

The Mechanism of *Zakat* Productive Fund Management and Its Effect On The Income of Recipient of *Zakat* in Palembang City

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Abstract: This study aims to find out how the management mechanism for *zakat* productive fund and how they affect the income of recipient of *zakat* in Palembang. This study uses qualitative and quantitative approaches, while data collection techniques use questionnaires and also through interview, observation and documentation. The population in this study is all recipient of *zakat* which receives *zakat* productive fund from BAZNAS SUMSEL such as 187 recipients. In taking a sample, 81 random sampling techniques are used. Data analysis using multiple regression analysis model, then performed a classic assumption deviation test. The results of this study indicate that the mechanism of *zakat* productive fund management consists of regional feasibility studies, program socialization, recipient of *zakat* feasibility studies, distribution of *zakat* productive fund, provision of training, establishment of local community institutions to the program evaluation stage. This study also found that the variables of *zakat* productive fund, length of business and training have a positive effect on the income of recipient of *zakat*. So that it can be concluded that the implementation of *zakat* productive can be more increased so that the recipients of *zakat* can become the giver of *zakat* in the future.

1 INTRODUCTION

In Islam there is one social economic system which is used to help other Muslims who are in conditions of poverty and income inequality, namely *zakat* which is a system where someone has more assets so that they can and are willing to share a portion of their wealth to help fellow Muslims, especially the poor people. *Zakat* is the third pillar of Islam, which *zakat* should give a good contribution in improving society's welfare (Ibrahim and Ghazali, 2014).

Nowadays, The development of *zakat* empowerment in the world has begun to improve and is widely used as a foundation in helping the economy of its people. In 2010 Malaysia collected *zakat* funds in the amount of RM 1,363,772,682 and distributed in the same year was RM 1,176,487,212 or 86% of the collected funds. The *Amil Zakat* Institute in Malaysia has also begun to distribute *zakat* funds in productive forms (Nadzri et al, 2012). In 2010-2011 in Pakistan, *zakat* funds collected amounted to RS2.82 billion from 36 provinces. The

funds are allocated for RS.1,585 billion for subsystem allowances, education scholarships, patient care, for marriage, and benefits on *Eid al-Fitr*. In the allocation of *zakat* funds which become obstacle is the lack of *zakat* funds collected in the *amil zakat* institute of Pakistan. This is due to the lack of giver of *zakat* trust to the *amil zakat* institute because of lack of transparency in the management of the *zakat* funds (Tarar and Riyaz, 2012).

In order to make the role of *zakat* become better in improving the economy of recipient of *zakat zakat*, the *zakat* experts begin to develop ideas to improve productivity of *zakat* funds, so the thought arises to distribute *zakat* funds in the form of productive *zakat* capital to the recipient of *zakat* who have expertise in opening micro, small and medium enterprise (MSME) and have expertise in trading (Asnaini, 2008).

Sartika (2008) conducted a study in Solo, and found that the use of *zakat* productive in LAZ Solo Peduli Surakarta Foundation which distributed in the form of livestock affected the income of recipient of *zakat* by 10.2%. This result is significantly affected by the amount of *zakat* productive funds capital

distributed to the recipient. As in the North Aceh regency from 2007 to 2010 have given a subsidy to poor people Rp. 885,000,000, with the number of recipients of *zakat* totaling 533 people and the results of the study showed that after receiving *zakat* productive in the form of business capital there was an increase in the average income of 19% before receiving productive *zakat* (Rusli et al. 2013).

Rumah Makmur BAZNAS (RMB) in Semarang has also carried out *zakat* productive in the form of small micro-enterprise modal assistance, thus encouraging increased profits. Increased profits before getting capital assistance ranged from an average of 43% and after getting capital assistance profits increased by 57%. Although the average increase which occurred was not so large, but every recipient of *zakat* business encounter an average increase of up to 14%. Meanwhile, *Rumah Makmur BAZNAS* (RMB) until September 2013, has provided business capital to 2,414 recipients, with total business capital assistance amounting to Rp. 2,222,195,800 (Wulansari and Setiawan, 2014).

