

# Analysis of Factors Affecting Indonesia's Economic Growth: The Impact of Inflation and Distribution of Zakat, Infaq, Shodaqoh (ZIS) Funds to Amil Zakat Institutions (LAZ)

Diah Ayu Legowati<sup>1</sup>, Astri Yastika<sup>2</sup>, Deni Nuryadin<sup>3</sup>

<sup>1 2 3</sup>faculty of Economics and Business

Muhammadiyah University Prof. DR. HAMKA, Indonesia.

## Article Info

### Article history:

Received: Jun 15, 2024

Revised : Jun 22, 2024

Accepted : Jun 30, 2024

### Keywords:

Amil Zakat Institutions,  
Economic Growth,  
Inflation,  
ZIS Distribution

## ABSTRACT

This research aims to analyze the influence of inflation and ZIS distribution funds on economic growth in Indonesia in January 2017 - June 2021. The research method used in this research is quantitative. The data collection technique used in this research is documentation with data sources obtained from reports published via the Bank Indonesia (BI) website, the Central Statistics Agency (BPS), and the BAZNAS Monthly Financial Report for January 2017 - June 2021. The data analysis technique used in this research is multiple linear regression analysis and the calculation tool used is eviews-12. The research results show that partially the inflation variable has a significant influence on economic growth in Indonesia. Furthermore, the ZIS fund distribution variable also has a significant influence on economic growth in Indonesia. Then, simultaneously the variables inflation and ZIS distribution also have a significant influence on economic growth in Indonesia.

*This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.*



## Corresponding Author:

Diah Ayu Legowati

Faculty of Economics and Business

Muhammadiyah University Prof. DR. HAMKA

Jl. Limau II No.2, RT.3/RW.3, Daerah Khusus Ibukota Jakarta, Indonesia 12130

Email: diahayu.legowati@uhamka.ac.id

## 1. INTRODUCTION

Growth economy is factor The most important thing in each country is growth economy on basically defined as method escalation average production per person over a long period of time (Prathama & Yustika, 2021). Economic growth per capita own meaning enhancement well-being, And

Also inherit various type substitution on use of goods and services, thereby increasing ability public in transactions. Development system for the application of goods and services in economic activities Also related with the economic growth. Growth economy Which stable give influence to achievement from objective growth economy, where one of the goals of economic growth is to create a good economy over a long period of time with a maximum level of social welfare. So this will overcome poverty and create economic growth that focuses on the welfare and justice of society as a whole (Sakti & Adityarani, 2020).

Economic growth can be viewed from the movement of gross domestic product (GDP), per capita income output, and also declared national income as the most important measurement indicator of economic growth. Economic growth also has a role as an illustration of community activities in obtaining income through production activities (Siwu, 2019). it can be seen that the development of the economic growth rate from 2017 - 2018 has slowly increased but is not significant. However, in 2019 growth economy start shows a decrease in data with a value of 5.02%. Furthermore, in 2020 economic growth will decline significantly to -2.07%. This decline could be

caused by the emergence of the Covid-19 virus. which has an impact on the country's economy, not only in Indonesia but also in other countries.

Others have also been affected by the Covid-19 virus. However, the value of economic growth in 2020 makes Indonesia a country capable of managing the impact of the Covid-19 pandemic on the economy. As data on the percentage of economic growth in Indonesia continues to decline, and it has been shown that this decline can cause poverty, economic growth also has an important role as a measure of a country's success. The government's efforts to contain the Covid-19 pandemic have resulted in encouraging economic growth with a value of 3.69% in 2021, resulting in a quite significant increase. According to Bank Indonesia (2021), the average gross domestic product income per person increased to IDR 62.2 million, higher than the pre-epidemic GDP of IDR 59.3 million. This success also brought Indonesia back to the top position in the ranking of middle-income countries, this is a good start for economic recovery so that it can get out of the middle-income trap. In research (Arifin, 2020) which discusses the Analysis of Unemployment and Economic Growth as a Result of the Covid-19 Pandemic, it is explained that the Covid-19 Pandemic resulted in Indonesia's economic growth rate is weakening, therefore several relevant government policies are needed to overcome economic growth during Covid-19.

Inflation is an indicator of a factor that has an influence on economic growth, and is also something that is used to measure whether the economy is accurate or not. by measuring the level of community welfare, where community welfare can be used to measure the level of poverty. If inflation increases, the level of welfare will be disrupted, namely people's purchasing power will decrease (Ashari, 2021).

