

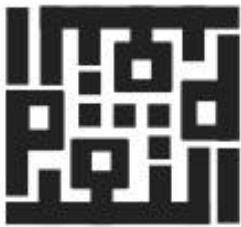
The Effect of Government Spending, Labor, and Zis on Economic Growth in Indonesia with Per Capita Income as a Moderating Variable in 2018-2022

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ABSTRACT

This study aims to determine the Effect of Economic Growth, Labor, and ZIS on Economic Growth in Indonesia with Per Capita Income as a Moderation Variable in 2018-2022. This type of research is quantitative with secondary data from the official websites of BPS and BAZNAS. The data used in the study is monthly time series data from 2018-2022. The population of this study is Indonesia, with sample data collected using the saturated sampling method. The analysis methods used include descriptive statistical tests, stationarity tests, regression tests, T-tests, F tests, R2 tests, classical assumption tests, and Moderated Regression Analysis (MRA) tests. The analysis tool uses Eviews. Based on the study's results, it is shown that government expenditure has a positive and significant effect on economic growth, labor has a negative and significant effect on economic growth, and ZIS has a positive and significant effect on economic growth. At the same time, per capita income can moderate the influence of government and labor expenditure on economic growth. In contrast, per capita income cannot moderate ZIS on economic growth in Indonesia.

Introduction

National economic development can be successful when viewed from its economic growth. In every country/region, economic growth has always been the main cause, especially in this study, namely in Indonesia. The increase in production capacity in the economy is reflected in national income, which is economic growth (Setijawan et al., 2021).

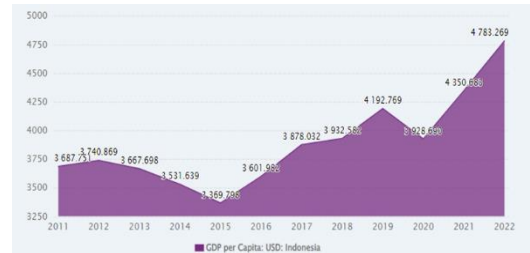
Because this study focuses on Indonesia, Gross Domestic Product (GDP) data

assesses a country's economy based on valid and constant prices. GDP is the final value of goods and services of all companies in a country. GDP based on prevailing prices is the added value of goods and services based on prices that apply yearly, while GDP based on constant prices shows the value based on prices in a given year. At prevailing prices, GDP on a price basis illustrates changes and structures, while GDP at constant prices

shows growth year-over-year (Silaban & Rejeki, 2020).



economic growth (Indayani & Hartono, 2020).



In the last case, covid-19 seems to have greatly impacted the health, society and economic field which is very comprehensive from the various handling of the covid-19 pandemic. The implementation of the PSBB resulted in a decrease in the purchasing power of the public in general and the termination of widespread employment relations (layoffs) due to losses experienced by the company. To combat the economic impact of the COVID-19 pandemic, the government has implemented several solutions and programs, including providing relief funds in several categories and increasing state spending targeted at low- and medium-sized enterprises. Strong interventions are one of the ways to handle the Covid-19 pandemic, namely minimizing the spread of Covid-19, which can have a more severe impact on economic growth, for example efficiency in large-scale social restrictions is expected to be able to prevent more severe

Per capita income is an average description of income as a result of the production process that the community can accept. Per capita income in a country/region is often a benchmark in prosperity. If the higher the per capita income, the higher the level of community welfare and vice versa, if the income per capita is lower, it will also have a low impact on the level of community welfare (Rahmawati, 2019). Indonesia's per capita income has increased over the past decade. This was caused by the COVID-19 pandemic that occurred in 2022.

The community's welfare can affect economic growth in Indonesia, strengthened by its per capita income. Per capita income describes the average income as a deduction of the production process that the community can accept. Per capita income in a country/region is often a benchmark in prosperity. If the higher the per capita income, the higher the level of community welfare and vice versa; if the income per capita is lower, it will also have a low impact on the level of community welfare (Rahmawati, 2019).

