

Contribution of Zakat for Regional Economic Development

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Abstract: Islamic economic development shows a significant increase in Indonesia. State revenue comes from tax payments and zakat payments, therefore these two items can sustain the development of the economic development of the community. Tax and zakat funds if collected and distributed in accordance with sharia principles can help economic growth and the development of infrastructure facilities needed by the Indonesian people. This study discusses the contribution of zakat to regional development in 2015 to 2017. This research is a qualitative research using descriptive analysis. Primary data in this study are data obtained from BAZNAS of South Kalimantan Province in Banjarmasin, while secondary data is obtained from reports on zakat fund collection in 2015-2017, books on zakat, scientific journals, articles and others. Data collection in this study uses interview, observation, literature study and documentation techniques. The results of this study conclude that zakat funds are distributed in the economic, education and health sectors as follows: 1) in 2015 zakat funds amounted to Rp. 665,332,320, the funds were empowered by the community by 44% for economic activities with a nominal amount of Rp. 294,300,000. This activity is in the form of additional business capital. 2) The distribution of education funds has increased from 2015 by 0.45% and in 2016 the contribution of education funds increased by 32.3%. In 2017 economic activity experienced an increase of 8.43% from the previous year.

1 INTRODUCTION

Zakat is an instrument of state income as exemplified in the time of the prophet Muhammad SAW. Income from zakat can be used as state income, so it is useful for financing and economic development needs both locally and nationally (Ali Sakti, 2017). In zakat there is a system of obligations that are given to people who need it, with the following benefits:

1. Meeting the needs of the poor
2. Reducing economic inequality
3. Suppress the number of social problems, such as crime, prostitution, homelessness, beggars and others.
4. Maintain the balance of people's purchasing power, so that the business sector can run well.
5. Encouraging people to invest long-term (in the form of reward by fulfilling the obligation of zakat), does not accumulate wealth.

In the Indonesia's economic system, state revenue generated by several sectors, among others, taxes, SBN (Certificate of State Value), zakat and

others that have been regulated in the law. Clarity becomes a necessity so that the purpose of making the law can be achieved. The National Zakat Agency (Baznas) is an official body formed by the government based on the Republic of Indonesia's presidential decree No. 8 of 2001 and confirmed by Law No.23 of 2011 concerning the Management of Zakat. Baznaz as an institution authorized to carry out zakat management nationally, which has the duty and function of collecting and distributing Zakat, Infaq and Sedekah (ZIS) at the national level (Kaaf, 2002) .

Zakat is collected from several types, compiled by the provincial/city BAZNAS, Rumah Zakat and LAZIS with the same purpose, namely to prosper 8 groups as written in the Qur'an. It is compulsory for every Muslim to issue 2.5% of zakat if he has sufficient Nisab. So far, state revenues have come from tax payments (Soemitro, 1988) and zakat payments, therefore these two items can support the development of the community's economic development.

The collected zakat will be managed by BAZNAS/LAZIS/Rumah Zakat and then distributed

to the poor who need it with the aim of community welfare. Zakat is required for those who have excess property. The advantages of these assets are marked by the attainment of zakat which is equivalent to 85 grams of gold. If someone has assets worth 85 grams of gold or more, then he must issue zakat (Nawawi, 2010). Distribution of zakat funds is carried out in various sectors, such as economics, health and education.

The study of zakat as a system of state revenue contributes a large portion of the Islamic economic system. So important is that zakat is placed as the third pillar of Islam, after prayer, preceding the obligation of fasting and pilgrimage. The contribution of zakat in Indonesia's economic growth to finance Indonesia's economic development in the form of education, health, facilities and infrastructure, and the economy. State revenues obtained from zakat payments are empowered to finance various state expenditure items. Based on this, the optimization of zakat is a strategic potential to support Indonesia's economic development in realizing real prosperity, namely physically and mentally (Hafidhuddin, 2002).

The role of zakat is very important in the effort to empower the economic potential of the people. So that the implementation can be effective so that in the end if zakat can actually run as expected, namely the achievement of social safety nets and the rotation of the economy, encouraging the use of idle funds, encouraging innovation and the use of science and technology and harmonizing the relationship between the rich and the poor. In the end the ideal life of the people will naturally come true. Based on the explanation above, the writer is interested in conducting research on "Contribution of zakat funds in regional economic development." This research was conducted in Baznaz, South Kalimantan province.