The impact that occurs when inflation increases is the loss of investment in activities that do not support the national product, a decrease in production investment and a decrease in economic activity. The same amount is obtained from fewer items than before. The level of competition in the business world requires all marketers to carry out marketing activities more efficiently and effectively according to the needs and desires of their customers (Ala'uddin, 2020). According to Bank Indonesia, inflation has an impact on economic growth, reducing people's real income, thereby lowering people's standard of living. Fluctuating inflation will create uncertainty for economic actors in making decisions. Unstable inflation will slow down economic growth by influencing people's decisions about consumption, investment and production. The following is data that shows the condition of inflation in Indonesia in 2017 - 2021

Based on the data above, Indonesia's inflation rate in 2017 compared to 2016 was 3.02%, an increase of 3.61%. According to Bank Indonesia (2017), apart from that, this increase was driven by increases that suppressed inflation in the service sector, and was also influenced by the secondary impact of the increase in electricity prices of 900 VA for various customer groups. The increase in mobile credit interest rates had an impact on the increase inflation telecommunications services. Rising inflationary pressures in the housing services sector and car loan interest rates at the beginning of the year made these items the largest contributors to inflation (Ababil & Yulistiyono, 2022).

According to Bank Indonesia (2018 - 2020), within 3 years, namely in 2018 –2020, inflation will lead to a decline. The decline in inflation in 2018 - 2020 is a good thing for the economy in Indonesia. Inflation which was maintained at a low level in 2018 reached a value of 3.07%, and was caused by increasing demand for global food commodity prices and controlled demand which influenced inflationary pressure which continued to decline. In 2019, inflation was recorded at 2.72%, down from 2018 to 3.13%. The decline in inflation in 2019 was influenced by continued domestic demand factors in sensitive exchange rates as well as low inflation factors in the operational price group. In 2020 inflation was 1.68% and this value was the lowest inflation in the last 6 years. The cause of the decline in inflation was due to weak domestic demand in line with the impact of the decline in economic activity during the Covid-19 pandemic. Formaintaining economic stability, inflation has a supporting factor in economic recovery (Saragih & Elisabeth, 2020).

According to Bank Indonesia (2021), inflation in 2021 will still be recorded as low and supports economic stability. Inflation in 2021 is 1.87% with an increase of 1.68% compared to inflation in 2020, this development is influenced by low inflation, especially domestic demand which is still unstable due to the Covid-19 outbreak, a stable exchange rate and expectations of sustainable inflation, as well as the impact from suppressing global prices in the domestic market. Controlled volatile food inflation is supported by the rational availability and distribution of food ingredients, political synergy

between Bank Indonesia and the government is maintained to maintain price stability. Administrative price inflation has increased since last year due to an increase in aviation taxes, increased public mobility and an increase in cigarette excise. In research (Hidayat et al., 2020) it is explained that the increase in inflation which has increased is still at the threshold of reasonableness, and can be taken as a basis for evaluating the macro economy. As a policy, the government must pass and control regulations to put pressure on inflation, because high inflation will have a negative impact on economic growth. From an Islamic economic perspective, apart from inflation, there are other factors, namely zakat, infaq and shadaqah (ZIS) funds.

The distribution and collection of well-distributed ZIS funds must be in line with and in accordance with the Al-Qur'an so that it can have a good influence on economic growth. The ZIS fund system acts as an essential factor in helping economic growth and making it easier for the overall financial sector to be better. Accordin (Budisusila, 2021) the concept of implementing ZIS fund distribution can be seen as a government strategy in finding ways to end poverty Also mobilize public welfare. Apart from that, (Yananda et al., 2022) explained that these ZIS funds will provide more visible income distribution if implemented correctly. Because ZIS funds will influence economic growth, because they are an element of the goal of economic growth, especially the welfare of the Indonesian population, collecting ZIS has great potential for realize equality income and well-being and overcome inequality. ZIS has The function of the Social Safety Net (JPS) can also ensure that the basic needs of the population are met, reduce disparities, motivating wheeleconomy turn in utilize resources effectively. The following is data on the number of distributions and withdrawals collected from the BAZNAS financial reports for ZIS funds used in this research for 2017 – 2021.

From the data shown above, it can be seen that the ZIS fund collection every year in 2017 - 2021 experienced a very significant increase, there was no decrease even though it was only 1%. This has a good impact on achieving national zakat collection and economic growth in reducing poverty and inequality economy. Moreover, in 2020 - 2021 the emergence of the Covid - 19 pandemic caused many economic sectors to be greatly impacted. Receipts from zakat, infaq and zakat (ZIS) and other religious social organizations (DSKL) carried out by BAZNAS in 2021 exceeded the target with an increase of 33% compared to 2020.

