The Influence of Zakat, Education and Unemployment at the Poverty Level in Bengkulu Province (2016-2020)

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ABSTRACT

This research aims to know the influence of zakat, education and unemployment on the poverty rate in Bengkulu Province. Desain research is a descriptive quantitative using the PLS (Partial Least Square). The data used is secondary data from the Badan Pusat Statista (BPS) and the Amil Zakat Agency (BAZNAZ) Bengkulu Province, five years, namely 2016-2020. Research results show that zakat is influential negatively on poverty, education is harmful to poverty, and unemployment positively affects poverty in Bengkulu Province. The government and economic actors in Bengkulu Province, to further increase Zakat revenues and the quality of education, these two variables can reduce poverty rates. Suppressing the unemployment rate will also be an alternative.

Keywords: Zakat, Education, Unemployment And Poverty

1. INTRODUCTION

Poverty is a fundamental problem that is the focus of government attention, especially in developing countries. The living standards of most of the population tend to be very low compared with the living standards of people in developed countries. This fact is manifested in the form of deficient income levels or poverty. Poverty is one of the most exciting discussions by all development economists worldwide. Zakat is an obligatory act of worship and has social and economic value in society. Islam teaches its followers to overcome poverty by distributing income through zakat, infaq and alms.

The low level of education in Indonesia is also a factor in poverty. If someone has a high level of education, the chances of getting a better life will be greater because they have the quality to find work. Based on the basic assumptions of human capital theory, a person can increase his income through increasing education. Every additional school yearincreases a person's employability and income level. Education is the most critical factor that can get someone out of poverty. Education is expected to be able to improve abilities and skills in dealing with problems and solving them appropriately. High unemployment rates economically have the potential to reduce opportunities to increase regional productivity and socially reflect the increasing burden on society and the surrounding environment. In this way, humanity will slowly be pushed towards low-income people.

Management of zakat funds in Bengkulu Province for the 2016-2020 period experienced a significant increase. The highest zakat value in 2020 was 4,663,807,213. Likewise, the level of education based on the Pure Participation Rate (APM) for the 16-18 age group has experienced ups and downs over the last five years. The lowest was in 2016, namely 65.29, and the highest was in 2020, 66.45. The theory says that the higher the level of education, the higher the opportunity to get a more decent job, thereby increasing income. In this way, the unemployment rate will decrease, and poverty will also decrease. Likewise with the unemployment rate in Bengkulu Province, based on data taken from BPS Bengkulu Province, the open unemployment rate in Bengkulu Province over the last five years has fluctuated. The highest fell in 2020, namely 4.07, and the lowest in 2019, 3.26. The poverty rate has fluctuated, but the poverty rate in Bengkulu Province is still the province on Sumatra Island with the highest percentage of poverty rates. This shows that the Bengkulu Provincial government's policies have not been optimal in overcoming the poverty level in Bengkulu Province for 2016-2020.

1.1. Formulation of the problem

- How does zakat affect poverty levels in Bengkulu Province?
- Does education influence the poverty level in Bengkulu Province? Does the unemployment rate indeed control the poverty level in Bengkulu Province?

- Can the variables zakat, education, and unemployment simultaneously influence the poverty level in Bengkulu Province?

1.2. Writing purpose

The study aimed to explain the influence of zakat, education and unemployment, individually and simultaneously, on the poverty levels in Bengkulu Province.

2. LITERATURE REVIEW

Poverty is a multidimensional problem, so that it can be viewed from various points of view. Poverty is a person's inability to meet basic needs in every aspect of life. According to BPS, poverty is an economic, material and physical inability to meet basic food and non-food needs measured by expenditure. The measure of poverty is using the poverty line. The linguistic meaning of zakat is an-numuwaaz-ziyadah, which means growth and increase. Sometimes, it is used with the intention of ath-taharah, which means holy, al-baraqah, which means blessing. The sacred meaning of zakat is to cleanse oneself, soul and wealth. A person who pays zakat implies that he has washed himself and his soul from the disease of stinginess and cleared his property of other people's rights. Blessing in zakat means that the remaining assets for which zakat is issued will qualitatively receive gifts and grow even though the quantitative amount decreases. Contemporary scholars say that zakat is a social act of worship that aims to alleviate poverty, help people with a weak economy, and improve economic prosperity.

Zakat in the economy can prevent wealth accumulation and oblige rich people to distribute their wealth to the poor. Zakat is a potential source of funds to alleviate poverty. Zakat can function as working capital for poor people to create employment opportunities to earn an income and fulfil their living needs. Then, as additional capital for someone who lacks money so that their business runs smoothly, their income increases and their living needs are met. In this way, the state's burden on unemployment and poverty through zakat can be reduced. Apart from that, from a monetary economic perspective, zakat can also curb the rate of inflation caused by unequal currency circulation and unequal distribution of wealth in society. Therefore, with proper and productive management of zakat, economic stability can gradually be created. Zakat regulations aim to create a more even distribution of income. Apart from distribution purposes, analysis of fiscal policy and the economic system is carried out for the stability of economic activities. Education and poverty have a vast connection, where education is related to character development. According to Afzal,

education has a significant influence and benefit on reducing poverty, so this shows that investment in the education sector is needed, in addition to increasing the quality of education and easy access to education.

