

THE EFFECTIVITIES OF ZAKAT PRODUCTIVE FUNDS TOWARD ZAKAT RECIPIENT INCOME IN PALEMBANG

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The effectivities of zakat productive funds toward zakat recipient income in Palembang

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Abstract: This study to investigate effectivities of zakat productive funds toward zakat recipient income in Palembang. Data using primary data which collect through interviews, observation, and documentation with instruments a questionnaire. The method in this study uses the quantitative approach with applying a regression model. The population in this study are all the recipients who receive the funding of zakat productive from BAZNAS of South Sumatra. The findings of this study indicated that the capital of zakat productive, length of business and training has a significant effect on zakat recipient income in Palembang city.

Keywords: *Zakat* productive, skill, training and zakat recipient income

JEL Classification: D30, D31

1. INTRODUCTION

Zakat is one of the social economic systems belongs to Islam that is used as an important pillar in the Islamic economy. It shows Islam is totally committed to fighting against poverty and inequality, especially to the poor and needy who are two first order entitled to receive *zakat* (Ibrahim & Ghazali, 2014). So far the charity itself is good enough to contribute in helping the various aspects of life in the world. As expressed by Tarar & Riyaz (2012) in Pakistan has collected *zakat* amounting **Rs 3,82 billion** of 36 provinces. The funds are allocated for **RS1 billion** to support subsystems, **RS36,760,800 for educational scholarships**, more than **RS160,000,000 for student scholarships**, **RS122,537,000** for patient care, **RS163,381,000** to get married.

In 2010, Malaysia has collected *zakat* of **RM 1,363,772,682** and distributed in the same year was **RM 1,176,487,212** or equal to 86% of the funds collected. *Amil Zakat* in Malaysia have also begun to distribute *zakat* in prolific form, but for now, the performance of the recipients still relatively low, because of the resources that available are limited and the ability to manage the business from the recipients is not really good (Nadzri et al, 2012).

Implementation of *zakat* productive which has been applied in various regions and provinces in Indonesia has shown some positive results. For instance in North Aceh district, the total amount of *zakat* productive that been distributed to recipients is **Rp. 885 million**, with the number of recipients as many as 533 people, and the results showed that after receiving *zakat* productive, the total income of recipients is increased by 19% than before (Rusli et al, 2013).

Research conducted by Sartika (2008) have found that the influence of *zakat* productive on the empowerment of recipients in *Amil Zakat* Institution (LAZ) Foundation Surakarta Solo Peduli that distributed in the form of livestock has increased the income by 10.2%. These results were significantly influenced by the amount of *zakat* productive funds that distributed to recipients. *Zakat* productive has been implemented in Semarang that discussed by Wulansari & Setiawan (2014) it reveals about the Increasing of profit after getting the *zakat* productive funds is increased by 57%.

The potential from *zakat* in South Sumatra is good enough to reduce poverty in South Sumatra. To enhance the role of *zakat* in improving the productivity of the recipients, BAZNAS Sumsel has a community development program which is called by "Sumsel Makmur". The ideals of family

economic independence are realized through working capital shared for productive businesses in various entrepreneurship areas include vegetable traders, street vendors, grocer, handicraft business, workshop, and pempek traders. BAZNAS Sumsel has several guidance that is now quite successful, and also able to create jobs for others in the neighborhood. Based on the background, the purpose of this study is to examine the influence of *zakat* productive funds, skills, and training on the income of recipients of *zakat* in Palembang city simultaneously.

2. LITERATURE REVIEW

Allah says in Al-Baqarah verse 267:

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يَا أَيُّهَا الَّذِينَ آمَنُوا أَنْفِقُوا مِنْ طَيِّبَاتِ مَا كَسَبْتُمْ وَمِمَّا أَخْرَجْنَا لَكُمْ مِنَ الْأَرْضِ ۖ وَلَا تَيَمَّمُوا الْخَبِيثَ مِنْهُ تُنْفِقُونَ وَلَسْتُمْ بِآخِذِيهِ إِلَّا أَنْ تُغْمِضُوا فِيهِ ۚ وَاعْلَمُوا أَنَّ اللَّهَ غَنِيٌّ حَمِيدٌ

"O you who have believed, spend from the good things which you have earned and from that which We have produced for you from the earth. And do not aim toward the defective therefrom, spending [from that] while you would not take it [yourself] except with closed eyes. And know that Allah is Free of need and Praiseworthy "

One of the reasons for the creation of *zakat* is so that people want to help each other. Because human is a social being, which means a human cannot live alone without any help from others. *Zakat* also teaches Muslims to respect each other to create a peaceful and harmonious life (Abdullah and suhaib, 2011). The meaning of *zakat* in terms of language comes from the word *zaka* (masdar form) which means: blessing, growing, clean, holy and good. (Asnaini, 2008).

