

# The Impact of Zakat Empowerment Program on Village

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**Abstract**—Poverty becomes major problem in Indonesia. Based on geographical condition, the poverty rate in Indonesia is dominated by the rural community. Zakat is an instrument which has function to reduce the poverty rate. Zakat can reduce poverty if managed properly. BAZNAS is an institution that has the authority to manage zakat in Indonesia. Serang regency is a regency in Indonesia which consists of 326 villages. Reducing the poverty rate in the village is very important because there are many villages in Serang Regency. To reduce poverty rate in the village, BAZNAS Regency Serang has been implementing the village development program. This research aims to analyze the Impact of zakat empowerment program on the village development program by BAZNAS Serang Regency. The program in 2016 and 2017 conducted in Sindangsari and Tamiang village. Therefore, the research is conducted in both villages. The zakat impact index is used to analyze the impact of zakat on the village. The result indicates that the impact of zakat empowerment program in Tamiang and Sindangsari Village is enough. Based on this research can be concluded that the zakat empowerment program is enough to impact the *mustahik's* zakat on Tamiang and Sindangsari Village.

**Keywords**—poverty, zakat, empowerment program

## I. INTRODUCTION

Poverty is still a problem for society, especially for developing countries like Indonesia [1]. the Central Bureau of Statistics (hereafter BPS) published a data in 2017 which stated that 10.12% of total Indonesia population, which was 16.58 million approximately, was classified as poor citizen. Most poor citizens lived in rural areas, as concluded from data published by BPS which explained that 10.27 million poor citizens live in urban areas, while 16.31 million live in rural areas.

This poverty rate can be utilised as an evaluation material for government to find the most appropriate method to reduce poverty [2]. One of the methods to reduce Indonesia' poverty rate is by applying an equitable distribution of income between capable and unable [3]. Equitable income in Islam can be done with zakat. Pratama in [2] explained that zakat is an Islamic instrument used to distribute wealth and income.

Distribution of income by zakat can solve the problem of poverty [4]. Anis and Kassim in [5] argued that one of the effective ways to reduce poverty in a Muslim country is by utilising zakat. Zakat is a unique instrument for reducing poverty by transferring wealth from the rich to the poor [6].

Olanipekun, *et al.* in [7] argued that zakat has not received enough attention from Muslim intellectuals, especially in the field of research related to the development of zakat management. The proper management of zakat will create an equitable distribution of wealth [3]. An optimal and proper zakat management, which is performed by zakat institution, will have a positive impact for poverty alleviation and community welfare [8].

A proper zakat management should also be applied in Indonesia. A proper zakat management can reduce poverty and improve people's welfare. The management of zakat in Indonesia is regulated by Law No. 23/2011. This law stated that the institution which has authority to manage zakat nationally is *Badan Amil Zakat Nasional* (hereafter BAZNAS). Despite the existence of law which govern the management of zakat, there are many issues about zakat management which has not been solved yet [9]. One of the priority issues in zakat management is the low effectiveness of the zakat utilization program. Zakat empowerment program should be performed with the principle of giving *maslahat* to *mustahik*. Ayunniyyah, *et al.* in [10] explained that zakat distribution program is one of the important factors which contribute on the impact of zakat on development.

Indonesia should have employed an effective zakat management in rural areas. An effective zakat empowerment programs in rural areas will reduce the level of poor citizens in the village. The effectiveness of the program requires further measurement and evaluation. Therefore, the effectiveness of this program need to be measured regularly, so the empowerment of zakat can create a positive impact for the recipients.

Banten is one of the provinces in Indonesia. Based on BPS data in 2016, Banten was populated by 12.2 million people. Banten is one of the most populated provinces in Indonesia. Based on its administrative area, Banten is still largely dominated by rural areas, with a total of 1,551 villages. The poverty rate in Banten was 5.36 in 2016 and became one of the lowest in Indonesia. Despite having low poverty rate, Banten province has the highest open unemployment rate in Indonesia. The Open Unemployment Rate (hereafter TPT) in Banten Province was 9.28% in August 2017. Based on this data, it can be concluded that Serang regency is the district with the highest unemployment rate in Indonesia.

The BAZNAS of Serang Regency is the official instituion which has authority to manage zakat in Serang Regency. BAZNAS Serang District had performed its job well regarding collection and distribution of zakat. This

conclusion came from data which explained that the collection and distribution zakat increase by each year.