The factor that affects the next economic growth is government spending. The government takes una actions to regulate the economy with each year the government determines the amount of

government revenue and expenditure (Setijawan et al., 2021). Government spending increases output, stabilizes prices, creates jobs, and boosts economic growth. If government spending is higher, it will increase per capita income and economic growth, and vice versa.

In addition to government spending, labor can also affect economic growth. Economic growth depends on age 15-64 years who can produce goods and services when needed. Production increases due to a large workforce, which can drive the rate of economic growth (Windayana & Darsana, 2020). The workforce is divided into two parts, namely the labor force and those who are not the labor force. The workforce here is people who are working and unemployed but are looking for a job, while those who are not in the workforce here are housewives, children who are in school, and retirees. The non-labor force group can also be referred to as the potential labor force, because the non-labor force group can still get a job.

When viewed from an Islamic perspective, ZIS (Zakat, Infaq, and Sadaqah) can also affect economic growth. Allah obliges to pay zakat and Zakat is included in the third pillar of Islam. The government established BAZNAS (National Amil Zakat Agency) in order to manage zakat nationally. The ZIS system plays an important role in facilitating better financial inclusion and continued economic development. BAZNAS manages the distribution of ZIS funds through utilization and distribution. ZIS funds are also used to become capital that can help the community in their income, so ZIS is not only useful in increasing consumption. If the income of the

mustahik is higher, the level of consumption will also be higher. If the consumption level increases, it will have a good impact on increasing demand for goods and services. Automatically economic growth will increase by increasing production of goods and services (Purwanti, 2020).

Theoretical Framework

1. Neo-Classical Economic Growth Theory (Grand Theory)

Robert Solow and Trevor Swan, who developed the theory, analyzed economic growth using the classical approach. This analysis serves as the basis for the development of the theory. Robert Solow and Trevor Swan argue that technological advances and increased availability of economic production inputs (population, labor accumulation, and capital accumulation) are necessary for growth.

This perspective assumes that the economy will always operate at full employment opportunity and that all available machine capacity and fixed assets will be used. Therefore, economic expansion will be determined by population growth, capital accumulation, and technological development. According to the neoclassical model, technological advances are one of the main drivers of increasing per capita income. According to this idea, economic growth results from the interaction of several internal and external forces. External economic strength comes from interdependence and complementarity of industrial progress. In contrast, internal economic factors result from increased production sizes due to efficiency (new machine yields, specialization, larger markets, and better

management). Sources throughout economic and agricultural manufacturing (Suryana, 2000).

2. Economic Growth

The increase in national income (measured by per capita income) over some time and the basis of the calculation is what economists call economic growth. Without considering factors such as population growth, GDP growth measures the absolute increase in a country's annual income. The neoclassical growth theory proposed by Abramovit and R.M. Solow laid its foundation in the analysis of production functions at the national level. The amount of natural resources, labor (obtained through investment), and capital are independent variables in this study (Indayani & Hartono, 2020).

In short, economic growth occurs when a country's GDP increases over some time and continues to increase, improving the standard of living of its citizens. Increasing the quantity of products and services produced yearly is one definition of economic growth. Expanding the production of products and services, as well as the standard of living of the general public, is what economists mean when they talk about economic growth.

3. Government Expenditure

The theory developed by Rostow and Musgrave relates government spending to the stages of economic development, which can be divided into three categories: the early, middle, and late stages.

a. In the early stages of economic development, much money is spent on investments. This is because the government is required to provide important infrastructure, such as

schools, hospitals, and transportation networks.

- b. In the middle stage, government investment is needed to drive economic growth, but private investment is growing.
- c. In the later stages, the focus of government funding has changed from physical infrastructure to social programs such as public health and pensions (Irmayanti & Bato, 2017).

4. Workforce

The workforce is the number of people ready to work and enter the workforce. This includes people already working, looking for a job, going to school, or caring for their home. The labor force, not the labor force, is the grouping of the labor force. People who work but don't have a job today are part of the labor force. People who do not work or still do their own work are not part of the labor force (Irmayanti & Bato, 2017).

