

The Effectiveness of Zakat Services in Increasing Economic Independence

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ABSTRACT

Keywords: Effectiveness of zakat services, Economic Independence, Structural Equation Model (SEM). The effectiveness of zakat services is an achievement of every series of service activities provided by the National Amil Zakat Agency in providing integrated zakat management actions in several service programs, one of which is in increasing economic independence in the community, especially in people who receive/use this zakat service, which in general is still far from being economically independent, so that the achievement of the program, of course, will increase economic independence and have an impact on the welfare of the community itself. In this study, an explanatory research method was used with a quantitative approach and 103 respondents were taken. The data processing and distribution in this study were analyzed using path analysis with the AMOS/Structural Equation Model (SEM) V.22 program. The results showed that the effectiveness of zakat services could increase the level of economic independence positively and significantly in children ($cr=4.561;p = 0.048$).



Introduction

Reform and regional autonomy are new hopes for the government and village communities to build their villages according to the needs and desires of the community (Hakim, 2023). The existence of the government's regional autonomy policy is a new opportunity that can open up space for the creativity of village officials to manage villages according to available resources, both in the form of natural resources and human resources (Amymie, 2017). In the implementation of village government autonomy, community participation must be carried out because it is directly involved in management and development activities (Aziz, 2020). This is intentional because the village management is directly dealing with the community. Villages are the front line or government agencies that are directly related to the community (Anwar, 2018).

To realize village autonomy and advance the economy in the countryside, one of the programs that can help is to contribute to strengthening the village economy and realizing village economic independence, namely zakat (Fitri, 2017). Zakat is essentially a source of state revenue, which plays a very important role in the development of Islam,

the development of education and science, the development of infrastructure, and as a provider of services that support the benefits and benefits. Security, among others. Who are less fortunate, such as the poor, as well as other assistance (Aziz, 2014).

Zakat is a type of worship (Muslims) that has a dual dimension, namely transcendental (related to the relationship between humans and their God) and horizontal (related to social relations in society) (Amsari, 2019). Therefore, zakat is seen as one of the worships that has a very important, strategic, and very decisive position both in terms of sharia (religion) and from a social aspect, especially in efforts for socio-economic independence in society (Iswanaji, Nafi'Hasbi, Salekhah, & Amin, 2021).

Zakat also generally has an important role in alleviating poverty and its existence cannot be denied. Most people also know that the purpose of zakat is to alleviate poverty. The role of zakat is not only limited to poverty alleviation but also aims to overcome other community problems, such as increasing community economic productivity, overcoming natural disasters, improving the quality of community education, and so on (Jepri, 2019).

Based on Law no. Article 23 of 2011 concerning Zakat Management states that Zakat must be managed institutionally according to Islamic law to increase its effectiveness and efficiency. In addition, Article 1 states that the National Amil Zakat Agency, hereinafter referred to as BAZNAS, is an institution that manages zakat nationally (Maulana, 2019). The Amil Zakat Agency, hereinafter abbreviated as LAZ, is a unit formed by the community to assist in the collection, distribution, and use of zakat.

As carried out by the National Amil Zakat Agency, Jayawijaya Regency has several programs including the Economic Independence Program. This program is very beneficial for the people of Jayawijaya, especially in areas that are the service areas of the National Amil Zakat Agency to grow the economy. Independence affects the welfare of the people. The National Amil Zakat Agency as the state zakat organizing body carries out various services and efforts through various programs for the community to realize welfare and solutions to all socio-economic problems.

Regarding the orientation of services to increase financial independence in Jayawijaya Regency, in general, most of them have not received comprehensive support from the Jayawijaya Regency National Amil Zakat Agency program and some are still far from independence both socially and economically. Together, the lack of an independent attitude or the absence of an attitude that manifests itself in acting according to its desires, as well as a lack of confidence and the ability to take care of oneself. This can be seen from some people who continue to ask for financial assistance from people who can afford it so the financial independence of some people in Jayawijaya Regency is still relatively low. According to Kasrun, autonomy, responsibility, initiative, and self-control include attitudes that show independence.

With the phenomenon that occurs in the community in Jayawijaya Regency, especially the underprivileged local community in the economic aspect, the National Amil Zakat Agency of Jayawijaya Regency takes part in handling the economic sector through its independent economic programs such as the provision of business fund assistance and other programs.