The optimal implementation of *zakat* productive is also attempted by *Baitul Mal* in North Aceh Regency, this was revealed by Nasrullah (2015). The *Baitul Mal* determines the various schematic models adjusted to the needs of recipient of *zakat*, starting from the *Qardh Alhasan* scheme, then also providing a *mudharabah* scheme even to the sale and purchase scheme with a *murabahah* contract. This makes a very positive enthusiasm from the recipient of *zakat* to lead a better standard of living.

The positive results from the usage of *zakat* productive were also found by Djayusman (2011) which his study revealed that *Baitul Maal Desa Dompot Dhuafa* in Yogyakarta manages *zakat* funds by procuring and managing productive assets by and for *dhuafa* such as land redistribution, agricultural development, rural industrialization, integrated agriculture and rice marketing. *Zakat* Productive funds are managed to finance land rent, procurement of inputs, fertilizer, seedlings and capital goods investments. This was conducted because *Dompot Dhuafa* saw that the recipient of *zakat* had the potential and expertise in agriculture. This study also revealed a significant difference between income before and after participating in BMD agriculture programs. The increase in *dhuafa* income of farm labors after participating in the BMD agriculture program amounted to Rp210,584.00 or an increase of 77.12% from the previous average income. This is because the majority of recipient of *zakat* are farmers, so they have experienced, so that it helps for making the *zakat* funds management effective.

In order to get maximum results in the application of *zakat* productive among the recipients of *zakat*, the good mechanism is needed in the management of *zakat* productive funds which under the recipients authority. As expressed by Toriquiddin and Rauf (2013) that the management of *zakat* productive funds at the Ash Shahwah Foundation (YASA) Malang consists of good planning, after being well planned, the next stage is proper organizing then proceed with appropriate implementation methods with initial planning, after being implemented, it is necessary to have a continuous and good supervision from YASA. *Zakat* productive funds management can be better with this mechanism. The same thing is also found in the community caring justice post (PKPU) Makassar by Hidajat (2017), that the planning, organizing, implementation and monitoring stages are things that must be well-done.

Nopiardo (2016) found that the mechanism of *zakat* productive management in *BAZNAS Tanah Datar* is well organized, from the determination of how the distribution pattern to the recipient, and the mechanism of proposing the recipients and also reviewing how to assign assistance to them also not to miss from *BAZNAS Tanah Datar* attention to how the mechanism of funds allocation until the process of handing over assistance to the recipients, and also to produce the expected results, there must be proper and sustainable guidance. This is similar to what was expressed by Ansori (2018) that the distribution system of *zakat* productive funds at LAZISNU Ponorogo begins with accurate data collection by submitting proposals by prospective of recipient of *zakat* to LAZISNU and identifying the recipient by *amil*. It followed by grouping them, then *amil* gives a training in the form of skills, management of marketing capital in doing business. The final stage is the provision of *zakat* funds by LAZISNU Ponorogo to recipient of *zakat*. In addition, *zakat* productive funds are only given to those who are strong working and productive age.

South Sumatra is a province which has good *zakat* potential. Based on the population in Palembang, the *zakat* potential can be collected to reach Rp 2.3 trillion annually, this was expressed by BAZNAS SUMSEL (2017). Meanwhile, according to the financial report of the National *Zakat* Agency (BAZNAS) in South Sumatra in 2017, *zakat* funds received by South Sumatra BAZNAS amounted to Rp 40 billion. This shows that the *giver of zakat* awareness for distributing *zakat* to BAZNAS is still very less, so it needs to be given better planning from BAZNAS and other *amil zakat* institutions.

BAZNAS Sumsel has a community empowerment program which is called the "*Rumah Makmur*" program. The ideals of family economic independence are realized through the roll out of working capital for dhuafa productive businesses in various regions including vegetable traders, hawkers, grocery traders, handicraft businesses, workshops, and pempek traders. Various village community empowerment programs are carried out with a focus on managing local resources. BAZNAS South Sumatra has several guided which are now quite successful, and are also able to create jobs for others in the surrounding environment.

