THE IMPACT OF ZAKAT FUNDS ON POVERTY LEVELS IN SOUTH SUMATRA

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Abstract	*Poverty in South Sumatra is very high so special care must be taken to reduce this problem, in contrast to the relatively high potential for zakat. Zakat arrangements with a payroll system from the salary of each government employee have been implemented. This regulation has had a positive impact on collecting zakat funds in South Sumatra, but the position of zakat in helping the government alleviate poverty in this province needs to be studied further in scientific work. This research aims to determine the impact of zakat recipients by examining 120 zakat recipients managed by the National Zakat Amil Agency (BAZNAS) by analyzing the impact of zakat, infaq and sadaqah distribution in alleviating poverty based on the CIBEST method. Research shows that the distribution of zakat, infaq and sadaqah carried out by BAZNAS is able to significantly alleviate poverty. Providing zakat funds in the form of business capital on target was able to increase the welfare index by 57.84%, then the spiritual index increased to 4,276 from previously only 3,970, and the mustahik income index and poverty reduction both fell significantly by 24.77% and the poverty index Absolute decline of 100% or no more is categorized as materially poor and spiritually poor.* Keywords: *Poverty, Zakat, Infaq, Sadaqah, South Sumatera.*

INTRODUCTION

Economic development that has been implemented to date hasn't been able to bring Indonesia out of the cycle of poverty. Poverty data recorded at the Central Bureau of Statistics (BPS) in 2023 shows that the number of poor people in Indonesia has decreased. The poor population in March 2022 of 25.14,000 people decreased to 24,079,000 in September 2023. BPS noted that in September 2023 the number of poor people in Indonesia a pretty good decline of 9.22 percent of the total population of 269 million people.

The percentage of poor population in South Sumatra in March 2022 was 12.18%, then in September 2022 it increased to 12.82%. In March 2023 it fell again to 12.71% and then decreased in September 2023 by 12.56% (1,067,740 people) of the total population in South Sumatra.

Figure 1: Summary of Poverty in South Sumatra 2018-2022
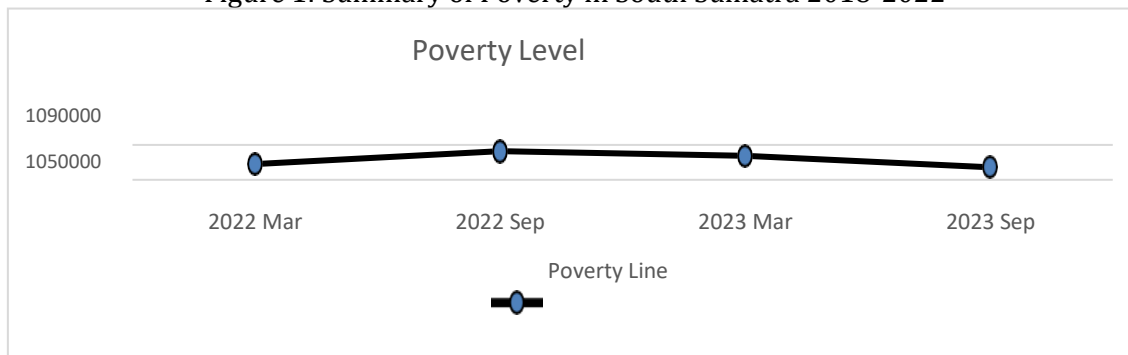
Based on data on the amount of poverty in Figure 1, the amount of poverty in Indonesia is still quite high, especially in South Sumatra is decrease every year. The number of poor people in South Sumatra in September 2023 reached 1,067.16 thousand people. It decreased by 6.58 thousand people compared to the condition in March 2023 which amounted to 1,073.74 thousand people and decreased 9.24 thousand people compared to September 2022 which amounted to 1,076.40 thousand people. Poverty is a complex and multidimensional problem. It cannot be overcome only by a partial approach, but it is comprehensive and comprehensive. So the need for alternative development that involves the wider community. Economic development that can create trickle down effects is development that involves the people directly through the instrument of zakat treasure (*zakat mal*).

