Indirect employee expenditure analysis with zakat distribution as a moderation variable towards poverty in Indonesia

Nasrullah Arsyad Safin[1]*, Dhimasfaris Dananjaya[1]

[1]*IAIN Salatiga, Indonesia*

ARTICLE INFO	ABSTRACT
	This study aims to determine the effect of indirect personnel spending on poverty through the moderating variable of the distribution of zakat. By using panel data analysis of 34 provinces in Indonesia. The results reveal that it is found that the best model is the fixed effect model. In the fixed-effect model estimation results obtained from the variable Indirect Employee Expenditures as well as, indirect employee expenditures through the moderating variable zakat distribution to poverty 34 Provinces in Indonesia shows a positive effect. **** ***Analisis pengeluaran pegawai tidak langsung dengan distribusi zakat sebagai variabel moderasi terhadap kemiskinan di Indonesia.*** Penelitian ini bertujuan untuk mengetahui pengaruh dari belanja pegawai tidak langsung terhadap kemiskinan melalui variabel moderasi distribusi zakat. Dengan menggunakan analisis data panel 34 provinsi di Indonesia. Penelitian ini menggunakan data sekunder periode tahun 2010 – 2017. Hasil penelitian mengungkapkan bahwa di peroleh bahwa model yang terbaik adalah *fixed effect model*. Pada hasil estimasi *fixed effect model* diperoleh hasil dari variabel Belanja Pegawai Tidak Langsung serta, Belanja Pegawai Tidak Langsung melalui variabel moderasi Distribusi Zakat terhadap Kemiskinan 34 Provinsi di Indonesia tahun 2012-2017 menunjukkan pengaruh yang positif

---

1* Corresponding Author. nasrullaharsyadsafin@gmail.com

1. Introduction

Poverty in the Big Indonesian Dictionary has the meaning of poverty, poverty, the absolute situation of the population or a part of the population who can only fulfill the food, clothing, and housing that is needed to maintain a minimum standard of living. Poverty is a problem that from year to year continues to be discussed both in general discussions, lectures, in government, even in our daily lives in society. In September 2017, according to data from BPS (Statistics Indonesia), the number of poor people in Indonesia reached 26,582.99 thousand (BPS Indonesia, 2020).

The State Revenue and Expenditure Budget (APBN) is a law, is an agreement between the Government and the DPR, as stated in article 23rd 1945 Constitution, namely: the state revenue and expenditure budget as a form of state financial management is determined annually by law and implemented openly and responsibly for the greatest prosperity of the people. In article 1st *Law Number 17 of 2003* concerning state finances, referred to as state revenue and expenditure budget, hereinafter referred to as APBN, is the annual financial plan of the state government approved by the House of Representatives. In the reform era, the main agenda is to put forward the human development paradigm which places the people as actors of development and places the regional economy as a vehicle for realizing public welfare. The government policies outlined in the form of the State Budget are in fact opposite to the role of the government which is supposed to create welfare for the people. The phenomenon of budget politics in APBN management among the DPR which has the authority to making changes to the budget causes more corruption both individually and in groups (Jaelani, 2018).

Due to the ability of the community itself which will not be able to alleviate economic and social poverty, to empower the community, especially the poor, it is necessary to have initial empowerment from outside parties, especially from the government. People have experienced processes of impoverishment and disempowerment, which have occurred in line with national development that ignores people's orientation (Jaelani, 2018). The existing developments tend to reveal the complexity and ethical deviations in economic activities (Jaelani, 2016). Ibn Taymiyyah (Jaelani, 2018) in this case, sees the need for state involvement in economic activities to protect people's rights from the threat of tyranny of existing business actors, and for the benefit of greater than. In this regard, according to state interventions in economic activities aimed at eliminating poverty as a state obligation (Jaelani, 2018). For Ibn Taymiyyah, a person must live in prosperity and not depend on others, so that they can fulfill several obligations (Jaelani, 2012).

