

The Evaluation of Zakat Development in Indonesia

A Case Study in Banten

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Abstract: It is very rare to find a comprehensive evaluation of zakat development. Therefore, this research aims to comprehensively evaluate the performance of zakat in Indonesia by using standard measurement instruments of zakat, National Zakat Index (NZI). NZI comprehensively evaluates the performance of zakat in both Macro which describes the support from government and society to contribute in building zakat and Micro which observes the zakat institution in the process of collecting, managing, distributing, reporting, as well as the impact of zakat towards the recipient (mustahik). This research which focuses on the evaluation of zakat was conducted in Banten Province, with primary data obtained from questionnaires of 96 respondents who are the zakat recipients (mustahik), 8 of the respondents are staffs, department heads, and the stakeholders of BAZNAS in Banten Province. Then, the secondary data was obtained from BAZNAS in Banten from 2015 to 2016. The calculation method in this research utilizes Multhi Stage Weighted Index with the result from 0.00 to 1,00. The results of National Zakat Index (NZI) value is 0.69 which means the performance of BAZNAS Banten Province good.

1 INTRODUCTION

Banten Province in Indonesia is currently considered as one of the very potential regions to contribute to Zakat Development in Indonesia. Banten is one of the provinces which has an area of 9,160 km², with 4 districts and 4 cities. In addition, Muslim becomes the majority of the population in Banten province, which is 9,730,513 people or about 92.55% of the total population of 11,955,243 in 2015 (BPS, 2015). In 2015, BAZNAS Banten Province has been awarded as the best regions in managing Zakat in Indonesia (Pusat BAZNAS, 2015).

Table 2: The Collection of Zakat Funds in Banten Province.

No	Years	Zakat (IDR)
1	2012	1.596.529.282
2	2013	1.683.519.828
3	2014	2.293.478.782

4	2015	2.513.666.232
5	2016	3.216.533.369

Source: BAZNAS Banten, 2016

The collection of zakat funds in Banten Province has increased fairly well each year. It can be seen in Table 2, that in 2014 zakat collection increased by 26,59% from in 2013. Then, a relatively high increase in zakat collection occurred in 2016 amounted to IDR 3.216.533.369. However, according to BAZNAS Banten Province, the zakat obtained in 2016 is considered not comparable with the number of Muslim in Banten Province, which means that the acquired zakat funds can still increase.

Zakat is one form of effort which is used to empower the society who are less or not able in terms of material aspect, so as to improve the welfare and release the underprivileged from poverty in various provinces.

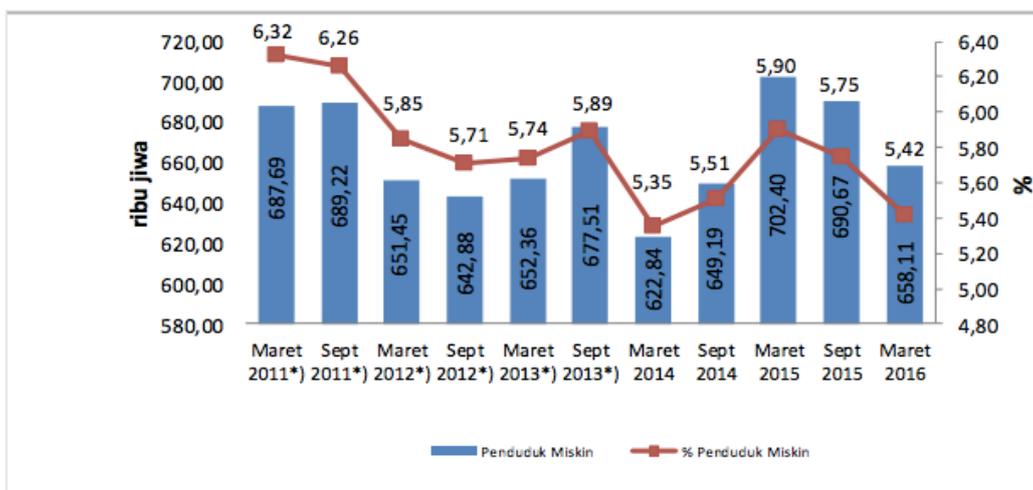


Figure 1: Number and Percentage of Poor People in Banten Province 2011-2016.