The state of employment relations in today's economy is one of the main forces behind economic growth. Increasing the workforce will lead to higher productivity, which in turn will stimulate economic expansion. Economic expansion is often associated with population growth and the labor force. The more individuals in the workforce, the more people will produce products and services, leading to economic expansion (Ilyas, 2019).

5. ZIS (Zakat, Infaq, Sedekah)

In Islam, zakat symbolizes gratitude, purification of spirits and possessions, and recognition of God's rights, community rights, and the rights of the weak. The redefinition of the object of zakat property

is necessary considering the recent economic progress in the fields of agriculture, industry, and services so that it can contribute to the improvement of people's economic lives. Zakat means blessings, purity, order, growth, and progress. Zakat encourages the use of money by distributing funds to those in need. Zakat is the distribution of certain assets that have reached nishab, or the limit of assets that can be zakat (Mochlasin, 2004).

Etymologically, the word alms is derived from the Arabic word *sadaqah*, which is derived from the word *side* (sidiq), which means "truth". In the early development of Islam, the meaning of alms was given. Almsgiving, on the other hand, is giving something without expecting anything in return from Allah SWT'. While Sadaqah is wealth or non-equity distributed for the public interest by a person or business.

The activity of issuing wealth for the benefit of others is called *anfaqa* in Arabic. Spending money or resources on hobbies mandated by Islamic teachings is called *infaq* in shari'. *Infaq* is different from *shadaqah*; this difference can be seen from the practice where alms can be done in a non-material way, *infaq* is done with property or material (Purwiningrum, 2022).

6. Per Capita Income

Producing products and services drives the economy, which in turn makes money. The value of a country's currency is based on the price of its goods and services, which are measured in a variety of different units. Per capita income is another term for public income.

The term per capita income refers to a country's average income per person.

National income for a given period is used to earn the per capita income of a country for that period. It can also be used to compare one year with another regarding the health of a country's economy or population (Rahmawati, 2019). The Central Statistics Agency calculates per capita income by dividing annual GDP by the number of people in the middle of the year. GDP and GNP per capita at prevailing prices reveal the value of GDP and GNP per person or unit of population in a given year so that per capita income can be calculated.

Research Methodology

A. Type of Research

Quantitative research methods are used for this investigation. Data is collected using research instruments, and analysis is used to describe and test hypotheses prepared in quantitative research. These are research methodologies based on positive philosophies and applied to specific populations or samples. The results of this quantitative research can be generalized to the entire population of origin because it is collected from a representative sample. In addition, data collection in this study uses statistical methods, including regression and *time series* (Sugiyono, 2017).

B. Data Source

Information from the right data sources is needed for this study. Data obtained from sources other than primary sources, such as interviews, observations, or written notes, are known as secondary data. Data from secondary sources, which complement primary data, are used to fill in any gaps that may exist (Sugiyono, 2016). Secondary data from the reports of the Central Statistics Agency (BPS) and the National

Amil Zakat Agency (BAZNAS) were used for this study.

C. Location and Time of Research

This study uses secondary data and has no research location, but only the research target is Indonesia. This research was conducted in January 2023.

D. Population and Sample

A population is a collection of objects or people from which conclusions are drawn about independent variables of research (Sugiyono, 2016). The population of this study consists of the Central Statistics Agency (BPS) and the National Amil Zakat Agency (BAZNAS), both national and central institutions. The data is taken from developments every month in 2018-2022 with a total population of 60.

The sample is a part of a population's quantity and quality. Saturation sampling was used in this study because it is the most statistically reliable method when the entire population is included in the sample. This method is also called a census because it randomly selects people to participate (Sugiyono, 2016). The sample of this study consists of all data on government expenditure, labor, ZIS, economic growth, and per capita income in Indonesia from 2018-2022, which was taken through the official website, the Central Statistics Agency (BPS) and the National Amil Zakat Agency (BAZNAS) and the sample used was the entire population.

