

## Does Macroeconomics and Human Development Index Affect Zakat Performance?

**Faris Shalahuddin Zakiy\***

Universitas Islam Negeri Walisongo Semarang, Indonesia  
farisshalahuddinzakiy@walisongo.ac.id

**Anik Gita Yuana**

Universitas Islam Zainul Hasan Genggong Probolinggo, Indonesia  
anikgita345@gmail.com

**Alifya Nurul Falach**

Universitas Islam Negeri Maulana Malik Ibrahim Malang, Indonesia  
alifyafalach@gmail.com

**Fitria**

STEI Al-Furqon Prabumulih, South Sumatera, Indonesia  
fitriafitri781@gmail.com

*\*Corresponding author*

Received: 30 March 2024

Revised: 20 December 2024

Published: 31 December 2024

### Abstract

Macro variables and the Human Development Index are among the influential factors affecting the amount ZIS collection in Indonesia. The impact has been that the realization and potential of ZIS collection are not balanced when compared to the number of Muslim populations in Indonesia. This research aims to examine the impact of macroeconomics and human development index on zakat performance in Indonesia. Zakat performance is measured using the natural log of the total receipt of ZIS obtained from 39 zakat management organizations from 2011 to 2022, totaling 206 observations. The independent variables in this study are proxied by macroeconomics (i.e., inflation and number of employed people) and human development index. The data were analyzed using a panel data estimation technique as known pooled least square. The empirical results of this study found that inflation has a negative and insignificant effect on zakat performance. Number of employed people do not affect zakat performance. Meanwhile, human development index has a positive and significant effect on zakat performance. Synergy and coordination among zakat management organizations and the socialization of zakat literacy become essential factors in realizing the potential of zakat that has not been optimally collected. Additionally, the government can create a policy-making zakat mandatory for muslim communities by implementing good governance.

**Keywords:** Human Development Index; Inflation; Number of Employed People; Zakat performance

### Abstrak

Variabel makro dan Indeks Pembangunan Manusia merupakan salah satu faktor yang berpengaruh terhadap jumlah penghimpunan ZIS di Indonesia. Dampaknya adalah realisasi dan potensi penghimpunan ZIS tidak seimbang jika dibandingkan dengan jumlah penduduk muslim di Indonesia. Tujuan dari penelitian ini adalah untuk menguji pengaruh makroekonomi dan indeks pembangunan manusia terhadap kinerja zakat di Indonesia. Kinerja zakat diukur menggunakan log natural total penerimaan ZIS yang diperoleh dari 39 organisasi pengelola zakat dari tahun 2011-2022 sebanyak 206 observasi. Variabel independen pada penelitian ini diproksikan dengan makroekonomi (yaitu inflasi

dan jumlah penduduk yang bekerja) dan indeks pembangunan manusia. Data dianalisis dengan teknik estimasi data panel yang disebut dengan *pooled least square*. Hasil empiris dalam penelitian ini menemukan bahwa inflasi berpengaruh *negative* dan tidak signifikan. Sedangkah, jumlah penduduk yang bekerja tidak berpengaruh terhadap kinerja zakat. Sementara itu, indeks pembangunan manusia berpengaruh positif dan signifikan terhadap kinerja zakat. Sinergi dan koordinasi antar organisasi pengelola zakat dan sosialisasi literasi zakat menjadi sebuah faktor penting untuk merealisasikan potensi zakat yang belum terhimpun secara optimal. Selain itu, pemerintah dapat membuat kebijakan bahwa zakat bersifat wajib bagi masyarakat muslim dengan menerapkan tata kelola yang baik.

**Kata kunci:** Inflasi; Jumlah Penduduk Bekerja; Indeks Pembangunan Manusia; Kinerja Zakat

## INTRODUCTION

Zakat is a fiscal instrument expected to solve poverty issues and enhance the welfare of society. The function of zakat in Islam is to distribute income evenly to those entitled to receive it (Alshater et al., 2022; Ghaouri et al., 2023; Jouti, 2019). Puskas Baznas stated that the growth of zakat, infaq, and shadaqa (ZIS) collection in Indonesia is still relatively fluctuating (see Table 1), but there was a significant increase from 2020 to 2022. Zakat collection in 2022 increased by 84.16% from 2021.

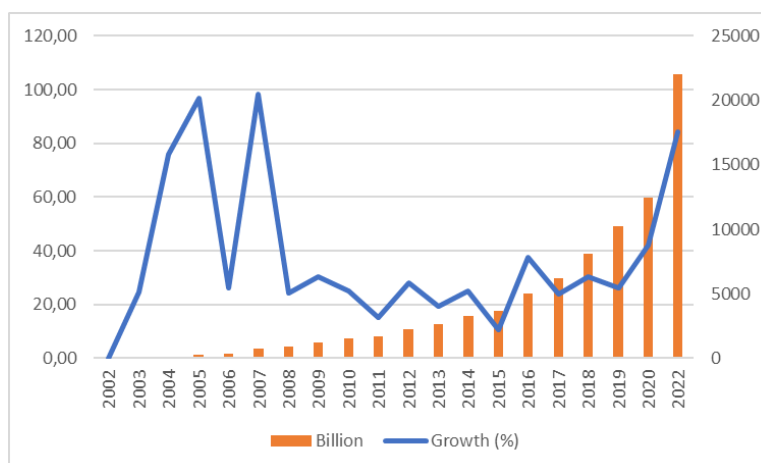


Figure 1. Growth of ZIS Collection period 2002-2022  
Source: (BAZNAS, 2022, 2023)

Furthermore, the Ministry of Home Affairs revealed that the Muslim population in Indonesia as of 2022 amounted to 241.69 million people, or equivalent to 87.02% of the total population of Indonesia. With such a large Muslim population, the Directorate of Assessment and Development at the beginning of 2022 mapped the potential national zakat that could be collected in 2023, amounting to 217 trillion (BAZNAS, 2023).

