

Does the Mustahik Demographic and Socio-Cultural Affect to the Successful of Poverty Alleviation? Logistic Regression Approach

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ABSTRACT

Zakat institutions have a very important role in alleviating poverty in a country through various programs that they make. One of the poverty alleviation programs carried out by zakat institutions is mustahik empowerment in the economic field. In socio-cultural and demographic terms, surely every mustahik who participates in the program has differences. By involving 105 respondents from four zakat organizations in Pekanbaru, this study aims to find out whether mustahik demography and socio-cultural have influenced the success of the mustahik empowerment program in alleviating poverty by using a logistic regression approach. In the demographic variables, the finding shows only two from six variables that affect the success in eradicating mustahik poverty, namely the household members and employment status with the odds ratio of each variable of 1,540 and 2,385. The other variables that did not significantly influence were gender, education level, age and location of residence. Meanwhile, for the three socio-cultural variables, the finding is only one variable that affects the success of the empowerment program, namely family culture with an odds ratio of 2,861. Variable society habits and religiosity do not significantly influence. The results of this study have implications for the empowerment program that in carrying out the mustahik empowerment program, zakat institutions must pay attention to socio-cultural and mustahik demographics in order to get maximum results.

Keyword : Zakat, Mustahik Empowerment, Poverty Alleviation, Demographic, Socio-Cultural and Logistic Regression.

INTRODUCTION

Poverty is still a significant problem for developing countries like Indonesia. One of the efforts to overcome poverty is to utilize zakat funds through mustahik empowerment programs conducted by the Zakat Institution. Mustahik empowerment program is one of the main programs of zakat institutions in Indonesia, including in Pekanbaru. Besides, other major programs are educational, social assistance, preaching to the program of guidance for converts. One of the goals of the mustahik

empowerment program is to provide the power and ability of mustahik to earn their own income through the business they run. Businesses run by mustahik are generally informal businesses that are identical to microenterprise. Microenterprise is defined as a marginal trading institution of the unorganized poor (Choudhury and Harahap, 2009). Microenterprises, which is run by Mustahik, is engaged in food and beverage businesses such as meatballs, rice cake, cendol, cassava chips, talam cakes to sugar cane water, and also non-

food and beverage businesses such as crafts, sewing, animal husbandry, agriculture, plantations to graphic design. This business group characterizes developing countries such as Indonesia.

In developing countries, including Indonesia, micro-business is the most dominant business cultivated by people who do not have access to formal employment and finance. Because of the low education level, they have a lack of access to formal and decent work. Therefore, the most rational choice for them is to become a freelance worker or open a micro business to fulfill their daily needs. Lack of access to finance also reduces their opportunities to open large-scale businesses. Then opening a micro business is a real thing they can do. Nonetheless, the contribution of microenterprises that they do to a country's economy is not small because it can add economic value through job creation, increase income, increase people's purchasing power, reduce costs to comfort in doing business (Paramanandam and Packirisamy, 2014). Thus, the mustahik empowerment program also tends to move in the micro business sector.

In Pekanbaru, the mustahik empowerment program is generally carried out individually, although there are some are done in groups. The main target of the mustahik empowerment program in Pekanbaru is housewives who do not have a job in the hope of being able to provide additional income for their families. There are also those who get the empowerment program are men, because they do not have a permanent job. In running a business, women and men as mustahik tend to be different. Female mustahik tend to open the business in the field of food and drink and sewing, while male mustahik open

the business in agriculture, animal husbandry, handicraft to graphic design.

The choice of the type of business undertaken by mustahik is not solely determined by mustahik himself but also on the consideration of the zakat institution. Some mustahik can determine their own type of business based on the experience before and the tendency of the community around their residence or socio-cultural that they profess. Mustahik who live in urban areas, socio-culturally tends to open businesses in the field of food and drink, while mustahik who live in suburban areas, they are more likely to do businesses in agriculture and animal husbandry. The problems of female mustahik and male mustahik tend to be different. It is caused by the characteristics of the business they run.