Poverty reduction has been an important development policy agenda in Indonesia so far. Poverty statistics have decreased from year to year, but it seems that the poverty reduction agenda is a major project that is not will never be finished. In the past poverty reduction using a centralized, top-down, mobilized, uniform, and project-based approach that was off-budget. During the reform era, the poverty reduction approach had shifted towards a more decentralized, bottom-up, and participatory manner, all of which were increasingly sophisticated, following the birth of international commitments in the Millennium Development Goals (MDGs). Now a more powerful concept has emerged in the form of a pro-poor budget, which was born together with other concepts such as alternative budgets, people's budgets, participatory budgeting, and gender-responsive budgets. Encouraged by the birth of these new concepts, the poverty reduction funding scheme is no longer off-budget, but must be integrated into the built-in planning and budgeting system. In other words, the new approach requires poverty mainstreaming in planning and budgeting. In Indonesia, the MDGs agreement was continued with a commitment to mainstreaming poverty and gender in the planning and budgeting of the APBN/APBD since 2003/2004. Through National Mid-Term Development Plan

(RPJMN) 2004-2009 the government (2004–2009) is expected to reduce the percentage of poor people to 8.2 percent in 2009. At the same time, the government has also issued National Strategy for Poverty Reduction (SNPK) which was compiled through a participatory process involving all development stakeholders in Indonesia. SNPK prioritizes a right-based approach as the main approach by emphasizing progressive and progressive realization in respect, protection, and fulfillment of people's basic rights, paying attention to the realization of equality and gender justice, as well as accelerating regional development. Meanwhile, in the context of APBN management, government spending contained in the State Budget (APBN) is one of the government's fiscal policy tools. The government can use it to manage the country's economy (Jaelani, 2017).

In line with the implementation of integrated budgeting, since 2005, the central government expenditure budget in the APBN consists of personnel expenditure, goods expenditure, capital expenditure, debt interest payments, subsidies, grant spending, social assistance, and other expenses. The type of expenditure in the expenditure classification is used in budget documents both in the budget preparation process, budget implementation, and budget accountability/reporting. Concerning the budget preparation process in the RKA-K/L document, the purpose of using this type of expenditure is intended to determine the distribution of budget allocations into types of expenditure. To provide flexibility in the budget preparation process, ministries/agencies use accounts with a two-digit code which means a type of shopping. In budget execution and accountability/budget reporting, accounts are used at a more detailed level. Therefore, in the budget preparation process, ministries/agencies must use accounts following applicable budgeting principles and based on accounting principles by referring to the Government Finance Statistics 2001 manual (GFS 2001 Manual).

The classification of expenditure types is according to the Regulation of the Minister of Finance of the Republic of Indonesia Number 102/PMK.02/2018. Indirect personnel expenditure refers to compensation in the form of money or goods given to civil servants, state officials, and retirees as well as honorary employees who will be appointed as government employees, both on duty at home and abroad as a reward for work that has been carried out in to support the duties and functions of government organizational units. The definition of social assistance spending is expenditures in the form of transfers of money, goods, or services provided by the government to the poor or not able to protect the community from the possibility of social risks, increase economic capacity, and/or community welfare. Next is the definition of spending for goods and services, expenses to accommodate purchases of goods and/or services that are used up to produce goods and/or services that are marketed or not marketed, and the procurement of goods intended to be delivered or sold to the community/Regional Government and travel expenditures, and capital expenditures are expenditures for the payment of AT and/or other assets or add value to AT and/or other assets that benefit more than one accounting period and exceed the minimum capitalization limit of AT/other assets set by the government. AT/other assets are used or intended to be used for operational activities of a work unit or use by the community/public, are recorded as assets of related Ministries/Institutions, and not intended to be sold/handed over to the community/local government. In the bookkeeping, the cost of assets is calculated for all the funding needed until the asset is available and ready for use.