2 THEORETICAL REVIEW

2.1 Definition of Zakat

Zakat according to language comes from the word zakaa, which means holy, clean, good, increasing, developing and blessing. As the Arabic phrase zakaa al-jar'u, it means that the tree grows and develops. Whereas zakat according to is certain taking from certain assets, according to certain characteristics to be given to certain groups (Dahlan, 1999). The relationship between the meaning of zakat in terms of language and terms is very real and very close,

namely that the assets issued by zakat will be a blessing, increasing, developing and increasing, holy and clean (good). In the Qur'an and as-Sunnah there are several words that are often used for zakat, namely Sadaqah (true), infaq (issuing something good besides zakat) and rights (zakat is the right of the mustahik or recipients) (Hafidhuddin, 2002).

In the zakat management guide book (Zakat, 2017), fiqh experts agree that zakat is obliged to people who are independent, Muslim, baligh and intelligent, knowing that zakat is obligatory, male or female. In line with the provisions of Islamic teachings which always set common standards on every obligation imposed on the people, then in determining the property to be the source or object of compulsory zakat must also fulfill some of the following conditions:

1. Full property (al-milku at-tam)
2. Develop (name).
3. Simply ratio.
4. More than basic needs.
5. Free of debt.
6. It's been owned one year.
7. Kinds of Zakat

2.2 Purpose of using Zakat Funds According to Sharia

The purpose of the zakat funds is to finance various state expenditure items, which are indeed required of them (the Muslims), when the conditions of Baitul Mall are empty or insufficient. So there is a binding goal of being allowed to collect zakat, which is the expenditure that is already the duty of the Muslims, and there is a state of vacancies in the state treasury. Zakat funds must be used for the purpose of benefit (Malik, 2001). Expenditures in question are expenditures needed for the development of a modern economy in the view of Islamic financial economics. The primary needs of the people as a whole are security, health, education, and infrastructure facilities to support Indonesia's economic growth. While the needs of Muslims for the education, health, and facilities of the infrastructure are (Zallum, 2002):

1. Financing jihad related to the formation and training of troops, procurement of weapons, and so on.
2. Financing for the procurement and development of military industries and supporting industries.
3. Development to meet the basic needs of the needy, the poor, and Ibnu Sabil.
4. Financing for salaries of soldiers, judges, teachers, and all state employees to carry out the

arrangement and maintenance of various benefits of the people.

5. Financing for the provision of welfare or public facilities such as the construction of facilities and infrastructure for the development of the modern economy.
6. Financing disaster management and events that afflict the ummah/people, while property at Baitul Mall is missing or lacking.
7. Health financing for people who cannot afford such as: fakir, miskin, yatim, piatu, Ibnu Sabil, convert.

Zakat is the amanah of the people, which must be spent honestly and efficiently to realize the goal of zakat in the development of economic growth.

2.3 Contribution of Zakat in Regional Economic Development

At the time of the Prophet Muhammad SAW, the APBN revenue side consisted of kharaj (a type of land tax), zakat, Khums (tax 1/5), jizyah (a kind of tax on non-Muslim bodies), and other receipts. Zakat is very necessary to support regional economic development. Zakat is an obligation that must be completed by a Muslim. The purpose of zakat is to eliminate the economic gap between rich people and economically disadvantaged people. The target of the distribution of zakat is clear as stated in the Al-Qur'an of the At-Taubah verse 60 below:

مَسَاكِينَ وَالْعَامِلِينَ عَلَيْهَا وَالْمَوْلَةَ فَلَوْبُهُمْ إِنَّمَا الصَّدَقَاتُ لِلْفُقَرَاءِ وَالْأَوْفِي الرِّقَابِ وَالْغَارِمِينَ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ قَرِيبَةً مِنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

In this verse, one of the recipients of zakat is the fakir and the miskin. Zakat is not just an aid at any time to poor people to ease the economic burden, but also aims to overcome poverty, so that poor people are helped in improving their standard of living towards a prosperous life forever (Al-Qardawi, 2012).

The process of distributing zakat makes it easy for the recipient of zakat to fulfill their daily needs. If zakat is distributed in the form of productive goods, the economic needs of the recipient community of zakat will be fulfilled independently with the help of the productive goods received (Al-Qardawi, 2012).

Productive zakat is distributed to people who are believed to have the expertise to operate these productive goods, so that the aim of giving zakat as a means to improve people's living standards is achieved. Meanwhile for people who do not have expertise, zakat is given in the form of goods that can be directly consumed. Zakat that has been

distributed both in the form of productive goods and consumer goods has directly increased the income of the per capita community. In the short term, zakat in the form of consumer goods can meet basic needs. Whereas in the long run, zakat can create new economic resources, along with the increase of people who have the ability to entrepreneurship. Zakat that has been distributed provides a micro effect in the form of increasing income per capita and increasing the purchasing power of the people. Furthermore, the existence of this micro effect will have a significant impact on the macro economy (Sartika, 2008).