Zakat collection activities must be followed by distribution activities in order to have an effective impact, because distributing zakat provides benefits to zakat recipients or mustahik. Therefore, it is necessary to collect and distribute ZIS funds which will have the potential to reduce economic problems. The distribution of ZIS funds in 2017 was the lowest in the 5 years of data from 2017 – 2021, then in 2018 the distribution experienced an increase as big as Rp. 46,004,082,301.00. However, in 2019 the distribution of ZIS funds decreased again by Rp. 26,106,262,365.00. Even though in 2019 the distribution of funds.

ZIS had experienced a decline in 2020, the distribution of ZIS funds improved or increased again with the total distribution in 2020 amounting to IDR. 28,547,612,651.00, and experienced significant growth in the Social Humanity Sector. This significant growth was caused by adjustments to the distribution portion which was focused on handling the Covid-19 pandemic through BAZNAS programs in the social sector. Apart from the Social and Humanitarian Sector, growth in distribution also occurred in the Health Sector. This distribution continues to increase in 2021 with a value of Rp. 38,927,829,608.00. In 2021, BAZNAS also succeeded in allocating a distribution level of around 40% through different branches to help Mustahik have a better life. The 40% figure means that the distribution of ZIS and DSKL at BAZNAS is efficient. Based on research results (Yusanto, 2020) it is clear that Zakat, Infaq and Alms (ZIS) has an influence in overcoming inequality and poverty, if the collection and distribution of Zakat, Infaq and Alms (ZIS) funds are distributed well. Also explained by (Mappasere & Suyuti, 2019) obtained the results that ZIS and inflation have a significant positive influence on economic growth in the long term.

## 2. METHOD

The research approach that will be used in this research is an approach descriptive quantitative. Research that uses a quantitative approach is research that prioritizes hypothesis testing, the data obtained and used must be measured and the results obtained must be averaged. In this research, the e-views 12 assessment method was used (Purba et al., 2021). The variables used in this

research were, Population is the total number of subjects studied by researchers. The population in this study is all amil zakat institutions (LAZ) in BAZNAS, all data used is monthly data from January 2017 – June 2021. The sample is part of the population that the researcher wants to study. The number of samples in this research amounted to 54 data. The data collection technique was carried out through a literature survey by looking at the literature on books, journals, articles and other sources along with research. And this is to get a comprehensive theoretical background (acceptable or. The data processing and analysis technique in this research is multiple linear regression analysis. in this case it requires testing assumptions classic For get good results. Includes normality test, test multicollinearity, autocorrelation and heteroscedasticity tests. If you have completed the classical assumption test, hypothesis testing will be used by testing the significance of the independent variable (X) on the dependent variable (Y) and partly by testing statistics, t-test (t-test) or f-test. Used. (F test) at 5% ( $\alpha = 0.05$ ).

### 3. RESULTS AND DISCUSSION

**Table 1.**  
Multicollinearity Test Results

Variable	Mark VIF	Information
X1	1.13990	Not occur Multicollinearity
X2	1.13990	Not occur Multicollinearity

Source: E-views 12 (reprocessed) Based on

The results obtained from the e-views calculation, the VIF value is  $1.1399 >$  the significant level is 5%, this shows that there is no multicollinearity test.

**Table 2.**  
Autocorrelation Test

DW value	MARK dU and dL	4-Du	Keterajust
1.7718	dU: 1.6383 dL : 1.4851	2.5149	Autocor does not occur elation

Source: E-views 12 (reprocessed)

Based on the results of Durbin-Watson calculations, the position of DW is between dU and 4-dU. So in this model the results obtained do not occur autocorrelation.

**Table 3.**  
Heteroscedasticity Test

F- statistics	9.599470	Prob. F(2.51)	0.2895
Obs*R- squared	14.76864	Prob. Chi-Square(2)	0.6209
Scaled explaine d SS	29.08762	Prob. Chi-Square(2)	0.4827

Source: E-views 12 (reprocessed)

Based on the table above, the chi squares profitability value is  $0.6209 >$  than  $\alpha=5\%$ , so the conclusion is drawn from the test that (Accepting  $H_0$ , rejecting  $H_a$ ) is accepted, which means there is no heteroscedasticity.