However, over time, it has been observed that the actual collection of zakat is still far from its potential (Canggih et al., 2017). This is because a significant amount of zakat collection by official state institutions is not recorded (Saad et al., 2017). Therefore, with Law Number 23 of 2011, it is emphasized that zakat is managed by licensed non-structural state and private institutions so that zakat collection can be adequately documented.

Furthermore, the gap between the actual and potential zakat collection is also attributed to low public literacy regarding zakat obligations. This is evidenced by the Zakat Literacy Index (ILZ) report for 2022, which indicates that the ILZ score only reached 75.26%, categorized as moderate (Iskandar et al., 2020). It strengthened the credibility of zakat management organizations and enhanced the synergy of cooperation among zakat stakeholders (Widiastuti et al., 2021).

In addition to micro factors such as organization, service, and behavior, which have been extensively studied by several researchers previously (Akhter et al., 2023; Alshater et al., 2021; Anwar & Khalsiah, 2017; Hamdani et al., 2024; Yolanda et al., 2020), macro factors also significantly influence the collection of ZIS. Chapra (1992) provides a profound insight into the impact of macroeconomic variables within the framework of Islamic economics. According to him, macroeconomic variables help achieve broader economic objectives such as stability, growth, and social justice. Moreover, Chapra (1992) believes that macroeconomic variables play a crucial role in determining the effectiveness of zakat as a tool for wealth redistribution and poverty reduction.

With economic stability, the community tends to be more capable of distributing their wealth for zakat following Islamic teachings. Furthermore, Chapra (1992) argues that a wide income gap can hinder the community in paying zakat. The macroeconomic study presented by Chapra (1992) suggests that several macro variables affect the collection of ZIS, such as inflation, the number of working people, and the human development index.

Some previous studies, such as Zakaria Muchtar & Widiastuti (2022), state that inflation has an insignificant impact on zakat collection. This indicates that inflation shocks can reduce zakat fund collection. Armina & A'yun (2019) asserts that inflation has a long-term relationship but not a short-term effect.

Furthermore, according to Diniati (2021), the employed population can affect zakat collection. The more people are employed, the more they earn a stable income. With a stable income, people can fulfill their zakat obligations. This is affirmed by Atabik (2015), stating that zakat is obligatory for individuals with income who have reached *haul* and *nisab* thresholds.

According to Zakaria Muchtar & Widiastuti (2022), the Human Development Index (HDI) also affects zakat collection. The improvement of human resources will affect income levels. Therefore, with the increase in income level, the number of *muzakki* will increase. Consequently, with the increase in *muzakki*, zakat collection will also increase.

This research asserts that macro factors influence zakat collection in Indonesia. From empirical findings, these factors can be used for evaluation purposes to prevent the gap between actual and potential zakat collection from widening too much. Additionally, this study examines macro variables proxied by the number of employed population, which has not been tested in previous research. Therefore, it

is vital to study macroeconomics and the impact of the Human Development Index on zakat collection in Indonesia.

Our research contributes in the following ways: (1) Chapra (1992) presents the view that the efficient management of macroeconomic factors, grounded in Islamic principles, can optimize the function of zakat and aid in achieving broader economic objectives such as stability, growth, and social justice. Therefore, we expand previous research by adding the variable of the number of employed population as a macroeconomic variable to be tested for its influence on zakat collection; (2) We provide empirical evidence on the macroeconomic and Human Development Index studies' impact on zakat collection.

## LITERATURE REVIEW

### Zakat Performance

Zakat is an instrument in Islam used to promote the welfare of society through the distribution of income and wealth. When applied, zakat involves three main stakeholders: the *muzakki* (payer of zakat), the *mustahiq* (recipient of zakat), and the zakat management organization (Hayati & Putri, 2020; Zakiy & Falikhatun, 2024a, 2024b). According to Zakiy & Falikhatun (2023), the performance of zakat differs from that of other organizations. Zakat performance is measured by the extent to which zakat management organizations can collect zakat within a given period. This is affirmed by research Zakaria Muchtar & Widiastuti (2022), which states that the natural logarithm of total zakat collection can measure zakat performance.

### Macroeconomic Variables

Macroeconomic variables relate to how the economic conditions of a country affect the ability and willingness of its population to pay zakat. Chapra (1992) considers macroeconomic variables important because these variables not only determine the overall economic conditions of a country but also influence the implementation of Islamic economic principles, including zakat. Chapra (1992) emphasizes that policies supporting the enhancement of macroeconomic variables can directly strengthen zakat collection and expand its benefits in society. Below is an explanation of each macroeconomic variable used in this study.

