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Analysis of factors that improve welfare in Java Island

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ARTICLE INFO	ABSTRACT
	Welfare improvement is always an interesting topic to discuss. Improving people's welfare is the main target of development activities carried out by every country. This study aims to determine the factors that affect the welfare of the people in Java in 2014-2019. The variables used in this research are Poverty, Zakat, Human Development Index, GRDP, and unemployment. This study uses secondary data with a panel data model, namely annual data from six provinces in Java. The analytical method used is multiple linear regression analysis with the Moderated Regression Analysis (MRA). The results show that the HDI has a significant negative effect on poverty, GRDP has an insignificant negative effect on poverty, unemployment has no negative effect. significant impact on poverty. The results of this study indicate that zakat cannot moderate the relationship between HDI, GRDP, and unemployment to poverty **** ***Analisis Faktor-Faktor Peningkatan Kesejahteraan di Pulau Jawa.*** Peningkatan kesejahteraan selalu menjadi topik yang menarik untuk dibahas. Peningkatan kesejahteraan rakyat merupakan sasaran utama kegiatan pembangunan yang dilakukan oleh setiap negara. Penelitian ini bertujuan untuk mengetahui faktor-faktor yang mempengaruhi kesejahteraan masyarakat di Pulau Jawa tahun 2014-2019. Variabel yang digunakan dalam penelitian adalah Kemiskinan, Zakat, Indeks Pembangunan Manusia, PDRB, dan pengangguran . Penelitian ini menggunakan data sekunder dengan model data panel, yaitu data tahunan dari enam provinsi di Jawa. Metode analisis yang digunakan adalah analisis regresi linier berganda dengan uji Moderated Regression Analysis (MRA). Hasil penelitian menunjukkan bahwa IPM berpengaruh negatif signifikan terhadap kemiskinan, PDRB berpengaruh negatif tidak signifikan terhadap kemiskinan , pengangguran tidak berpengaruh negatif. dampak yang signifikan terhadap kemiskinan. Hasil penelitian ini menunjukkan bahwa zakat tidak dapat memoderasi hubungan antara IPM, PDRB dan pengangguran terhadap kemiskinan.

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1. Introduction

People's welfare has always been an interesting topic to discuss. Improving community welfare is the main target of development activities carried out by each country (Yulianto & Hidayatullah, 2016). The term welfare covers a very wide variety of aspects of life, not all of which can be measured (Badan Pusat Statistik Provinsi Jawa Tengah, 2017). Indicators are created and used to ensure that the direction of a country's economic development can achieve prosperity, one of which is poverty. Poverty is a development problem that can be occurred anywhere, both in developed and in developing countries. As a developing country, poverty is one of the great issues in the Indonesian economy, as if it were an unsolved "homework". Government efforts to solve poverty have been pursued in various ways, from capital assistance programs or cash for the poor to transmigration programs (Prasetyoningrum & Sukmawati, 2018).

According to the Central Statistics Agency (BPS), poverty is seen as an economic inability to meet basic food and non-food needs as measured in terms of expenditure. The number of poor people in Indonesia until 2019 as of September reached 24.79 million people. Java Island has the highest number of poor people among Indonesia's islands, reaching 6.22 million people at the rural level and 6.34 million people in urban areas (BPS, 2020).

Poverty is caused by several factors, such as the low quality of human resources, limited employment opportunities, and low income. If society is stagnant and tends not to have high innovation and creation, it is vulnerable to poverty. Increasing the education sector is one of the best long-term solutions to improve the quality of human resources. Therefore it can reduce the levels of poverty (Beik & Arsyianti, 2019). Another factor that triggers high levels of poverty is the low level of economic growth. In terms of employment opportunities, economic growth can be seen in real GNP growth. When the real GNP increases, there is an increase in the use of production factors. This means that it also increases employment opportunities for the population or society that are part of production factors (Khumairoh, EDS, Aida, Qomariah, & Nasir, 2018).

The problem of poverty is also related to workforce affairs, namely a large number of unemployed workers. Limited employment opportunities prevent the workforce from finding jobs. Therefore they are unemployed and have no income. According to (Agustina, Syechalad, & Hamzah, 2019), unemployment is one of the factors that affect poverty. One of the elements that determine prosperity is the level of income. Community income reaches a maximum if the conditions for the usage of full employment can be realized. Another factor that also affects the level of poverty is the distribution of *zakat*. Islam has guided *zakat*. *Zakat* is to clean the property and distributed it to the less fortunate. If the distribution of *zakat* is carried out optimally, there will be no gap between the rich and the poor. Assets will be evenly distributed throughout society.