The level of education influences reducing poverty; this is because a low level of education is one of the components that causes the problem of poverty. Development in the education sector is an important aspect that the government needs to do to reduce poverty. Through investment in the education sector, we will be able to improve the quality of human resources (HR) through increasing skills and knowledge, which will increase a person's productivity. By increasing skills, expertise and productivity, the income will increase, increasing social welfare and reducing poverty.

Unemployment has been classified in the labour force,and is actively looking for work at a certain wage level but cannot get the desired job. Unemployment is also a measure taken if someone does not have a job but has been actively trying to look for work in the last four weeks. 35 Unemployment is generally caused because the number of the workforce is not proportional to the number of jobs that can absorb it. Unemployment is often a problem in the economy because, with unemployment, people's productivity and income will decrease, leading to poverty and other social issues. One of the macroeconomic problems is unemployment, which affects humans directly and is the most serious. For most people, losing their jobs means experiencing a decline in living standards and psychological stress. So, it is unsurprising that unemployment is frequently discussed in political debates, and politicians often claim that their policies will help create jobs.

The level of poverty in a country is, of course, inseparable from the performance of the macroeconomic variables of the country concerned. This, among others, was researched by Cutler and Katz (1991) and Powers (1995), who found that the unemployment rate was positively related to the number of people below the poverty line; in other words, the higher the unemployment rate, the greater the poverty rate. Furthermore, a study conducted by Balke and Slottje (1993), which examined the relationship between macroeconomic variables and poverty levels in the US, concluded that unemployment also negatively impacted poverty.

2.1. Research Hypothesis

A hypothesis is a temporary answer to formulating a research problem that aims to direct and issue guidelines regarding the centralsituation and research

objectives. So, from the description of the existing problem, the hypothesis developed in this research is based on a theoretical basis, and this research is based on a speculative basis and previous research, which has been described first.

- H1 = It is suspected that zakat influences the level of poverty in Bengkulu Province
- H2 = It is suspected that education influences the level of poverty in Bengkulu Province
- H3 = It is suspected that unemployment influences the poverty level in Bengkulu Province.
- H4 = It is suspected that zakat, education and unemployment influence the level of poverty in Bengkulu Province

3. RESEARCH METHODS

This type of research is quantitative research using the time series method. Quantitative analysis emphasizes existing phenomena using numbers that are studied quantitatively. The choice of this quantitative approach is based on data taken from BPS (Central Statistics Agency) and BAZNAS (National Zakat Amil Agency) as supporting sources for analyzing data. It uses secondary data published by BPS and Baznas Bengkulu Province relating to poverty levels, unemployment levels, education levels and zakat funds, namely BAZNAS Bengkulu Province for the 2016-2020 period.

3.1. Operational Definition of Variables.

The poverty level, according to the Central Statistics Agency (BPS), is the population below the poverty line. The data used in this research is the poverty level presented in percentages taken from BPS Bengkulu Province. Zakat is a potential source of funds to alleviate poverty. Zakat can function as working capital for poor people to create employment opportunities to earn income and meet their living needs. Then, as additional capital for someone who lacks money so that their business runs smoothly, their income increases and their living needs are met. This research uses annual productive zakat data presented in rupiah for the last five-year period, namely 2016-2020, taken from BAZNAS Bengkulu Province.

Higher education is seen as a source of innovation that will encourage increased productivity and economic growth. The higher the education, the higher the quality of the workforce, which will increase productivity and can increase individual income and increase their consumption so that they avoid poverty. Education is an investment for the future in the form of increased work output,influencing work productivity and reducing the number of poor people. This study used

the highest education level with categories based on the pure participation rate for the 16-18-year age group.

Open unemployment, according to BPS, is people who have entered the workforce (15 years and over) looking for work and preparing for a business. They are not looking for work because they feel it is impossible to get a job (previously categorized as working). At the same time, they are not working. The data used is the open unemployment rate for the last five years (2016-2020) in Bengkulu Province, taken from BPS, presented in percent.

