

The Effectiveness of The Zakat Distribution System to Improve Community Welfare: Disbursement Collective Ratio Analysis

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Abstract

Effectiveness is a measure that can be seen to what extent the target has been achieved or a measure that can show whether a program is successful or not, and shows success in terms of whether or not the targets that have been set have been achieved, zakat is an instrument for the development of the community's economy, as well as is one of the obligations that Muslims must carry out as a form of worship to God. The purpose of this research is to measure the level of effectiveness of the zakat distribution system carried out by zakat institutions and then the results are used to provide an overview of the impact it has, namely the welfare of the community. The type of research used in this research is qualitative with a descriptive approach. The data analysis method used is through indicators measuring the effectiveness of target success, program success, satisfaction with the program, and achievement of overall goals using Disbursement Collective Ratio analysis. The results of this research show that the calculation analysis using the DCR method of the three superior programs owned by the Bangkalan Infaq Management Institute, including Education, Economics, and Health, can be declared effective. This is because each program has run according to plan and is effective. This research only focuses on distribution management, not management in general. So further research is needed to obtain complete and comprehensive data. The results of this research are in line with the theory put forward by Camble J.P., which is that distribution has achieved program success, success in-context satisfaction towards the program, and overall goals. Welfare indicators also follow the Todaro Steen C theory, namely that they can provide health, provide education, and increase income.

Keywords: *Effectiveness, Zakat, Disbursement Collective Ratio, Community Welfare*

I. INTRODUCTION

Poverty is the main problem that must be solved. Alleviating poverty synergistically and systematically must be carried out so that all citizens are able to enjoy a dignified life. Therefore, the synergy of all stakeholders is essential, while what is meant by aggregate poverty shows the proportion and number of poor people who live below the poverty line. The aggregate poverty rate, or what is often called the macro poverty rate, is used to measure the progress of a nation's development. The poverty calculation used is the ability approach to meet basic needs (outcomes).

With this approach, poverty is seen as an economic inability to meet basic food needs. A population whose average expenditure/income per capita per month is below the poverty line is called people experiencing poverty, so this discussion must touch on the effectiveness of zakat on the economy. In improving the welfare of people with low incomes, if the efficacy of zakat is linked, it will have a positive effect—a significant impact on the welfare of poor people who are entitled to receive zakat. (Abd. Haris, 2017).

Zakat must be managed well so that the distribution of zakat assets can be effective and on target to the mustahik, so zakat management carried out by mail is essential both in planning, organizing, implementing and supervising the collection of zakat from muzakki in general these developments leading from the direct individual to the collective through organizations, whether in the form of the National Amil Zakat Agency (BAZNAS) or the Amil Zakat Institute.

(LAZ) so that zakat funds can be utilized as optimally as possible for the welfare of mustahik, both wasteful and productive. (Wahyudin, 2017). This laziness aims to obtain laziness status and, of course, to bring new enthusiasm to optimize the potential of zakat in Indonesia. This trust is perfect for introspection and evaluation of the implementation of Laznas' duties so that it becomes a professional institution, and the Infaq Management Institute table account makes this a historic moment to restart the revival of the spirit of zakat awareness among the community. We will be able to exploit the potential of zakat, which is still very large. Therefore, achieving our targets is not only done through institutional governance alone but also by strengthening service functions for muzak, mustahik and society in general. (Ririn, 2015) The following is a description of the distribution of Zakat at the Bangkalan Regency Infaq Management Institute:

Table 1.1
Distribution of Zakat in LMI Bangkalan Regency in 2022

No	Month/Year	Description	Amount
1.	February 09	Mass Medicine	IDR 2,000,000
2.	March 15	Education Assistance	IDR 2,500,000
3.	June 20	Business Capital Assistance	IDR 6,700,000
4.	August 17	Mass Hit	IDR 4,500,000

5.	August 28	Education Assistance (Qur'an, Etc.)	IDR 3,300,000
6.	September 14	Assistance for the poor	IDR 1,000,000
7.	November 14	Donations for orphans	IDR 2,000,000
8.	December 10	Social assistance (targeted by street vendors)	IDR 2,200,000
TOTAL			Rp. 24,200,000