The performance of management and distribution of *zakat* in Indonesia has improved from year to year, with the number of beneficiaries growing. BAZNAS noted that the performance of the national *zakat* increased in 2017-2018. The following is an illustration of the performance of the National *zakat* 2018:

Based on the Figure 1, it can be seen that from 2017-2018, the performance of the national *zakat* has well increased. In 2017 is 7% not good, 21% less good, 47% good enough and 25% good. Then in 2018, it showed an increase, it can be seen that the performance is not good at 0% or none, then the performance is less good at 9%, the performance is quite good 53%, and the performance is good 25%. From the data above, it is hoped that zakat distribution with good performance and management can help alleviate poverty in Indonesia, especially in Java (BAZNAS, 2018).
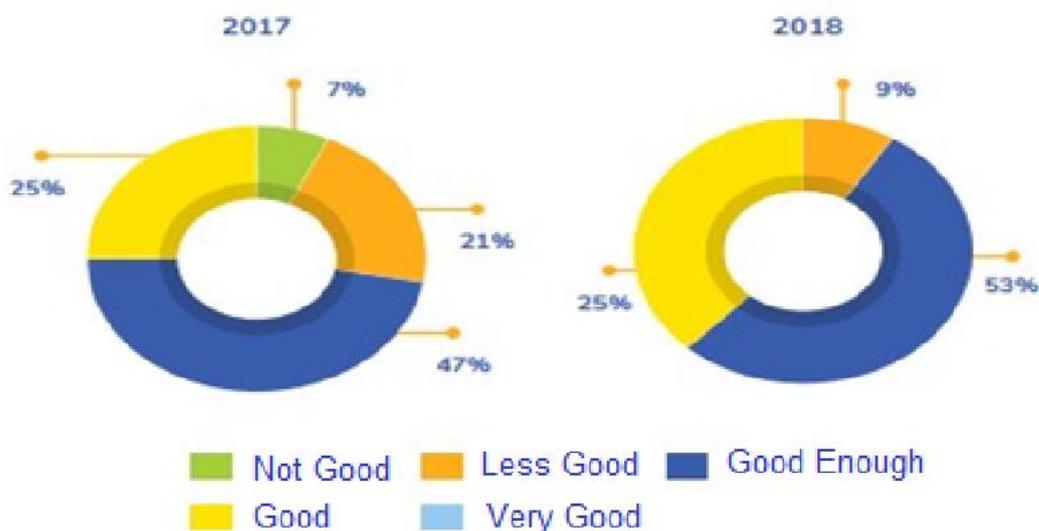
Figure 1. Performance of National Zakat in 2017-2018
Source: Baznas, 2019

In terms of human development, *zakat* can increase the productivity of an individual. *Zakat* can encourage a person to have a high work ethic, thereby reducing the unemployed workforce. Then in the economic dimension, *zakat* has two main concepts, namely equitable economic growth, which can be described in terms of GDP and GRDP, then the mechanism of sharing in the economy so that poverty can be reduced. The relationship between real GRDP and *zakat*, namely an increase in *zakat, infaq, sadaqah* (ZIS) collected and distributed, will increase the consumption of *mustahik* (poor people). Therefore, it will increase aggregate consumption, increase the real national GRDP in the long term, and reduce the poverty rate (BAZNAS, 2020).

Based on the background above, the writer is interested in discussing the level of poverty in Java. This research will also observe how the HDI, GRDP, and unemployment variables are moderated by *zakat* on poverty in Java Island in 2014-2019.

2. Literature Review

Poverty

According to Todaro (Dama et al., 2016), poverty is one of the fundamental problems that is the center of government concern in any country. In almost all developing countries, the standard of living of most of the population tends to be very low compared to the standard of living of people in rich countries or to the elite in their own country. One of the manifestations of this low standard of living is in the form of a very low or poor income level.