Data analysis technique quantitative data analysis techniques emphasize hypothesis testing by analyzing research variables using numerical measurements and analyzing data using statistical models. Data analysis in this research used the PLS (Partial Least Square) software tool. Partial Least Square was used in this research because the data used was not normally distributed with a relatively small sample. Each hypothesis will be analyzed using Bright PLS software version 3.2.9 to test the relationship between variables. Data analysis, or in PLS terms known as Structural Model Analysis, consists of several test stages, namely the Outer Model Analysis stage or Measurement Model Analysis, which consists of Validity and Reliability Tests and the Inner Model Analysis stage or Structural Model Analysis which consists of the analysis of the coefficient of determination ($R2$) with Test-Path Coefficient, predictive relevance analysis ($Q2$) with the Goodness of Fit Test and hypothesis testing by comparing the T-Statistic values in the Path Coefficient table.

PLS (*partial least square*) is an analysis method that does not rely on measurement scale assumptions, data distribution and sample size. Word in Ghozali says that PLS is a powerful analysis method because it is not based on many assumptions. PLS-SEM can measure variable relationships in the form of formative relationships, which cannot be measured in SEM. SEM can be applied to primary and secondary data. One application is that it can be used to solve poverty problems. Hypothesis Testing (Path Coefficient Estimation) Testing a hypothesis can be seen from the t-statistic value and probability value. To test the hypothesis using statistical values, for alpha 5%, the t-statistic value used is 1.96. So, the criteria for accepting/rejecting the ideais that Ha is born, and H0 is left when the t-statistic is >1.96. To reject/accept the hypothesis using probability, Ha is obtained if the p-value <0.05.

4. RESEARCH RESULTS AND DISCUSSION

Research data is secondary data with ratio scale data. The zakat distributed to the people of Bengkulu

Province has a maximum value of 5,023,807,213 and a minimum of 1,189,040,317. The average zakat fund is 3,217,988,473.2 and a standard deviation of 1,272,484,518.682. Meanwhile, the education level of the people of Bengkulu Province has a maximum value of 65,080 and a minimum value of 46,890, with an average of 54,386 and a standard deviation of 8,101.448. The unemployment rate for the people of Bengkulu Province has a maximum weight of 2,360 and a minimum value of 1,410, with an average of 1,776 and a standard deviation of 327.39. Meanwhile, the poverty level of the people of Bengkulu Province has a maximum value of 12,760 and a minimum value of 10,950, with an average of 12,042 and a standard deviation of 687.558.

4.1. Measurement Model Analysis (Outer Model)

The data processing process in this research uses the Partial Least Square (PLS) method. PLS is an alternative method of analysis using variance-based Structural Equation Modeling (SEM). The advantage of this method is that it does not require assumptions and can be estimated with a relatively small sample size. As in this study, the sample size is five years. The application used is the SmartPLS version 3.2.9 program, specifically designed to estimate structural equations on a variance basis. The following is the structural model in this research:

4.1.1. Validity test

A variable is declared valid if it has a loading factor above 0.7 on the intended construct—bright PLS 3.2.9 output for the loading element. The loading factor value for the Zakat variable (X1), Education Level Variable (X2), Unemployment Level Variable (X3), and Poverty Level Variable (Y) is 1.000 and more than 0.50. This shows that the variables Zakat, Education, Unemployment and Poverty Level are valid. An individual reflexive measure is considered high if it correlates more than 0.70 with the construct to be measured. However, an outer loading value of 0.50 to 0.60 is considered sufficient for research in the initial stages of developing a measurement scale. Based on the construction of the path diagram above, each variable's loading factor value meets the requirements, namely above 0.5.

4.1.2. Reliability Test (Composite reliability)

The reliability test is carried out by looking at the composite reliability value of the block of variables that measure the construct. The combined reliability value for all variables is 1.000 or above 0.7. So, it can be said that all the estimated model constructs are reliable because they meet the discriminant validity criteria.

4.1.3. Structural Model Analysis (Inner Model)

This research will explain the results of the path coefficient test, goodness of fit test and hypothesis test.

4.1.4. Path Coefficient Test / Coefficient of Determination (R2)

Path coefficient evaluation is used to show how strong the effect or influence of the independent variable is on the dependent variable. Meanwhile, the determination coefficient (R-Square) measures how much the independent variable influences the dependent variable. Chin stated that the R2 result of 0.67 and above for the endogenous latent variable in the structural model indicates that the influence of the independent variable on the dependent variable is in asuitable category. Meanwhile, if the result is 0.33 – 0.67, it is included in the moderate category, and if the result is 0.19 – 0.33, it is included in the weak category.

Based on the inner model scheme shown in the picture above, it can be explained that the most significant path coefficient value is demonstrated by the influence of zakat on the poverty level of 6.006. The second most significant influence is the influence of unemployment on the poverty level of 3.361, and the lowest is the influence of education on the poverty level of 3.361. 2,926. Based on the description of these results, it shows that all the variables in this model have path coefficients with significant numbers. This indicates that the greater the path coefficient value for one independent variable on the dependent variable, the stronger the influence between the independent variables will be on the dependent variable.