The food and beverage businesses run by female mustahik tend to have problems in terms of final sales. They sometimes find the difficulties in selling the goods or products because the high level competition in this business. This micro scale business is not only run by the mustahik. However, it is also carried out by other people who are indeed dependent on this business. Meanwhile, businesses run by male mustahik often face problems related to pests and diseases due to their business in agriculture and animal husbandry. Nevertheless, there is also a problem faced by other male mustahik that is related to the final sale. They have difficulty making sales because the goods produced are not the primary needs of the community.

To find out whether the program succeeded in alleviating poverty of mustahik, an evaluation through research is needed. Evaluation of empowerment programs through research has indeed been carried out by many researchers

including those conducted by Furqani et.al (2018, (2018), Muhammad et.al (2013), Beik (2013), Puskas Baznas (2018), Akram and Afzal (2014), Trianto (2019), Ali et.al (2019), Putriani et.al (2019) and Abdelbaki (2014). There are still very few studies using logistic regression approaches, in research conducted by Furqani et.al (2018), in Banda Aceh put more emphasis on a qualitative descriptive approach, while research conducted by Beik (2013) in DKI Jakarta, Puskas Baznas (2018) in Indonesia, Ali et.al (2019) in Borneo and Putriani (2019) in Indonesia emphasizes the approach to evaluation related to the welfare index, the National Zakat Index and the Agent-Based Computational Model (ABM). Then, the research conducted by Muhammad et al (2013) conducted in Malaysia uses a multiple regression analysis approach, whereas research conducted in conducted by Trianto et.al (2019) using the SEM-GeSCA approach. Meanwhile, research conducted by Akram and Afzal (2014) in Pakistan uses the ARDL approach and Adbelhaki (2014) conducts research in Egypt using a descriptive mathematical approach through the consumption function.

One of the researchers using the Logistic Regression approach was conducted by Azam et.al (2014) and Arsyianti et.al (2017). Research conducted by Azam et.al (2014) places more emphasis on the general impact of giving alms on household expenditure mustahik. While the research conducted by Arsyianti et.al (2017) is more specific than the previous but not yet focused on evaluating empowerment programs. This research was conducted to fill gaps that have not been touched by other studies. Therefore, this research is important to do in order to provide input to zakat institutions related to the empowerment program they are doing.

This study aims to determine whether demography and socio-cultural mustahik who participated in the empowerment program in Pekanbaru influence success in alleviating poverty.

LITERATURE REVIEW

Poverty is still the main topic discussed by countries in the world. Therefore the United Nations Security Council (UN) has launched a program called the Sustainable Development Goals (SDGs). In the Sustainable Development Goals (SDGs), one of the critical elements discussed is reducing poverty on earth. This program aims to help developing countries solve poverty problems. The UN recognizes that poverty alleviation must be carried out systematically and together with the same platform. Nevertheless, poverty alleviation in each country could be different. This is caused by factors that affect poverty itself and the definition of poverty itself.

Poverty can be interpreted as a lack of food, shelter, land and other assets (World Bank, 2004). There are also those who define absolute poverty and relative poverty. Absolute poverty is defined as the ability of a person to earn a minimum income to obtain the necessities of life. While relative poverty is a comparison between low income groups and high income groups (Desk BI, 2016; Raimi et.al, 2010 and Wraten, 1995). In the Islamic perspective, the notion of poverty can be seen from two aspects namely the material aspect and the spiritual aspect (Madjid, 2011). Meanwhile Hasan (1997) says that poverty in Islam is divided into two, namely high poverty incident and low poverty incident.

There are many factors that cause poverty, both macro and micro. Macro-poverty can be caused by unequal

distribution of income and political control, economic and social resources and institutional discrimination. Whereas on a micro level, it can come from low income, limited access to health and education (UNDP, 2017). According to the OECD, economic growth can also affect poverty in a country. Besides economic growth, the inflation rate also influences the poverty of people in a country (Chani et.al, 2011). At the same time, Bartle (2007) says that five factors cause a person to be poor, namely Disease, Apathy, dependency, dishonesty and ignorance. Conceptually, poverty can be caused by four factors, namely individual factors, social factors, cultural factors and structural factors (Suharto, 2009; Spicker, 2002 and Chambers, 1995).