#### *Inflation*

Inflation is the general rise in the prices of commodities caused by the lack of synchronization between the commodity procurement system and the income level of the population (Islamiyati & Hany, 2021). Inflation can be defined as the tendency for prices to increase generally and continuously over time. The increase in the price of one or two goods is not considered inflation unless it becomes widespread (Armina & A'yun, 2019). The inflation rate has both positive and negative impacts on unemployment. If the calculated inflation rate reflects the general price increase, then high inflation will increase interest rates (loans). Therefore, with high-interest rates, investment in productive sectors will decrease, leading to high unemployment

due to limited job opportunities resulting from low investment. The tendency for rising prices of goods due to inflation will increase people's expenditures, thereby reducing their purchasing power (Zakaria Muchtar & Widiastuti, 2022).

#### *The Number of Employed*

The population refers to the number of people residing in a country's territory. From the workforce perspective, a country's population can be divided into two groups: the working-age population and the non-working-age population. The working-age population is typically defined as individuals aged 15-65 years old, although in the past, it was considered between 10-65 years old (Pratama, 2015). The working-age population can be further divided into two groups: the labor force and the non-labor force. The labor force includes all individuals who have the opportunity to work in a country and are considered part of the productive age group. At the same time, those who are not employed are commonly referred to as unemployed. Unemployment refers to individuals in the labor force or the productive age group who are unemployed (Amri, 2020). The labor force comprises individuals who have jobs, whether currently working or not due to various reasons such as waiting for harvest season or rain (for farmers), being on sick leave (for employees), etc. Additionally, it includes those who are jobless but actively seeking employment, hoping for work, or underemployed (Canggih et al., 2017).

#### *Human Development Index*

The success of human development can be seen in addressing fundamental issues such as poverty, unemployment, equitable education, and adequate healthcare, and addressing human development from an economic aspect can be effectively addressed. The Human Development Index (HDI) is a concept introduced by the United Nations and is applied worldwide as the primary indicator for assessing human progress (Mirza, 2012; Pratowo, 2013). The Human Development Index is a multidimensional measure used to gauge human progress based on three main aspects: health, education, and decent standard of living. The Human Development Index is a comparative measurement of life expectancy, education, and standard of living prevailing in all countries. This will impact progress and economic development because good human development will enable individuals to absorb new technological advancements, thereby improving the quality and quantity of production output ensuring that existing resources are maximized to enhance economic growth (Zakaria Muchtar & Widiastuti, 2022).

### **Hypotheses Development**

#### *Inflation and Zakat Performance*

Inflation is a general and sustained increase in the prices of goods and services in an economy over a while. According to Murobbi & Usman (2021), high inflation can lead to an increase in the cost of living and a decrease in the community's purchasing power, so the income generated by the community is essentially only for

basic needs. This causes a decline in the community's ability to pay zakat. Previous studies such as Armina & A'yun (2019); Islamiyati & Hany (2021); Zakaria Muchtar & Widiastuti (2022) stated that inflation does not significantly impact zakat collection. In this context, high inflation can reduce the community's ability to pay zakat, as most of their income will be used to cope with the increasing cost of living. As a result, the following hypothesis was proposed:

*H1. Inflation has a negative and significant effect on the performance of zakat.*

#### *The Number of Employed and Zakat Performance*

The more employed people, the higher the level of community welfare. According to Amri (2020), employed individuals tend to have stable incomes, thus enabling them to allocate their earnings to pay zakat. Additionally, per capita income serves as a measure to calculate how much zakat each individual should pay. Someone with income has reached *haul*, and *nisab* must pay zakat (Atabik, 2015). Amri (2020); Zakaria Muchtar & Widiastuti (2022) states that the population size affects zakat collection. The number of employed Muslims is one of the indicators that can determine the value of zakat potential (Canggih et al., 2017). Thus, the following hypothesis was formulated:

*H2. Number of employed has a positive and significant effect on zakat performance.*

#### *Human Development Index and Zakat Performance*

Human Development Index reflects how the level of well-being and progress of humans. It can influence religious practices such as zakat payments (Mirza, 2012). High human quality of life tends to have higher per capita income and greater prosperity. Additionally, high levels of Human Development Index provide better access to education, healthcare, and employment opportunities, thereby helping to improve societal welfare. Similarly, regarding social responsibility, communities tend to be more aware and capable of participating in philanthropy (Yang & Babiak, 2023). It can be concluded that as human quality improves, the ability to pay zakat also increases and tends to be active in philanthropy. This is reinforced by the research Zakaria Muchtar & Widiastuti (2022) which found that Human Development Index positively and significantly affects zakat collection. Thus, the following hypothesis was formulated:

*H3. Human development index has a positive and significant effect on zakat performance.*

## **RESEARCH METHOD**

### **Data Collection and Sampling Procedures**

This research adopts a quantitative approach using secondary data. Data on inflation, the number of employed, and the Human Development Index were obtained from the Central Statistics Agency for 2011-2022. Meanwhile, data on ZIS collection were obtained from 39 zakat management organizations (e.g., BAZ and

LAZ) with 206 observations from 2011 to 2022. The selection of zakat management organizations as samples utilized a purposive sampling approach with several criteria: (1) BAZNAS RI and BAZNAS Province; (2) LAZ that has obtained permits from the Ministry of Religious Affairs; and (3) BAZ and LAZ have published annual and financial reports from 2011 to 2022.