Source: *Primary data* by the author, 2022

From the table above, it can be concluded that the distribution of Zakat in 2021 is IDR. Twenty-four million two hundred thousand million, and these results show that distribution at the Bangkalan Regency Management Institute is still within average. One of the aims of distributing Zakat is to achieve income balance in society. This means that only some are able to struggle in the economic arena because some of them are poor and poor. Expenditures from Zakat are minimum expenditures to make income distribution more equal. With Zakat, the poor and the poor can play a role in their lives, carrying out their obligations to Allah. With Zakat, people who cannot afford it also feel that they are part of society. Poor people also feel appreciated because there is empathy from people who have it. (Yosi, 2014)

One way to improve the prosperity of the nation's life is the national goal mandated in the fourth paragraph of the Preamble to the Constitution of the Republic of Indonesia. The Indonesian Government strives for development in all fields to improve the welfare of the population. However, this effort is not supported by optimizing the implementation of laws and regulations which have a vision of equal distribution of income and increasing welfare, such as Law Number 38 of 1999 concerning Zakat Management, from now on referred to as the Zakat Management Law. (Arif, 2015).

II. LITERATURE REVIEW

Effectiveness

Effectiveness comes from the word Effective. According to the Big Indonesian Dictionary, "Effective" means effect, influence, consequence or something that brings results. So, effectiveness can be interpreted as activeness, usefulness, and conformity in an activity of a person or organization that carries out tasks in accordance with its objectives. Effectiveness is basically oriented to the level of achievement of results or

is often associated with the concept of efficiency, although there are differences between the two. (Gary Jonathan, 2015).

Effectiveness is the ability to carry out tasks and functions (operations, program activities or missions) in an organization without any pressure or tension between implementation. Effectiveness can be interpreted as how well the work is done, the extent to which the person or group produces the expected achievements, meaning that if a job can be completed by planning, both in terms of time, cost and quality, it can be said to be effective. (Ana, 2012).

Measuring Effectiveness According to Experts:

There are several measurements of Campbell JP's effectiveness, namely: (a) Program Success, (b) target Success, (c) Comprehensive Achievement (d) Satisfaction with the Program.

Measuring Effectiveness Using DCR (Disbursement Collection Ratio)

The effectiveness of this research is measured through the DCR ratio (Disbursement Collection Ratio), which is in the Zakat Core Principle (ZCP). namely the comparison between the amount of zakat distributed and the amount of zakat collected, while the formula used in measuring effectiveness using the disbursement collection ratio is as follows:

$$DCR = \frac{\text{The amount of zakat distributed}}{\text{The amount of zakat collected}} DCR 100\%$$

This formula determines the effectiveness results using a comparison of the results of Zakat collection, then dividing it by the amount of Zakat distribution, and multiplying (x) by 100% so that we find the results of the comparison between distribution and collection of Zakat funds, measuring effectiveness using DCR.

III.METHODOLOGY

The author conducted field research, namely by searching for data directly at the research location by looking at the object under study, namely the practice of distributing Zakat to the community in Bangkalan Regency. The subject that will be studied by the author/researcher is the target of the research being conducted. At the same time, the research subject is adjusted to the researcher's needs to obtain information appropriate to the study. The subject of this research is precisely the measure of the effectiveness of zakat management in improving the welfare of the community in Bangkalan District, Bangkalan Regency.

The data obtained by the author is based on data collection techniques in the form of observations, interviews and documentation with several sources found during interviews consisting of 4 people, namely recipients of zakat distribution. In collecting data, this research

uses two types of data sources, namely, obtained from primary and secondary data sources. Apart from the main data, the author uses supporting data such as books, journals, internet sites, and documents related to research.

The nature of the research in this study is descriptive analysis, namely a systematic process of searching and compiling several results of interview data, field notes and others, which were collected to make it easier for researchers to explain the practice of zakat distribution in Bangkalan Regency, then summarize the data to produce conclusions. The data facts obtained are then analyzed using theory from theory and will then have a meaningful conclusion. (Sugiyono, 2016).

The conclusions in this research are to make it easier for yourself and the reader to understand. In other words, data obtained in the field is analyzed using theory and theory ends with conclusions.

IV. RESULT AND DISCUSSION

To be precise, in 1994, there was turmoil in the hearts of all alums of the STAN (State College of Accountancy) Finance Diploma Program who worked as environmental employees of the Ministry of Finance and BPKP (Financial and Development Audit Agency) in the East Java region. Then anxiety arose, seeing that there was no formal institution that could provide integrated solutions to economic and social problems among Muslims, especially in East Java.