Kuncoro identifies three causes of poverty in terms of the economy (Agustina et al., 2019). First, poverty arises because of an inequality in resource ownership patterns resulting in unequal income distribution. Second, poverty arises due to differences in human resources, which means low productivity, which means low wages. Third, poverty arises from differences in access to capital ownership, which are the three causes of poverty that lead to the theory of *vicious circle poverty*.

Human Development Index (HDI)

HDI is an indicator to measure the quality of human life. HDI is a combination of 3 dimensions: longevity and healthy life, knowledge, and a decent living standard. Each of the dimensions is calculated for the index value, and then the HDI value is obtained in percent form based on the geometric formula.

$$IPM = \sqrt[3]{I_{health} \times I_{education} \times I_{expenditure}} \times 100\%$$

HDI between regions can be seen through the grouping of HDI into several categories, namely: HDI <60: low HDI, $60 \leq$ HDI <70: medium HDI, $70 \leq$ HDI <80: high HDI, and HDI $\geq$ 80: very high HDI (Prasetyoningrum & Sukmawati, 2018).

According to BPS, the benefits of HDI, among others HDI are an important indicator to measure success in efforts to build the quality of human life (community/population). HDI can determine the rank or level of development of a region/country. For Indonesia, the HDI is strategic data because apart from being a measure of government performance, the HDI is also used as one of the allocators for determining the General Allocation Fund (DAU).

GRDP

According to BPS, GRDP is all goods and services as a result of economic activities operating in the domestic area, namely the province or district/city, regardless of whether the production factor originates from or is owned by these residents. Income from these activities is domestic income. The GRDP based on market prices is the amount of gross added value arising from all economic sectors in a region (BPS, 2020).

Unemployment

According to Sukirno in Franita (2016), unemployment is a condition in which someone belonging to the labor force wants to get a job but has not been able to get it. Unemployment is a condition where people want to work but do not get a job.

Unemployment can affect poverty in many ways. If the household has a liquidity limit (current consumption is strongly influenced by current income) then unemployment will directly affect poverty, which is measured in terms of income (income poverty rate). If the household does not face a liquidity limit, then an increase in unemployment will lead to an increase in poverty in the long run, but not overly affect in the short term (Retnowati & Harsuti, 2017).

Zakat

Zakat is one of the pillars of Islam and is one of the main elements for the enforcement of Islamic law. Therefore, the law of paying *zakat* is mandatory for every Muslim and Muslim woman who has met certain conditions. Allah SWT said,

وَمَا أُمِرُوا إِلَّا لِيَعْبُدُوا ٱللَّهَ مُخْلِصِينَ لَهُ ٱلدِّينَ حُنَفَاءَ وَيُقِيمُوا ٱلصَّلَوٰةَ وَيُؤْتُوا ٱلزَّكَوٰةَ ۚ وَذَٰلِكَ دِينُ ٱلْقَيِّمَةِ

Meaning: *"Whereas they were not ordered except to worship Allah by purifying their obedience to Him in (practicing) a righteous religion, and so that they can pray and pay zakat. And that is the true religion" (QS. Al-Bayyinah [98]:5).*

3. Research Method

This research uses quantitative methods research with data collection using panel data regression. Quantitative methods are methods that meet concrete/empirical, objective, measurable, rational and systematic scientific principles, so they are often called scientific methods. In this research method, research data is in the form of numbers and analysis using statistics (Sugiyono, 2016).

The sampling technique used in this study was a saturated sampling technique or a census sample. Census saturated sampling is a sampling technique when all members of the population are used as samples. The sample used in this study is the Human Development Index, GRDP, unemployment, *zakat,* and poverty data from 6 provinces in Java Island in 2014-2019.

The data analysis method used in this study is to use multiple linear regression analysis with MRA (*Moderated Regression Analysis*) because this study using moderating variables to strengthen or

weaken the effect of independent variables on the dependent variable. The regression model in the study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4(X_1.Z) + \beta_5(X_2.Z) + \beta_6(X_3.Z) + \varepsilon$$

Note:

Y	:Poverty
a	:Constanta
X_1	:Human Development Index
X_2	:GRDP
X_3	:Unemployment
Z	:*Zakat*
$(X_1.Z)$	:Moderation of Human Development Index
$(X_2.Z)$	:Moderation of GRDP
$(X_3.Z)$	:Moderation of Unemployment
β_1- β_6	:Coefficient
ε	:Standard of Error

4. Result and Discussion

Stationary Test

This test is conducted to determine the feasibility of the variables used in this study, therefore that further testing can be carried out.