According Qardhawi (2019), This zakat requires every Muslim who is able to pay zakat and give it to the group who is entitled to receive it, so that with the concept of zakat, wealth is not only circulating among the rich but can touch the lower classes to help others. In the Quran, looking at zakat is one of the pillars forming the Islamic religion. The main target of the application of zakat is to alleviate overall poverty. However, zakat is not only limited to alleviating poverty economically, but it does overcome the problems of welfare such as spiritual poverty, education. Through the ability to reduce poverty, there are several fulfillment needs in a family can be categorized into four possible situations.

First, they are able to meet their material, spiritual and educational needs well. This is an essential form of welfare and is very desirable. Second, they are able to meet spiritual needs well, but lacking in terms of fulfillment of material and educational needs. This situation is called material poverty. Spiritually rich, but materially and educationally poor. Third, a person or a family is able to meet their material needs and education well, but does not pay attention and is not concerned with meeting their spiritual needs. They are lazy to do the obligatory prayers and it is difficult to pay zakat and other worship. This situation is called the situation of spiritual poverty. Materially rich, but spiritually poor. Whereas the fourth is when they are unable to meet their material, spiritual and educational needs properly. This is what is called absolute poverty. Materially poor and spiritually poor. Losing in the world and losing in the afterlife. This type of absolute poverty is the worst condition compared to other types of poverty (Meylani, 2019).

Based on the four household situations above, at least it can be overcome by using an analysis tool, namely the Islamic poverty index or called the CIBEST Model (Center of Islamic Business and Ecomonic Studies). The CIBEST model is a measure of poverty that not only measures materially poverty, but measures spiritual poverty and educational poverty. The functions of amil institutions such as the National Zakat Board of Indonesia (BAZNAS), as the coordinator and at the same time managing zakat, infaq and sadaqah funds to help reduce poverty. South Sumatra is a province with a fairly high level of poverty, with the presence of a BAZNAS representative office in the South Sumatra region to at least make strategic efforts to alleviate poverty. Coupled with the enactment of regulations on compulsory zakat using the payroll system (a direct reduction of the salaries of every

government employee has been implemented in the province. Along with advances in the electronic payment model, it is easier to pay zakat. Electronic payments are believed to be able to overcome some of the main obstacles in zakat payment effectively and efficiently (Rijal, 2018).

After the collection of zakat funds is applied, the pattern and approach of poverty reduction carried out by BAZNAS South Sumatra to find out the economic and spiritual conditions of *mustahik* have gone through various steps to raise the economic conditions and spirituality of *mustahik*.

Figure 2: Collection of ZIS in South Sumatra for 5 years, 2019-2023
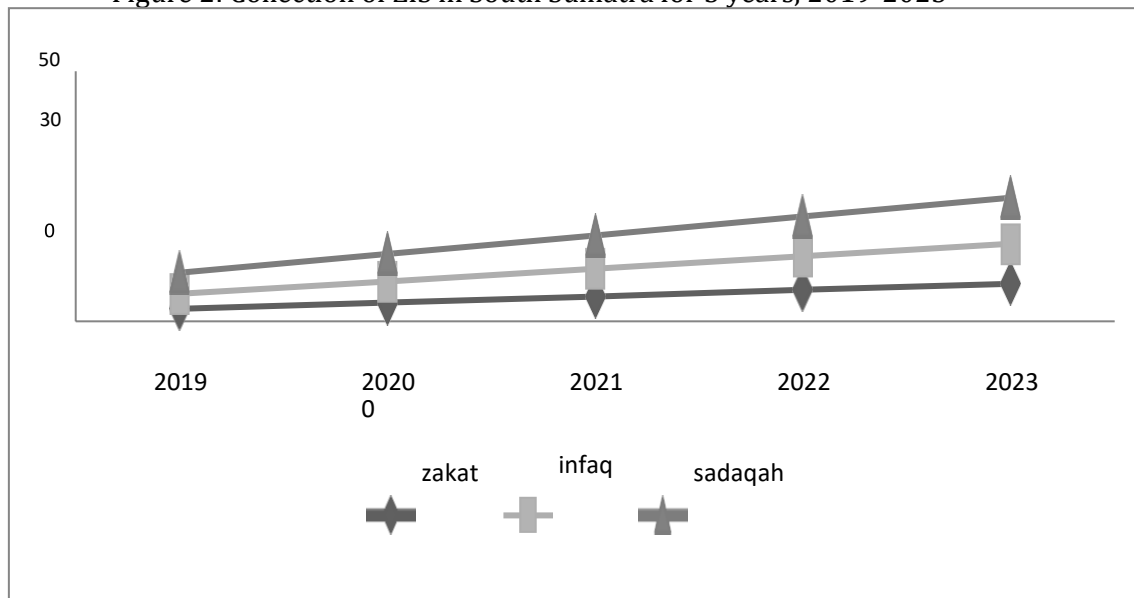
In the picture shows that each year South Sumatra receives ZIS funds in the amount of billions of rupiah. This is expected to help the government in reducing poverty. But unfortunately the amount of zakat potential is not proportional to the decrease in the number   of poor people. This shows the problem between zakat potential and the rate of growth of the poor population. In addition, data on the impact of the distribution of zakat funds are not yet   available so an analysis is needed on this matter.