In order to manage the zakat fund effectively, BAZNAS Serang regency implemented the village development program. The aim of program is to foster and increase productivity of the villages. By developing the villages to be more productive, BAZNAS aimed to create independent and prosperous society in those respective villages. Zakat funds distributed by the village development program are expected to empower the citizens, improve welfare of the community, and reduce the poverty level in respective villages. BAZNAS Serang Regency distributed zakat to Sindangsari and Tamiang Village in 2016 and 2017. These villages were selected based on their feasibility. Zakat empowerment program was a very important program with a potential to create an impact on poverty and community welfare. Therefore, it is important to measure the effectiveness of zakat empowerment program.

The rest of this paper is organized as follow: Section II describes the literature review. Section III describes the proposed method. Section IV describes the obtained result and following by discussion. Finally, Section V concludes this work.

## II. LITERATURE REVIEW

The term zakat means a portion of a person's property, which fulfil some conditions, which requires to be given to recipients who is entitled to it, based on Islamic Law [11]. Ali in [6] explained the terms of the obligatory property of *zakat* is a treasure that reaches *nisab*, haul and measure. Another definition explained zakat as one of the funds or treasures of society that can be used to help people who are unable to meet the needs of his life.

Zakat, according to the Law No. 23 Year 2011, can be utilised for productive programs to help the poor and improve the living quality of people. The empowerment of zakat for productive program is done after the basic needs of zakat recipients are fulfilled. Based on this notion, zakat in Indonesia can be empowered for productive business. An important thing to remember is that zakat can be utilised for productive purpose after the basic needs of the recipients are fulfilled.

The empowerment of zakat in Indonesia, must be performed in accordance with the living culture of Indonesian society. Indonesia is a country where most of the people still live in rural areas. Beik in [4] explained that 'living in unity' is a habit for people living in rural areas and it is a characteristic which needs to be remembered. Zakat empowerment program is suitable with the culture of Indonesian society, so it needs to be done effectively.

Effectiveness refers to the results achieved or seen from the achievement of goals [4]. The success of an organization can not only be concluded from organization's goals but also form how the organisation try to reach its goals. Clarashinta, *et al.* in [3] described the concept of effectiveness as an attempt to evaluate the course of the organization. This notion is one of the main factors which need to be considered when organisation evaluate its form and management.

## III. PROPOSED METHOD

### A. Data Collection Method

This study analyzed the impact of the zakat empowerment program in the village development program initiated by Badan Amil Zakat Nasional (BAZNAS) Serang Regency. Therefore, this study uses primary and secondary data. Primary data is data obtained directly from sources or respondents. Secondary data is data obtained from documents or research reports from agencies or agencies that support the nature of research.

Before measuring impact of zakat, understanding the village development program initiated by Badan Amil Zakat Nasional Serang Regency is necessary. Therefore, this study conducted interview about the the village development program by Badan Amil Zakat Nasional (BAZNAS) of Serang Regency and document the result. The interview was conducted with Vice Chairman II Field Distribution and Empowerment of BAZNAS Serang regency to know the implementio of village development program performed by BAZNAS Serang Regency. The interview result was documented properly in transcript format.

For analyzing the impact of the village development program by BAZNAS Serang Regency, this study collected data by interviewing and delivering questioners to *mustahik*. The questionnaires and interview were used to find the impact of zakat empowerment program. Therefore, this study need respondents which represent the recipients of zakat. The most appropriate sample for measuring the impact of zakat empowerment programs is the direct program beneficiaries. The village development program of BAZNAS Serang in 2016 and 2017 was conducted in Tamiang and Sindangsari villages. *Mustahik* recipients of village development program in each village is 100 people. Sample determination is done by Slovin formula. (1) Based on calculation made by Equation (1), 34 zakat recipients for each village is needed as this study's samples.

### B. Data Analysis Method

Descriptive analysis method is used in this study. This study used zakat impact index to analyse the impact of zakat. The zakat impact index is an indicator in the national *zakat* index used to measure the impact of zakat on *mustahik*. The impact of zakat on *mustahik* can be assessed from the material, spiritual, life expectancy, literacy and access to education. Therefore, this study used counting methods made by local and international institutions. These methods are the CIBEST Welfare Index, human development index modification, and index independence, as described in Table I.