The existence of "*Rumah Makmur*" program indicates that *zakat* productive can be accepted by recipient of *zakat*, even giving a positive impact. If one recipient can provide work for others, how if most of the recipients who get *zakat* productive can provide employment for others? Of course unemployment in South Sumatra will decrease, the poverty rate will also decrease. This goal is expected from the establishment of *zakat* in Islamic religion. In order to achieve this goal, it is necessary to manage *zakat* productive by *amil zakat*, the giver of *zakat* and the recipient of *zakat*, so that they can contribute maximally to the recipient. This is what motivate this study to be done. In order the society can know better how the mechanism of managing *zakat* productive funds in BAZNAS SUMSEL and how it affects the income of the recipient of *zakat* in Palembang, so that it can attract other Muslims to prefer BAZNAS SUMSEL as a place to distribute their *zakat*.

2 LITERATURE REVIEW

2.1 Zakat

Islam is the second largest religion in the world, with almost more than one billion followers in the world (Tarar and Riyaz, 2012). In the *Al-Qur'an* which is the main law foundation of Islam often mention about *zakat* accompanied by prayer. It can be concluded that *zakat* is obligatory like prayer, so that all Muslims in the world must heed Allah's order to pay *zakat*. Allah says in Surah *Al-Baqarah* verse 267 which means: "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".

The verse of the *Al-Qur'an* above concludes that *zakat* is not only giving, but how to give the best to those who need, not giving the bad. Yusoff (2008) said that *zakat* is not only giving something to others on the basis of good deeds, rather the assumption that *zakat* is an important pillar in Islam and also a form of Muslim worship to Allah SWT.

One of the reasons for the creation of *zakat* is for humans to help each other. Because humans are social beings, which means that humans cannot live alone without the help of others. *Zakat* also teaches Muslims to respect each other, so that a life of peace and harmony is created (Abdullah and Suhaib, 2011).

The meaning of *zakat* in terms of language comes from *zaka* which means: blessing, growing, clean, holy and good. Some of these meanings are indeed very compatible with the true meaning of *zakat*. It is said as a blessing, because *zakat* will bring blessings to the wealth of someone who has done *zakat*. It is said as holy, because *zakat* can purify the owner of the wealth from the nature of the greedy, shirk, miserly and immoral. It is said to be growed, because *zakat* will multiply the merit for the giver and help the difficulties of the recipient (Asnaini, 2008).

It called the word *zakat*, as revealed in the word of Allah SWT in Surah An-nur verse 56 which means: "And establish prayer and give *zakat* and obey the Messenger - that you may receive mercy".

2.2 Position and Function of Zakat

In the *Al-Qur'an* many verses that clearly state the implementation of *zakat*. Allah's order to implement *zakat* is often in tandem with the order of prayer. This shows how important the role of *zakat* in the Muslims live. The verse contained the word *zakat* and accompanied by the word prayer. For example the word of Allah SWT in Surah *Al-baqarah* verse 43 and Surah *Al-Haj* verse 78 which means: "And establish prayer and give *zakah* and bow with those who bow [in worship and obedience]".

According to Mu'iz (2011) *Zakat* is primarily the *maliyah* worship and prayer is primarily *badaniyah* worship. Therefore, we are not wondered that all scholars stipulate that: "denying the law of *zakat* (denying its obligation) is punished by *kufr*, out from Islam. Muhammad (2011) also said that *Zakat* can be used for social purposes, especially for those who belong to the recipients of *zakat* which has been determined in the *Al-Qur'an* because of the roles and functions contained in *zakat* so that it is seen as a religious levy which must be set aside by a

Muslims or institution owned by Muslims in accordance with religious provisions. *Zakat* in living can prevent society from the social gap between the rich and the poor. *Zakat* can also foster and develop the stability of social, economic life, grow a sense of social responsibility. Helping, reducing and lifting the poor people from economic and social difficulties, fostering and growing brotherhood among human beings, and developing individual responsibility for the society and public interests.

Hafidhuddin (2006) said that through eight *asnaf* financed by *zakat* as determined by the *Al-Qur'an*, *zakat* can be used social function as a tool of social security and unifying the community in fulfilling the basic needs of each individual, eradicating poverty and waste against fellow Muslims, then as a heart softener and a tool for spreading Islam. Is not *zakat* among others used for muallaf who are persuaded by their hearts, which means the muallaf who are persuaded by their hearts are those who deserve to be given *zakat* as a softener of their hearts or the hearts of their people, or to strengthen Islam in their hearts.