METHODOLOGY
There are several research results relating to the impact of zakat on poverty reduction using the CIBEST method, among others conducted by Prayitno (2018), Beik (2019), Fitricia (2020), Shaikh (2019), Ayuniyyah (2021), Arif (2021), Mubarokah (2021), Hasanah (2021), Salahuddin (2021) explained that zakat can improve the welfare of household *mustahik* and can reduce pdoverty. Based on the literature review above, basically the results of the study explore the comparison between zakat institutions, performance, management and distribution, while the research that the author has done is not only limited to managing zakat funds, but rather focuses on productive zakat then its effect on *mustahik* spirituality and its impact towards income household *mustahik*.

The main theory adopted by researchers is Theory H. Theory H was introduced by an Indonesian scholar named Roikhan Muhammad Aziz, this theory is used for the theory of the basic concepts of creation patterns with certain relationships then this theory is also interpreted as a three dominant archetype with certain contexts in five dimensions invariant arrangement.

Researchers also use the concept of Sharia Enterprise Theory (SET). SET is the basic foundation of the development of several theories namely proprietary theory, entity theory and enterprise theory (Triyuwono, 2022). In this theory humans always make God is the

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only source of life. God is the source of the return of humans and the universe. So in this case, humans as servants have consequences that obey all of God's rules. It takes a fairly long process to unite humanity and nature together with God's laws so that the whole will form a peaceful and prosperous life. In harmony with the word of Allah, it is explained that the mandate from Allah makes his servant to always hold firm responsibility with the means and goals set by Allah.

When combined in the theory of poverty specifically in measuring spiritual and material poverty, it is still very limited, until now many studies only discuss the material conditions. Not many researchers calculate poverty and spiritual material together, specifically in the province of South Sumatra. Therefore, this study complements completeness in calculating zakat as a poverty reduction in relation to material and spiritual aspects. The author examines how the spiritual changes in household beneficiaries (*mustahik*) before and after getting productive zakat funds using the CIBEST method and the authors examine how changes in household income beneficiaries (*mustahik*) before and after getting productive zakat funds using the CIBEST method (Mainul, 2019).

The CIBEST method has developed the concept of poverty which is based on a person's or family's ability to meet material and spiritual needs. The inability of individuals and families to fulfill these needs will place them as poor people or families. Because what is explained is the ability to provide material and spiritual needs, a person or a family can be in four possible situations. First, they are able to fulfill their material and spiritual needs well. This is the true form of prosperity and is highly desired. Second, they are able to fulfill their spiritual needs well, but are lacking in terms of providing material needs. This situation is called material poverty. Rich spiritually, but poor materially. Third, they are able to fulfill their material needs well, but do not pay attention and do not care about providing for their spiritual needs. They are lazy about performing obligatory prayers and are reluctant to pay zakat and other forms of worship. This situation is called a situation of spiritual poverty. Rich materially, but poor spiritually. Fourth, they are unable to fulfill their material and spiritual needs properly. This is what is called absolute poverty. Poor materially and poor spiritually. Loss in this world and loss in the afterlife. This type of absolute poverty is the most severe condition compared to other types of poverty.