Muhammad (2011) said from the whole meaning of *zakat* that there can be stated that *zakat* is worship in the field of wealth containing wisdom and benefits of such a great and noble, whether related to the people who become the giver of *zakat* (*muzakki*), the recipients of *zakat* (*mustahiq*), the wealth that distributed, as well as for the whole community.

2.1. Zakat Productive

Al-Masyiqah (2007) says that *zakat* productive according to the term is seeking the gain of wealth by doing business with the wealth of *zakat*. The investment of *zakah* property can be divided into three parts. First, the investment of *zakat* property by the giver of *zakat*. Second, the investment of *zakat* property done by the recipient of *zakat*. Third, the investment of *zakat* property done by the *zakat* amil agency. Farah (1997) also revealed that *zakat* productive is the inclusion of *zakat* funds separately or with other funds in the sector that produces profitable. The benefits of *zakat* productive are directed to the benefit of the beneficiaries in the short and long term by keeping the principles of Islam.

The results of *zakat* are allowed for productive purposes, such as helping the recipients of *zakat* who have special skills and want to work hard so that they can be separated from poverty and dependence on others and able to be independent. In addition, the result of *zakat* can also be to establish profitable factories and projects and produce for the *zakat* in need. The factories and others financed with the proceeds of *zakat* have provided information to the people who have been selected and have been given skills education in accordance with the work that has been available, it is revealed by Zuhdi in the book *masailfiqiyah* (1997).

2.2. Previous Research

Zakat productive has been discussed by researchers, like research conducted by Djayusman (2011) to see how the effect of *zakat* investment to increase income and productivity of dhuafa agricultural laborers in Bantul district of Yogyakarta in 2010. This research found about the positive influence to the income of dhuafa agricultural laborers in Yogyakarta, and they wish to get more funding in the future, and some recipients become *muzakki*. The positive result of *zakat* productive

is also disclosed in the research conducted by Rusli, et al (2013). ¹⁴ This study aims to analyze the impact of zakat productive capital on poverty alleviation in North Aceh district. This research found that the impact of zakat productive capital on poverty alleviation in Aceh is really good and all the recipients use this program to increase their income and fulfill their needs for living. Wulansari & Setiawan (2014) also analyzed the role of zakat productive funds on the development of micro-business recipient of zakat from the "Rumah Zakat" of Semarang city). This program is the good program to increase the incomes of micro-business recipient of zakat in Semarang. Their business is become bigger after they receive the funding of zakat productive in this district and they hope they receive zakat more than before to increase their business and become muzakki in next year.

Research on *zakat* productive whose purpose is to develop the recipient of *zakat* is also done in Malaysia. Research Ibrahim and Ghazali (2014) with the title zakah as an islamic micro-financing mechanism to productive zakah recipients. This paper got the result that the mechanism to organize *zakat* productive funds must good and right on target which is the recipients of *zakat* who has the micro-business and they can improve their income with this funding, because the purpose of this study is to make *zakat* more productive than before. The modern approach in the implementation of *zakat* is also studied by a Malaysian student named Yusoff (2008) in his journal entitled Modern Approach of *Zakat* As an economic and social instrument for poverty alleviation and stability of ummah. This paper found that the approach of *zakat* as instrument to reduce the poverty and increase the stability of the people among muslims in this country is really suitable and accepted by the recipients of *zakat* to increase their income and make it more usefull to make a better live.

So this paper want to talk about the influence of *zakat* productive to the income of recipients of *zakat* in Palembang. With the program named as "*Sumsel Makmur*" to increase the income of the recipients of *zakat* in this city in the way more usefull than consumtive way like they did all the time. So this way is the step needed to make the recipients more productive in organize this funding with the right skill and the intens training to make their live better than before and they can be *muzakki* and give the *Zakat* to the others recipients. If this happen right on target, this program can reduce the poverty in Palembang.