The World Bank uses the concept to measure poverty by setting standards based on \$ 1 and \$ 2 Purchasing Power Parity (PPP). Both are used for different analytical purposes (Kuncoro, 2016). Whereas BPS measures poverty using the Basic Need Approach, which is the inability from the economic side to meet basic food needs as measured by expenditure (Bappenas, 2010). According to Islamic jurists, poverty indicators can be divided into two, namely material inability indicators and indicators of inability to fulfill basic needs (DESK BI, 2010). While Al-Syatibi (1997) classifies basic human needs into three major groups, namely daruriyyat, hajiyyat and tahsiniyyat. Then, Hasan (1997), says there are three dimensions of poverty measurement in Islam, namely the positive measurement dimension, the preventive measurement dimension and the corrective measurement dimension. BAZNAS set poverty indicators with a Had Al-kifayah measure of Rp. 20,000/day/person. It means that if someone is not able to get an income of Rp. 20,000/ day then he

belongs to people who live below the poverty line (Beik and Ayyuniyah, 2018). Meanwhile, Pekanbaru city government set a poverty line figure of Rp.416,479/month/ person.

In social life, especially in poor and developing countries, many problems faced by the community such as the low level of literacy in various aspects, low levels of education, low levels of food nutrition which results in poor health, high unemployment, much crime, and a high gap between rich people with poor people. Therefore, people who live in poor and developing countries will face more difficulties to get out of these conditions.

In Islam, these problems are shared responsibility between the government and the community. The role of the government is to improve the situation with a variety of supported policies and programs, meanwhile, the role of the community is to succeed the government program through both active and non-active participation. One of the active participation of the community in overcoming these social problems is by participating in supporting the zakat program launched by the government through the National Board of Zakat (BAZ) and other philanthropic institutions such as the Amil Zakat Institute (LAZ). Zakat is one of the instruments to overcome social problems that often occur in developing countries, especially the problem of poverty and income inequality.

In general, zakat has three main functions, namely moral, social and economic functions. The moral function is visualized through zakat money, and socially visualized through redistribution of money for asnaf and the economy is visualized through hoarding and moving cash flow to support and lend loans. The points above prove that zakat can reduce

poverty through various economic programs and zakat can increase income inequality through income redistribution (Abdelbaki, 2013). Abdullah and Suhaib (2011) explained that there are at least two impacts arising from zakat, namely individual impacts and collective impacts.

One of the poverty alleviation programs using zakat funds is the mustahik empowerment program in the economic field. Mustahik empowerment program in the economic field is a program where zakat institutions provide business capital assistance to mustahik, both in the form of cash and business equipment. Provision of cash can come from zakat funds or from qardul hasan funds. For example, it carried out by Baitul Maal Aceh, where qardul hasan funds are intended for mustahik businesses engaged in five business sectors namely MSMEs, agriculture, home industry, animal husbandry and transportation (Furqani, et.al, 2018). However, there are also zakat institutions in empowering mustahik by providing provisions in the form of expertise such as that done by LAZ IZI, the Alfalah Social Fund Foundation (YDSF) and Bangun Sejahtera Bina Ummat (BSMU) (Ernawati, 2016). Meanwhile, BAZNAS focuses on the Zakat Community Development (ZCD) program, namely community development by integrating social and economic aspects (BAZNAS, 2019).

To get maximum results in the mustahik empowerment program, BAZNAS created a productive zakat management model through three stages. The stages are, creating groups and preparing programs, strengthening the group by increasing the ability to run a business, and utilizing the resources they have to make the independence of the group in doing business and can access

the parties needed such as banking, government or private (Furqani et.al, 2018). Meanwhile Trianto, et.al (2018) offers a mustahik operational model that includes five stages, namely mental and spiritual coaching, business coaching, business assistance, business evaluation and business development. In this model, the mustahik business activities in the final stages are connected to Islamic micro finance institutions, in this case BMT. Hence, it is hoped that financial inclusion can be created in the mustahik empowerment program.