RESULTS

The total respondents in this study were 120 *mustahik* households. *Mustahik* households that become respondents are beneficiaries of productive zakat funds provided by BAZNAS Ogan Komering Ulu Regency, BAZNAS Ogan Ilir Regency, BAZNAS Lubuk Linggau City, BAZNAS Prabumulih City. Characteristics of respondents seen by gender, age, marital status, education, number of dependents and employment. The characteristics of the respondent's data can be seen in the table below.

Table 3: Characteristics of Respondents

Demographic Characteristics	Classification	Amount
Gender	Male	-
	Girl	120
Age	25-45	45
	46-60	40
	>60	15
Marital status	Married	89
	Single	31
	No school	-
	> High school	4
Education	Senior High school	60
	Junior High School	30
	Elementary school	6
	> 6	20

Total dependents	4-6	67
	1-3	13
	Labor	40
	Small Trader	45
Profession	Worker	5
	Unemployed	10
Total		**120**

Based on the table above, the percentage of respondents' heads of families receiving productive zakat funds only female respondents as much as 100%. Based on age, it was found that most family heads were in the productive age of 25-45 years with the largest percentage of 45% then at the age of 46-60 years at 40% while those who were not productive but still working were> 60 years at 15%. The total dependents of the majority family are in the size of 4-6 people at 67%. In terms of education, the most recent education is the majority of family heads with an elementary education rate of 6%, then followed by heads of households with 30% junior high school education, 60% of high school graduates. Most of the work of family heads is as a trader with a percentage of 45%, labor profession as much as 30%. Workers here are casual workers and construction workers building families with 5% status and 10% unemployed, the work is categorized as another job.

DISCUSION

Based on the results of the paired t test that was processed using SPSS 22.0 software produced a comparison of the average income of household *mustahik* before and after getting the zakat funds.

Table 4: Statistics Analysis

The mean			N	Std. Deviation	Std. Error Mean
Pair 1	Before	1308436.0000	120	98634.00790	9753,40079
	After	1461860.0000	120	99910.36868	9971.03687

Paired Samples Statistics

N			Correlation	Sig.
Pair 1	Before & After	120	997	.000

Paired Samples Correlations

Paired Difference						T	Df	Sig. (2-tailed)
	Mean		Std. Deviation	Std. Error Mean	95% Confidence Interval ofthe Difference			
					Lower	Upper		
Pair 1	Before -	-	9404,76276	940.47628	-	-	-58,416	9	.000
	After	55424.0000			56270.2668	52577.7332			
		0			0	0			

Paired Samples Test

The paired sample statistics above show that the standard deviation refers to variations in data for each variable, the standard deviation income before getting zakat assistance amounted to 98634,007 and after getting zakat assistance amounted to 99910,368.

Then in (Paired Samples Correlation) shows the results of the correlation between the two variables that produce the number 0.997 with a significance value of 0.000 this shows that the correlation between income before and after getting the help of zakat is closely and truly related significantly. Based on these results states *mustahik* income is increasing after getting the help of zakat.

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Table 5: Average income before and after getting donationns

Information	Average income before getting donations	Average income after getting the zakat funds
Household income *Mustahik*	IDR 1,355,122	IDR 1,564,125
Increase in Average Income of All *Mustahik* After Getting Zakat	-	Rp. 209,003
Test probability t 0,000 ***		

The average income before receiving zakat assistance is Rp 1.355.122 and the average income after receiving zakat assistance is Rp 1.564.125, so the average household income *mustahik* increased by Rp. 209,003. Household income *mustahik* BAZNAS Ogan Komering Ulu Regency, BAZNAS Ogan Ilir Regency, BAZNAS Lubuk Linggau City, BAZNAS Prabumulih City after receiving productive zakat funds, the average income of *mustahik* household income rises respectively above the South Sumatra poverty line.

Table 6: Validity Test Analysis

| Variable	r count	r table 5% (100)	Information
Salat	0.433	.196	Valid
Fasting	0.543	.196	Valid
Sadaqah	0.478	.196	Valid
Family Environment	0.433	.196	Valid
Government policy	0.574	.196	Valid

The results of the calculation of Validity Test as the table above shows that all r counts> r table at a significance value (5%), then the results show valid.