As explained in research (Sandi & Hendra, 2023) it is explained that the normality test assumption can be ignored if the sample size is large enough (>30 or 40), violation of the normality assumption should not cause a big problem, this implies that we can use multiple linear regression analysis procedures even when the data are not normally distributed. If we have a sample consisting of hundreds of observations, we can ignore the normality test data distribution.

In the Basic Econometrics book, it is explained that the normality test assumption can be ignored if there is a lot of data cross section and time series that have quite a large number of observations. Therefore, the assumption of normality may not be very important in large data sets (Gujarati, 2013).

**Table 4.** Coefficient of Determination

<b>R-squared</b>	0.365218
<b>Adjusted R-squared</b>	0.340324

Source: E-views 12 (reprocessed)

Coefficient of determination (R<sup>2</sup>) with a value of 0.431, which means that the independent variable has an influence with a value of 43.1% on the economic growth variable, apart from that 56.8% is influenced by other factors outside the variables mentioned. Researched.

**Table 5.**  
Multiple Linear Regression Analysis

Variable	Coefficient	Note
C	0.011862	Positive
X1	0.011370	Positive
X2	1.096634	Positive

Source: E-views 12 (reprocessed)

The following is an explanation of the equations that have been included, 0.011 is the intercept value, namely the intersection of the regression line with the Y axis which shows the level of Economic Growth, when the independent variables (inflation and ZIS distribution funds) are zero or constant. This shows that other variables outside the model still have quite large potential to influence Economic Growth, namely 0.011 units, 0.011 means, for every 1 unit increase in inflation, economic growth will increase by 0.011 units, 1,096 means that if ZIS distribution funds (X2) increase by 1 unit, then the percentage of economic growth (Y) will decrease by 1.09% assuming other variables are constant.

**Table 6.** Test Results

F-count	F-Table	Sig	Interpretation	Note
14.67	3,179	0.09	Fcount > FTable = H0 rejected 14,671 > 3,179 Significant < 0.05 = H0 rejected 0.09 < 0.05	H0 is rejected so that the independent variables simultaneously have a significant effect on the dependent variables

Source: E-views 12 (reprocessed)

Based on the F test table obtained above, we can see that the results of the F-statistics or calculated F are 14,671 > from the F table, namely 3,179 and the F-prob value is 0.000009 < the significance level, namely 0.05, so H0 is rejected and H1 is accepted. So it can be said that inflation and ZIS funds have a simultaneous influence on economic growth.

**Table 7.** test results

Variable	Prob. t	Sig	Note
X1	0.0000	5%	Influential significant
X2	0.0305	5%	Influential significant

Source: Eviews (re-managed) After

comparing the t-table and t-count and looking at the significance values, it can be concluded that the inflation variable (X1) influential in a way Partial And significant to economic growth. Meanwhile, the ZIS fund variable has no effect significant to Growtheconomy.

The results of this study show that together or simultaneously inflation (X1) and ZIS funds (X2) have a significant influence oneconomic growth (Y) for the period 2017 – 2021. We can see the results of the F Test analysis obtained above from the F-statistics or F count of 14,671 > from the F table, namely 3,179 and the F-prob value of 0.000009 < the significance level namely 0.05, then H0 is rejected and H1 is accepted. So it can be said that inflation and ZIS funds have a simultaneous influence on economic growth. Provide a statement that what is expected, as stated in the "INTRODUCTION" section can ultimately result in "RESULTS AND DISCUSSION" section, so there is compatibility.

Moreover, it can also be added the prospect of the development of research results and application prospects of further studies into the next (based on result and discussion). In a structured manner, zakat, infaq, alms (ZIS) will eliminate poverty and reduce the price cycle for some people. Likewise, employment and income will increase in the economy, thereby increasing people's living standards and ultimately the total cumulative volume of ZIS will increase, which in turn will have a positive effect on the rate of economic growth in terms of poverty alleviation. reduce prices and combat rising inflation (Bank Indonesia, 2017). In connection with research conducted (Tambunan et al., 2019), the results showed that the zakat variable statistically significantly influences GDP. So it is concluded that there is a unidirectional causality relationship from zakat to GDP. This proves that zakat is indeed influential to carry out economic activities so that they can move the economy. Especially during the pandemic that hit Indonesia, inflation and ZIS funds together supported economic growth in making improvements through low inflation and increased distribution of ZIS funds, thereby preventing the decline of the Indonesian economy from the unwanted impact of the pandemic.