Table 1. Stationary Test

Variable	Probability Unit Root Test	Note
Human Development Index	0.0000	*Level of a stationary test*
Economic Growth (GRDP)	0.0002	*Level of a stationary test*
Unemployment	0.0001	*Level of a stationary test*
Zakat	0.0006	*Level of a stationary test*
Human Development Index*Zakat*	0.0016	*Level of a stationary test*
Economic Growth (GRDP)*Zakat*	0.0008	*Level of a stationary test*
Unemployment*Zakat*	0.0003	*Level of a stationary test*
Y – Poverty	0.0001	*Level of a stationary test*

Source: secondary data processed, 2020

Meanwhile, based on the stationary test of the variables in this study, the probability value is less than 0.05 at the level so that the variables meet the stationary test requirements and are feasible to continue with further data testing.

Panel Data Regression Model

Table 2 Results of Common Effect Model Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	53.31249	4.233438	12.59319	0.0000
X_1	-0.449977	0.060125	-7.484077	0.0000
X_2	-0.110767	0.492322	-0.224990	0.8236
X_3	-1.556770	0.154578	-10.07108	0.0000
X_1_Z	-2.08E-13	2.75E-13	-0.754920	0.4564
X_2_Z	2.81E-12	1.33E-12	2.108497	0.0437
X_3_Z	-2.67E-12	3.22E-12	-0.830979	0.4128

Source: secondary data processed, 2020

From Table 2, the estimation results on the *common effect model* with a significance level of 5% show that two variables are having a significant effect on poverty, namely the human development index and unemployment.

Table 3 Results of Fixed Effect Model Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	68.43574	10.55105	6.486151	0.0000
X_1	-0.786427	0.144861	-5.428855	0.0000
X_2	-0.075224	0.229000	-0.328487	0.7454
X_3	-0.234441	0.224021	-1.046512	0.3058
X_1_Z	-1.37E-13	1.40E-13	-0.983009	0.3354
X_2_Z	3.91E-13	6.35E-13	0.615967	0.5437
X_3_Z	1.43E-12	1.44E-12	0.997990	0.3282

Source: secondary data processed, 2020

From Table 3, the estimation results on the fixed effects model with a significance level of 5% show that there is only a variable that has a significant effect on poverty, namely the human development index.

Table 4. Results of Random Effect Model Estimation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	66.61702	10.06415	6.619243	0.0000
X_1	-0.754453	0.136429	-5.529985	0.0000
X_2	-0.077254	0.224515	-0.344092	0.7333
X_3	-0.306623	0.214328	-1.430627	0.1632
X_1_Z	-1.39E-13	1.37E-13	-1.009872	0.3209
X_2_Z	3.84E-13	6.32E-13	0.607919	0.5480
X_3_Z	1.33E-12	1.42E-12	0.937991	0.3560

Source: secondary data processed, 2020

From Table 4, the estimation results on the common effect model with a significance level of 5% show that there is only a variable that has a significant effect on poverty, namely the human development index.

Selection of Panel Data Regression Model

Table 5 Results of Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	43.514219	(5,24)	0.0000
Cross-section Chi-square	83.127960	5	0.0000

Source: secondary data processed, 2020

From Table 5, the results of the Cross-section Chi-square probability are 0.0000. It can be seen that the p-value < α (0.0000<0.05) so that H0 is rejected. At the 5% significance level, it can be concluded that the model selected in this test is the fixed effect model.

Table 6 Results of Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.000000	6	1.0000

Source: secondary data processed, 2020

From Table 6, the results of the Cross-section Chi-square probability are 1.0000. It can be seen that the p-value > α (1.0000> 0.05) so that H0 is accepted. At the 5% significance level, it can be concluded that the model selected in this test is the random effect model.

It is known from the results of the Hausman test and Chow test previously that there is inappropriateness of proper model or inconsistent results so that the Lagrange Multiplier test is needed. The following are the results of the Lagrange Multiplier test.