Zakat is a form of obligation for a Muslim that must be fulfilled and then distributed to people who are entitled to receive it as determined in the *tsamaniyah asnaf* (eight groups). Zakat functions and acts as one source of *baitul maal* or public finance distributed for various social activities in the community. Apart from zakat, there are also recommendations for *infaq, shadaqah*, and waqf which are voluntary expenditures in Islam. Islam engages the state in the responsibility of obtaining zakat

and distributing it. This is following the explanation in the Quran and Sunnah. Zakat is a financial obligation that is taken from rich people and handed over to needy people. Those who take it are the legal rulers or governments according to sharia through people who are referred to in the Koran as "*al-'Aamilina 'alaiha*", namely those who take care of zakat; collect, maintain, distribute, and count it (Qardhawi, 1997). Apart from the individual subject of zakat (person), zakat can also be imposed on legal entities as well as taxes. These legal entities are like companies that have assets, both movable and immovable. The zakat imposed on these legal entities is taken from the shares and profits of these companies (Qardhawi, 1997).

Concerning the objects subject to zakat, Rasulullah s.a.w stipulates that zakat is imposed on the soul and all kinds of assets owned by the community where zakat is determined. Zakat on the soul is known as zakat fitrah, while zakat on wealth is known as zakat māl. Indeed, there are several types of wealth mentioned and warned against in the Qur'an to issue zakat, namely gold and silver *(QS 9: 34)* plants and fruits *(QS 6: 141)* of business results Mining goods removed from the bowels of the earth *(QS 2: 276)* Apart from the aforementioned types of wealth mentioned, the Qur'an only formulates what is obligatory zakat with a very general formula, namely the word "wealth" (*amwāl*). (QS 9: 103), (QS 4: 52). The scholars of fiqh differ on the meaning of this "wealth". According to Hanafi *mazhab*, wealth is everything that can be owned and can be used according to habit. Something that is owned and can be used concretely is wealth, such as land, livestock, equipment, and money. Therefore, Ash Shiddieqy stated that it is appropriate for zakat to be collected from various types of wealth and is not limited to what has been proclaimed by Rasulullah s.a.w. fourteen centuries ago (Rizal, 2015).

The obligation for the authorities to collect zakat from those who are obliged to pay zakat. The collection of zakat is not solely done individually, from *muzakki* it is submitted directly to the *mustahiq*, but through an institution specifically dealing with zakat, which fulfills certain requirements called *amil* zakat (Hafidhuddin, 1998). Then Masdar F. Mas'udi explained that the handling of zakat has been exemplified by the Prophet Muhammad, and can be used as a source of inspiration regarding the ethical purpose of the concept of collecting zakat, in the form of social justice, which must be carried out in real life in every era that has characteristics vary (Kholidah & Idah, 2016).

The collection of zakat in Indonesia has been supported by law no. 38, 1999 concerning zakat management and law no. 17, 2000 concerning income tax to accommodate Muslims who pay zakat and taxes. Then the Law, enhanced by law no. 373, 2003 concerning implementation and law no. 38, 1999 concerning zakat management. But in the end, Law no.38, 1999 on zakat management was replaced by law no. 23, 2011 concerning zakat management. In the law that has been updated, BAZNAS is an institution that has the authority to carry out the task of managing zakat nationally, and carries out functions: first, planning the collection, distribution, and utilization of zakat; secondly, the implementation of the collection, distribution, and utilization of zakat; the third is to control the collection, distribution, and utilization of zakat; and fourth, reporting and accountability for the implementation of zakat management. BAZNAS is given the authority to manage zakat nationally, as well as the right to verify the establishment of LAZ. With the authority of BAZNAS, the collection of zakat funds will be organized effectively and will be distributed efficiently.

Based on the description above, it is in line with previous research conducted by Kristiyanto and Widodo (2017) which states that Malang Regency, Sampang Regency, Jember Regency, Mojokerto City, Pasuruan City, Probolinggo Regency, and Nganjuk Regency are regency cities in East Java Province that can achieve efficiency levels in direct and indirect spending in reducing poverty levels

in East Java Province. Each district city can produce an efficiency level of one hundred percent. However, the number of district cities that still have not achieved an efficiency level of 100 percent in East Java Province is still more dominating when compared to district cities that already have an efficiency level of 100 percent. In addition, there is also a study conducted by Mansur (2005) which states that income and expenditure do not affect poverty from 2005 to 2009 fiscal years. This is because one source of national income comes from the people in the form of taxes. Taxes are mandatory dues that are forced, meaning that taxes must be paid regardless of whether the people have money or not so that the greater the regional income means the more tax proceeds are collected from the people.