As the population increases and the potential for *zakat* arises new problems, that is how to make *zakat* so can be functioned as a worship and also as a social concept. This is the meaning of *zakat* utilization. Based on observations and studies so far, the Indonesian Ministry of Religion (2002) draws conclusions that the use of *zakat* can be classified into four forms. The first form is "Traditional Consumptive", that is *zakat* distributed to recipient of *zakat* to be distributed directly. The second form is "creative consumptive", that is *zakat* which is realized in other forms from the original goods, such as given in the form of school tools, scholarships, hoes and so on. A third form is "traditional productive" where *zakat* is given in the form of productive goods such as goats, cows, shavers, carpentry and others. The fourth form is "creative productive", that is *zakat* which is realized in the form of rolling capital for social capital projects or for helping increase the capital of small traders / entrepreneurs. The usage of *zakat* in the third and fourth forms is to approach the meaning of utilization, which we must develop, so that the meaning of sharia *zakat* both in terms of worship and social functions can be achieved as expected.

2.3 Allocation of Zakat Funds

The allocation of *zakat* funds is devoted to eight groups or commonly referred to the recipients of *zakat*. This is in accordance with the provisions of

Allah in his word in *Surah At-Taubah* verse 60 which means: "Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah . And Allah is Knowing and Wise."

In the verse mentioned above, the poor people are the top priority of the 8 groups who are entitled to receive *zakat*. The aim is to eradicate poverty and destitution of Muslims. Asnaini (2008) revealed that groups including the poor are, people who have no wealth at all, people who have wealth or business but not enough for themselves and their families, people who have assets and business but can only meet half of their own needs and their families. In giving this *zakat*, it should be sufficient, meaning that this *zakat* should be given until the recipient of *zakat* can suffice for its life. For example, a poor or poor person who is good at trading is given a large amount of capital which can produce sufficient profits for his life (Prihatini et al, 2005).

2.4 Zakat Productive

In the Decree of the Minister of Religion RI No. 581 of 1999 about the Implementation of *Zakat* stated that the types of *zakat* fund utilization activities are divided into two parts: First, the utilization of social-based *zakat* that is the distribution of *zakat* funds in the form of compensation for consumptive needs which called compensation program (charity) or consumptive grant.

Second, the usage of *zakat* based on economic development is the distribution of *zakat* in the form of providing business capital to those who have the right to receive directly or indirectly, whose the management may involve or not involve target recipient of *zakat*. The distribution of *zakat* funds is directed to productive economic enterprises, which are expected to result in increasing a level of public welfare.

Al-Masyiqah (2007) said that *zakat* productive or *zakat* investment based on the term is looking for the acquisition of wealth by doing business with *zakat*. *Zakat* investment can be divided into three parts. First, the *zakat* investment by the recipient itself. Secondly, the *zakat* investment carried out by the recipient. Third, the *zakat* investment carried out by the ruler or the institution of *amil zakat*.

Farah (1997) also revealed that *zakat* productive as an inclusion of *zakat* funds separately or with

other funds in sectors which generate profits (profitable). The benefits of *zakat* investment are intended for the benefit of the recipient of *zakat* in the short and long term while still keep guided to the principles of sharia.

At first, the scholars differed on the law of *zakat* investment. However, in the end the scholars who did not allow the *zakat* investment made several provisions which allowed the *zakat* investment to be carried out with several considerations, such as; pay attention to the needs of the poor people; investment can really bring benefits; hasten to collect *zakat* when there is a need; investments are made by government or their representatives, both from departments, social organizations or donor agencies; this investment is consulted with experienced and trustworthy people; the investment is carried out on businesses that are permitted according to sharia and not a prohibited business (Al-Masyiqah (2007).

