accepted
ZIS	-	Poverty	-0.203			2.257	0.024	H2: Accepted
Sharia Financing	-	I-HDI	0.451			5.217	0,000	H3: Accepted
Sharia Financing	-	Poverty	-0.381			4.333	0,000	H4: Accepted
Social assistance program	-	I-HDI	-0.470			4.257	0,000	H5: Unaccepted
Social assistance program	-	Poverty	0.631			6.739	0,000	H6: Unaccepted
I-HDI	-	Poverty	-0.249			3.233	0.001	H7: Accepted
ZIS	I-HDI	Poverty	-0.203	-0.119	-0.322	2.132	0.033	H8: Accepted
Sharia Financing	I-HDI	Poverty	-0.381	-0.112	-0.493	2.614	0.009	H9: Accepted
Social assistance program	I-HDI	Poverty	0.631	0.117	0.748	2.549	0.011	H10: Unaccepted

Source: Analysis Results with SmartPLS 4.0 (Processed, 2023)

The Influence Of ZIS Fund Distribution On Poverty Is Mediated By I-HDI

The ZIS Fund path coefficient on poverty mediated by I-HDI has a value of -0.119 which is obtained from the product of the value of 0.478 (ZIS path coefficient on I-HDI) with -0.249 (I-HDI path coefficient on poverty). The total effect of -0.322 is obtained from the sum of the values -0.203 (coefficient of direct influence between ZIS variables on poverty) plus -0.119 (coefficient of indirect influence between ZIS variables on poverty mediated by I-HDI). The t-statistic value >1.96 or $2,132 > 1.96$ means that ZIS has a significant negative effect on poverty levels mediated by I-HDI, so the research hypothesis (H8) that ZIS has a significant negative effect on poverty levels mediated by I-HDI is accepted.

This is in accordance with the statement which reveals that Indonesia's poverty level and human development will improve as a result of increasing zakat, infaq and alms funds. Additionally, there is a favorable correlation between I-HDI and macroeconomic factors. Therefore, human development will increase along with increasing prosperity (Imsar et al., 2023).

The Influence Of Sharia Financing On Poverty Is Mediated By I-HDI

The path coefficient for sharia financing to poverty mediated by I-HDI has a value of -0.112 which is obtained from the product of the value of 0.451 (coefficient of the sharia financing path to I-HDI) and -0.249 (coefficient of the I-HDI path to poverty). The total influence of -0.493 is obtained from the sum of the values -0.381 (coefficient of direct influence between sharia financing variables on poverty) plus -0.112 (coefficient of indirect influence between sharia financing variables on poverty through I-HDI). The t-statistic value >1.96 or $2,614 > 1.96$ means that sharia financing has a significant positive influence on poverty levels mediated by I-HDI, so the research hypothesis (H9) that Syrian financing has a significant negative effect on poverty levels mediated by I-HDI is accepted. These results are confirmed by a statement stating that the poverty level and Indonesia's Human Development Index will improve as a result of increased financing in sharia financial institutions. Additionally, there is a favorable correlation between I-HDI and macroeconomic factors. Therefore, I-HDI increases along with increasing welfare (Napitupulu, 2007).

The Influence Of Distribution Of Social Assistance Program Funds On Poverty Is Mediated By I-HDI

The coefficient of the Social assistance program pathway to poverty mediated by I-HDI has a value of 0.117 which is obtained from the product of the value of -0.470 (Coefficient of the Social assistance program pathway to I-HDI) and -0.249 (Coefficient of the I-HDI pathway to poverty). The total influence of 0.748 is obtained from the sum of the values 0.631 (coefficient of direct influence between social assistance program variables on poverty) plus 0.117 (coefficient of indirect influence between social assistance program variables on poverty through I-HDI). The t-statistic value >1.96 or $2,549 > 1.96$ means that social assistance program has a significant positive influence on poverty levels mediated by I-HDI, so the research hypothesis (H10) Distribution of social assistance program funds has a significant positive effect on poverty levels mediated by I-HDI rejected. The results of this research are in line with research conducted by Handayani et.al (2022), stating that social assistance program has a significant positive impact on I-HDI. In his research, Akba (2018) also explained that these social assistance program funds have not fully increased community productivity and improved the quality of human resources. Melati (2021), who revealed that social assistance program does not affect poverty levels, social assistance program does not partially affect poverty rates. The level of social assistance program achieved is still small compared to total regional expenditure and tends to be uneven from year to year. This is of course due to the inappropriate social assistance program provided to the community.

Table 4. Coefficient Determination Test Results

	R-Square	Adjust R-Square
Poverty (Y)	0.454	0.419
I-HDI (Z)	0.879	0.869

Source: Analysis results with SmartPLS 4.0 (data processed by researchers, 2023)

The Coefficient of Determination (R^2) is used to measure the level of variation in changes in the independent variable towards the dependent variable. The R^2 results in the table 4 above show that macroeconomic problem variables can be explained by the poverty variable of 45%, the remaining 55% are other variables that are not included in the research model. The quality of human resources can be explained by the Islamic human development index variable of 87%, the remaining 13% is another variable that is not included in the research model.