E. Data Collection

The data collection technique in this study is time series, meaning data collected from time to time in a certain period that is recorded during a consistent time interval using the same instruments and objects

(Sugiyono, 2017). The data in this study was obtained from the official website, the Central Statistics Agency (BPS), and the National Amil Zakat Agency (BAZNAS) in a monthly time series for 5 years from 2018-2022.

Results And Discussion

1. Moderation Regression Analysis Test

Table 4.3 Results of the Moderation Regression Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.06802	5	0.190309	0.357445
D(X1,2)	0.00428	4	0.001241	3.450966
D(X2,2)	-0.03742	2	0.010682	3.503405
D(X3,2)	0.01425	5	0.024893	0.572628
D(Z,2)	0.02424	5	0.007261	3.339155
D(X1_Z,2)	-6.27E-	08	1.80E-08	3.483247
D(X2_Z,2)	4.50E-	07	1.29E-07	3.481010
D(X3_Z,2)	-2.64E-	07	4.27E-07	0.619284
R-squared	0.44663	Mean dependent var	-	0.0002
Adjusted R-squared	0.36916	S.D. dependent var	97	1.6256
S.E. of regression	1.29120	Akaike info criterion	75	3.4764
Sum squared resid	83.3608	Schwarz criterion	74	3.7606
Log-likelihood	92.8177	Hannan-Quinn criteria.	77	3.5871

	5.76528	Durbin-Watson	2.1038
F-statistic	7	stat	55
Prob(F-statistic)	0.00006		
	3		

Based on table 4.3 above, it can be interpreted as follows: economic growth = 0.068025 + (Government 0.004284_Pengeluaran + - 0.037422_Tenaga Employment + 0.014255_ZIS) - (-6.27E-08_Pengeluaran Government*Per Capita Income + 4.50E-07_Tenaga Work*Per Capita Income + - 2.64E-07_ZIS*Per Capita Income).

- a) A constant value of 0.068025 means that the free variable = 0 or constant, then the Per Capita Income is 0.068025.
- b) The regression coefficient of the per capita income variable is 0.004284 with a positive coefficient direction. This suggests that a 1% increase in per capita income will contribute to economic growth of 0.004284, assuming all other factors remain the same.
- c) The regression coefficient of the labor variable is 0.037422, a negative coefficient. This suggests that an increase in labor interaction of 0.037422 would decrease economic growth by 1%, assuming all factors are equal.
- d) The regression coefficient of the ZIS variable of 0.014255 is positive. This shows an increase in ZIS of 1%, so economic growth will increase by 0.014255, assuming all other factors remain the same.
- e) The regression coefficient of the interaction of government expenditure

variables with per capita income is 6.27E-08, a negative coefficient. This shows that an increase in the interaction of government spending with per capita income of 6.27E-08 will reduce economic growth by 1%, assuming all factors are equal.

- f) The regression coefficient of the interaction of the labor variable with per capita income is 4.50E-07, which is a positive coefficient. This shows that with a 1% increase in the workforce, economic growth will rise by 4.50E-07, assuming all other factors remain the same.
- g) The regression coefficient of the interaction of the ZIS variable with per capita income is 2.64E-07 and is a negative coefficient. This shows that the increase in the interaction of ZIS with per capita income of 2.64E-07 will decrease economic growth by 1%, assuming all factors being equal.

1. Statistical Test

a) Test t

The t-test is used to determine the individual (partial) relationship between variables X and Y. The following are the test results:

- 1) Government Expenditure on Economic Growth

Based on table 4.3, the government expenditure variable produces a positive coefficient of 0.004284 with a probability of 0.0011 < 0.05. This means that government spending has a positive and significant impact on economic growth.

- 2) Labor to Economic Growth

Based on table 4.3, the labor variable produces a negative coefficient of 0.037422 with a probability of $0.0010 < 0.05$. This means that the workforce has a significant negative impact on economic growth.