The results of *zakat* may be used for productive purposes, such as providing financial assistance in form of business capital to the poor who have certain skills and are willing to try / work hard, so that they can regardless of poverty and dependence on others and be able to be independent. In addition, the results of *zakat* can also be used to establish factories and profitable projects and the results for *zakat* recipients in need. Factories and other projects financed with the results of *zakat* must prioritize the recruitment of their workforce to the poor who have been selected and have been given skills education in accordance with the available employment, Zuhdi said in the masail fiqihyah book (1997)

Farah (1997) revealed several things that become guidelines in investing *zakat* funds, that is: *Zakat* investment is a tools of supporting the implementation of *zakat*, not as a substitute for the existing *zakat* mechanism, *zakat* investment must run according to sharia rules, such as not related to usury or bank interest, *Zakat* investment managers are chosen based on competence, trustworthy and noble character, *Zakat* investment strategy is designed with the aim to increase the income of the poor, protect livelihoods and realize their welfare, the *zakat* investment institution is the representative or extension of the recipient of *zakat* in order to manage their wealth, *zakat* investment must prioritize business activities which provide benefits directly to the recipient of *zakat*, *zakat* investment institutions must maintain trust in their performance by conducting an audit of their administration.

Based on research background, problem formulation, research objectives, theoretical review, and conceptual framework carried out by

researchers, the Research hypothesis can be formulated as follows:

H1: Allegedly productive *zakat* capital, length of business and training positively affected on the income of recipients of *zakat* in Palembang.

3 METHODS

This study looks at how the mechanism carried out by BAZNAS of South Sumatera in managing productive *zakat* so that it can have an important role in economic empowerment of recipient of *zakat* This study also wants to see the effect of *zakat* productive on the income of recipient of *zakat*. This study uses the recipients as an objects which receive *zakat* productive from the *Zakat* Amil Agency (BAZNAS) of South Sumatra.

The type of data used to support this study is primary and secondary data. The primary data used were the results of interviews conducted with the amil *zakat* institutions in Palembang and also the existing of the recipients. In addition to the BAZNAS, interviews will also be conducted with other interviewees who substantially have direct involvement in the process of managing *zakat* productive.

To obtain primary data, researchers will distribute questionnaires, especially to recipient of *zakat* who receive productive *zakat* capital assistance by BAZNAS of South Sumatra. Researchers will also conduct interviews with several parties which directly or indirectly involved.

In addition to the primary data obtained through selected informants, this study also uses secondary data, secondary data that is used such as books about *zakat*, especially productive *zakat*, phenomenons that exist in the society and also the reports in the National Amil *Zakat* Agency (BAZNAS) of South Sumatra. The usage of secondary data is intended to support primary data obtained from questionnaires and interviews.

In order to get relevant data so that it can be used as a basis for the analysis process, the authors use data collection methods which commonly used in qualitative and quantitative studies, that is interviews, document analysis, archival records, and observation. Data collection was carried out in natural conditions, primary data sources, and more data collection techniques on participant observation, questionnaires and in-depth interviews (Sugiyono, 2012).

For this study, the author uses data collection techniques in the form of library research and field

research. The instrument in this study uses interviews, questionnaires, and documentation. In this study, interviews were conducted with the management of Amil *Zakat* Institution which was chosen by researchers, namely BAZNAS of South Sumatera to find out the form and management of productive *zakat* carried out by the amil *zakat* institution. Questionnaires are given to the poor people are registered as recipients of *zakat* productive. Furthermore, documentation is obtained from reports on *zakat* productive in amil *zakat* institution.

The population that become the object in this study were all recipient of *zakat* which received productive *zakat* assistance. As for the number of the recipients population who received *zakat* productive assistance from BAZNAS of South Sumatera as much as 187 recipient of *zakat*.