The findings by Purnomo (2018) said that zakat utilization did not affect poverty alleviation. said that the management of zakat through the utilization of zakat has a positive effect of 12.791 on poverty alleviation. Minu, (2017) said, to alleviate poverty through zakat, Makassar City's National Amil Zakat Agency (BAZNAS) generally has two forms of programs, namely consumptive fund assistance and productive fund assistance. Consumptive zakat assistance is assistance that is directly given to *mustahik* and is consumptive. The productive zakat assistance is zakat assistance to *mustahik* in the form of revolving business capital. These two types of assistance have been running, although they have not been maximized due to the many obstacles faced (Minu, 2017)

2. Research Method

This paper will measure the effect of indirect personnel spending directly on poverty and measure the effect of indirect personnel spending through the moderating variable of the distribution of zakat on poverty. The method used in this paper is Moderate Regression Analysis Pooled Data. Where the regression equation contains an element of interaction, namely the multiplication between two or more independent variables. The interaction between these variables can be said to be a moderating variable if the regression coefficient is negative and the significance level is less than 5%. While the moderating variable is said to be able to moderate the interaction of one or two variables if the calculated F is greater than the F table and the significance level is less than 0.05 (Ghazali, 2011). The frame of mind is as follows:
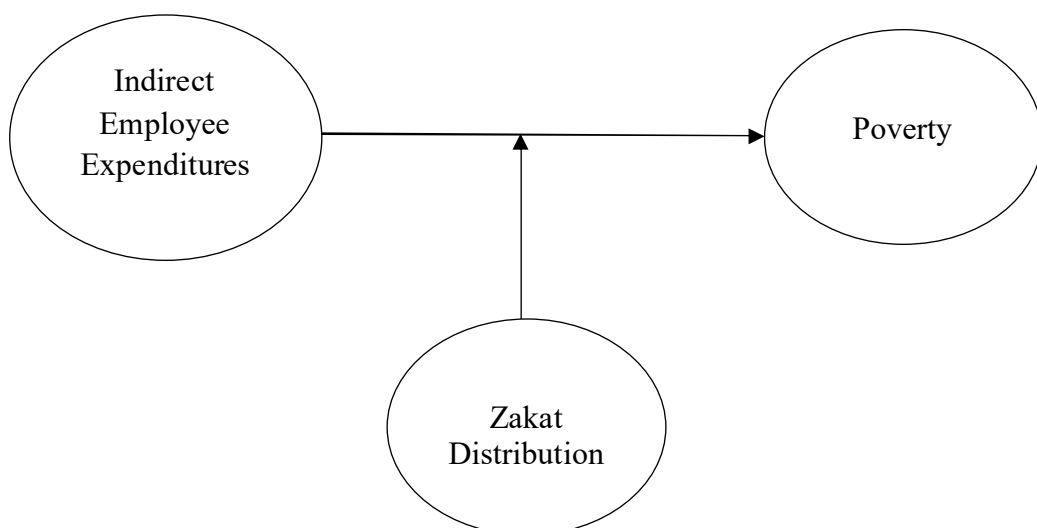

Figure 1. Theoretical Framework

Model Selection Test

Common Effect Model, the common Effect regression model assumes that the intercept and slope are constant over time and individually. The difference between the intercept and the slope is assumed to be explained by the disturbance variable/error or residual (Widarjono, 2017).

Fixed Effect Model, the definition of Fixed Effect model is a model with different intercepts for each subject (cross-section), but the slope of each subject does not change over time. This model is known as a fixed effect regression model, meaning that one object of observation has a constant of constant magnitude for various periods. Likewise, the regression coefficient will remain large from time to time (Widarjono, 2017).

Random Effect, Analysis of panel data regression can also be done using random effects. It can even be said that the Random Effect model is an alternative solution if the Fixed Effect model is not appropriate. This method selects panel data estimates with residuals that may be interconnected between time and individuals, assuming each object has an intercept (Widarjono, 2017).