**Table 1. Descriptions of Variables**

Variables	Codes	Definitions	Measurement
<b><i>Independent</i></b>			
Infaltion	INF	The continuous and general increase in prices of goods and services over a certain period of time (Murobbi & Usman, 2021)	The percentage (%) obtained from the Central Statistics Agency
Number of employed	NEP	Economic activities undertaken by individuals to generate income (Amri, 2020)	The percentage (%) obtained from the Central Statistics Agency
Human development index	HDI	The measuring tool used to gauge Human Development is based on essential components of quality of life (Zakaria Muchtar & Widiastuti, 2022)	The percentage (%) obtained from the Central Statistics Agency
<b><i>Dependent</i></b>			
Total receipt of zakat, infaq, and shadaqa	LNZIS	The total collection of ZIS is used to measure zakat performance (Diniati, 2021)	Natural log of total receipt of zakat, infaq, and shadaqa
Total receipt of zakat	LNZ	The total collection of zakat is used to measure zakat performance (Armina & A'yun, 2019)	Natural log of total receipt of zakat
Total receipt of infaq shadaqa	LNIS	The total collection of infaq shadaqa is used to measure zakat performance (Islamiyati & Hany, 2021)	Natural log of total receipt of infaq shadaqa
<b><i>Control variables</i></b>			
Size	SIZE	The size of an organization represents its magnitude, whether large or small (Zakiy et al., 2023)	Natural log of organization total assets
Age	AGE	The age of an organization represents how long it has been in operation (Falikhhatun & Putri, 2022)	Year n – the first year of the organization's establishment

Source: Authors' analysis from previous studies

### Measurement of Variables

In this study, three variables are used as independent variables: macroeconomic factors (i.e., inflation and the number of employed population) and the Human Development Index. The control variables used in this study are organization size and age. Organization size indicates the magnitude of assets owned by zakat management organizations (Zakiy et al., 2023). Meanwhile, organization age indicates how long the zakat management organization has been operating since its establishment (Falikhatun & Putri, 2022). Zakat performance is measured using the natural logarithm of ZIS collection obtained from the annual and financial reports of zakat management organizations (Armina & A'yun, 2019; Diniati, 2021; Islamiyati & Hany, 2021). The measurement of each variable is presented in Table 1.

### Regression Model

Following Zakiy & Falikhatun (2024), we examined an empirical model using multiple linear regression with pooled least square (PLS) data analysis technique. Model 1 examines the influence of macroeconomics and human development index on zakat performance. The panel regression model 1 used in this research is:

$$\text{LNZIS} = \alpha + \beta_1\text{INF} + \beta_2\text{NEP} + \beta_3\text{HDI} + \beta_4\text{SIZE} + \beta_5\text{AGE} + \varepsilon$$

Meanwhile, models 2 and 3 are included as additional analyses to test the influence of macroeconomics and Human Development Index on zakat performance. The panel regression model 2 used in this research is:

$$\text{LNZ} = \alpha + \beta_1\text{INF} + \beta_2\text{NEP} + \beta_3\text{HDI} + \beta_4\text{SIZE} + \beta_5\text{AGE} + \varepsilon$$

The panel regression model 3 used in this research is:

$$\text{LNIS} = \alpha + \beta_1\text{INF} + \beta_2\text{NEP} + \beta_3\text{HDI} + \beta_4\text{SIZE} + \beta_5\text{AGE} + \varepsilon$$

## RESULTS AND DISCUSSION

### Descriptive Statistics

Table 2 describes the results of descriptive statistics, including mean, minimum, maximum, and standard deviation. The collection of ZIS, approximated by LNZIS, has a highest value of 27.60 and a lowest value of 20.50. Meanwhile, LNZ and LNIS have the highest and lowest values that are not significantly different from those of LNZIS. The average inflation rate is at 0.12, with the highest value at 0.83 and the lowest at 0.01. As for the number of employed, the highest value is 0.94, with an average value of 0.93. The highest Human Development Index value is 0.81, and the lowest is 0.67.



**Table 2. Descriptive Statistics**

Variables	Obs.	Mean	Min.	Max.	Std. Dev.
Panel A: Model 1					
LNZIS	206	24.23	20.50	27.60	1.43
INF	206	0.12	0.01	0.83	0.19
NEP	206	0.93	0.92	0.94	0.92
HDI	206	0.72	0.67	0.81	0.02
AGE	206	15.98	2	49	7.05
SIZE	206	23.32	18.24	26.66	1.62
Panel B: Model 2 & 3					
LNZ	206	23.36	20.04	27.02	1.41
LNIS	206	23.20	18.55	27.48	1.91
INF	206	0.12	0.01	0.83	0.19
NEP	206	0.93	0.92	0.94	0.92
HDI	206	0.72	0.67	0.81	0.02
AGE	206	15.98	2	49	7.05
SIZE	206	23.32	18.24	26.66	1.62

Source: Authors' analysis

### Collinearity Analysis

Table 3 indicates that there is no evidence of multicollinearity. This is evidenced by the VIF values being below 10. The correlation matrix confirms the absence of multicollinearity, as the correlation values between variables are below 0.9, as suggested by (Gujarati, 2003).