The poverty alleviation model through the mustahik empowerment program is also carried out in several countries in the world, one of them is implemented in Europe. According to Mollah and Udin (2013), poverty alleviation in Europe by developing micro mustahik businesses through three stages, namely (a) conducting training for msutahik, this training is funded from zakat funds, (b) providing assistance to mustahik through qardul hasan financing schemes, (c) providing financing with mudharabah schemes for mustahik. In Malaysia, poverty alleviation for mustahik is carried out by Amanah Ihtiar Malaysia (AIM). In carrying out the empowerment of mustahik, AIM is using funds from the State. They focus on funding micro-businesses of mustahik with an interest-free scheme (Choudhury et.al, 2008). Then Bangladesh has the empowerment program of the poor is known as the Women Sewing Project (WSP) which focuses on rural areas. This program is financed from zakat funds. The main program is to provide skills management training for the poor in groups in order to develop the micro businesses they are engaged in (Choudhury et.al, 2008).

There have been many studies related to poverty alleviation, both in the

national and international context, rural and urban areas, demography and socio-cultural or socio-economics to the mustahik empowerment context. In the research conducted by Fields et.al (2003) and Kediri and McKey (2005) showed that the poor in urban areas have a greater chance of escaping poverty. It is because urban areas have more types of work that can be done by someone, so someone can get out of greater poverty (Adam and Jane, 1995). For people who have a better level of education, it allows them to get out of poverty because they are able to access greater employment opportunities when compared to those with lower levels of education (Widyanti et.al, 2009, Awan et.al, 2011 and Bigsten et.al, 2003).

In addition, rural areas which have more populated by farmers also show that higher levels of education tend to be more productive when compared to people with low levels of education so that they tend not to fall into the poverty gap (Adhiana et.al, 2017). Besides the level of education, the number of family members is also vulnerable to poverty. In a study conducted by Dartanto and Nurkholis (2013) shows that when the amount of fixed income while the number of family members increases, it will increase one's chances of entering into the abyss of poverty. From the other demography side, it shows that a person's age is also vulnerable to poverty. However, other studies show the opposite that age is not a significant factor affecting someone poor or not poor (Adhiana et.al, 2017).

RESEARCH METHODOLOGY

Data

The research was conducted in Pekanbaru with a total of 267 who participated in the empowerment program. In this study, the samples were 105 samples. The large number of samples involved was taken based on the opinion of Hair et.al, (2006). Hair *et.al* (2006) suggested that the total sample can be take from the total indicator variable multiple by 5-10. Our indicator variable is 21 and take value of 5 multiple with total indicator variabel⁴.

Method

This research uses a quantitative descriptive approach. Descriptively, this study will analyze the success of the mustahik empowerment program in alleviating poverty based on mustahik demography and socio-cultural. Demographic and socio-cultured mustahik that will be analyzed are the household members, sex, age, employment status, education level, society habit in business, location of mustahik, religiosity, family work culture and success rate in alleviating poverty. The standard of success in poverty alleviation mustahik is using the poverty line approach. The poverty line is based on Pekanbaru City Government poverty line of Rp. 416,479 / month / person.

While the quantitative analysis uses logistic regression analysis. Logistic Regression is a mathematical modeling approach that can be used to describe the relations of several X's to

⁴ This paper is developed based on author's previous work entitled " Factor Affecting The Successful Mustahik Empowerment Program : Evidence From Pekanbaru, Indonesia" with the SEM approach. The paper is one of the nine best paper selected in the event of 4th Annual Islamic Finance

Conference (4th AIFC), held by Ministry of Finance in JW Marriot Hotel Surabaya, July 24-25 2019. Previous paper has been published in an edited book entitled "Blending Islamic Finance and Impact Investing for SDGs".

dichotomous dependent variables (Kleinbaum and Klein, 2002). The purpose of this model is to see how much opportunity an event is and in this case the opportunity to reduce poverty through an empowerment program. The mathematical equation that will be used as follows:

$$\text{Log}(pi) = \log_e \left[\frac{pi}{1 - pi} \right] \dots\dots\dots(1)$$

Where :

- pi = Opportunities for emergence of events
- Log_e = Logarithms based on numbers e

Therefore, the logistic regression equation that will be generated is as follows:

$$\text{Log Pi}(Y) = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + \beta_7 X_7 + \beta_8 X_8 + \beta_9 X_9 \dots\dots\dots(2)$$

Table 1 describes dependent and independent variable.