3) ZIS to Economic Growth

Based on Table 4.3, the ZIS variable has a positive coefficient of 0.014255 with a probability of $0.5695 > 0.05$. This means that ZIS has a positive and insignificant effect on economic growth.

4. Government Expenditure on Economic Growth with Per Capita Income as a Moderating Variable

Based on Table 4.3, the interaction variable of government expenditure with per capita income produces a negative coefficient of $6.27E-08$ with a probability value of $0.0010 < 0.05$. This means that per capita income can moderate government spending on economic growth.

5. Labor on Economic Growth with Per Capita Income as a Moderating Variable

Based on table 4.3, the variable of labor interaction with per capita income produces a positive coefficient of $4.50E-07$ with a probability value of $0.0010 < 0.05$. This means that per capita income is able to moderate labor to economic growth.

6. ZIS on Economic Growth with Per Capita Income as a Moderating Variable

Berdasarkan tabel 4.3 variabel interaksi ZIS dengan pendapatan perkapita menghasilkan koefisiensi negatif sejumlah $2.64E-07$ dengan nilai probabilitas $0.5385 > 0,05$. Hal ini berarti pendapatan per capita is not able to moderate ZIS to economic growth.

b) Test F

Based on Table 4.3, the results of the F test are used to assess the influence of independent variables on dependent variables simultaneously. The results of the F test above produce a probability number of F-Statistics of $0.000063 < 0.05$, which means that government expenditure, labor, ZIS, and per capita income factors simultaneously influence economic growth.

c) Test R2

Based on table 4.3 explains the *value of the adjusted R2* test in the regression test of 0.369169; it shows that the independent variable variant can explain 36.9% of the bound variable variant, while the other variable variant explains the remaining 63.1%.

2. Classical Assumption Test

a) Normality Test

Figure 4.1 Normality Test Results

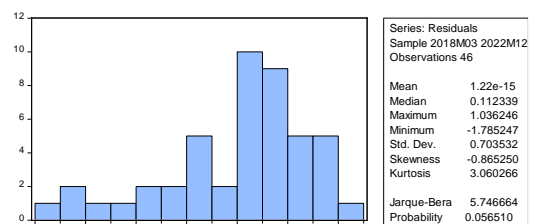


Figure 4.1 shows that the normality test has a Jarque-Bera probability value of $0.056510 > 0.05$. It is stated that the data in this study is normally distributed.

b) Multicollinearity Test

Table 4.4 Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered Variance	Centered VIF
C	0.03621	1.25995	7	1 NA
D(X1,2)	1.54E-06	25688.4	1	2.52521
D(X2,2)	0.00011	37219.6	1	3.65972
D(X3,2)	0.00062	87.2960	4	7.72954
D(Z,2)	5.27E-05	1418.71	4	1.39778
D(X1_Z,2)	3.24E-16	115559.	5	1.15519
D(X2_Z,2)	1.67E-14	118472.	2	1.18430
D(X3_Z,2)	1.82E-13	87.3944	6	8.73939

Based on Table 4.4, the multicollinearity factor can be recognized by examining the VIF value of each research variable, both dependent and independent variables, if the VIF value is less than 10, then the variable is free of multicollinearity. The results of the above test show a VIF value of <10, so it can be concluded that regression in the study is free from multicollinearity.

c) Test Autokorelasi

Table 4.1 Autokorelasi Test Result

Breusch-Godfrey Serial Correlation LM Test:

F-statistic	1.5558	Prob.	0.221
	10	F(2,48)	5
Obs*R-squared	3.5309	Prob. Chi-square(2)	0.171
	77		1

Based on table 4.5 explaining the Breusch Godfrey Test, the LM serial correlation is used to determine whether or not there is an autocorrelation in this study. If the observation probability value is less than the significance threshold (0.05), it can be concluded that the suggested regression model has an autocorrelation problem and vice versa. The above test results show a chi-square probability value of 0.1711 > 0.05, so it can be concluded that it is free from the autocorrelation problem.

d) Test Heterokedastisitas

Tabel 4.2 Test Heterokedastisitas Resource

Heteroskedasticity Test: Breusch-Pagan-Godfrey

F-statistic	0.3330	Prob.	0.935
	53	F(7,50)	1
Obs*R-squared	2.5839	Prob. Chi-square(7)	0.920
	09		6
Scaled explained SS	10.637	Prob. Chi-square(7)	0.155
	36		2

Based on table 4.6 explaining that the *Breusch Pagan Godfrey* test was used in this study to determine whether or not the error is homoskedasticity.