**Table 3. Result of Collinearity Test**

Variables	VIF	INF	NEP	HDI	AGE	SIZE
INF	1.34	1				
NEP	1.21	0.36	1			
HDI	1.59	-0.43	-0.32	1		
AGE	1.37	-0.24	-0.17	0.31	1	
SIZE	1.32	0.04	0.01	-0.27	0.30	1

Source: Authors' analysis

### Result of Regression

The empirical results of model 1 (as in Table 4) indicate that the regression coefficient for INF is -0.008 (sig = 0.978 > 0.05). This result proves that INF has a negative and insignificant effect on zakat performance. Furthermore, the regression coefficient for NEP is -6.628 (sig = 0.504 > 0.05), meaning that NEP does not significantly affect zakat performance. On the other hand, the regression coefficient for HDI is 11.354 (sig = 0.000 < 0.01). This result confirms that HDI positively and significantly affects zakat performance. The empirical results for control variables show that SIZE has a positive and significant effect, while AGE does not affect zakat performance. It is noted that the adjusted R<sup>2</sup> is 0.739. This indicates that the variables INF, NEP, HDI, and the control variables can explain 74% of the variation in LNZIS. Furthermore, the probability (F-statistic) is significant at a 1% confidence level. This suggests that all independent variables collectively have an impact on zakat performance.

**Table 4. Result of Regression Analysis**

Model 1				
Variables	Coeff. (Prob.)	Coeff. (Prob.)	Coeff. (Prob.)	Coeff. (Prob.)
Constant value	6.989 (0.000)	24.431 (0.006)	-2.873 (0.200)	3.791 (0.7052)
INF	-0.528 (0.067)*			-0.008 (0.978)
NEP		-18.592 (0.052)*		-6.628 (0.504)
HDI			11.916 (0.000)***	11.354 (0.000)***
AGE	0.009 (0.234)	0.010 (0.178)	-0.003 (0.713)	-0.003 (0.686)
SIZE	0.735 (0.000)***	0.732 (0.000)***	0.795 (0.000)***	0.795 (0.000)***
R <sup>2</sup>	0.721	0.722	0.744	0.745
Adjusted (R <sup>2</sup> )	0.717	0.718	0.741	0.739
Prob (F-Statistic)	0.000	0.000	0.000	0.000

Note: \*, \*\*, and \*\*\* represent significance levels of 10 %, 5 %, and 1 %, respectively.

Source: Authors' analysis

**Table 5. Result of Regression Analysis**

Model 2				
Variables	Coeff. (Prob.)	Coeff. (Prob.)	Coeff. (Prob.)	Coeff. (Prob.)
Constant value	8.181 (0.000)	29.386 (0.005)	-3.376 (0.200)	7.700 (0.511)
INF	-0.289 (0.395)			0.404 (0.260)
NEP		-22.642 (0.044)**		-12.154 (0.295)
HDI			13.923 (0.000)***	14.321 (0.000)***
AGE	0.023 (0.015)**	0.022 (0.019)**	0.006 (0.538)	0.006 (0.502)
SIZE	0.636 (0.000)***	0.637 (0.000)***	0.712 (0.000)***	0.711 (0.000)***
R <sup>2</sup>	0.600	0.607	0.638	0.642
Adjusted (R <sup>2</sup> )	0.595	0.601	0.633	0.633
Prob (F-Statistic)	0.000	0.000	0.000	0.000

Note: \*, \*\*, and \*\*\* represent significance levels of 10 %, 5 %, and 1 %, respectively.

Source: Authors' analysis

**Table 6. Result of Regression Analysis**

Model 3				
Variables	Coeff. (Prob.)	Coeff. (Prob.)	Coeff. (Prob.)	Coeff. (Prob.)
Constant value	3.074 (0.021)	1.360 (0.929)	-6.004 (0.130)	-21.653 (0.222)
INF	-0.491 (0.319)			-0.188 (0.728)
NEP		1.888 (0.908)		16.127 (0.358)
HDI			10.971 (0.015)**	11.628 (0.019)**
AGE	-0.005 (0.678)	-0.001 (0.897)	-0.017 (0.234)	-0.017 (0.244)
SIZE	0.869 (0.000)***	0.861 (0.000)***	0.925 (0.000)***	0.928 (0.000)***
R <sup>2</sup>	0.537	0.535	0.548	0.550
Adjusted (R <sup>2</sup> )	0.530	0.528	0.542	0.539
Prob (F-Statistic)	0.000	0.000	0.000	0.000

Note: \*, \*\*, and \*\*\* represent significance levels of 10 %, 5 %, and 1 %, respectively.