Table 1. Dependent and Independent Variable

No	Variables	Remarks
1	Success to alleviate poverty (Y)	0 = No 1 = Yes
2	Household Member (X1)	Total of mustahik household member
3	Sex (X2)	0 = Female 1 = Male
4	Education (X3)	0 = Low level of education (SD and SMP) 1 = High level of education (SMA and University)
5	Job Status (X4)	0 = Side Job 1 = Main Job
6	Location (X5)	0 = Sub-urban 1 = Urban
7	Age (X6)	0 = Above 50 years old 1 = 40 – 50 years old 2 = 20 – 39 years old
8	Society Habbit in Business (X7)	0 = Un-follow 1 = Follow
9	Household Cultur in Work (X8)	0 = Employee 1 = Self Employee
10	Religiosity (X9)	0 = Less-Religious 1 = Religious

To see how much the mustahik opportunity can be alleviated by looking at the Odds Ratio value generated from the logistic regression equation. The Odds Ratio formula is as follows:

$$\text{Odds} = \frac{\pi}{1 - \pi} \dots\dots\dots(3)$$

RESULT & DISCUSSION

Demographic and Socio-Cultural Analysis

The results of this study show that the small number of family members gives a greater success rate out of the poverty line compared to the mustahik who have large family members. In table 2, it can be seen that the success rate of mustahik

with the number of family members 1-4 reached 78.57 percent when compared with the number of family members who have above 4 person who only managed to alleviate poverty by 60 percent. Meanwhile the gender variable does not give much different result in alleviating poverty through mustahik empowerment programs, where male mustahik has a success rate of 71.02 percent, while female mustahik manage to get out of the poverty line by 72.22 percent.

The educational level of mustahik has an impact on poverty alleviation paradoxical mustahik, where mustahik who has a high level of education have a smaller percentage of success when compared to mustahik with low educational level. Meanwhile, mustahik who made this empowerment program as a side job, had a greater percentage of success rate compared to mustahik who made this empowerment program their main job. The success rate of mustahik which has side job reached 75 percent compared to 67.21 percent.

The location of the mustahik residence does not give any significant results between mustahik who live in urban areas and mustahik who live in suburban areas. Mustahik who lived in urban areas managed to get out of the poverty line as much as 73.75 percent while mustahik who lived in the suburbs managed to alleviate poverty by 72 percent. The results of this study also present that the age of mustahik who participated in this empowerment program was mostly very productive, in range 20 to 50 years old by 79.05 percent. In contrast, the less productive age was 20.95 percent. Hence, the results of this empowerment program show the

opposite where mustahik with age above 50 years have a greater success rate when compared to mustahik who are under 50 years old. Many factors can influence this, included life experience, business experience and the number of family members. There are as many as 68.18 percent of mustahik who are aged over 50 years with many family members under four people, with an average family income of Rp. 1,596,667. However, the difference is not too large, only 2 percent.

Then, in choosing the type of business, mustahik tends to the habit which is following the local community. It also does not give any significant results, which amounted to 71.21 percent and 71.79 percent. It means, when mustahik makes a different business from most of the communities where they live, the success rate is relatively the same. Meanwhile the socio-cultural variable, the families who accustomed to hard work in building a business, provide a greater success rate than families who have work culture as employees. The results of this study indicate that families who have culture as self-employees have a success rate of 74.63 percent, while mustahik who have culture in families as employees, the success rate is only 65.79 percent. The last socio-cultural variable is religiosity. Religiosity is a very striking culture for most Indonesian citizens, especially Pekanbaru citizens. In this study, mustahik who has a good level of religiosity, is able to alleviate families up to 71.21 percent, while mustahik whose level of religiosity is not good, only able to alleviate poverty by 69.23 percent.