Q square result The R Square value of the dependent variable described in table above is used to calculate the value of the Q-Square coefficient of determination. A study is said to be good if the Q-Square value is greater than 0 (Zero). Q-Square has a range between $0 < Q^2 < 1$. Here's how to calculate Q-square:

$$\begin{aligned} Q &= 1 - (1 - R_1^2)(1 - R_2^2) \\ &= 1 - (1 - 0.4542)(1 - 0.8792) \\ &= 1 - (0.794)(0.228) \\ &= 1 - (0.181) \\ &= 0.819 \end{aligned}$$

The result of the Q-square calculation is 0.819 which means that 81% of the independent variables and intervening variables are feasible in explaining the dependent variable, namely the poverty rate.

Conclusion

Direct Effect Based on the discussion of the research results stated in chapter 4 that the direct influence between ZIS variables, Islamic financing has a significant positive effect on I-HDI, meaning that when the distribution of ZIS funds and Sharia financing increases, I-HDI will increase. While the social assistance variable has a significant negative direct relationship with I-HDI, meaning that when social assistance funds increase, it cannot improve the quality of human resources or I-HDI. This means that from the distribution of social assistance funds, the community does not become productive to increase their business, but instead brings dependence on the assistance. As for the results of the direct influence between ZIS, Islamic financing, and I-HDI has a significant negative relationship with poverty. This means that when the distribution of ZIS funds is increased, sharia financing is improved, and the quality of I-HDI is improved, it will reduce the poverty rate. Meanwhile, social assistance funds have a significant positive influence. This means that when this social aid fund is increased, poverty will increase. In this case, social assistance funds are not effective in reducing poverty levels. because there are several indications from the distribution of social assistance there are uneven distributions, irrelevant DTKS data, and the occurrence of social assistance funds distribution that is not on target

Indirect Effect Based on the results of the research described in chapter four on the indirect effect of ZIS funds and sharia financing on poverty mediated by I-HDI has a significant negative influence. This means that poverty rates and I-HDI will improve as a result of increased ZIS funds and Sharia financing. In addition, there is a favorable correlation between I-HDI and macroeconomic factors. Therefore, human development will increase along with increasing welfare meanwhile, the indirect influence of social assistance funds on poverty through I-HDI has a significant positive influence. This means that this social assistance fund has not fully increased community productivity and improved the quality of human resources and this social assistance is not effective in reducing poverty levels.

Suggestion Advice To Governments And Stakeholders:

For BAZNAS or BAZDA agencies The results of this study can be used as material for evaluation, input, and improvement of the performance of the next BANZAS/BAZDA institution and can be used as material for making the right decisions in terms of distributing ZIS funds (zakat, infaq, and shadaqah) to be right on target. Then educate the public about the role of zakat institutions so that muzakki is not wrong in issuing zakat. Because issuing zakat funds outside the institution still cannot be recorded and cannot be ascertained to be distributed evenly.

For Islamic Financial Institutions The results of this study can be used as material for evaluation, input, and improvement of the performance of further sharia financing institutions and can be used as material for making the right decisions in terms of sharia financing. In this case, the financing provided to the community to increase business capital has good implications for improving community welfare. For this reason, Islamic financial institutions need to increase access to financing to the public. One of the roles of the Indonesian economy is to help economic growth, and the spread of Islamic financing is one way to achieve this. The increase in Sharia Financing has provided a means for the company to expand its operations.

For Central and Local Governments The results of this study can be used as a source of money in taking a policy on poverty alleviation in Indonesia. The suggestion that can be given is to distribute social assistance funds on target, then the social assistance funds that have been given to the beneficiary families are effectively monitored and evaluated. Social assistance funds should not be given successively in order to break the chain of dependence on social assistance that causes people to be lazy to work and preserve poverty. The most important thing is that there is supervision on individuals in the district government who play with the aid funds that must be distributed. Then the solution that must be done is that this social assistance should only be used for public interests, not for political interests, especially for party interests. Because this can cause the main goal of social assistance as poverty alleviation cannot be achieved.

Suggestions For Future Researchers:

Limitations of research variables This study only focused on four variables, namely the distribution of ZIS funds, sharia financing, and social assistance, I-HDI. It is recommended for future studies to use different variables that can affect poverty alleviation and add other methods related to poverty alleviation research. Limitations of research data sources This study has limitations in the form of the use of secondary data that is still bound to established guidelines so that it cannot explore the expected information. Further research can use primary data so as to obtain more accurate information. The variable approach can be further developed using constructs or indicators that can reflect poverty alleviation and improvement in the quality of human resources more specifically and deeply. As well as increasing the number of research sample sizes and expanding the scope of its territory.

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