Source: Authors' analysis

### The Effect of Inflation on Zakat Performance

The research results indicate that inflation has a negative and non-significant effect on zakat performance. The inflation variable has a coefficient of -0.008 ( $\text{sig} = 0.978 > 0.05$ ). Consistent with the research conducted by Islamiyati & Hany (2021); Zakaria Muchtar & Widiastuti (2022), it is mentioned that inflation has a negative impact on the receipt of ZIS. This occurs due to the decrease in people's purchasing power, thus indirectly contributing to the reduction in ZIS receipts. Conversely, research by Islamiyati & Hany (2021) states a positive relationship between the inflation rate and zakat receipts, although not significant. A positive correlation in this context indicates that the increase in inflation is offset by people's income, but has not been able to boost zakat performance significantly. Inflation is a general increase in prices and will affect the amount of money in circulation, affecting people's income (Murobbi & Usman, 2021). Therefore, if there is a surge in inflation, it will affect people's ability to pay for zakat and indirectly affect the performance of zakat itself. And when there is a decrease in the inflation rate, it will increase zakat income because people's consumption is not too high and they can still fulfill zakat, which can improve zakat performance (Zakaria Muchtar & Widiastuti, 2022). Therefore, the government must be able to control the inflation rate to help the society prosper. One of the government's policies that can be implemented is stabilizing the people's income. This will eventually impact the collection of ZIS (Hanoatubun, 2020).

### The Effect Number of Employed People on Zakat Performance

The research results indicate that the number of employed does not affect zakat performance. The coefficient for the variable of the employed population is -6.628 ( $\text{sig} = 0.504 > 0.05$ ). A study by Amri (2020) shows that the workforce size has

a non-significant effect on the receipt of ZIS but exhibits a positive relationship. A high workforce population does not affect it for several reasons, including low awareness among the public about paying zakat, primarily through official institutions such as BAZ and LAZ. Research by Wahyuni-TD et al. (2021) found that the leading cause of the lack of public interest in paying zakat through official institutions is the lack of information about these institutions. Additionally, zakat management organizations still have low accountability and transparency in managing ZIS funds (Indrarini, 2017). Putra et al. (2020) also, people's habit of paying zakat in mosques near their residence dates is prevalent. Increasing literacy by the government is one of the steps to build public awareness of paying ZIS. Additionally, the government must consistently develop good governance and policies (Amalia, 2019; Firmansyah & Devi, 2017; Sawmar & Mohammed, 2021; Yolanda et al., 2020). Moreover, BAZ and LAZ must provide information as a form of accountability and transparency in the management of ZIS funds, so that the public will trust more in paying ZIS to these institutions (Hamdani et al., 2024).

### **The Effect of Human Development Index on Zakat Performance**

The research results indicate that the Human Development Index positively and significantly affects zakat performance. The coefficient for the HDI variable is 11.354 (sig = 0.000 < 0.01). This is consistent with the study by Zakaria Muchtar & Widiastuti (2022), which states that the Human Development Index positively and significantly affects zakat receipts. Improving human resource quality can increase the workforce's productivity and enhance the production of goods and services. This will add value and increase income (Mirza, 2012). These activities also increase the amount of zakat distributed by the community, simultaneously enhancing zakat performance. Zakat is closely related to the Human Development Index, as allocating consumptive funds for the *muzakki* will improve their standard of living (Armina, 2020). To ensure continuous improvement in HDI, the government must enhance the quality of its population. Enhancing the population's quality can be achieved by increasing access to and quality healthcare services, improving access to quality education, and creating an environment supporting human growth and development (Pratowo, 2013). This means that if the quality of life improves, the population's productivity also increases. This will affect income levels, resulting in more allocation towards paying ZIS (Zakaria Muchtar & Widiastuti, 2022).

### **CONCLUSION**

The empirical results indicate that inflation has a negative and non-significant effect on zakat performance. Meanwhile, the number of employed people does not influence zakat performance. On the other hand, the Human Development Index has a positive and significant effect on zakat performance. This study provides an insight that the level of ZIS collection is influenced not only by internal factors of each individual but also by macro factors. This research also implies to regulators that

zakat is mandatory for every capable individual, thus the immense potential of zakat can be maximized. In addition, the government can implement efficient macroeconomic policies to integrate zakat practices into the economic framework, thereby supporting social justice and reducing poverty. The limitations of this study include the limited data on ZIS collection. Additionally, the macro factors were only tested from the inflation perspective, the number of employed people, and the Human Development Index. Suggestions for further research include expanding macro factors such as the number of mosques, the number of Islamic schools, and the number of zakat institutions. Furthermore, increasing the number of observations and extending the observation period could be beneficial.