Decision. Suppose the probability significance value is less than 0.05. In that case, the regression model is considered heteroscedastic, but if the probability significance is more than 0.05, the regression model does not have heteroscedasticity. The above test results show a chi-square probability value of $0.9206 > 0.05$, so it can be concluded that the proposed model is free from heteroskedasticity.

Discussion

1. Government Expenditure on Economic Growth

Based on the results of the above study, the government expenditure variable produces a coefficient value of 0.004284 with a positive direction, which means that the government expenditure variable has a positive effect on economic growth. At the same time, the probability value is $0.0011 < 0.05$. Therefore, it can be concluded that government spending has a positive and significant influence on Indonesia's economic growth, so H1 is accepted.

According to macroeconomic theory, an increase in government spending will positively impact the national economy. Therefore, an increase in government spending will also result in an increase in economic growth. This is in line with the research of Setijawan et al. (2021), which states that government spending has a positive and significant effect on economic growth, and also in line with the research of Ichvani & Sasana (2019), which states that government spending has a positive and significant effect on economic growth. Government spending on developing countries will encourage the development process and economic growth.

Government spending on infrastructure will increase the production of goods and services. This will increase production, so that it can encourage economic growth.

2. Labor to Economic Growth

Based on the results of the above study, the labor variable produces a coefficient value of 0.037422 with a negative direction, which means that the labor variable has a negative effect on economic growth. While the probability value is $0.0010 < 0.05$. Therefore, it can be concluded that the labor force has a negative and significant influence on economic growth in Indonesia so the H2 production is rejected.

In this case, it is shown that an increase in the number of labor forces means a higher level of production and an increase in the population of the domestic market. This means that if withdrawn in the long term, the labor force that has not yet found a job will have an effect not supporting economic growth because with the increase in the number of the unemployed labor force, economic growth slows down. This is due to the workforce's productivity that has not been maximized. Goods and services created by the labor force have not spurred economic growth. This is in line with the research of Ni'mah & Sari Islami (2023) and Bachtiar (2019) which stated that the workforce negatively and significantly affects economic growth. Meanwhile, the hypothesis above the findings of Prameswari et al. (2021) and Tasrif et al. (2019) which states that the workforce has a positive and significant effect on economic growth, contradicts the results of this study.

Therefore, to increase productivity, the workforce can be increased by increasing

knowledge and experience, participating in seminars, workshops and other activities that can increase self-competence according to the desired field, and exploring the current job market situation. Because the quality of work needs to be improved.

3. ZIS on Economic Growth

Based on the results of the above study, the ZIS variable produces a coefficient value of 0.014255 with a positive direction, which means that the ZIS variable positively affects economic growth. While the probability value is $0.5695 < 0.05$. Therefore, it can be concluded that ZIS has a positive and insignificant influence on Indonesia's economic growth, so the H3 result is rejected.

The a lack of awareness in the Muslim community to carry out zakat and the collection of zakat which currently the most still comes from individuals/individuals And there are also many Indonesian people who are not Muslims, so that zakat funds have not been distributed properly and evenly. This proves that the amount of zakat received from individuals/individuals is still insufficient in influencing economic growth so that it cannot affect economic growth.

If there is awareness of the Muslim community to give zakat and zakat funds throughout Indonesia can be collected / channeled into one distribution organization, then it is likely that the distribution of zakat funds can affect economic growth considering the large number of Muslims in Indonesia. This is in line with Hanafi's (2020) research, which states that ZIS has a positive and

insignificant effect on economic growth. Meanwhile, the hypothesis above the findings of Qoyyim & Widuhung (2020) and Muslihatul Badriyah & Munandar (2021) which states that ZIS has a positive and significant effect on economic growth, contradicts the results of this study.