Of the three approaches above which are optional, then we carry out a significance test to determine which approach has better results for us to use as an interpretation of the research results.

- o Chow Test is a test to select a model whether the Fixed Effect panel data regression technique is better than the Common Effect regression model (Widarjono, 2017).

- o The Haussman test is a statistical test to compare whether the Fixed Effect regression technique is better than the Random Effect (Widarjono, 2017).

Determination Test (R^2)

Measuring the proportion or percentage of the total variation in the dependent variable Y which is explained by the independent variable X. The magnitude of the coefficient of determination is 0 to 1. The closer to 1 the magnitude of the coefficient of determination of a regression equation, the greater the influence of all independent variables on the dependent variable. If R^2 is 0 then there is no relationship between the independent variable and the dependent variable. The greater the value of R^2 means the more precise the regression line in describing the observed values (Widarjono, 2017).

Simultaneous significance test (F test)

A simultaneous significance test (F test) was conducted to determine whether the independent variables as a whole significantly affect the dependent variable. If the calculated F value is greater than the critical F value, the independent variable as a whole affects the dependent variable and vice versa. Meanwhile, if you compare the probability value, compare it with the alpha. If the probability value is less than alpha, it means that the independent variable as a whole affects the dependent variable, and vice versa (Widarjono, 2017).

Individual Parameter Significance Test (t-Test)

To test the effect of the independent variable on the dependent individually, this t-test is done by comparing t count with critical t. If the t count is greater than critical t, it means that the independent variables individually affect the dependent variable. On the other hand, if the t count is smaller than critical t, then the independent variable individually does not affect the dependent variable. (Widarjono, 2017)

3. Result and Discussion

Model Selection Test

Table 1. Common Effect Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	712251.3	100886.3	7.059943	0.0000
BPTL?	0.000120	5.52E-05	2.182565	0.0303
BPTLXDZ?	-4.27E-16	4.48E-16	-0.951783	0.3424
R-squared	0.028831			
Adjusted R-squared	0.018870			
F-statistic	2.894474			
Prob(F-statistic)	0.057709			

Tabel 2. Fixed Effect Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	854867.7	7432.565	115.0165	0.0000
BPTL?	-2.00E-05	5.55E-06	-3.610872	0.0004
BPTLXDZ?	1.28E-17	2.14E-17	0.597073	0.5513
Fixed Effects (Cross)				
_SUMUT--C	587703.3			
_SUMBAR--C	-449307.0			
_RIAU--C	-344268.7			
_JAMBI--C	-559677.9			
_SUMSEL--C	257888.4			
_BENGKULU--C	-528325.8			
_LAMPUNG--C	323534.8			
_KEPBABEL--C	-776722.9			
_KEPRI--C	-723345.0			
_DKIJKT--C	-218678.6			
_JABAR--C	3513785.			
_JATENG--C	3841693.			
_DIY--C	-317687.7			
_JATIM--C	3983988.			
_BANTEN--C	-176585.8			
_BALI--C	-604518.9			
_NTB--C	-27933.16			
_NTT--C	233616.4			
_KALBAR--C	-459351.1			
_KALTENG--C	-700625.3			
_KALSEL--C	-650378.3			
_KALTIM--C	-603446.9			
_KALTARA--C	-830704.1			
_SULUT--C	-644614.9			
_SULTENG--C	-434289.4			
_SULSEL--C	-11094.47			
_SULTENGG--C	-519122.4			
_GORONTALO--C	-650028.6			
_SULBAR--C	-695804.8			
_MALUKU--C	-519171.7			
_MALUT--C	-767464.8			
_PAPBAR--C	-622973.2			
_PAPUA--C	93912.60			
R-squared	0.998214	Mean dependent var		831963.4
Adjusted R-squared	0.997841			
F-statistic	2679.278			
Prob(F-statistic)	0.000000			