## REFERENCES

- Akhter, A., Javed, M. Y., & Akhter, J. (2023). Research trends in the field of Islamic social finance: a bibliometric analysis from 1914 to 2022. *International Journal of Ethics and Systems*. <https://doi.org/10.1108/IJOES-03-2023-0044>
- Alshater, M. M., Hassan, M. K., Sarea, A., & Samhan, H. M. (2022). Islamic accounting research between 1982 and 2020: a hybrid review. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-04-2021-0132>
- Alshater, M. M., Saad, R. A. J., Abd. Wahab, N., & Saba, I. (2021). What do we know about zakat literature? A bibliometric review. *Journal of Islamic Accounting and Business Research*, 12(4), 544–563. <https://doi.org/10.1108/JIABR-07-2020-0208>
- Amalia, E. (2019). Good Governance for Zakat Institutions in Indonesia: A Confirmatory Factor Analysis. *Social Sciences & Humanities*, 27(3), 1815–1827.
- Amri, K. (2020). Pengaruh Zakat dan Kesempatan Kerja terhadap Tingkat Kemiskinan di Aceh. *Al-Muzara'Ah*, 7(2), 57–70. <https://doi.org/10.29244/jam.7.2.57-70>
- Anwar, & Khalsiah. (2017). An analysis of Service Quality on Mustahiq Satification using the Kano Model (Case Study on Baitul Mal). *Emerald Reach Proceedings Series*, 1, 63–68. <https://doi.org/10.1108/978-1-78756-793-1-00058>
- Armina, S. H. (2020). Pengaruh Variabel Makroekonomi Terhadap Jumlah Penghimpunan Zakat di Indonesia. *Jurnal Ekonomi*, 25(2), 199. <https://doi.org/10.24912/je.v25i2.652>
- Armina, S. H., & A'yun, A. 'Aina. (2019). Pengaruh Inflasi, Kurs Dollar, dan BI 7-Day Repo Rate terhadap Penghimpunan Zakat (Periode 2015-2018). *Al-Iqtishadiyah: Jurnal Ekonomi Syariah Dan Hukum Ekonomi Syariah*, 5(2), 151–163.
- Atabik, A. (2015). Manajemen Pengelolaan Zakat yang Efektif di Era Kontemporer. *ZISWAF: Jurnal Zakat Dan Wakaf*, 2(1), 40–62.
- BAZNAS, P. (2022). *Outlook Zakat Indonesia 2022*. Pusat Kajian Strategis Badan Amil Zakat Nasional (Puskas BAZNAS).
- BAZNAS, P. (2023). *Outlook Zakat Indonesia 2023*. Pusat Kajian Strategis Badan Amil Zakat Nasional (Puskas BAZNAS).
- Canggih, C., Fikriyah, K., & Yasin, A. (2017). Potensi Dan Realisasi Dana Zakat Indonesia. *Al-Uqud: Journal of Islamic Economics*, 1(1), 14. <https://doi.org/10.26740/jie.v1n1.p14-26>
- Chapra, M. U. (1992). *Islam and the Economic Challenge*. International Institute of Islamic Thought (IIIT).

- Diniati, B. T. (2021). Pengaruh BI Rate, Penanaman Modal Dalam Negeri, Produk Domestik Bruto, Jumlah Penduduk, Indeks Produksi Industri Terhadap Penghimpunan Dana Zakat Di Indonesia Tahun 2015.01-2019.12. *Jurnal of Economics and Policy Studies*, 2(1), 44–55. <https://doi.org/10.21274/jeps.v2i1.4670>
- Falikhatun, & Putri, A. (2022). Board of Directors' Size and Profitability of Sharia Insurance in OIC Countries. *Jurnal Akuntansi Dan Bisnis*, 22(1), 154–166.
- Firmansyah, I., & Devi, A. (2017). The Implementation Strategies of Good Corporate Governance for Zakat Institutions in Indonesia. *International Journal of Zakat*, 2(2), 85–97.
- Ghaouri, M. H., Kassim, S., Othman, A. H., & Zakariyah, H. (2023). Behavioural Intention of Zakat Participants Toward The Zakat Fund in Morocco. *ISRA International Journal of Islamic Finance*, 15(1), 36–53.
- Gujarati, D. N. (2003). *Basic econometrics* (Fourth Ed). McGraw-Hill/Irwin.
- Hamdani, L., Sunarsih, S., Yusufarto, R., Rizal, A., & Khoirunnisa, A. N. (2024). Social media, trust and intention to pay zakat through institution: lessons from Indonesian experience. *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-01-2023-0016>
- Hanoatubun, S. (2020). Dampak Pandemi Covid-19 Terhadap Perekonomian Indonesia. *Journal of Education, Psychology Dan Counseling*, 2(1), 146–153. <https://doi.org/10.22216/jbe.v5i2.5313>
- Hayati, S. R., & Putri, S. A. M. (2020). The Efficiency of Zakat Management Organizations in Indonesia: Data Envelopment Analysis Approach. *Muqtasid: Jurnal Ekonomi Dan Perbankan Syariah*, 10(2), 95–106. <https://doi.org/10.18326/muqtasid.v10i2.95-106>
- Indrarini, R. (2017). Transparansi Dan Akuntabilitas Laporan Keuangan Lembaga Amil Zakat: Perspektif Muzaki UPZ BNI Syariah. *AKRUAL: Jurnal Akuntansi*, 8(2), 166–178. <https://doi.org/10.26740/jaj.v8n2.p65-77>
- Iskandar, A., Possumah, B. T., & Aqbar, K. (2020). Peran Ekonomi dan Keuangan Sosial Islam saat Pandemi Covid-19. *SALAM: Jurnal Sosial Dan Budaya Syar-I*. <https://doi.org/10.15408/sjsbs.v7i7.15544>
- Islamiyati, D., & Hany, I. H. (2021). Pengaruh Inflasi, Indeks Produksi Industri dan Kurs terhadap Penghimpunan Zakat, Infaq dan Sedekah. *Telaah Bisnis*, 20(2), 25. <https://doi.org/10.35917/tb.v20i2.167>
- Jouti, A. T. (2019). An integrated approach for building sustainable Islamic social finance ecosystems. *ISRA International Journal of Islamic Finance*, 11(2), 246–266. <https://doi.org/10.1108/IJIF-10-2018-0118>
- Mirza, D. S. (2012). Pengaruh Kemiskinan, Pertumbuhan Ekonomi, dan Belanja Modal Terhadap Indeks Pembangunan Manusia di Jawa Tengah Tahun 2006-2009. *Economics Development Analysis Journal*, 1(1), 2–15. <https://journal.unnes.ac.id/sju/index.php/edaj/article/view/474>
- Murobbi, M. N., & Usman, H. (2021). Pengaruh Zakat, Infak Sedekah, dan Inflasi Terhadap Kemiskinan di Indonesia. *Jesya (Jurnal Ekonomi & Ekonomi Syariah)*, 4(2), 846–857. <https://doi.org/10.36778/jesya.v4i2.390>
- Pratama, Y. C. (2015). Peran Zakat Dalam Penanggulangan Kemiskinan (Studi Kasus : Program Zakat Produktif Pada Badan Amil Zakat Nasional) [The Role of Zakat in Poverty Alleviation (Case Study: Productive Zakat Program at the National Amil Zakat Board)]. *The Journal of Tauhidinomics*, 1(1), 93–104.