4.1.5. Model Goodness of Fit (F) Test

The R-Square value is obtained based on data processing that has been carried out using the smartPLS 3.0 program. The R-squared value for the poverty level variable is 0.990. The obtained value explains that the percentage influence of the zakat, education and unemployment variables on the poverty level variable is 99%. The goodness of fit assessment is known from the Q-Square value. The Q-Square value has the same meaning as the determination coefficient (R-Square) in regression analysis, where the higher the Q-Square, the better or better the model can be said to fit the data. A Q-Square value of 0.99 is obtained based on the calculation results above. This shows that the enormous diversity of research data the research model can explain is 99%. Meanwhile, the remaining 0.1% is explained by other factors outside this research model. Thus, from these results, this research model can be stated to have good goodness of fit.

4.2. Hypothesis Testing (Path Coefficient Estimation)

Assessment of inner weight can be done by looking at the relationship between latent constructs by paying attention to the estimated results of the path parameter coefficients and their significance level. Inner weight also shows the results of hypothesis testing. To test the proposed hypothesis, you can see the size of the statistical t value. The idea will be accepted if the statistical t value is >1.96. The t-statistic estimation results can be seen in the results for inner weight.

4.3. Discussion of Research Results

4.3.1. The Effect of Zakat on Poverty Levels

The results of the parameter coefficient test between zakat and poverty levels show a coefficient value of -0.622 and a t-statistics value of 6.006. At the significance level (α) = 0.05, the t-statistics value is greater than the significance value of 1.96, so Ho is rejected, and Ha is accepted. The original sampling value was negative, amounting to -0.622, which indicates that the direction of the relationship between zakat and poverty levels is harmful. H1, which states that zakat affects the level of poverty, is accepted, but it has a negative effect, meaning that the greater the value of zakat, the more it will reduce the poverty level.

4.3.2. The Effect of Education on Poverty Levels

The results of the parameter coefficient test between education and poverty level show a coefficient value of -0.296 and a t-statistics value of 2.926. At the significance level (α) = 0.05, the t-statistics value is greater than the significance value of 1.96, so Ho is rejected, and Ha is accepted. The original sampling value was negative, amounting to -0.296, which indicates that the direction of the relationship between education and poverty levels is harmful. H2, which states that education affects poverty levels, is accepted but has a negative effect, meaning that the greater the level of education, the lower the poverty level. The results of this research follow the theory that education is also human capital; the higher the education a person completes, the greater their consumption ability to lift their lives from poverty. 69 So, the higher the level of education, the less poverty. The Effect of Unemployment on Poverty Levels. The results of the parameter coefficient test between unemployment and poverty levels show a coefficient value of 0.250 and a t-statistics value of 3.361. At the significance level (α) = 0.05, the t-statistics value is greater than the significance value of 1.96. so Ho is rejected, and Ha is accepted. The original sampling value is 0.250, which indicates that the direction of the relationship between education and poverty levels is positive. This shows that unemployment affects the poverty level. H3, which states that unemployment influences the poverty level, is accepted.

The results of this research are by the theory, which states that when unemployment increases, poverty levels will also follow. To reduce the poverty rate, the unemployment rate must be reduced. Reducing the poverty rate will be successful if employment opportunities can absorb the existing workforce. The influence of zakat, education and unemployment on poverty levels Simultaneously, zakat, education and unemployment influence the poverty level in Bengkulu Province. This is shown by the R-squared value of 0.99. This indicates that the research model's enormous diversity of research data can explain 99%. Meanwhile, the remaining 0.1% is explained by other factors outside this research model.

CONCLUSION

Zakat hurts poverty levels in Bengkulu Province. This is indicated by the t-statistics value of 6.006,more significant than the significance value of 1.96, with a coefficient value of -0.622. This shows that the zakat variable hurts the poverty level in Bengkulu Province. So, if the value of zakat increases, it will reduce the poverty level in Bengkulu Province.

Education hurts poverty levels in Bengkulu Province. This is indicated by the t-statistics value of 2.926,more significant than the significance value of 1.96, with a coefficient value of -0.296. This shows that the education variable hurts the poverty level in Bengkulu Province. So, increasing the education rate will reduce the poverty level in Bengkulu Province.

Unemployment has a positive effect on the poverty level in Bengkulu Province. This is indicated by the t-statistics value of 3.361,more significant than the significance value of 1.96, with a coefficient value of 0.250. This shows that the Unemployment variable positively affects the poverty level in Bengkulu Province. So, if the unemployment rate increases, it will increase the poverty level in Bengkulu Province.

Simultaneously, zakat, education and unemployment influence the poverty level in Bengkulu Province. This is shown by the R-squared value of 0.99. This indicates that the research model's enormous diversity of research data can explain 99%. Meanwhile, the remaining 0.1% is explained by other factors outside this research model.

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