Table 7 Results of Lagrange Multiplier Test

	Cross-section	Time	Both
Breusch-Pagan	13.02263	0.572640	13.59527
	(0.0003)	(0.4492)	(0.0002)

Source: secondary data processed, 2020

Based on table 7, it is known that the prob value in the cross-section Breusch-Pagan is 0.0003 < 0.05, so the appropriate regression test is the random effect.

From some of the tests of panel data model estimation, it can be concluded that the appropriate multiple linear regression test for use in this study is the random effect regression test.

The random effect regression model obtained from the test results the following model estimates are obtained:

$$Y \text{ (Poverty)} = 66.61702 - 0.754453X_1 - 0.077254X_2 - 0.306623X_3 - 1.39E - 13X_{1.}Z$$
$$+ 3.84E\_13X_{2.}Z + 1.33E\_12X_{3.}Z$$

Testing of Parameter Significance

The F test shows the effect of the independent variables on the dependent variable simultaneously. The level of significance used in this study was 5% or 0.05. Based on the regression test, it shows that the F test value has a coefficient of 16.23967 with a Prob (F-statistic) value of 0.0000 <0.05, the independent variables, namely the Human Development Index, GRDP, and unemployment which are moderated by *zakat* have a simultaneous effect on poverty.

The t-test shows the effect of each independent variable on the dependent variable. In this study, the significance level used was 5% or 0.05. Based on the regression test, it can be explained as follows:

o The Influence of the Human Development Index on poverty, From the test results obtained a negative coefficient of 0.754453 with a prob value of 0.0000 smaller than 0.05 (α), the Human Development Index partially has a negative and significant effect on poverty.

o The effect of GRDP on poverty, From the test results obtained a negative coefficient of 0.077254 with a prob value of 0.7333 greater than 0.05 (α), then the GRDP partially has a negative and insignificant effect on poverty.

o The effect of unemployment on poverty, from the test results obtained a negative coefficient of 0.306623 with a prob value of 0.1632 greater than 0.05 (α), then unemployment partially has a negative and insignificant effect on poverty.

o The influence of the Human Development Index is moderated by zakat on poverty, from the test results obtained a negative coefficient of 1.39 with a prob value of 0.3209 greater than 0.05 (α), then the Human Development Index, which is moderated by *zakat* on poverty has a negative and insignificant effect on poverty.

o The influence of GRDP moderated by zakat on poverty, From the test results obtained a positive coefficient of 3.84 with a prob value of 0.5480 greater than 0.05 (α), then the GDP which is moderated by *zakat* on poverty has a positive and insignificant effect on poverty.

o Unemployment is moderated by zakat, From the test results obtained a positive coefficient of 1.33 with a prob value of 0.3560 greater than 0.05 (α), then unemployment which is moderated by *zakat* on poverty has no significant positive effect on poverty.

Determination Coefficient Test (R^2)

The coefficient of determination (R^2) is used to measure the ability of the model to explain the dependent variable. The coefficient of determination ranges from 1 to 0. The more approaching to the number one, it means that the regression model used is more precise. From the results of the regression test, the adjusted R-squared value was 0.723185 or 72.31%. This means that the amount of the contribution to the variant of the independent variable can explain the variant of the dependent variable by 72.31% and the remaining 21.69% is explained by other variables.

Classic assumption test

The normality test in the regression model is used to test whether the residual values are normally distributed or not. A good regression model has a residual value that is normally distributed. The normality test method used in this study uses the normality test with *eviews*.
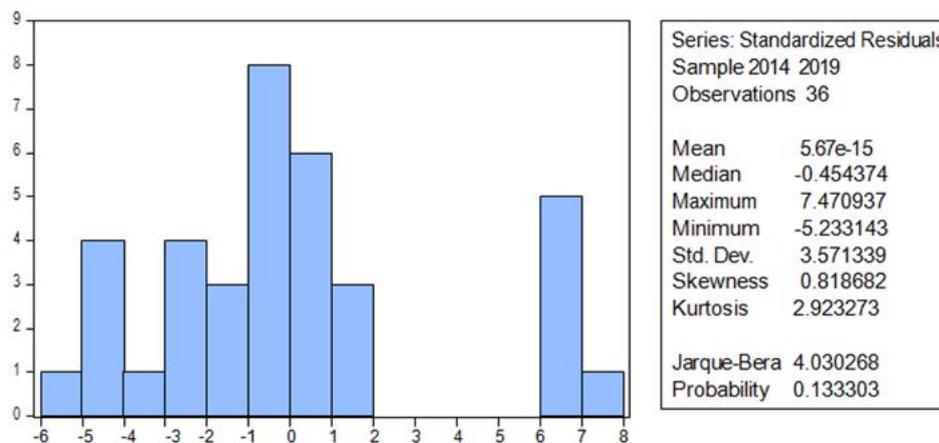

Figure 1 Results of Normality Test
Source: secondary data processed, 2020

From Figure 1 it is known that the probability value of 0.133303 is greater than 0.05 (α), it can be concluded that the data is normally distributed.