Source: BPS, 2017

From figure 1, it is can seen that the number of poor people in Banten has decreased from 690.670 people or by 5,75% in 2015 to 658.11 thousand people or 5,42% im March 2016. The decline occurred due to several factors, one possible cause is because of the empowerment of zakat.

The problems based on zakat concern in Banten Province becomes the background of this research. Therefore, these area needs to be evaluated by using a measuring instrument in order to provide a comprehensive and accurate depiction of zakat development. One of the measuring instruments which can accurately measure zakat development is the National Zakat Index (NZI).

NZI is a measuring instrument which refines some of the previous zakat index measurement instruments. This measurement instrument is not only used to observe the development of zakat in form the impact but also to measure how further the success of zakat in improving the material and spiritual welfares of the recipient of zakat, to measure the development of zakat institution, and to measure the contribution from the government and the society.

According to the background, it can be identified the problem as follows: How is the performance of zakat which is measured using the National Zakat Index in 2016 in Banten Province?

2 RESEARCH METHODOLOGY

2.1 Research Model

The model in this research is adopted from the model which has been made by the Team of Strategy Study Center (Puskas) of Badan Amil Zakat Nasional (BAZNAS) 2016 on National Zakat Index (NZI). The depiction model in this research is seen as follows:

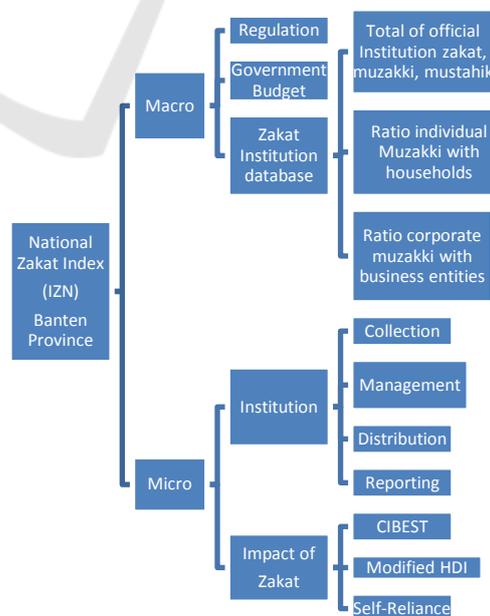


Figure 2: Research Model.

2.2 Types and Sources of Data

This is a quantitative research with data obtained from primary data and secondary data. The primary data is obtained from respondents who are the recipient of zakat (*mustahik*) productive program by collecting data in the form of questionnaires. The secondary data is the data collected through literature study and from Badan Amil Zakat Nasional, BAZNAS, Banten Province, and the Central Bureau of Statistics (BPS)

2.3 Data Calculation Method

The calculation model in this research uses the Multhi Stage Weighted index. This method involves several stages of weighting process which has several systematic and gradual stages. The estimation of the calculation index by BAZNAS PUSKAS (2016) is as follows:

1. Calculate the index of each variable. The initial stage to calculate NZI is to find the index value of each variables using the formula calculation formula as follows

$$I_i = \frac{(S_i - S_{min})}{(S_{max} - S_{min})}$$

Note:

- I_i = Index of i variable
- S_i = Actual score of the measurement of variable
- S_{max} = Maximum score
- S_{min} = Minimum score

2. The next step is to multiply all the variables which is incorporated into one indicator with purpose is to generate an index on the indicator, which are:

a. Agency data base

$$X_{13} = 0.33X_{131} + 0.33X_{132} + 0.33X_{133} \quad (3,1)$$

Notes:

- X_{13} = Indicator Index of Zakat Institution Database
- X_{131} = Variable Index of the Number of Zakat Institution
- X_{132} = Variable Index of Individual Muzakki toward the Number of Households
- X_{133} = Variable Index of the Agency Muzakki toward the Number of Business Entity

b. Institutional

$$X_{21} = 0.30X_{211} + 0.20X_{2112} + 0.30X_{213} + 0.20X_{214} \quad (3,2)$$

Notes :

- X_{21} = Institutional Indicator Index
- X_{211} = Variable of Collection Index

c. The Impact of Zakat

$$X_{22} = 0.40X_{221} + 0.40X_{222} + 0.20X_{223} \quad (3,3)$$

Notes:

- X_{22} = Zakat Impact Indicator Index
- X_{221} = CIBEST Variable Welfare Index (material and spiritual)
- X_{222} = Education and Welfare Variables Index (Modified IPM)
- X_{223} = Self-Reliant Variable Index

3. In this third stage, to obtain the index from macro and micro dimension is as follows:

Macro Dimension

$$X_1 = 0.30X_{11} + 0.40X_{12} + 0.30X_{13} \quad (3,4)$$

Notes:

- X_1 = Macro Dimension Index
- X_{11} = Regulation Indicator Index
- X_{12} = APBN Support Indicator Index
- X_{13} = Database Indicator of Zakat Institution Index

Micro Dimension

$$X_2 = 0.40X_{21} + 0.60X_{22} \quad (3,5)$$

Notes:

- X_2 = Macro Dimension Index
- X_{21} = Institutional Indicator Index
- X_{22} = Zakat Impact Indicator Index

4. The last stage is to multiply the obtained index from each dimension with each value to maintain NZI, which is:

$$NZI = 0.40X_1 + 0.60X_2 \quad (3,6)$$

Note:

- NZI = National Zakat Index
- X_1 = Macro dimension
- X_2 = Micro dimension

The index value which is resulted in score range 0,00-1,00. If the index value is low, it means that the condition of zakat performance in a particular region is going worse. If the values is close to 1,00, it means that the zakat performance is going better.

Table 3: Classification of Zakat Performance.

Score Range	Performance Condition
0.00-0.20	Not Good
0.21-0.40	Less Good
0.41-0.60	Fairly Good
0.61-0.80	Good
0.81-100	Very Good

Source: PUSKAS BAZNAS 2016.

3 RESULT AND DISCUSSION

3.1 Macro Dimension

There are three components indicators of the macro dimension in calculating the National Zakat Index (NZI) which are regulatory indicator, APBD support, and zakat institution database. All the results are provided in Table.4 , while the explanation of Macro dimension is as follows.

Table 4: Macro Dimension Scoring.

Dimension	Indicator	Variable	Actual Condition	Score	Index	Performance
Macro	Regulation (X ₁₁)	Regulation	The availability of state regulation about zakat at province level at least 75% at district level in those province.	4	0.75	Fairly Good
	Government Budget (X ₁₂)	Government Budget	There is APBD support	5	1	Very Good
	Zakat Institution database (X ₁₃)	Number of official zakat institution (X ₁₃₁)	The average of BAZNAS institution in Banten Province has database regarding the number of official zakat institution	4	0.75	Fairly Good
		Individual muzakki ratio (X ₁₃₂)	The ratio of individual <i>muzakki</i> toward the number of regional household is only 1,37 percent.	2	0.25	Less Good
		Enterprise muzaki ratio (X ₁₃₃)	The ratio of agency <i>muzakki</i> toward regional business is only 1,78 percent	2	0.25	Less Good

Source: Primary and Secondary Data 2017.

The implementation of zakat in Banten province can be observed through the Regional Regulation (Perda) which regulates zakat. The table above shows that the index value obtained from the regulation indicator is 4 or 0.75 or fairly good. There are two BAZNAS institutions which do not have the regulation, which are BAZNAS located in Tangerang City and South Tangerang City this is due to Amil regional Zakat Agency (BAZDA), the previously existing institutional zakat institution, was changed into BAZNAS alongside with the governance structure.