- Pratowo, N. I. (2013). Analisis Faktor-Faktor Yang Berpengaruh Terhadap Indeks Pembangunan Manusia. *Studi Ekonomi Indonesia*, 15–31.
- Putra, T. W., Trimulato, Muhlis, Fajrin, F., & Supriadi. (2020). The Role of Islamic Social Finance in Covid-19. *Jurnal Iqtisaduna*.
- Saad, R. A. J., Idris, K. M., Shaari, H., Sawandi, N., & Derashid, C. (2017). Governance of non-Profit Organizations: A Case of Zakat Institutions in Malaysia. *International Journal of Economic Research*, 14(16), 253–265.
- Sawmar, A. A., & Mohammed, M. O. (2021). Enhancing zakat compliance through good governance: a conceptual framework. *ISRA International Journal of Islamic Finance*, 13(1), 136–154. <https://doi.org/10.1108/ijif-10-2018-0116>
- Wahyuni-TD, I. S., Haron, H., & Fernando, Y. (2021). The effects of good governance and fraud prevention on performance of the zakat institutions in Indonesia: a Shari'ah forensic accounting perspective. *International Journal of Islamic and Middle Eastern Finance and Management*, 14(4), 692–712. <https://doi.org/10.1108/IMEFM-03-2019-0089>
- Widiastuti, T., Cahyono, E. F., Zulaikha, S., Mawardi, I., & Al Mustofa, M. U. (2021). Optimizing zakat governance in East Java using analytical network process (ANP): the role of zakat technology (ZakaTech). *Journal of Islamic Accounting and Business Research*, 12(3), 301–319. <https://doi.org/10.1108/JIABR-09-2020-0307>
- Yang, D., & Babiak, K. (2023). A study on corporate foundation and philanthropy: Does governance matter for organizational performance? *Nonprofit Management and Leadership*, 1–22. <https://doi.org/10.1002/nml.21555>
- Yolanda, F., Pramono, S. E., & Zaenal, M. H. (2020). The Effect of Internal Control, Information Technology and Audit on Good Amil Governance Practices: Evidence from BAZNAS Kalimantan, Indonesia. *International Journal of Zakat*, 5(2), 67–82.
- Zakaria Muchtar, F. T., & Widiastuti, T. (2022). Analisis Faktor-Faktor yang Mempengaruhi Penghimpunan Zakat: Studi di Empat Negara ASEAN. *Jurnal Ekonomi Syariah Teori Dan Terapan*, 9(5), 658–671. <https://doi.org/10.20473/vol9iss20225pp658-671>
- Zakiy, F. S., & Falikhatun, F. (2023). Comparison of Effectiveness and Growth Performance in Zakat Institutions: Insight from Indonesia. *Journal of Accounting Research, Organization, and Economics*, 6(3), 291–302.
- Zakiy, F. S., & Falikhatun, F. (2024a). The role of intellectual capital on zakat performance: insight from Indonesia. *Journal of Intellectual Capital*, 25(5/6), 1006–1025. <https://doi.org/10.1108/JIC-12-2023-0280>
- Zakiy, F. S., & Falikhatun, F. (2024b). Value for Money Analysis of Zakat Institutions: Insights from Indonesia. *ZISWAF: Jurnal Zakat Dan Wakaf*, 11(1), 82–98. <https://doi.org/10.21043/ziswaf.v11i1.20832>
- Zakiy, F. S., Falikhatun, F., & Fauziah, N. N. (2023). Sharia governance and organizational performance in zakat management organization: evidence from Indonesia. *Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/jiabr-06-2023-0188>