In this study, auxiliary regression was used to detect multicollinearity. The criterion is that if the auxiliary regression R2 of each variable is greater than the main regression R2, then in the model there will be multicollinearity between the independent variables and vice versa. The auxiliary test results can be seen in the following Table 8.

Table 8 Results of Multicollinearity Test

R-Squared	R2 =0.770639	Multicollinearity
Human Development Index = 0.701370	Smaller	There is no
GRDP = 0.714118	Smaller	There is no
Unemployment = 0.477656	Smaller	There is no
Human Development Index*Zakat= 0.987029	Greater	There is
GRDP*Zakat= 0.923986	Greater	There is
Unemployment*Zakat= 0.978107	Greater	There is

Source: secondary data processed, 2020

Based on table 8 it can be seen that the value of R^2 auxiliary regression three variables exceed the R^2 value in the main regression, namely the Human Development Index*zakat, GRDP*zakat, unemployment*zakat. Therefore, it can be concluded that the regression model in this study experienced multicollinearity. So, it is necessary to treat the regression test by reducing one or more variables exceeding the main R^2. The following are the results of the multicollinearity test treatment.

Table 9 Results of the Multicollinearity test treatment

R-Squared	R² = 0.770639	Conclusion
Human Development Index*Zakat =0.534513	Smaller	There is no
GRDP*Zakat = 0.427848	Smaller	There is no
Unemployment*Zakat = 0.503046	Smaller	There is no

Source: secondary data processed, 2020

From the results of the multicollinearity test treatment, it can be seen that there is no relationship between the independent variables and the R^2 value in the main regression. Therefore, it can be concluded that the independent variable data in this research does not have multicollinearity.

The heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another. If the sig value is> 0.05, it is said that there is no heteroscedasticity and vice versa (Khumairoh et al., 2018). Based on the output results, the value of Prob (F-statistic) in this study is 0.090727 greater than 0.05, therefore this research does not contain heteroscedasticity.

According to Gujarati (2003), autocorrelation is a correlation between members of a series of observations sorted according to time (time series data) or space (cross-section data). This study uses the Durbin Watson value to detect autocorrelation. The autocorrelation test criteria are based on the Durbin Watson (DW) value as follows:

dw < dl   then there is a positive autocorrelation
dw > du   then there is no positive autocorrelation
dl < dw < du   then the testing doubtful or cannot be concluded
dw > (4-dl)   then there is a negative autocorrelation
dw < (4-dl)   then there is no negative autocorrelation

Table 10 Results of Autocorrelation Test

Weighted Statistics			
R-squared	0.763248	Mean dependent var	0.402721
Adjusted R-squared	0.741053	S.D. dependent var	0.846997
S.E. of regression	0.431010	Sum squared resid	5.944637
F-statistic	34.38754	Durbin-Watson stat	1.108823
Prob(F-statistic)	0.000000		

Source: secondary data processed, 2020

Based on the output results, the dw value obtained is 1.108823 < from dl of 1.2358, therefore this test contains autocorrelation, so it is necessary to treat autocorrelation using the first level of difference.

Table 11 Results of Autocorrelation Treatment

Weighted Statistics			
R-squared	0.067797	Mean dependent var	-0.322693
Adjusted R-squared	-0.039765	S.D. dependent var	0.393530
S.E. of regression	0.401278	Sum squared resid	4.186620
F-statistic	0.630308	Durbin-Watson stat	1.780543
Prob(F-statistic)	0.602037		

Source: secondary data processed, 2020

After treatment, the DW value becomes 1.780543 > du (1.7245), then there is no autocorrelation.