2.3. Research Framework

Recipientsof *zakat* is a person entitled to receive *zakat*. In the implementation of *zakat* productive, capital is one of the important things that should be given to recipientsof *zakat* to assist the development efforts or to start the recipient's productive enterprises. Likewise with expertise or experience possessed by recipientsof *zakat* in managing their business. To improve their skills should also be holding training aimed at recipientsof *zakat*. Based on the description related background issues and the theoretical basis of the *zakat* productive and to see what the researchers want to look at the factors that effecton the income of recipientsof *zakat* can be described as follows:

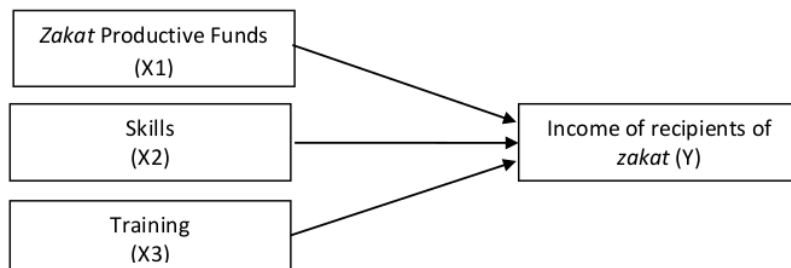


Figure 1. Research Framework

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3. MATERIALS AND METHODS

The scope of this study is to examine the influence of *zakat* productive funds, skill and training to the income of recipients of *zakat* and will focus on the quantitative assessment of the factors that influence the income of recipients of *zakat* himself. The object of this study is the recipients of *zakat*

who receives a *zakat* productive funds from *Amil Zakat* National Institution of South Sumatera (BAZNAS SUMSEL). The type of data used to support this research is primary data. The primary data used is the result of interviews and questionnaires given to the recipients of *zakat* who receives a *zakat* productive funds. In addition to primary data obtained through selected informants of this study also uses secondary data, secondary data that is in use as books that talk about *zakat*, especially *zakat* productive, phenomena that exist in society as well as reports that exist in BAZNAS SUMSEL. The use of secondary data intended to support primary data obtained from questionnaires and interviews.

To obtain the relevant data so it can be used as a foundation in the process of analysis, the authors used data collection methods that are commonly used in research qualitative and quantitative research, the interviews, document analysis, archival records, and observation (Sugiyono, 2012). Instruments in this study used interviews, questionnaires, and documentation. In this study, interviews were conducted with the management of BAZNAS SUMSEL that chosen by the researcher. Furthermore, the document obtained from the reports of the charity productive in the *amil zakat* institutions. A population is a group of cases that meet certain requirements related to the research problem (Mardalis, 1999). The population which is the object of this research is the whole recipient's *zakat* productive receiving assistance from BAZNAS. The analysis technique used is multiple regression estimation techniques used the method of least squares (OLS) There is also a model equation regression analysis of this study are as follows.

$$Y_i = \alpha_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e_i$$

where: α_0 is constanta; X_1 is *zakat* productive funds; X_2 is skill, X_3 is training; $\beta_1, \beta_2, \beta_3$ is parameters regression; and e is error terms.

4. RESULTS AND DISCUSSION

4.1. Result

From the data obtained and analyzed by multiple regression analysis and calculated from three independent variables namely *zakat* productive funds, skills, and training. Based on the data obtained by researchers, it can be composed of multiple regression equation as follows:

$$Y = -3,195 + 0.957 \text{ Funds} + 0,247 \text{ Skills} + 0.756 \text{ Training}$$

The results of multiple regression equation above shows that the beta value of the variable *zakat* productive funds is 0.957, it shows that in this study the funds have a positive relationship to the dependent variable, the positive relationship that produced shows that *zakat* productive funds that received by recipients of *zakat* so far give the good effect and enough to help the recipients of *zakat* in improving their financial. As for the skills show the beta value of 0.247 which means the skill and the income of recipients of *zakat* have a positive relationship. This is consistent with the theory that if the skill is good then their income will increase as good as their skill.

In the above regression equation shown that the beta value of the variable training is 0.756. This indicates that the variable training and the income of recipients of *zakat* have a positive relationship. This indicates that the training has been provided by BAZNAS SUMSEL or by another party whose goal is to develop a business that is owned by the recipients have an important role in increasing their income, which it will turn the recipients of *zakat* become the giver at a later time.

The result is a constant of -3.195, which means that without all these independent variables the dependent variable income *zakat* recipient shave a negative value, so it was concluded that all the independent variables used by researchers are crucial in increasing the income of the recipients of *zakat*. The results of multiple regression estimates using statistical tools are as shown in the table below:

Table 1. Results of Regression Estimation

Variable	Coefficient	Prob.
Constants	-3.195	0.002
Zakat Productive Funds	0.957	0.000
Skills	0.247	0.011
Training	0.756	0.000

R-Square: 0.894; f-test: 216.425 (sig = 0.000)

Source: Data Processing

Based on the above estimates table we got the R-square value is 0.894, then it can be concluded that *zakat* productive funds, skills, and training affect 89.4% of the income of the recipients of *zakat* in Palembang, while 10.6% are influenced by variables not examined by the researchers. This indicates that the independent variables are used by researchers to have a considerable influence on the dependent variable.