Tabel 3 Random Effect Model Estimation Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	854434.4	204755.4	4.172952	0.0000
BPTL?	-1.96E-05	5.54E-06	-3.547652	0.0005
BPTLXDZ?	1.25E-17	2.14E-17	0.586765	0.5580
Random Effects (Cross)				
_SUMUT--C	587384.5			
_SUMBAR--C	-449006.1			
_RIAU--C	-344105.3			
_JAMBI--C	-559243.1			
_SUMSEL--C	257904.1			
_BENGKULU--C	-527882.4			
_LAMPUNG--C	323551.2			
_KEPBABEL--C	-776107.2			
_KEPRI--C	-722751.8			
_DKIJKT--C	-222979.9			
_JABAR--C	3511990.			
_JATENG--C	3839683.			
_DIY--C	-317367.5			
_JATIM--C	3981953.			
_BANTEN--C	-176336.3			
_BALI--C	-604150.9			
_NTB--C	-27723.07			
_NTT--C	233726.3			
_KALBAR--C	-458974.9			
_KALTENG--C	-700105.7			
_KALSEL--C	-649951.4			
_KALTIM--C	-603130.2			
_KALTARA--C	-829982.8			
_SULUT--C	-644137.6			
_SULTENG--C	-433883.8			
_SULSEL--C	-11090.13			
_SULTENGG--C	-518699.6			
_GORONTALO--C	-649444.6			
_SULBAR--C	-695187.1			
_MALUKU--C	-518716.8			
_MALUT--C	-766844.1			
_PAPBAR--C	-622378.6			
_PAPUA--C	93988.62			
R-squared	0.062066			
Adjusted R-squared	0.052446			
F-statistic	6.451895			
Prob(F-statistic)	0.001935			

Model Significance Test

Of the three approaches above which are optional, then we carry out a significance test to determine which approach has better results for us to use as an interpretation of the research results.

Chow Test is a test to select a model whether the Fixed Effect panel data regression technique is better than the Common Effect regression model.

Tabel 4. Chow Test Table

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2764.512085	(32,163)	0.0000
Cross-section Chi-square	1247.092307	32	0.0000

From the results of the Chow test above, it can be seen that the Chi-square statistical value is 1247.092307 with a probability of 0.0000 which is significant in alpha 1%, meaning that statistically Ho is rejected and accepts Ha, so the most suitable model to use is the Fixed Effect Models.

The Haussman test is a statistical test to compare whether the Fixed Effect regression technique is better than the Random Effect

Table 5. Haussman Test Table

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	7.143811	2	0.0281

From the results of the Haussman test above, it can be seen that the Chi-square statistical value is 7.143811 with a probability of 0.0281 which is significant in alpha 1%, meaning that statistically Ho is rejected and accepts Ha, then the most appropriate model to use is the Fixed Effect Model. After comparing the results of the two tests, it can be concluded that the most feasible model is the Fixed Effect Model.

Determination Test (R^2)

Looking at the Estimated Results of the Fixed Effect Model. The adjusted R-squared value is 0.998214. This explains that the independent variable can explain the dependent variable by 99%, while the remaining 1% is explained by other variables.

Simultaneous significance test (F test)

Looking at the Estimated Results of the Fixed Effect Model. The value of Prob(F-statistic) is 0.000000. This explains that the independent variable simultaneously has a significant effect on the dependent variable.

Individual Parameter Significance Test (t-Test)

Looking at the Estimated Results of the Fixed Effect Model. The independent variable Prob value is 0.0004 This explains that partially or individual parameters of the independent variable have a significant effect on the dependent variable.

The Influence of Indirect Personnel Expenditures on Poverty

Based on Table 1.2. the estimation result of fixed effect model coefficient of variable Indirect Employee Expenditure = -2.00E-05 while the probability value = 0.0004. Thus the variable Indirect Personnel Expenditure has a negative effect on poverty. This means that if Employee Expenditures do not increase by 1%, poverty will decrease by 2.00E-05 thousand people not significant.