The Effect of the Human Development Index on Poverty

In this study, the results show that the Human Development Index has a significant negative effect on poverty. The Human Development Index is a benchmark for the development of an area that has

a negative correlation with poverty conditions in the region. Therefore, it is hoped that in an area that has a high HDI value, ideally the quality of life of the community is also high or it can also be said that if the HDI value is high, the poverty level should be low (Alhudhori, 2017).

The results of this study are supported by research from Prasetyoningrum & Sukmawati (2018), HDI has a significant negative effect on poverty. Reduced poverty levels due to increased HDI indicate that HDI can increase human labor productivity, which will increase income to meet the needs of a decent life.

The Effect of GRDP on Poverty

This study found that GRDP had a negative and insignificant effect on poverty. According to Prasetyoningrum & Sukmawati (2018), the amount of GRDP generated by each region is highly dependent on the potential of natural resources and the production factors of the area. The existence of limitations in the supply of production factors causes the amount of GRDP to vary between regions.

Based on the results of this study, the increase in GRDP in Java Island in 2014-2019 has not been able to reduce poverty significantly. This can be due to several factors. The income obtained from each province on the island of Java has increased and decreased every year so that it has not been able to provide welfare evenly to the region. This research is supported by research from Segoro & Pou (2016) that GRDP does not have a significant effect on poverty.

The Effect of Unemployment on Poverty

Based on the results of data processing in this study indicate that unemployment has a statistically insignificant negative effect on poverty. The results of research that have a negative coefficient are contrary to research from Alhudhori (2017), that the number of unemployed has a positive relationship with the number of poor people. The results of this study are supported by research by Giovanni (2018), unemployment has no significant effect on poverty.

The Influence of the Human Development Index Moderated by Zakat on Poverty

Based on the results of data processing in this study, the Human Development Index which is moderated by *zakat* has a negative and insignificant effect on poverty. A significance value that is greater than the standard of significance indicates the small effect of *zakat* as a moderating variable. This is because the distribution of *zakat* funds from each province in Java in 2014-2019 is relatively different. The results of this study are in line with research by Khasandy & Badrudin (2019) indicating that *zakat* has not been able to improve the welfare of society in general, which is indicated by a decrease in the Human Development Index and a higher income inequality in society.

The effect of GRDP Moderated by Zakat on Poverty

Based on the results of data processing in this study, GRDP which is moderated by *zakat* has a positive and insignificant effect on poverty. The value of the probability which is greater than the standard of significance indicates the small effect of *zakat* as a moderating variable. According to Muliadi & Amri (2019), the impact of *zakat* on poverty reduction is still a debate. Although the distribution of *zakat* funds to the poor can increase their income and improve their consumption, the use of *zakat* funds has not been able to fully solve the problem of poverty in general.

The results of this study contradict the research of Romdhoni (2017), that the utilization of productive *zakat* has a positive effect on increasing *mustahik* income.

The Influence of Unemployment Moderated by Zakat on Poverty

Based on the results of data processing, unemployment which is moderated by *zakat* has a positive and insignificant effect on poverty. *Zakat* funds, especially in Java in 2014-2019, were distributed with different amounts of funds because the collection of *zakat* funds from each province in Java was also different. Therefore, that in this case, the influence of *zakat* in moderating the independent variable to reduce poverty is very little. Given that in this study the object of research studied was

only Baznas institutions from 6 provinces in Java, the scope could not reflect the distribution of *zakat* funds in the aggregate. The results of this study are supported by research by Nurjanah et al. (2019) that the distribution of *zakat* funds has no significant effect on reducing poverty.

5. Conclusions

Based on the test results, the following results were obtained: (1) the Human Development Index has a significant negative effect on poverty; (2) GRDP has a negative and insignificant effect on poverty; (3) unemployment has a negative and insignificant effect on poverty in Java in 2014-2019; (4) The Human Development Index which is moderated by *zakat* has a negative and insignificant effect on poverty; (5) GRDP which is moderated by *zakat* has a positive and insignificant effect on poverty, and (6) unemployment which is moderated by *zakat* has no significant positive effect on poverty in Java. 2014-2019. The limitation of this study is the limited amount of data because it only examines data on Java Island in 2014-2019. The suggestion that the researcher gives for further research that raises the same problem as this paper is to expand the object being studied, therefore that the data being studied is more and produces better conclusions

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7. References

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