For sampling to recipient of *zakat*, a random sampling technique is used. This technique is used if the population is assumed to be homogeneous (containing one characteristic) so that the sample can be taken randomly. In random sampling, each subject has the same opportunity to be used as a research sample (Idrus, 2013). The researcher uses random sampling technique in sampling because all the recipient who receive *zakat* productive funds are assumed to be the same, so that the data obtained from each sample can indicate the same thing for others. The samples obtained are 81 samples

The analysis technique used is multiple regression estimation technique with the method used the least squares (OLS). As for the regression analysis equation model of this study as follows.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \quad (1)$$

Explanation:

- Y = Income of recipients of *zakat*
- X₁ = *Zakat* Productive Fund
- X₂ = Length of Business
- X₃ = Training
- β = Regression Coefficient
- α = Constant
- e = Error

4 FINDINGS

4.1 Mechanism of *Zakat* Productive Fund Management in BAZNAS of South Sumatera

Empowerment of *zakat* productive funds initiated by BAZNAS of South Sumatera in the form of a program called "*Rumah Makmur*" which is an

elaboration of the concept of recipients empowerment program in managing the *zakat* funds it receives. This program combines poverty mapping, surveys, determining strategic partners, launching and implementing programs, also monitoring and evaluating programs. The "*Rumah Makmur*" program stands on five pillars, i.e: system, humanitarian value, law and justice, economy and welfare, and institutional building (these five pillars are taken from the *maqasid as-syariah* Islamic purpose of regulating social life). This program explicitly strives to humanize human beings, the target community becomes a subject not an object, where mentoring applies as a caliph who bears the mandate of the natural regulator of his creation.

This program works to build a work system which appreciates local wisdom (aware of local resources), entrepreneurial capacity, facilitates access to economical improvement based on life wisdom. One of the reinforcement is the establishment of a strong social institution so that the empowerment of assisted communities can be sustainable. The poor are educated to be aware of their rights, especially in accessing resources to improve their lives. Here, the justice principle guards the growth of the assisted community.

Based on this discussion, the researchers found that the mechanism of *zakat* productive fund management at BAZNAS of South Sumatera consisted of several stages from planning to controlling phase to recipient of *zakat*. All of this are carried out with expectation in order the *zakat* funds received by the recipients can improve their standard of living and in the future they can become a giver. The stages are in the form of:

a. Regional Feasibility Study

The Regional Feasibility Study is the first stage in determining the program area, in this stage aims to determine the suitable area for the implementation of the "*Rumah Makmur*" program. This is conducted in several places to see if the region has the potential for this program to take place as desired by BAZNAS of South Sumatera. The regional feasibility study is carried out by looking at the potential and character of the society who live in the region, because in this program it takes the character of society who have good moral, spiritual and mental characteristics, thus helping the smooth and successful program in helping to increase the income of recipient.

b. Program Socialization

Program socialization, is a program explanation to the society before they join to be the recipients

who receive *zakat* productive funds from BAZNAS of South Sumatera. This socialization is conducted in order the recipient candidates can better understand the nature and purpose of this program. So that in the future this program can run well without any misunderstanding from them.

c. Partner Feasibility Study

Partner Feasibility Study, is a detailed data collection for citizens who are interested in following the "*Rumah Makmur*" program. For partners who meet the criteria, they will proceed to the next stage.

The criteria that must be met in selecting beneficiaries are as follows:

Head of family or family member classified as poor (Recipient of *zakat*)

1. Productive age (18-60 years) or married
2. Having experience and willingness in business.
3. Stay (domiciled) in one program target area.
4. Follow and obey the rules in implementing the program.

d. Distribution of *zakat* productive *zakat* funds to the recipients

The distribution of *zakat* productive funds to the recipient in the "*Rumah Makmur*" program is distributed through mosques in the targeted areas and appointed by BAZNAS of South Sumatera as an intermediary in distributing this *zakat* productive fund which is called as "*Baitul Qiradh*". In Palembang itself there are several *Baitul Qiradhs* that have been operating, such as in plaju, Kertapati, Kuto, Sako National Housing Authority area. The duty of *Baitul Qiradh* is as an intermediary in distributing *zakat* productive funds to the recipient of *zakat* around the mosque area. Because the mosque is believed to be a gathering place for Muslims to worship, discuss and help each other, a *Baitul Qiradh* institution was established in the mosque.