Table 2. Mustahik Demographic and Socio-Cultural In Poverty Alleviation

No	Mustahik Demographic and Socio-Cultural	Succeed To Alleviate Poverty					
		Yes		No			
		Total	%	Total	%	Total	%
1	Number of Family Member						
	<i>a. 1 – 4 member</i>	70	66.66	55	78.57	15	21.43
	<i>b. Above 4</i>	35	33.33	21	60.00	14	40.00
2	Sex						
	<i>a. Female</i>	69	65.71	49	71.01	20	28.99
	<i>b. Male</i>	36	34.29	26	72.22	10	27.78
3	Education						
	<i>a. Low Education</i>	50	47.62	36	72.00	14	28.00
	<i>b. High Education</i>	55	52.38	37	67.27	18	32.73
4	Job Status						
	<i>a. Main Job</i>	61	58.10	41	67.21	20	32.79
	<i>b. Side Job</i>	44	41.90	33	75.00	11	25.00
5	Location						
	<i>a. Urban</i>	80	76.19	59	73.75	21	26.25
	<i>b. Sub-urban</i>	25	23.81	18	72.00	7	28.00
6	Age						
	<i>a. 20 – 39 years old</i>	41	39.05	15	36.59	26	63.41
	<i>b. 40 – 50 years old</i>	42	40.00	16	38.10	26	61.90
	<i>c. Above 50 years old</i>	22	20.95	9	40.91	13	59.09
7	Society Habbit in Business						
	<i>a. Follow</i>	66	62.86	47	71.21	19	28.79
	<i>b. Un-Follow</i>	39	37.14	28	71.79	11	28.21
8	Household Cultur in Work						
	<i>a. Employee</i>	38	31.19	25	65.79	13	34.21
	<i>b. Self Employee</i>	67	63.81	50	74.63	17	25.37
9	Religiosity						
	<i>a. Less-Religious</i>	39	37.14	27	69.23	12	30.77
	<i>b. Religious</i>	66	62.86	47	71.21	19	28.79

Source : Author's Calculation, 2020

Logistic Regression Analysis

The results of the logistic regression model analysis are to estimate which factors of the demography and socio-cultural mustahik determine the success rate of the mustahik empowerment program in alleviating poverty. Omnibus test of model coefficients shows the value of X^2 statistics for all estimates of 9.456, with a degree of freedom of 8 and

a value of p is 0.032. It indicates that the logistic regression is significant in seeing the relationship between the dependent and the independent variable. Meanwhile the Goodness of Fit model is shown by the Chi-Square value of Hosmer and Lameshow of 9,632 with a p-value of 0.210, meaning that the model built in this study is very feasible with a coefficient of determination of 0.123 (see table.3).

Table 3. Regression Logistic Outputs

Independent Variabel	<i>B</i>	SE	Wald	Sig.	Exp (<i>B</i>)
Demographics					
Family Member (X1)	0.432	0.210	4.247	0.039	1.540
Sex (X2)	-0.184	0.596	0.095	0.758	0.832
Education (X3)	-0.192	0.465	0.171	0.679	0.825
Job Status (X4)	0.869	0.513	2.870	0.049	2.385
Location (X5)	0.749	0.647	1.342	0.247	2.116
Age (X6)	-0.186	0.323	0.332	0.564	0.830
Socio-Culturals					
Society Habbits in Business (X7)	-0.400	0.589	0.460	0.498	0.671
Family Culture in Work (X8)	1.051	0.591	3.161	0.041	2.861
Religiosity (X9)	0.687	0.462	2.215	0.137	1.989
Constant	-2.586	1.256	4.244	0.039	0.075
N (Sample)	105	Log-Likelihood		116.181	
Hosmer and Lameshow X^2	9.632	Cox and Snell R^2		0.086	
Significant	0.210	Nagelkerke R^2		0.123	

Source : Author's Calculation, 2020.

The logistic regression results present that the household members (X1) has a positive and significant relationship with poverty alleviation, where the coefficient value of the relationship is 0.432 and the p-value is 0.039. This means that mustahik who have family members between 1-4 person, it will further opportunities to increase to get out of the poverty line as much as 1,540 times when compared with mustahik who have family members above 4 person. This is in line with research conducted by Dartanto and Nurkholis (2003) and Adhiana et.al (2017). The gender variable (X2) has a negative relationship with the success of the empowerment program in alleviating poverty. The discussion in the first section shows that male mustahik has a greater success rate than female mustahik. It indicates that male has a greater chance of succeeding in getting out of the poverty line than female with an opportunity to get out of the poverty line of 0.832. However, the relationship is not significant, where the p-value is 0.758, the value is greater than 0.05. This is in accordance with the

research by Awan et.al (2011), but different from the findings of Paramanandam and Packirisamy (2014).