Indirect personnel expenditure refers to compensation in the form of money or goods given to civil servants, state officials, and retirees as well as honorary employees who will be appointed as government employees, both on duty inside and outside the country as compensation for work that has been carried out in to support the duties and functions of government organizational units. Seeing from the estimation results of table 1.2 in line with the research conducted by (Minggu, Rumate & Rotinsulu, 2019) said that direct spending, indirect spending, and private investment have an inverse relationship with poverty, the direct expenditure of Bitung City government can significantly reduce the number of poor people in Bitung City. Indirect spending and private investment are not statistically significant in reducing poverty in the City of Bitung.

Researchers agree with previous research conducted by (Minggu, Rumate & Rotinsulu, 2019) because, in this paper, Indirect personnel expenditure does not directly have a significant effect on poverty. This is because in the indirect personnel expenditure there is an element of receiving salaries/wages/honorariums given by the government-to-government employees. This will be in line with meeting the needs of each individual, especially government employees to meet their daily needs, so this will have an impact on the number of poor people in Indonesia. In addition, this will also create

a gap, so that the rich get richer and the poor get poorer. From this research, the writer assumes that in indirect employee expenditure there is an element of fulfilling personal needs which is proportionally more dominant than the element of mutual interest. as (Minggu, Rumate & Rotinsulu, 2019) research says, Bitung City Government Direct Expenditures play a very important role in reducing the Number of Poor Populations, so in managing regional finances between direct and indirect spending, the proportion of direct spending must be greater than indirect spending.

The Influence of Indirect Employee Spending on Poverty with the Moderation Variable of Zakat Distribution

Based on Table 2. the estimation results of the fixed effect model of the variable coefficient of Indirect Employee Expenditures through the moderating variable Zakat Distribution = 1.28E-17 while the probability value = 0.5513. Thus the Indirect Employee Expenditure variable through the moderating variable Zakat Distribution, however, the indirect employee spending through the moderating variable Zakat Distribution has increased or decreased can not affect Poverty. This means that by comparing the estimation results of the fixed effect model of the direct effect between Indirect Employee Expenditures on Poverty and the influence of Indirect Employee Expenditures on Poverty with the moderating variable Zakat Distribution, it can be concluded that the Zakat Distribution variable as a moderating variable is unable to moderate. the relationship between Indirect Personnel Expenditures on Poverty in Indonesia.

In line with previous research by Ahmad and Abdullah (2017), it is said that the implementation of Law No. 23 of 2011 on zakat management is very important for the development of the world of national zakat, especially concerning its large potential for funds and its strategic role in poverty reduction and welfare improvement. Agree with previous research by Ahmad and Abdullah, the result of this study is that the variable Indirect Employee Expenditures through the moderating variable Zakat Distribution does not affect/does not moderate poverty. According to the analysis of researchers, the existence of zakat collection from the income of government employees is one of the factors that can reduce poverty, because the rules of the recipient of zakat, one of which is entitled to receive, are poor or poor. However, this will be more optimal if government institutions/institutions can make policies such as those carried out by the Indonesian Ministry of Religion so that poverty reduction is more optimal, namely the withdrawal of professional zakat on government employees who have reached their *nisab*, especially for government employees who are Muslim, and the socialization of zakat calculation among government employees. as well as all parties, both the government, scholars, community leaders, zakat managers to participate socialize the regulation and management of zakat and zakat management regulations others and participate in educating the public to increase the role of BAZNAS and awareness of zakat to the community.

4. Conclusions

Based on a series of panel data tests in 34 provinces in Indonesia, it is found that the best model is the fixed effect model. In the estimation results of the fixed-effect model, the R-Squared value is obtained for the variable Indirect Employee Expenditures and Indirect Personnel Expenditures through the moderating variable Zakat Distribution to Poverty in 34 Provinces. in Indonesia Zakat is a concept of social welfare according to Islamic teachings. The existence of zakat can be an alternative in measuring the level of poverty alleviation. This is because zakat, according to the history of Islamic economics, is an instrument of fiscal policy. However, in this study, there are still weaknesses in measuring the distribution of Zakat as a moderating variable due to the absence of a religious adherent index variable, so this research is still general in measuring the distribution of Zakat as a moderating

variable on poverty. Because Indonesia is not an Islamic country, it is necessary to have additional variables that are more specific in moderating the problem of poverty in Indonesia. It is hoped that future researchers will use other indicators that are more adequate in measuring poverty problems in Indonesia. Due to the problem of poverty in Indonesia in particular, in general, all over the world it is a problem that never ends.