The distribution of *zakat* productive funds to the recipients is given in benevolent loan form with a Qardh contract, so that although in essence the recipient of *zakat* are entitled to the *zakat* fund and do not need to return it, but in this program, BAZNAS of South Sumatera wants to educate the recipient to not be consumptive in managing the *zakat* funds which they receive, so they are trained to make the *zakat* funds they receive become productive. The amount of productive *zakat* funds received by the recipients ranges between Rp. 1,000,000 to Rp. 3,000,000.

e. Training Provision and Program Understanding

This training provision aims to improve the characteristics, skills and motivation of each individual of recipient of *zakat*, and also to stay in touch between recipient and the management of *Baitul Qiradh*. In this training, the recipient can ask for solutions of the problems experienced in managing the *zakat* productive funds they receive, so that the business they run can be even better. This training is also intended to foster cohesiveness and friendship between the recipients who both receive this *zakat* productive fund. So that there recipient can share their experiences and expertise so that the desire to help each other better get stronger. Because Islam will be strong when it works together.

f. Formation of Community Local Institutions

The implementation of this *zakat* productive program aims to make the recipient become independent, in this case the BAZNAS of South Sumatera only run their duties as a distributor of *zakat* funds to the recipient. So when the *zakat* productive funds have distributed to them through *Baitul Qiradh*, the BAZNAS of South Sumatera will not intervene in terms of its management, all of them are handed over entirely to *Baitul Qiradh* and recipient who receive the *zakat* productive funds, but they still supervise so this program still run as it should.

So *Baitul Qiradh* itself acts as a driver and coach in this program. As mentioned before, the recipients must return the *zakat* productive funds they receive in installments every month, because they are worn to a Qardh contract. When the *zakat* funds which they borrowed have been fully returned, they can make loans again to *Baitul Qiradh* which has been trusted by BAZNAS of South Sumatera. Or the *zakat* funds they return can be used to provide *zakat* productive funds to other recipient who want to join this "*Rumah Makmur*" program. In this case, *Baitul Qiradh* institution which acts as a local community institution that is trusted to manage and run this productive *zakat* program.

g. Evaluation

This evaluation is carried out to find out the deficiency of the recipient in managing this *zakat* productive, so that the recipient can improve it in the future. This evaluation was also conducted to find out the business development of recipient and also the effect of this program existence on the income of them.

4.2 The Effect Of Zakat Produktif on The Income Of Recipients of Zakat in Palembang City

The results of the study have obtained quantitative data during the interview and observation process. The data obtained were analyzed by multiple regression methods and calculated from the three independent variables, there are the productive *zakat* funds received, length of business and training. Based on the data obtained by the researcher, multiple regression equations can be arranged as follows:

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

The results of the multiple regression equation above show that the beta value of the productive *zakat* fund variable is 0.957, this shows that in this study capital has a positive relationship to the dependent variable, this positive relationship shows that the *zakat* productive funds that received by the recipient of *zakat* have so far provided good influence and enough to help the recipient of *zakat* in improving its economy.

Where as for the length of business variable shows the beta value is 0.247 which means that the length of business and income of the recipient have a positive relationship. This is in accordance with the theory which says that if the business owner has good experience, the income receives will increase. Besides being seen from the length of business, to improve the expertise, it is necessary to provide trainings related to improving the recipients expertise in run the business.

In the regression equation above it is shown that the beta value of the training variable is 0.756. This shows that the training and income of recipient variables have a positive relationship. This indicates

that the training provided by BAZNAS or other parties whose purpose is to develop businesses owned by recipient has an important role in increasing the income, which in turn will make the recipient can become a giver at a later time.

The results of the constant are -3.195, which means that without all these independent variables, the income of recipient of *zakat* variable has a negative value, so it is concluded that all the independent variables used by the researcher are very important in increasing the income of recipient. The independent variables used in this study should be expected to be assistants and drivers in increasing the income of recipient in Palembang. Multiple regression estimation results using statistical tools are as shown in the table below:

Tabel 1: Multiple Regression Estimation Results

| Variable | Variable | Significance |
|--------------------------------------------------|----------|--------------|
| Constant | -3,195 | 0.002 |
| Funds | 0,957 | 0.000 |
| Length of bussiness | 0,247 | 0.011 |
| Training | 0,756 | 0.000 |
| R-Square : 0.894 F Value : 216,425 (sig = 0.000) | | |

Source : Data Process Result

Based on the estimation table above, it can be concluded that the R-Square value is 0.894, it can be concluded that the variable *zakat* productive funds received by recipients, length of business and training affect 89.4% of the income of recipients of *zakat* in Palembang, while 10.6 % is influenced by variables that are not examined by researchers. This shows that the independent variables used by researchers have a considerable influence on the dependent variable, namely the income of recipient of *zakat*.