Meanwhile, the level of education (X3) has a negative relationship with the level of success in alleviating poverty, with a coefficient of 0.192 and the relationship is not significant. This means that even though mustahik has a high level of education, it does not guarantee that they can succeed in this empowerment program. Likewise, a low level of education does not rule out opportunities to succeed in this empowerment program. These results differ from studies conducted by Widyanti et.al, (2009), Awan et.al, (2011), Bigsten et.al, (2003), Adhiana et.al, (2017) and Peters and Brijlal, (2011)), which says that high levels of education provide more significant opportunities to get out of the poverty line. However, this finding is in accordance with research conducted by Jimenez et.al (2015), that the level of education does not have a positive relationship to the success of informal micro-scale business ventures, such as

the mustahik empowerment program. This is understandable because running a business is not easy for everyone, especially since there is no passion in business.

In another side, the employment status (X4) has a positive relationship with the poverty alleviation with a coefficient value of 0.869. It means that mustahik who makes the empowerment program as a side job, has a greater opportunity than mustahik who makes this program as the primary job. The mustahik opportunity that made the empowerment program as a side job was 2,385 times compared to the mustahik which made this program as his main job in generating income and statistically the relationship was significant. Meanwhile, the location of mustahik residence (X5) has the same opportunity in alleviating poverty with the magnitude of the opportunity level of 2,116 times. It implies that mustahik who live in urban areas and mustahik who live on the edge of the city have the same opportunity to succeed in doing the business. This is in line with the research conducted by Adhiani et.al (2017) and Dartanto and Nurkholis (2003). Then, the mustahik age variable (X6), has a negative relationship with the level of poverty alleviation, where the coefficient value is 0.186 and the chance to succeed out of the poverty line is 0.830. These results indicate that the older mustahik has the greater chances to get out of poverty line. This illustrates that the level of age reflects the maturity and experience in running a business, thus providing more opportunities to succeed, but the relationship between them are not significant. The results of this study are in line with research conducted by Adhiana et.al (2017).

Then, the community habit variable in doing business (X7) has a

positive relationship with poverty alleviation, with a coefficient value of 0.400 with an opportunity to get out of the poverty line of 0.671 times. Although the relationship between these two variables are also not significant, it is positive. It indicates that mustahik who follows the custom of the local community in choosing their business style has a greater chance of success than mustahik who chooses to open a business with a different path. Family culture variable in work (X8), has a positive and significant relationship with the success of poverty alleviation. This implies that mustahik who has a habit of making a living for his family by trading or trying, has a greater chance of succeeding out of the poverty line when compared to mustahik who has a habit of making a living by working or being an employee. The size of the opportunity is 2,861 times. Meanwhile the religiosity variable (X9) has a positive relationship with poverty alleviation but the relationship is not significant.

CONCLUSION

The results of this study show that a high level of education does not guarantee the success in running a micro business. Likewise, age and gender do not influence the success of mustahik in running a business. The factor that provides the greatest impact in alleviating mustahik poverty through this empowerment program is the family culture in making a living for mustahik families. This indicates that mustahik who are accustomed to making a family living by doing informal business have a greater chance of success compared to mustahik families. The latter is accustomed to being workers in making their living. The second factor that gives the biggest impact is the status of the

work done by mustahik. Mustahik which makes the empowerment program as a side job has the greater opportunity to increase family income rather than mustahik who makes the empowerment program as his main job.

This empirical fact presents that this empowerment program has a very important role in boosting the mustahik economy. Therefore, the researchers provide recommendations to zakat institutions in empowering mustahik. First, considering that the mustahik who participate in the mustahik empowerment program come from different backgrounds. The most important thing that must be done by zakat institutions is to see the background of mustahik, especially those who have a culture in trading or business in their family. For mustahik who have a background in informal business in their families, they should be prioritized because they have proven successful in joining this program. Second, for mustahik who do not have a background in running a business, they should find a suitable model for them. Researchers recommend that they are prepared to be just workers in a business project created by the zakat institution. This is to anticipate the readiness of mustahik in running an informal business that is run by mustahik himself.

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