4. Government Expenditure on Economic Growth with Per Capita Income as Moderation

Based on the results of the above study, the government expenditure variable moderated by per capita income produces a coefficient value of $6.27E-08$ with a negative direction, which means that the variable has a positive effect on economic growth. While the probability value is $0.0010 < 0.05$. Therefore, it can be concluded that this study has a negative and significant influence on per capita income which can moderate government expenditure on economic growth in Indonesia so that H4 is accepted.

In terms of economic growth, if the economic growth rate is measured by per capita income, this variable has a high correlation with government spending. Government expenditure increases with per capita income because the government has to regulate society, law, education, recreation, culture, and so on. In other words, government spending has a big role in driving economic growth with a moderated per capita income. This means that per capita income is able to moderate the influence of government spending on economic growth. This is in line with the research of Abimanyu (2015) which states that per capita income is able to moderate the influence of government spending on economic growth.

5. Labor Towards Economic Growth with Per Capita Income as Moderation

Based on the results of the above study, the labor variable, moderated by per capita income, produces a coefficient value of $4.50E-07$ with a positive direction, which means that this variable has a positive effect on economic growth. While the probability value is $0.0010 < 0.05$. Therefore, it can be concluded that this study has a positive and significant influence on per capita income that can moderate labor on economic growth in Indonesia so that H5 is accepted.

Labor is an important element in the growth of a country. How people are able to consume goods and services created through development depends on the income they receive through work. In other words, the domestic market will be able to develop and require jobs that provide adequate income rewards.

This means that per capita income in the workforce has an effect on increasing economic growth, the higher the labor income, the more economic growth will increase, and vice versa. So, it can be said that per capita income is able to moderate the influence of labor on economic growth. This is in line with the research of Kurniati et al. (2023) and Sari & Wirama (2018) which stated that per capita income is able to simplify the relationship between independent variables and dependent variables.

6. ZIS on Economic Growth with Per Capita Income as Moderation

Based on the results of the above study, the ZIS variable moderated by per capita income produces a coefficient value of $2.64E-07$ with a negative direction which

means that the variable has a negative effect on economic growth. While the probability value is $0.5385 < 0.05$. Therefore, it can be concluded that this study has a negative and insignificant influence on per capita income which cannot moderate ZIS on economic growth in Indonesia so that the H6 result is rejected.

When a person has an increased income level, then his ability to give zakat should also increase. However, because there is still a lack of awareness of the Muslim community about zakat, no matter how much income they earn, it is not guaranteed to have an effect on economic growth. Moreover, the current amount of zakat from individuals/individuals is certainly still lacking in affecting economic growth. If the income generated from a person is low, it will have an impact on the zakat issued will also be low so that it will not be able to increase economic growth. Which means that per capita income is not able to moderate ZIS to economic growth. This is in line with the research of Firahmatillah (2022) and Suryatiningrum et al. (2020) which stated that per capita income is not able to be a moderation variable.

Conclusion

1. Government spending has a significant positive influence on economic growth in Indonesia for the 2018-2022 period, so the higher government spending, the higher the economic growth in Indonesia.
2. The labor force has a significant negative influence on economic growth in Indonesia for the 2018-2022 period, so that if the labor force is

higher, the more economic growth will slow down.

3. ZIS has a positive and insignificant influence on economic growth in Indonesia for the 2018-2022 period, so there is no relationship between ZIS and economic growth.
4. Per capita income is able to moderate the influence of government spending on economic growth in Indonesia for the 2018-2022 period.
5. Per capita income is able to moderate the influence of labor on economic growth in Indonesia for the 2018-2022 period
6. Per capita income is not able to moderate the influence of ZIS on economic growth in Indonesia for the 2018-2022 period

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