The principle of zakat in the socio-economic order is to allow some poor people to collect it themselves for the next year and hopefully for a lifetime. In this context, zakat is distributed in order to develop the economy both through productive skills and business.⁵

Judging from the small industrial activities in the areas of Jayawijaya Regency that have the potential to absorb a lot of labor including the management of production goods, waste management, utilization of natural resources, and their distribution. This can be used as a policy aimed at achieving development goals, namely increasing the productivity of small communities, increasing employment, and creating the spirit of forming a creative human resource climate. By providing productive businesses for the community so that they can develop their family economy. Therefore, a good fund management strategy will create public trust so that the community will be encouraged to channel their funds to BAZNAS rather than distributing them directly to mustahik.

This direct distribution is close to consumer use, so the purpose of production is somewhat vague. The optimal utilization and management of zakat help the community when the distribution is carried out correctly, paying attention to the recipient group so that its use is right on target (Muhtadi, 2020). In the end, zakat certainly has a significant role in the orientation to increase the field of independence towards education and knowledge in the community, especially in the underprivileged. So with optimal zakat management efforts, of course, it will be able to reduce economic problems where this is one of the gaps in economic development and can have a significant impact on the community in order to provide increased social and economic independence.

So based on the description of the problem above, the author is interested in conducting research and further study related to the title "Building the Effectiveness of Zakat Services in Increasing the Economic Independence of the Community in Jayawijaya Regency.

Research Methods

The research method in this study uses the Explanatory Research method, which is research by explaining the relationship between several variables by testing hypotheses using the same data through a quantitative approach. The object of the selected research is the recipients of zakat services by the BAZNAS institution in the Jayawijaya Regency area using the purposive sampling method with the following criteria: (a) age classification of Adolescents - Adults, (b) having a permanent job and (c) having received zakat services before. So the sample in this study is 103 people.

Results and Discussion

The results of the test on the variables of parental guidance and muamalah knowledge in children can be seen from the validity test, reality, and several classical assumption tests consisting of normality tests and outlier tests can be seen in the Table.2 Where the test results are seen the validity test value (Pearson correlation) ($r > 3.0$) and the AVE value (average variance extracted > 5.0). The value of the reality test (Cronbach

alpha > 0.6) and the value of CR (Construct Realibility > 0.70). Then from the normality test seen from the cr value (critical ratio < 2.58) and seen from the univariate outlier test, the Z-score value < 3.0. For more clarity can be seen in Table 1 below.

Table 1
Test results of validity, realism, normality, and outlier

Variable	Validity (<i>product- moment</i>)	BIR D	Realism (<i>Cronbac h Alpha</i>)	CR	<i>cr</i>	Z- score (max)
Effectiveness of Zakat Services (X)						
Success (X1)	0.951		0.846		0.546	1.6320 3
Target Provisions (X2)	0.977	0.756	0.839	0.956	0.652	1.7727 5
Program Satisfaction (x3)	0.953		0.84		0.628	1.6028 4
Goal Achievement (x4)	0.833		0.868		0.165	1.8102 8
Economic Independence (Y)						
Consumptive Debt Free(Y1)	0.894		0.824		-0.862	1.4493 7
Business Confidence (Y2)	0.796	0.766	0.836	0.936	-0.888	1.3456 2
Investment Behavior (Y3)	0.931		0.814		-0.035	1.4657 1
Money Management(Y4)	0.828		0.828		-0.599	1.3343 9
Mental Readiness Financially(Y5)	0.933		0.814		-0.696	1.3839 3

Meanwhile, in the testing and determination of the multivariate aspect of the outlier, namely by looking at the results of the analysis or the output of the Mahalanobis distance, namely with the range of values obtained from the analysis of 0.187 – 26.337. Then it is seen from the results of the relative chi-square value (0.001) and the number of observation items/research indicators (DF = 26), which is 54,051. To see the existence of an outlier in this test is done by comparing the value of the Mahalanobis distance with the value of the chi-square obtained. Based on the results of the comparison, the value of Mahalanobis distance < the value of Chi-square (26,337<54,051) so that it can be concluded that in this multivariate outlier test, there is no outlier and for the next time the data from the analysis can be used for the next analysis.

Construct Confirmatory Model Analysis

Data analysis using quantitative methods in this study uses a structural equation modeling (SEM) model with the help of the AMOS (Analysis of Moment Structural) program version 22.0. The predictive power of observation variables both at the indicator level and at the construction level is seen through the critical ratio (c.r). If the critical ratio shows significance, the indicators can be said to be useful for predicting the construct or

latent variable. The latent variable in this study is the effectiveness of zakat services & and economic independence. By using the structural equation model with the help of the Amos program, indicators of a fit model will be obtained.