Table 2. The result of F test

Model	Sum of Squares	df	mean Square	F	Sig.
1 Regression	19.704	3	6568	216.425	0.000
Residual	2.337	77	0.030		
Total	22.041	80			

Source: Data Processing

From the results of the above table, it can be seen that together the independent variables have a significant effect on the dependent variable. This can be evidenced by looking at the value of the significance of the F value in ANOVA tables, amounting to 0,000b or smaller than the significance level determined by the researchers is 0.05 or 5%, then the transformation regression models can be used to predict the *zakat* productive funds, skills and training together are influence the income of recipients of *zakat* in Palembang city.

4.2. Discussion

The results of the data analysis presenting *zakat* productive funds have a significant effect on the income of recipients of *zakat* in Palembang city. Based on the data obtained by the researchers while in the field by giving questionnaires to recipients of *zakat*, and also observed during the study can be found that the program of *zakat* productive called “Sumsel Makmur” receive a positive response from the community, because many of the recipients who need assistance funds to run their business. The recipients previously made loans to cooperatives or debt collectors, so they have difficulty in paying their debts due to the interest that is applied in the return period.

This *zakat* productive assistance program provided to the recipients with a non-interest loan system or the economy Islam is called *Qardh* scheme and *Qardhul Hasan*. The recipients who get these loans have to reimburse the loan in a period of 10 months (10 x pay) for which the money collected from the returns will be channeled back to recipients others. So in essence BAZNAS SUMSEL will not ask back that *zakat* productive funds that already given to the recipients, because this is one of a program that is devoted to the recipients of *zakat* who needs funds to run their activities. The system of return that is applied, is only for the education process given to the recipients of *zakat* in order to be more responsible in managing the fund and not consumptive.

The above results also indicate that skillshave a significant impact on the income of the recipients of *zakat* in Palembang city and have a positive relationship, as well as training variables also have a significant influence on the income of recipients of *zakat* in Palembang city and have a positive relationship.

From these results, we can conclude that this prolific *zakat* productive programs need to be improved in order to obtain the desired value. Especially the funds that should be improved to increase the recipient capital and increased their income to be better. Skills and training also need to be improved, given that skillsare also needed to manage funds in order to be better in improving

the desired results as well as training needs to be increased their recipient's training for skill development and training can help recipients run their business,

Zakat productive conducted by BAZNAS SUMSEL through *Baitul Qiradh* institution is no more just a strategy to alleviate poverty in Indonesia generally and in Palembang city in particular. When the *zakat* productive funds have been distributed to the recipients of *zakat*, then BAZNAS SUMSEL expected to remain guided, trained and responsible to the whole recipients of *zakat* who receive *zakat* productive funds, so that can be used properly by the recipients in improving their economics.

5. CONCLUSIONS

Based on the analysis in this study, it can be concluded that the funds that received by the recipients of *zakat* productive, skills and training together affect the income of the recipients of *zakat* significantly, as shown by the significance value of 0.000 and F value of 216.425. Then this could be a reference that this prolific *zakat* productive programs can be developed and improved again so that it can become a flagship program to apply the expected values from *zakat*, which is to improve the welfare of the recipients of *zakat*.

These three variables are also contributing 89.4% to the income of the recipients of *zakat* in Palembang city, while the remaining 10.6% is influenced by other variables not examined by the researchers in this study. This indicates that so far *zakat* productive is good enough to help the recipients economy, but which is still the main problem in BAZNAS SUMSEL in completing this program is the limited funds they have, because of many givers of *zakat* does not collect their *zakat* to BAZNAS. Then with this research is expected to open the heart from the giver of *zakat* to always distribute their *zakat* through BAZNAS SUMSEL.

So from this research we can learn that this program must run as it should, so *zakat* productive funds must be distributed in the right people who deserve to receive *zakat*. So in time they can make it useful to increase their income and make a better live with the good skill and the training that suitable for them. With the right training they can organize this program in the right way and they can be a *muzakki* after 2 years they receive this *zakat* productive funding. And BAZNAS SUMSEL who run this program must be more creative to make the *zakat* productive is more productive than before.

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