Table 7: Analysis of Reliability Tests

Variable	Alpha	r table 5% (100)	Information
Salat	0.256	.196	Valid
Fasting	0.256	.196	Valid
Sadaqah	0.256	.196	Valid
Family Environment	0.256	.196	Valid
Government policy	0.256	.196	Valid

Furthermore, for the reliability test obtained an alpha value of 0.256. This value is also greater than the value of rTable which is 0.196. This means that all variables used to determine the poverty level of family *mustahik* in this study are reliable.

Table 8: Islamic poverty index of BAZNAS *mustahik* households
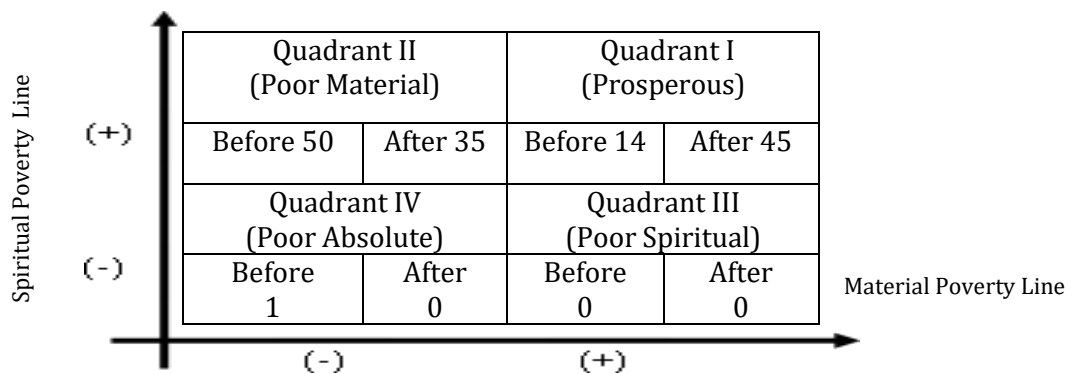
The productive zakat fund channeled through BAZNAS is in the form of business capital in the hope that it can improve the welfare of household *mustahik*, then it can reduce

the level of material, spiritual and absolute poverty. *Mustahik* households are classified in the quadrant and CIBEST index with approaches before and after getting productive zakat funds. The quadrant analysis can be seen in the image below. Based on the CIBEST quadrant, there are at least 14 *mustahik* households that have been in the prosperous quadrant before receiving productive zakat funds. Then after getting productive zakat funds, prosperous *mustahik* households increased to 45 families.

The number of *mustahik* households in quadrant II before receiving productive zakat fund assistance was 50 families, after receiving assistance it has decreased to 35 families. In quadrant III there are no *mustahik* households in this quadrant. Furthermore, in quadrant IV the *mustahik* households that experienced absolute poverty decreased from 1 family to 0 families. Households that were previously in this quadrant have increased to be in quadrant II meaning that the household has experienced a spiritual increase

Poverty Index	Formula	Before	After	Percentage Before Change	Percentage After Change(100% -% Before Change)	Information
Well-being	$W = w / N$	0.14	0.45	65.83	90.33%	Increase
Material poverty	$Pm = Mp / N$	0.50	0.35	61.66	-48.33%	Decrease
Spiritual Poverty	$Ps = Sp / N$	0	0	0	0.00%	Stable
Absolute poverty	$Pa = Ap / N$	0.01	0	100	-100.00%	Decrease
Household Spiritual Average Score of *Mustahik*		3.87	4.026		7.90	Increase

Source: Primary Data, 2023

After knowing each quadrant of *mustahik* households, the results of the Islamic poverty index analysts of *mustahik* households were obtained. Based on the above table, the value of the *mustahik* household welfare index before getting productive zakat funds is 0.14 then increasing to 0.41. It states that household welfare *mustahik* increased by 90.33%. This indicates that productive zakat assistance provided by BAZNAS can improve the welfare of *mustahik* households.This research is in line with the theory that if incorporating Islamic values into life, basic needs will be fulfilled, it can also make life more blessing. In accordance with research conducted by Beik, The improvement of welfare index in this study shows that the zakat utilization program can improve the welfare of *mustahik* households.