The fit model structure is said to be good when the chi-square value is small and insignificant at $\alpha = 0.05$; the probability value ≥ 0.05 ; CMI/DF ≤ 2.00 ; GFI, AGFI, TLI, and CFI NFI ≥ 0.90 ; and RMSEA ≤ 0.80 . The results of the confirmatory factor analysis showed a fit model. It can be seen in Figure 2 & and Table 2 below.

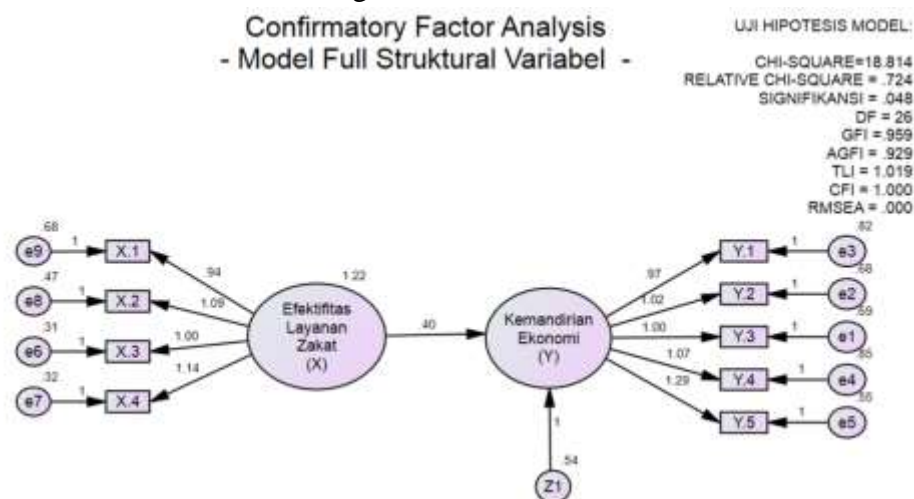


Figure 1. Confirmatory factor analysis model

Table 2
The Goodness of Fit Indices Overall Model Penelitian

Goodness of Fit Indexes	Cup-of Value	Model Results	Information
Chi-Square (X2)	Expected small	18.814	Good
Sign. Probability	$\geq 0,05$	0,048	Good
CMIN/DF	$\leq 2,00$	0,724	Excellent
GFI	$\geq 0,90$	0,959	Excellent
AGFI	$\geq 0,90$	0,929	Excellent
TAG	$\geq 0,90$	1,019	Excellent
CFI	$\geq 0,90$	1,000	Excellent
RMSEA	$\leq 0,08$	0,000	Excellent

The results of hypothesis testing with a structural equation model (figure 2) and using AMOS V.22 and SPSS V.22 Software show that the variable of the effectiveness of zakat services (X) has a positive and significant relationship with economic independence (Y) because the p-value obtained is 0.048 ($p \text{ value} < 0.05$) and has a relative standardized coefficient value of 0.262 (for more details can be seen in Table.3) so that it can be concluded that the effectiveness of zakat services which is good, of course, can increase the level of economic independence of the community.

Table 3
Results of Testing the Influence Between Research Variable Constructs

Variable	Standardized	C.R	P-value
Correlation	Regression Weight/Estimate		
X → And	0.398	4.561	0,048

The results of the study show that the effectiveness of zakat services affects economic independence positively and significantly. This means that if the zakat service program can be carried out effectively and optimally, the potential to increase community independence in Jayawijaya Regency financially will be realized optimally. This is in line with the research conducted by Hidayatulloh et al. where professional zakat management, which transforms Islamic values through the utilization of zakat, should turn the cycle of regression into a cycle of progress. It is also expected to provide positive ideas for community independence.³ Of course, this can be obtained from several factors where the success rate of each zakat service program by the National Amil Zakat Agency of Jayawijaya Regency is inseparable from the elements of planning, managing zakat, and distributing or implementing the program. So productive zakat certainly needs to be managed effectively so that the program goals of zakat services can be achieved.

Another factor is in determining the achievement target of the zakat service program where the orientation in planning of course pays attention to the circumstances or conditions of the recipient or the target of the service program, which of course several considerations must be made in determining the program based on the orientation of the target of the service recipient. In this case, the National Amil Zakat Agency of Jayawijaya Regency has carried out a good consideration procedure, this can be seen from the number of respondents presenting their attitude to the orientation of the target provisions to achieve the implementation of the program starting from planning to implementation is effective and on target.