The next variabel is government budget which observes how much funding from APBD (state budget) which is allocated to zakat. In 2016, APBD allocation for BAZNAS operations in each district/city of Banten Province has been implemented. Thus, it is given score 5 which means that APBD support is available.

Meanwhile, the variable in the indicators of zakat institutions illustrate the number of agency *muzakki* and individual *muzakki* which has been paying zakat to BAZNAS institutions compared to the number of business entities and the number of households in Banten Province.

On the variable number of official zakat institutions, *mustahik* and *muzakki* get score 4 or fairly good. This is because the average of BAZNAS institution located in Banten Province have database

regarding number of official zakat institution as well as number of both individual or institutional *muzakki* and *mustahik*.

The variable ratio of individual *muzakki* obtains score 2 or less good; it is because public awareness in paying zakat is still lacking. Therefore, if the number of Muslim population in Banten Province is compared with the amount of zakat funds obtained today, it is still not balanced.

Furthermore, the variable ratio of the agency *muzakki* towards the total number of business entities in Banten Province is 1,78 percent and obtains score 2 or less good, which means that not many companies pay zakat to BAZNAS institution in their respective region. The index value of institution database indicator is then like the following:

The calculation result of Macro index indicator value is then obtained based on the formula:

$$\begin{aligned}
 X_1 &= 0.30X_{11}+0.40X_{12}+0.30X_{13} \\
 &= 0.30(0.75)+0.40(1)+0.30(0.41) \\
 &= 0.748
 \end{aligned}$$

The value of the macro index is 0.748, which means that the performance of BAZNAS in Banten Province according to macro dimension is included into the good category, and the local government also provides support for the sustainability of the management of zakat development in each region.

3.2 Micro Dimension

There are two components indicators of micro dimension in calculating the National Zakat Index (NZI), which are the institutional and the impact of zakat indicators. In the institutional Indicator, it is explained the collection, management, distribution,

and reporting variables of BAZNAS. Meanwhile, the zakat impact indicator measures the impact of zakat by using three variable models, which are the impact of zakat measured based on material and spiritual welfare or CIBEST Model (Beik and Arsiyanti, 2016), education and health or Modified HDI (Nurzaman,2010) and Self-Reliance.

Table 6. Micro Dimension Scoring.

Dimension	Indicator	Variable	Actual Condition	Score	Index	Performance
Micro	Institution (X ₂₁)	Collection (X ₂₁₁)	The collection of zakat fund of BAZNAS in Banten Province from 2015-2016 is up to 65,75 percent.	5	1.00	Very Good
		Management (X ₂₁₂)	Average of BAZNAS in Banten province has a Standard Operating Procedure (SOP), a strategic plan, and an annual work program.	4	0.75	Good
		Distribution (X ₂₁₃)	BAZNAS in Banten Province is able to distribute zakat funds to <i>mustahiki</i> with Allocation to Collection Ratio (ACR) 88,30 percent. The distribution of social programs 3-5 month, economic program 6-8 month, <i>da'wah</i> program I allocated by 9,59 percent.	4	0.75	Good
		Reporting (X ₂₁₄)	The average BAZNAS in Banten Province has an audited financial report, but it is not a WTP, and it has periodic report publication.	3	0.5	Fairly Good
	Zakat Impact (X ₂₂)	Prosperity Index (CIBEST) (X ₂₂₁)	The increasing of spiritual values is result after the provision of productive zakat in a particular government religion create a conducive environment for worship, that is by building a place of worship.	4	0.75	Good
		Education and Health (Modified) (X ₂₂₂)	The human development after receiving zakat in forms of health and education in Banten Province is quite good.	3	0.50	Fairly Good
		Self-Reliance (X ₂₂₃)	The increasing Self-Reliance is because of before receiving productive zakat, the recipient <i>mustahik</i> have already had job as trader, laborers, and craftsmen.	3	0.50	Fairly Good

Source: Primary and Secondary Data 2017.