TABLE I. ZAKAT IMPACT INDEX

Indicato r	Variable	Valu e Weight	Categories				
			Ver y Weak (1)	Weak (2)	Enoug h (3)	Stron g (4)	Very Strong (5)
Zakat Impact Index	CIBEST welfare index	0,4	0- 0,20	0,21- 0,40	0,41- 0,60	0,61- 0,80	0 >0,8
	HDI Modification	0,4	0- 0,20	0,21- 0,40	0,41- 0,60	0,61- 0,80	0 >0,8
	Independeng y index	0,2	Not Work	Unfixe d Work	Fixed Work or Business	Fixed Work or business and saving	Fixe d work, business and saving

The CIBEST Welfare Index (Center of Business and Economic Studies) is a model for measuring poverty and welfare in Islamic perspectives. Measurement of this index is done by measuring the ability to meet material and spiritual needs. The CIBEST Welfare Index divides the condition of a home or family into four categories according to its ability to meet material and spiritual needs [4]. The four categories are:

- Prosperous Family (Quadrant I) is a family that is in positive areas both material and spiritual needs. This shows that families in this quadrant are rich in material and spiritual.
- Poor Family Material (Quadrant II) is a combination of positive spiritual needs and negative material needs. This indicates that families in this quadrant are rich in spiritual but material-poor.
- The Spiritual Poor Family (Quadrant III) is a combination of positive material needs and negative spiritual needs. This indicates that the family in this quadrant is rich in material but poor spiritual.
- Absolute Poor Family (Quadrant IV) is a combination of negative material needs and negative spiritual needs. This indicates that families in this quadrant have negative material and spiritual conditions.

Modification of Human Development Index (HDI) is a measurement that aims to see the impact of zakat on the life of a *mustahik* household based on health and education aspects. Modification of HDI measures the impact of zakat by assessing the improvements in survival standards as reflected in the level of health, literacy levels, and access to education that are part of the Human Development Index. Independence index is used to measure the welfare of the recipients of zakat.

**IV. RESULT AND DISCUSSION**

This section presents the results obtained and following by discussion.

**A. The Village Development Program by Badan Amil Zakat Nasional (BAZNAS) Serang Regency**

The Village Assistance Program of Badan Amil Zakat Nasional (BAZNAS) of Serang Regency has been developed since 2008. This program is conducted in order to support sustainable development and development of the quality of life of the community as poverty reduction. Zakat funds in this program are used for poverty alleviation. BAZNAS Serang regency develops the village assisted program to empower the recipient of zakat, especially the poor and needy. This program is an empowerment program in accordance with the mission of zakat which emphasizes the change of the *mustahik* condition of the helpless into a prosperous and self-reliant society. In addition, the program can also optimize the community to be more effective and efficient in economic and social dimension because it is implemented in the form of community. The village assisted program is a community development program that integrates social aspects (education, health, religion, environment, and other social aspects) and comprehensive economic aspects which are funded from zakat whose main objective is increasing society's welfare. The program

includes community development activities in various aspects of life to create a society which have strong foundation in education, health, economy and religious life, called a *caturdaya* community.

The village assisted program has six principles that must exist in both in concept and implementation, and is embedded in the managers and program participants. Six principles of the village-assisted program includes community-based, Islamic sharia, participation, benefit, sustainability and synergy.

The main goal of the village-asisted program is the realization of a prosperous and independent community. In addition, the program have several special purposes;

- Growing awareness and awareness of beneficiaries about quality life.
- Growing participation towards community self-reliance.
- Growing social and economic social network.
- Creating a sustainable empowerment program in realizing community welfare and independence.

**B. The Zakat Impact of The Village Development Program on Tamiang Village**

Based on the CIBEST welfare index, the *mustahik* household welfare in Tamiang Village earns a value of 0.76. Therefore, household welfare can be classified as criterion 4 which means strong. These results indicate that the village-assisted program by BAZNAS Serang in Tamiang Village can improve the welfare of the recipients. The 0.75 CIBEST welfare index represents 75% of recipients of the BAZNAS-assisted village program in Serang District in Tamiang Village classified as material and spiritual well-being.

The Human Development Index modification variables obtained an actual index value of modified HDI of 0.37. Therefore, the value of the index entered in category 2 which means weak. The value of HDI obtained is 0.25 indicating that the household *mustahik* if viewed from the side of education and health is in a weak condition.

The independence index of Tamiang Village is 3.502, which means that most of Tamiang Village's *mustahik* can be classified in category 4. This conclusion was also summarised from data which stated that all *mustahiks*' head of family in the village had steady job. In addition, most of family heads also have savings, as described in Table II.