In other cases, it can be seen in the level of public satisfaction with the service programs carried out. Based on the research that has been conducted, respondents stated that their satisfaction is good in the sense that the zakat service program that has been carried out and distributed has been maximized so that public satisfaction with the services provided by the National Amil Zakat Agency has had an impact on the level of public satisfaction.

In general, in the management of zakat to the distribution of zakat, of course, it is inseparable from the elements of planning and coordination between service providers and service recipients, where the National Amil Zakat Agency of Jayawijaya Regency can produce several programs that can ultimately be contributed to service recipients or the community in Jayawijaya Regency, one of which is oriented to the level of economic independence of the community. And also when several such programs are combined, of course, it can have a positive effect on the recipients of this zakat service. Because it returns to the orientation of the purpose of the Independent Economic Empowerment Program implemented by the National Amil Zakat Agency, namely strengthening community potential and solving poverty problems through economic empowerment.

People who have a well-established and relatively high level of economic independence will certainly encourage the community to create an economy to manage daily needs and the distribution of zakat which is carried out indirectly can improve the level of welfare of life. This is of course carried out so that zakat recipients can be

independently empowered without having to receive zakat compensation on an ongoing basis.

Judging from the level of economic independence of the community in Jayawijaya Regency, the community in general has a minimal level of financial management so this problem framework ultimately becomes a reference and priority in the implementation of the Jayawijaya Regency National Amil Zakat Agency program. Zakat service is one of the programs carried out by zakat institutions, in this case, the National Amil Zakat Agency technically, and its sharia is collected by Amil or muzakki and then distributed to the recipients of zakat or mustahik by the 8 Asnaf criteria. Zakat services are also a contribution from Zakat institutions, one of which provides opportunities for mustahik in this case the community to be able to create a paradigm of independence in socio-economic life. So that in the future it is hoped that the mustahik can change their status to muzakki and can contribute to efforts to increase the economic independence of other communities.

The Jayawijaya Regency National Amil Zakat Agency also provides education and socialization related to financial management and financial insights to recipients of zakat or mustahik service programs so that in the future people can become financially independent. So that the community as a new business actor who may have never carried out productive economic activities at all before certainly still needs technical assistance. Therefore, in order not to eliminate mistakes, the mustahik recipients of this program must receive technical guidance and assistance.

Based on research conducted mainly on the observation of the level of community independence in Jayawijata Regency, especially the recipients of zakat services have a relatively low level of debt. This can be seen that in general, people are more oriented to asking for help than borrowing money or going into debt. Then judging from the level of confidence in business or entrepreneurship, people tend to still be relatively low. This is because people prioritize getting results/income rather than the orientation of how to do the work so many do businesses and businesses that do not live long and tend to look for other jobs/businesses. Therefore, the use of zakat funds directed to productive economic activities of the community must be held based on certain planned production cycle limitations.²⁴

Seen at the level of investment behavior, money management and mental readiness in financial terms also look quite good, this can be seen that people have begun to be aware and quite understand the importance of financial/financial independence. Of course, this is inseparable from the zakat service program that has been carried out by the National Amil Zakat Agency of Jayawijaya Regency. So it can be said that in general, the zakat service program can always increase the level of economic independence of the community.

Conclusion

The success of the zakat service program by the National Amil Zakat Agency of Jayawijaya Regency is highly dependent on careful planning, good management, and

proper distribution. This program is carefully planned, paying attention to the conditions and needs of the recipients, so that the program becomes on target and effective. Public satisfaction with the Zakat service program carried out by the National Amil Zakat Agency of Jayawijaya Regency has been very good. This shows that the distribution of zakat has been carried out optimally and satisfactorily, by the expectations of the community.

In addition, this zakat service program also contributes to strengthening community potential and solving poverty problems through economic empowerment. The community in Jayawijaya Regency shows increased awareness and understanding of the importance of financial independence. This can be seen from their investment behavior, money management, and mental readiness in the financial aspect. Overall, the zakat service program that is well managed by the National Amil Zakat Agency of Jayawijaya Regency has succeeded in increasing the economic independence of the community and has a significant positive impact on their welfare. This zakat program not only helps the community financially but also encourages them to become more independent and empowered.

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