Tabel 2: F Test

| | Model | Sum of Squares | Df | Mean Square | F | Sig. |
|---|------------|----------------|----|-------------|---------|-------------------|
| 1 | Regression | 19,704 | 3 | 6.568 | 216,425 | .000 ^b |
| | Residual | 2,337 | 77 | .030 | | |
| | Total | 22,041 | 80 | | | |

Source : Data Process Result

From the results of the above table it can be seen that independent variables have a significant effect on the dependent variable. This can be proven by looking at the significance value of ANOVA f table, which is equal to 0.000^b or smaller than the significance level determined by the researcher,

which is 0.05 or 5%, then the regression transformation model can be used to predict the *zakat* productive funds, length of businesses and training together affect the income of recipient of *zakat* in Palembang, so that it can be concluded that:

H0: *Zakat* productive funds received, length of business and training for the recipients not

significantly affected the income of recipient simultaneously rejected, and

Ha: *Zakat* productive funds received, length of business and training for the recipients not significantly affected the income of recipient simultaneously received.

Looking at the test results above it can be said that simultaneously the independent variables have a positive effect on the dependent variable, which means that if the *zakat* productive *zakat* funds received by the recipient are higher, the length of business increases and the training given to the recipient is increased, the income of recipient in managing *zakat* productive will increase.

The results of data analysis show that *zakat* productive funds have a significant influence on the income of recipient in Palembang, and have a positive relationship to the income. Based on data obtained by researchers while in the field by giving questionnaires to the recipient and also observations during the study it can be found that this *zakat* productive program receives positive responses from the community, because many of the recipient need financial assistance to run their businesses. The recipient had previously made loans to cooperatives or debt collectors, so they had difficulty in paying their debts due to the interest applied in the return period.

This *zakat* productive assistance program is given to recipient with a loan system without interest or in Islamic economics called the Qardh and Qardhul Hasan contracts. The recipient who get this loan must return the loan money within 10 months (10 x pay) which the money collected from the return will be channeled back to another recipients. So in essence BAZNAS South Sumatera will not ask for back the *zakat* productive funds that have been given to recipient, because this is one program that is devoted to the recipient who need financial assistance in running their business. The return system applied is only for the education process given to recipient of *zakat* so that it can be more responsible in managing the funds and not consumptive.

The results above also show that the length of business has a significant influence on the income of recipient of *zakat* in Palembang and has a positive relationship. Analysis of the data above also shows that training also has a significant influence on the income of recipient in Palembang and has a positive relationship. Overall the results of the above analysis show that the *zakat* productive funds received, the length of business and training have a significant influence on the income of recipient in Palembang.

From this result, it can be concluded that this *zakat* productive *zakat* needs to be increased again in order to get the desired value.

5 CONCLUSION

From the results of this study, it was found that in the mechanism of *zakat* productive funds management for recipient in the Palembang was good enough, because BAZNAS of South Sumatera had tried to implement the planning, organizing, implementation and supervision stages. Beginning from the regional feasibility study, then continued with the program socialization, and then the feasibility study of the partners to be right on target, and continued with the handover of productive *zakat* funds to recipient of *zakat*, after which were given some training and refinement, which is expected to later create a local community institution and end with the holding of program evaluations to create a better *zakat* productive program. This is expected to help improve the welfare of recipient of *zakat* in Palembang.

The results of the analysis in this study also concluded that the *zakat* productive funds received by recipient, the length of business and training together affect the income of the recipient significantly, this is indicated by the significance value of 0,000 and the F value of 216,425. So this can be used as a reference that this *zakat* productive program can continue to be developed and improved again, so that it can become a superior program to apply the values expected from the existence of *zakat*, namely to improve the welfare of the recipient of *zakat*.

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