Taxes can provide macro benefits as a success of the government in the implementation of economic development, especially in terms of providing public facilities. With the increase in the quality and quantity of public facilities, the macro society is prosperous. Unlike zakat, in this case zakat tends to provide benefits in a micro way. The recipient group of zakat has been determined in the Qur'an (8 ashnaf), so the distribution of zakat is aimed directly at individuals who are entitled to receive it. Therefore, the synergy of the welfare of the micro and macro will facilitate the government in building a strong economy and able to compete in the global economic arena (Michael, 2000).

In economic development, the flow of wealth distribution will certainly continue to flow. Economic development will continue to create zakat that must be collected from the community along with improving the quality and quantity of public facilities. In addition, the existence of economic development in the quantity of underprivileged people will decrease, so that the flow of zakat from the providers of zakat will be even greater with the increase in the assets that must be paid zakat after entering the nishab and haul.

Zakat in Indonesia's economic development is very important, because zakat has complementary benefits. With the synergy of zakat in the economic system, the economic development that is formed is a strong economy and can compete in the midst of an economic crisis. This is the impact of strengthening the micro sector supported by zakat. Productive zakat has given long-term effects to create a strong micro sector. By empowering productive zakat for the micro sector, it will have the potential to create zakat which will increase state revenue from the zakat sector. With the increase in government revenue from the zakat sector, the government will obtain sufficient fiscal space to develop the economy that can improve the welfare of society both macro and micro.

3 RESEARCH METHODS

3.1 Types of Research

This research is a qualitative research using descriptive analysis. This study describes the contribution / role of zakat in the development of a modern economy in the perspective of Islamic finance. There is a contribution of zakat to find out the income of zakat payments, so that it knows the financing of the country's economy in terms of education, health, and economic activities.

3.2 Research Sites

This research will be conducted at BAZNAS (National Zakat Agency) of South Kalimantan Province.

3.3 Types and Data Sources

The type of data used in this study consists of primary data and secondary data. Primary data in this study are data obtained from BAZNAS of South Kalimantan Province in Banjarmasin and the Regional Revenue Service of South Kalimantan Province regarding tax contributions. Primary data taken directly from the field through interviews on zakat income in 2015-2017 for regional economic growth in South Kalimantan Province regarding policies in the use of funds for the growth of regional economic growth and direct observation, as well as tracking the contribution of zakat funds in regional economic growth in terms of Islamic finance. Secondary data is obtained from reports on zakat fund collection in 2015-2017 books, scientific journals, articles and others.

3.4 Data Collection Technique

The data in this study are primary data and secondary data, the data is obtained by:

- a) Interview, the first interview was carried out on the leadership/staff of the Regional Revenue Service of South Kalimantan Province regarding the contribution of taxes and the second was an interview with the leadership / staff of the Baznas of South Kalimantan Province regarding the regional economic growth.
- b) Observation, which is done by observing the object of research in collecting funds for the contribution of zakat in the economic growth of the South Kalimantan Region.

- c) Literature and documentation studies, namely by studying some reading material and material of scientific works, journals, documents in the form of statistical data on data collection reports on Zakat fund report data for 2015-2017 regarding contributions to economic development in the province of South Kalimantan in education, health and economic, as well as reports on tax and zakat contributions.

3.5 Data Analysis

The data obtained from the field are summarized so as to form a clear concept map. Further interpretation and qualitative descriptive analysis were carried out with interactive analysis techniques.

4 RESULTS AND DISCUSSION

4.1 Contribution of Zakat, Infaq and Sedekah Funds

Zakat, Infaq, and Sedekah (ZIS) is one of the state revenue instruments obtained from the community and then channeled to 8 asnaf. Collection of ZIS funds through Zakat Institutions/Baznas, Zakat Houses, or amil zakat, infaq and sedekah (LAZIS) institutions. Every month Baznas conducts socialization on zakat, infaq and sedekah to the community, government institutions or private institutions, companies, and CVs with the aim to remind the public of the obligation to pay zakat 2.5% of the assets that have reached their Nisab.