5. Acknowledgment

6. References

Ahmad, M., & Abdullah, K. (2017). Studi Tentang Pemungutan Zakat Penghasilan Pegawai Pada Unit Pengumpul Zakat Kantor Kementrian Agama Kota Salatiga. *Jurnal Hukum Khaira Ummah*, *12*(1).

BPS Indonesia. (2020). Statistik Profil Kemiskinan di Indonesia. In *Profil Kemiskinan di Indonesia Maret* (Vol. 07).

Minggu, T. D., Rumate, V. A., & Rotinsulu, D. C. (2019). Analisis Pengaruh Belanja Langsung, Belanja Tidak Langsung Dan Investasi Swasta Terhadap Kemiskinan Di Kota Bitung. In *Jurnal Pembangunan Ekonomi dan Keuangan Daerah* (Vol. 18).

Ghazali. (2011). *Aplikasi Analisis Multivariate dengan Program SPSS Edisi 8*.

Hafidhuddin, D. (1998). Panduan praktis tentang zakat infak sedekah.

Jaelani, A. (2012). Pengelolaan Apbn Dan Politik Anggaran Di Indonesia Dalam Perspektif Ekonomi Islam. *ALQALAM*, *29*(1 (Januari-April)), 1–30.

Jaelani, A. (2016). *Munich Personal RePEc Archive Pancasila Economic and the Challenges of Globalization and Free Market In Indonesia*.

Jaelani, A. (2017). International Journal of Economics and Financial Issues Fiscal Policy in Indonesia: Analysis of State Budget 2017 in Islamic Economic Perspective. *International Journal of Economics and Financial Issues*, *7*(5), 14–24.

Jaelani, A. (2018). Sistem Anggaran Berbasis Kinerja pada APBN di Indonesia Perspektif Ekonomi Islam. *Al-Amwal : Jurnal Ekonomi Dan Perbankan Syari'ah*, *10*(1), 128–145. https://doi.org/10.24235/amwal.v10i1.2871

Kholidah, K., & Idah. (2016). Qathi' Dan Zhanni Menurut Masdar Farid Mas'udi. In *FITRAH: Jurnal Kajian Ilmu-ilmu Keislaman* (Vol. 2).

Kristiyanto, S., & Widodo, S. (2017). Analisis Efisiensi Belanja Langsung dan Tidak Langsung Pemerintah Kabupaten Kota di Jawa Timur Dalam Pengentasan Kemiskinan. *Jurnal Ilmu Ekonomi Dan Pembangunan*, *17*(1). https://doi.org/10.20961/jiep.v17i1.2310

Mansur, M. (2005). Effect On Revenue And Expenditure Economic Growth, Poverty And Unemployment (Studies In Budget. In *Entrepreneur* (Vol. 2).

Minu, I. W. (2017). *Peranan Zakat dalam Penanggulangan Kemiskinan di Kota Makassar (Studi Kasus BAZNAS Kota Makassar)*. Universitas Islam Negeri Alauddin Makassar.

Purnomo, J. H. (2018). *Pengaruh pengelolaan zakat terhadap penanggulangan kemiskinan dengan pemberdayaan zakat dan pendayagunaan zakat sebagai variabel moderating (studi di yayasan sosial dana al-falah (YDSF) propinsi Jawa Timur*. UIN Sunan Ampel Surabaya.

Qardhawi, Y. (1997). *Peran Nilai dan Moral dalam Perekonomian Islam*. Jakarta: Robbani Press.

Rizal, R. (2015). Eksistensi Harta Dalam Islam (Suatu Kajian Analisis Teoritis). *Jurnal Penelitian*, *9*(1), 93–112. https://doi.org/10.21043/jupe.v9i1.853

Widarjono, A. (2017). *Ekonometrika Pengantar dan Aplikasinya Disertai Panduan Eviews*.