#### 4. CONCLUSION

The conclusions resulting from the research results are as follows; From the results of the t test, the probability value is 0.0000 < from the significance level of 0.05, so it can be said that the inflation variable (X1) has a significant effect on the dependent variable. Furthermore, from the results of the t test, the probability value is 0.0305 < the significance level of 0.05, so it can be said that the ZIS fund variable (X2) has no significant effect on the dependent variable; Based on the F Test table obtained above, we can see that the F-prob value is 0.000009 < the significance level, namely 0.05, so H0 is rejected and H1 is accepted. So it can be said that inflation and ZIS funds have a simultaneous influence on economic growth; The R-Square value in the table above is 0.365218, indicating that; The influence of the inflation variable and ZIS distribution funds on the economic growth variable is 36.52%. This means that inflation and ZIS distribution funds have an influence on the economic growth variable of 36.25%. Then from the results of the Adjusted R-squared with a value of 0.340324, this means that the independent variables (inflation and distribution of ZIS funds) used in the research can be said to have an influence in estimating the dependent variable (economic growth).

## REFERENCES

- Ababil, A. A., & Yulistiyono, H. (2022). Peran BUMDes dalam Mengelola Desa Wisata Bukit Kehi sebagai Pengembangan Ekonomi Masyarakat Desa. *Jurnal Ilmiah Aset*, 24(2), 97–112.
- Ala'uddin, M. (2020). Bank Syariah, Saham Syariah, Obligasi Syariah dan Inflasi Terhadap Pertumbuhan Ekonomi. *Jurnal Qiema (Qomaruddin Islamic Economics Magazine)*, 6(2), 234–254.
- Arifin, J. (2020). Budaya kemiskinan dalam penanggulangan kemiskinan di Indonesia. *Sosio Informa: Kajian Permasalahan Sosial Dan Usaha Kesejahteraan Sosial*, 6(2), 114–132.
- Ashari, M. P. (2021). Currency and the Stability of People's Purchasing Power in Indonesia through Al-Maqrizi's Review. *Journal of Islamic Civilization*, 3(1), 48–56.
- Budisusila, A. (2021). *Transformasi Ekonomi Indonesia Pasca Pandemi Covid 19*. Sanata Dharma University Press.
- Hidayat, A., Pujiono, P., Arifin, S., & Sugiarto, L. (2020). Pemberdayaan Perempuan Kelompok UKM di Desa Jetis Kecamatan Bandungan Kabupaten Semarang. *Journal of Dedicators Community*, 4(2), 119–131.
- Mappasere, S. A., & Suyuti, N. (2019). Pengertian Penelitian Pendekatan Kualitatif. *Metode Penelitian Sosial*, 33.
- Prathama, M. T., & Yustika, A. E. (2021). *Ekonomi Inovasi Taklimat Pembangunan Ekonomi Berbasis Pengetahuan*. INDEF.
- Purba, D. S., Tarigan, W. J., Sinaga, M., & Tarigan, V. (2021). Pelatihan Penggunaan Software SPSS Dalam Pengolahan Regresi Linear Berganda Untuk Mahasiswa Fakultas Ekonomi Universitas Simalungun Di Masa Pandemi Covid-19. *Jurnal Karya Abdi Masyarakat*, 5(2), 202–208.
- Sakti, L., & Adityarani, N. W. (2020). Tinjauan hukum penerapan akad ijarah dan inovasi dari akad ijarah dalam perkembangan ekonomi syariah di Indonesia. *Jurnal Fundamental Justice*, 39–50.
- Sandi, M., & Hendra, H. (2023). Penerapan Teori Keuangan Dan Inflasi Menurut Al-Magrizi Terhadap Inflasi Yang Pernah Terjadi Di Indonesia. *JIKEM: Jurnal Ilmu Komputer, Ekonomi Dan Manajemen*, 3(2), 3847–3856.
- Saragih, R., & Elisabeth, D. M. (2020). Kewirausahaan Sosial Dibalik Pandemi Covid-19: Penelusuran Profil dan Strategi Bertahan. *Jurnal Manajemen*, 1(1), 47–56.
- Siwu, H. F. D. (2019). Strategi pertumbuhan dan pembangunan ekonomi daerah. *Jurnal Pembangunan Ekonomi Dan Keuangan Daerah*, 18(6).
- Yananda, M. R., Rahadian, A., Hastiadi, F. F., Nagara, G., & Firdaus, B. (2022). *Skenario Masa Depan Indonesia 2045: Pemimpin & Masyarakat*. Cikini Art Stage.
- Yusanto, Y. (2020). Ragam pendekatan penelitian kualitatif. *Journal of Scientific Communication (Jsc)*, 1(1).