The value of the material poverty index before getting the help of zakat funds was 0.50 then after getting the help of zakat funds the index value dropped to 0.35. This indicates that material poverty experienced by households must be reduced by 48.33%. The decline in the value of the material poverty index is influenced by the assistance of zakat funds provided by BAZNAS. The decrease in the material poverty index in this study is consistent with research conducted by previous researchers namely Beik and Widyaningsi that the provision of zakat funds in the form of venture capital can increase *mustahik* income or be able to reduce the material poverty index. BAZNAS in this study channeled zakat funds to be productive, namely to increase the business capital of small traders and traders, so that the traders acknowledged that before getting the help of zakat funds they lacked capital. Then, after getting productive zakat funds, they find it easier to get business capital. Besides providing material assistance. BAZNAS also provides guidance for these *mustahik* households in running their businesses.

Furthermore, in quadrant III there were no households that experienced spiritual poverty. This means that the household must have enough or can fulfill their spiritual needs before and after the provision of productive zakat. In addition to the four indices, it can be seen in table 7 that the overall average spiritual score of household *mustahik* shows a value of 3.87 before the earning of productive zakat and 4,026 after the existence of productive zakat assistance where the score is above SV (spiritual value). *Mustahik* households in quadrant IV (absolute poor) have decreased from 1 to 0 families, so it can be said absolute

poverty can go down by 100% after receiving productive zakat funds. *Mustahik* households that were previously in this quadrant have experienced an increase in quadrant II, meaning that the household has increased spiritually. In general, BAZNAS Ogan Komering Ulu Regency, BAZNAS Ogan Ilir Regency, BAZNAS Lubuk Linggau City, BAZNAS Prabumulih City have succeeded in reducing the poverty level of household *mustahik* material by 10 families or equivalent to 48.33%, able to reduce the absolute poverty rate by 100% and can improve welfare *mustahik* households by 90.33%.

Based on this, the decline in the four poverty indices in this study is in accordance with research conducted by previous researchers namely by Muslihah, Hasanah, Salahuddin and Ayuniyyah stated that the provision of zakat funds in the form of venture capital has been right on target, able to increase the spiritual index and *mustahik* income and reduce the poverty index both materially and absolutely. Based   on the results of this study the authors concluded that the productive zakat provided by BAZNAS   was able to improve the welfare and spiritual well-being of *mustahik* households as well as being able to reduce material poverty and the absolute poverty level of *mustahik* households.

CONCLUSION

The program of empowering productive zakat funds with the help of venture capital in the form of cash or the supply of goods or carts provided by BAZNAS Ogan Komering Ulu Regency, BAZNAS Ogan Ilir Regency, BAZNAS Lubuk Linggau City, BAZNAS Prabumulih City have positive impacts. Impact on household income *mustahik*. This can be seen from the increase in income after receiving productive zakat funds with an average increase of Rp. 209,003 per person. The decrease in the material poverty index in this study is consistent with research conducted by previous researchers that giving zakat funds in the form of venture capital can increase income or can reduce the material poverty index.

Based on the classification of the CIBEST Model, the number of *mustahik* households that receive productive zakat funds provided by BAZNAS Ogan Komering Ulu Regency, BAZNAS Ogan Ilir Regency, BAZNAS Lubuk Linggau City, BAZNAS Prabumulih City can reduce the level of material poverty by 12.13%. Assistance from productive zakat funds can reduce absolute poverty by up to 100%. Then there are no *mustahik* households in quadrant III both before and after receiving productive zakat funds, but based on spiritual scores the average *mustahik* household overall score is 3.87 before the existence of productive zakat assistance and 4.026 after the existence of productive zakat assistance, the score shows more than the SV standard (spiritual value) or a score above 3. In addition to reducing the level of poverty index, it can also improve the welfare of *mustahik* households, each by 21.5%.

BAZNAS should better optimize the collection of zakat funds so that the distribution of zakat given can benefit more broadly. It is hoped that the poverty reduction can increase from year to year and the ongoing spiritual development must be maintained and improved. The next research is expected to be able to add more research objects from institutions and even more samples.

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