The role of ZIS (Zakat, Infaq, and Sedekah) fundraising is aimed at building the economic and social welfare of the South Kalimantan Province. According to Mr. Adi as the staff of the Baznas of South Kalimantan Province, it was stated that the Zakat, Infaq and Sedekah Funds collected by BAZNAS came from public funds that had arrived at Nisab, so the funds were managed and distributed to 8 Asnaf (Adi, 2018). In collecting zakat funds in 2015 to 2016 experienced an increase as described in the table below:

Table 1. Withdrawal of zakat, infaq and sedekah funds

No	Type of Funds	2015	2016	2017
1	Zakat	Rp 665.332.320,-	Rp 901.599.200,-	Rp 1.640.885.874,-
2	Infak/Sedekah	Rp 117.995.619,-	Rp 217.433.724,-	Rp 836.537.989,-
3	Amil funds	Rp 383.166.540,-	Rp 366.790.697,-	Rp 793.368.332,-
4	Grant funds	Rp 300.000.000,-	Rp 0,-	Rp 400.000.000,-
Total		Rp 1.466.494.479,-	Rp 1.485.823.621	Rp 3.670.792.195

Data Sources: 2015-2017 Baznas Collection Report

The types of funds collected by the Baznas of South Kalimantan Province are as follows: 1) Zakat Funds, 2) Infak and Sedekah Funds, 3) Amil Funds, 4) Grants. The funds collected by BAZNAS of South Kalimantan Province from 2015 to 2016 increased by 22% from ZIS fundraising in 2015, while the collection of ZIS (Zakat, Infak and Sedekah) funds in 2016 to 2017 experienced an increase in fundraising zakat, infaq / sedekah, and amil, and grants amounting to 40% of fundraising in 2016.

Zakat, infaq and sedekah (ZIS) funds that are widely accepted from the community have increased from year to year, both from private institutions and city or provincial governments, from private or state higher education institutions at the level of South Kalimantan Province continue to increase due to the role of the Provincial BAZNAS in conducting the socialization of the liabilities obtained if it is sufficient Nisab of 85 grams of gold within a period of 1 year, a portion of its assets must be issued and channeled through the amil zakat institution at the city and provincial level (Adi, 2018).

Baznas is one of the institutions of the national charity charity that collects and manages funds received from the community to be channeled to the community in education, economic and health activities. The existence of amil zakat institution aims to prosper and alleviate poverty in the 8th group of Asnaf, so the existence of the Amil Zakat body plays a role to remind the obligation of property ownership of a person who has reached his Nisab which is equivalent to 85 grams of gold so that his zakat is 2.5% of the property equivalent to 85 grams of gold and has been held for 1 year. Mrs. Dina as the staff of the distribution of zakat funds said that the more days the more zakat, infaq, and sedekah funds were obtained from the community over the ownership of the assets they owned. If you have arrived at Nisab, a person's assets must be issued as much as 2.5% of the amount owned, because the thing that needs to be remembered is some of the assets owned by someone if they have reached the Nisab, then there is a right for others (Dina, 2018).

4.2 Distribution of Zakat Funds in Regional Economic Development

Funds that have been collected by the National Zakat Agency (BAZNAS) are distributed to people who need to meet economic needs. In the distribution of Zakat funds made by BAZNAS Kalimantan Province for economic activities, Education and Health. Zakat funds, infaq and sedekah collected from the community will be distributed to 8 organizations in the form of economic activities, education and health (Dina, 2018).

Zakat, Infaq and Sedekah (ZIS) funds in the 2015 BAZNAS amounted to Rp. 665,332,320 and the funds were absorbed by the public by 44% for economic activities, which amounted to Rp. 294,300,000,- to be channeled in financing economic activities such as additional business capital in the form of services, culinary, and others. In the distribution of zakat funds for economic activities in the form of providing venture capital, assistance for welfare welfare for the poor, poor, gharim, converts, physical, and for Ibn Sabil carried out every year (Dian, 2018).

Economic activities carried out by the provincial Baznas are in the form of additional working capital for people who are less able to entrepreneurship. According to Mr. Eko as staff of ZIS (Zakat, Infaq and Sedekah) fund distribution "in distributing zakat funds in the form of economic activities, prospective participants who will be given additional business capital, propose business capital financing to the provincial baznas then the Provincial Baznas conducts a study survey the feasibility of the prospective customer is eligible for business capital from Baznas with the criteria determined by Baznas, he is a capable or not, and must be honest "The collection of Zakat funds for economic activities, Education and Health are as follows:

Table 2. Distribution of zakat funds in economic development

No	Year	Education	Economy	Health	Total Amount
1.	2015	Rp 3.000.000	Rp 587.025.000	Rp 2.800.502	Rp 592.825.502
2.	2016	Rp 291.329.000	Rp 307.455.000	Rp 1.000.000	Rp 599.784.000
3.	2017	Rp 270.779.534	Rp 1.510.360.000	Rp 8.735.000	Rp 1.789.874.534

Source of Financial Report Data Distribution of 2015-2017 Zakat funds

The results of the distribution of Zakat funds from the 2015 to 2017 period have increased in education, economic and health activities. Judging from the data table of the distribution of zakat funds above that in 2015 the activities of the contribution of zakat funds for education in the form of scholarships from the level of junior high school to university level, showed that the distribution of education funds increased from 2015 by 0.45% and in 2016 contributions education funds increased by 32.3%. In 2017 economic activities experienced an increase of 8.43% from the previous year because more and more people who were less able or lack of capital wanted entrepreneurship, in the process of entrepreneurship submission here the interested people submitted proposals for additional capital to the BAZNAS, then the provincial Baznas did survey the place, type of business, and reasons for proposing the business.

ZIS (Zakat, Infaq and Sedekah Sedekah) funds that have been channeled in economic activities will be supervised and monitored by the business actors and every entrepreneur is advised to be trained every month to set aside a portion of the business results to be saved for the purpose that the savings can be used as capital additional (Dian, 2018). In ZIS funds distributed to the public in the form of business will be accompanied and supervised by the Provincial Baznas every month with the aim of knowing the development of the business and each of the business people.

The contribution of zakat funds in the form of education can help communities improve education welfare. Every year the results of the collection of Zakat, Infaq and Sedekah funds are always increasing due to the role of socialization from the Provincial National Zakat Agency to state and private institutions/institutions, public/private schools, and private universities or state universities with the aim to remind the public that some the wealth we get is partly from the rights of others who need it if the wealth we get for one year has reached 85 gold nisab, then it must be issued 2.5% of the income of every human being (Adi, 2018).

In 2016 BAZNAS distributed 49% of Zakat funds to the public in educational activities, 51% in economic activities, and 0.2% in health activities. For

educational activities at the provincial BAZNAS, they channel zakat funds in the form of junior high school education scholarships to university level for poor or drop out students. Furthermore, the Provincial Baznas assist and supervise the academic achievements of students, or students so that the recipients of Baznas scholarships are able to compete in the academic field. In distributing education funds to underprivileged people, here is supervised and accompanied by the Provincial Baznas with the aim that young generation children can get the knowledge and ideals they want later (Dian, 2018). The purpose of an education program is to improve the intelligence and skills of the nation's children to reach the desired goals.

In 2016 the distribution of zakat funds to health activities amounted to 0.17% that the data shows that public awareness and awareness of the importance of health is still lacking. The purpose of the distribution of zakat funds for health activities is to provide services to the underprivileged in the form of provision of clean water, posyandu activities for toddlers, treatment of cataract eyes, provision of bathrooms and small and large water disposal sites, medical treatment in villages.

In 2017 funds for health activities that have been absorbed by 0.49% of health funds in 2016, resulting in an increase in health funds used for free treatment for underprivileged people..

5 CONCLUSIONS

Based on the discussion that has been written above, the writer can conclude several things:

1. Zakat, Infaq and Sedekah Funds are funds collected by Baznas which have a very important contribution in regional economic development through several types of Economic, Education and Health activities. The purpose of these activities is to build a regional economic system and alleviate poverty. The goal is realized through the distribution of zakat which leads to the people in need for regional economic development.

2. The distribution of zakat funds for economic, education and health activities is as follows: 1) in 2015 zakat funds amounted to Rp 665,332,320 then the funds were absorbed by the public by 44% for economic activities with a nominal amount of Rp. 294,300,000. The funds are used for activities in the form of additional business capital so that the program is able to boost economic growth in the community. 2) the distribution of education funds has increased from 2015 by 0.45% and in 2016 the contribution of education funds increased by 32.3%. In 2017 economic activity experienced an increase of 8.43% from the previous year. 3) In 2016 the distribution of zakat funds to health activities amounted to 0.17% that the data above shows that public awareness of the importance of health is still lacking awareness. The purpose of the distribution of zakat funds in health activities to provide health to the underprivileged in the form of clean water supply, posyandu activities for toddlers, treatment of cataract eyes, provision of bathrooms and small and large water disposal sites, medical treatment in villages. In 2017 funds for health activities that have been absorbed by 0.49% of health funds in 2016, resulting in an increase in health funds used for free treatment for underprivileged people.

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