The variable of zakat fund collection in Banten Province from 2015-2016 experienced growth by 65,75 percent and obtained score 5 or very good. The increase in the collection of Zakat fund this year can be seen in Table 1.3. The management variables obtained score 4 with index value 0.75, which means that the zakat management is considered as good. This is because the average of BAZNAS in Banten District/ City only has zakat management SOP, strategic planning, and annual work program.

Then, the distribution variable also obtained index values 0.75 or score 4, which means that in terms of distribution BAZNAS is considered as good. This is because BAZNAS is able to channel zakat fund to *mustahik* with Allocation to Collection Ratio (ACR)

88.30 percent. In reporting variable, it is scored 3 or good enough. This is because the average of BAZNAS institution has the audited financial statements, but it is not a WTP (unqualified opinion) and has a periodic publication report.

The value results of the index based on the calculation formula is seen as the following:

$$\begin{aligned} X_{21} &= 0.30 X_{211} + 0.20 X_{212} + 0.30 X_{213} + 0.20 X_{214} \\ &= 0.30 (1) + 0.20 (0.75) + 0.30 (0.75) + 0.20 (0.5) \\ &= 0.775 \end{aligned}$$

Meanwhile regarding the indicators of zakat impact, there are 3 components. First is CIBEST Welfare Index. The CIBEST Index value is 0.75 with score 4, which means that the material and spiritual welfare of the *mustahik* after receiving productive

zakat is considered into the good category. Second is modified Human Development Index (HDI). There are two sub- indexes: education index and health index. The calculation result of modified HDI is 0.43, it has score 3, or it can be said that the it has Index 0.50. This means that the education and health index is fairly good.

The third indicator is the index of self-reliance which is to describe the condition of self-reliance of the recipient households of productive zakat. It can be seen from the ownership of jobs and also the ownership of savings. The value of the self-reliance index is 0.50, which means that self-reliance from the household *mustahik* is considered into fairly independent classification which is seen from the increase in ownership of savings

The result of the value of the zakat impact index according to the calculation formula as the following:

$$\begin{aligned} X_{22} &= 0.40 X_{221} + 0.40 X_{222} + 0.20 X_{223} \\ &= 0.40 (0.75) + 0.40(0.50) + 0.20(0.50) \\ &= 0.6 \end{aligned}$$

Thus, it can be said that the productive zakat given by BAZNAS in Banten Province has good enough impact for the zakat recipient household (*mustahik*), in terms of material or spiritual, education and health, and self-reliance.

Here is the calculation result of micro index dimension which is seen from the index of each variable and indicator:

$$\begin{aligned} X_2 &= 0.40 X_{21} + 0.60 X_{22} \\ &= 0.40 (0.77) + 0.60(0.6) \\ &= 0.66 \end{aligned}$$

The value of micro dimension index gets score 0.66, which means the performance of BAZNAS located in District/ City of Banten Province is good. This result is expected to be further maintained or improved, so that zakat can slowly be able to reduce poverty.

3.8 National Zakat Index (NZI)

National Zakat Index is a calculation resulted by combining macro and micro index indicator results. Below is the result of the National Zakat Index (NZI):

$$\begin{aligned} NZI &= 0.40 X_1 + 0.60 X_2 \\ &= 0.40(0.748) + 0.60(0.66) \\ &= 0.69 \end{aligned}$$

The calculation result of National Zakat Index (NZI) is 0.69, which means that the performance of BAZNAS in Banten Province is considered into good classification. However, in the case of the zakat fund collection, it is expected to be further improved in order to achieve the target of zakat fund collection to be balanced with the number of Muslims in Banten Province.

4 CONCLUSION

The result of National Zakat Index (NZI) value in evaluating zakat performance in Banten Province is 0.69 which means that the overall zakat performance is good. However, the performance of BAZNAS in Banten Province can be maintained or even improved to be better. Besides that, the measuring instrument called NZI can be used every year to calculate zakat performance. Therefore, the development of zakat in regions from year to year can be examined. Thus in the end, the calculation result of NZI can be used as an evaluation for BAZNAS institution to prepare a strategy to make zakat management run more effective.

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