TABLE II. ZAKAT IMPACT INDEX ON TAMIANG VILLAGE

Variable	Sko r	Inde x	Indicato r	Inde x	Sko r	Catogori es
CIBEST Welf. Index	4	0,75	Zakat Impact	0,55	3	Enough
HDI Mod.	2	0,25				
Independen cy	4	0,75				

These results indicate that the independence of the *mustahik* household of Tamiang Village is good, with an index value obtained of 0.75.

Based on the index of Zakat impact of Tamiang Village then obtained is a value of 0.55 which fall into the category enough. Therefore, it can be interpreted that the program of BAZNAS Serang in Tamiang Village has enough impact on beneficiaries.

**C. The Zakat Impact on The Village Development Program on Sindangsari Village**

Based on the CIBEST welfare index, household welfare of the recipients of BAZNAS Serang’s program in Sindangsari village received a score of 0.44. Therefore, household welfare can be classified as criterion 3 which means enough. These results indicate that the program of BAZNAS Sindangsari Village can improve the welfare of the recipients. CIBEST welfare index of 0,5 explained that 50% of beneficiaries of the BAZNAS Serang’s program in Sindangsari village can be classified as those who have proper material and spiritual welfare. Therefore, the village-assisted program of BAZNAS Serang can improve the welfare and reduce the poverty of Sindangsari village’s *mustahik*. Based on Table III, it can be concluded that the variable modification of HDI obtained an actual index value of Modified HDI of 0.395. Therefore, value the index entered in category 2 which means weak. Index value of HDM modification the obtained is 0.25 indicating that the household is *mustahik* if in terms of education and health are in a weak condition.

Mean of self-reliance of *mustahik* households Sindangsari Village is 3.502 which means the mean *mustahik* of Sindangsari Village is in category 4. This is seen from the whole family head *mustahik* Sindangsari Village has have a steady job. In addition, the majority of family heads have also been have savings. This describes the head of the family *mustahik* Sindangsari Village has a permanent job or business and has savings. These results indicate that the independence of the household *mustahik* Sindangsari village is good, with the index value obtained by 0.75.

Based on the Table III, value zakat impact index in Sindangsari Village, then Sindangsari Village obtained 0.45 which fall into the category enough. By hence it can be interpreted that the program of guided village of BAZNAS Serang Regency conducted in Sindangsari Village is enough to impact on the recipient benefits.

TABLE III. ZAKAT IMPACT INDEX ON SINDANGSARI VILLAGE

Variable	Sko r	Inde x	Indicato r	Inde x	Sko r	Categori es
CIBEST Welfare Index	3	0,5	Zakat Impact	0,45	3	Enough
HDI Modification	2	0,25				
Independen cy Index	4	0,75				

**D. The Comparison of Zakat Impact Index on Tamiang dan Sindangsari Village**

Based on the value of welfare, health, education, and independence can be seen the impact of zakat development program for *mustahik* Sindangsari and Tamiang Village. The Zakat Impact Index of Sindangsari and Tamiang villages get a value of 0.45 and 0.55 which means enough. This indicates that the village development program is enough to impact the *mustahik* of Sindangsari and Tamiang villages. Based in the value zakat impact index, the value of zakat impact index on the *mustahik* of Tamiang Village more greater than the value of zakat impact index on the *mustahik* of Sindangsari Village. By hence it can be concluded that the village development program has a stronger impact against the *mustahik* of Tamiang Village compared to the *mustahik* of the village Sindangsari.

**V. CONCLUSIONS**

Based on previous exposure, it can be concluded that the program the village built by Badan Amil Zakat Nasional (BAZNAS) Serang Regency is community development programs by integrating social aspects (education, health, religion, environment, and other social aspects) and aspects comprehensive economy whose main funding comes from zakat to promote society. In its application in Sindangsari Village and Tamiang, a pilot village program covering economic, educational, health, and religious.

In addition, the Impact of village development programs for recipients in Sindangsari and Tamiang Village are enough. Based on this can be interpreted that the program of the target villages is enough to impact for *mustahik* in Sindangsari and Tamiang Village. Nevertheless, the impact of zakat on health and education the recipients are still very weak. Based on the zakat impact index, the recipients Tamiang village got better value than *mustahik* Sindangsari Village. This makes zakat impact index for the *mustahik* in Tamiang Village better than *mustahik* in Sindangsari Village.

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