So precisely on September 17 1994, in Malang, all alums agreed to form a forum that was active in the field of collecting zakat, infaq and sadaqah funds, which were then distributed and managed appropriately. Then, the Infaq Ukhuwah Islamiyah Management Institute was established, which operated in the social sector and was registered with Notarial Deed Abdurachim, SH, No. 11, dated April 4 1995, which is now known as LMI.¹ And now, with the governor's decree No 451/1701/032/2005, the Infaq Management Institute (LMI) has been legalized as the LAZ of East Java province. Continuing to develop LMI has the main activities of collecting, managing and distributing zakat, infaq, and sadaqah (ZIS) and trying to create a climate and facilities for the economic and social development of the Islamic ummah.

The Infaq Management Institute (LMI) is a professional, philanthropic institution dedicated to raising the dignity of poor people (underprivileged people) through

collecting community ZISWAF (zakat, infaq, alms and waqf) funds and corporate social responsibility funds. The community empowerment social programs that have been rolled out have resulted in multiple benefits for underprivileged communities. Because LMI always tries to foster a climate of transparency and professionalism to safeguard the community's enormous trust.

Effectiveness of Zakat Distribution in Bangkalan Regency Infaq Management Institutions. Effectiveness refers to the level of success of an organization or group in achieving a goal. Whether or not the zakat management system at the Bangkalan Regency Infaq Management Institute is efficacious in improving the welfare of the people in Bangkalan Regency can be analyzed using four indicators of effectiveness, namely target success, program success, satisfaction with the program and achievement of overall goals.

Program Success

In determining the success of this program, the Bangkalan Regency Infaq Management Institute defines particular criteria before distributing zakat, then aligns it with the field by deciding on the results of the survey, which aims from muzakki to mustahik, and the distribution of zakat is also in accordance with the vision that has been set, namely helping families—the underprivileged. The competitive distribution of Zakat proves this. Zakat recipients then make good use of it, namely to develop the business they own or are about to open. So, this program can have a positive impact on the community's economy.

Target Success

The target or target of the Infaq Management Institution, which is the aim of distributing zakat, is to underprivileged people or groups that have been determined and also to organizations/or institutions that need it according to written submissions. (humanitarian activities, compensation for orphans, etc.), apart from measuring the success of this target, we are looking for a Mustahik who is worthy of assistance, so usually, people apply to us after that, directly surveying the field. There are also recommendations from other people in accordance with the specified criteria and confirmed with the relevant parties; then, a decision is made after a field survey.

Satisfaction with the Program

To satisfy the program that has been provided by the Infaq Management Institute of Bangkalan Regency, namely the product of giving business capital, health and education, the community feels immensely helped. It, therefore, feels happy because this has a good effect on the economy with the provision of Zakat as business capital.

Therefore, people must use Zakat funds to continue to improve their businesses. Things like this are proof that the Zakat given is very helpful for the recipients.

Comprehensive Goal Achievement

The Zakat distribution program provided by the Infaq Management Institute has been distributed at several points in the Bangkalan district with specific criteria for achieving this comprehensive goal. Receiving becomes giving) so that this can expand the welfare of other communities. The distribution of zakat, according to Cambell JP's theory, has been shown to be effective.

Effectiveness Measurement using DCR (Disbursement Collection Ratio)

The effectiveness of this research is measured using the DCR ratio (Disbursement Collection Ratio), namely the comparison between the amount of zakat distributed and the amount of zakat collected. The following is the financial report of the Infaq Management Institute from 2019 to 2022. The next is the amount of receipt and distribution of zakat funds as presented in table form as follows:

Table 1.2

Results of Receipt and Distribution of Zakat Funds in LMI Bangkalan Regency
2019-2022

Year	Reception/Funding	Distribution/Financing
2019	10,235,555.00	6,731,808.00
2020	12.360.223.0	7,750,790.00
2021	13.256.237.0	10,735,550.00
2022	24,200,000.00	23,500,000.00

Source: LMI Financial Report Data for 2019-2022

Based on the table above, it can be seen that in 2019 – 2022, the receipt of zakat funds in 2020 and 2021 experienced an increase; in the year after that, in 2022, it experienced a decrease. Meanwhile, distribution has increased starting from 2022. The following is the calculation of the ratio between distribution and receipt of zakat funds:

a. In 2019

$$\frac{6.731.808.00}{10.235.555.00} \times 100\% = 65\%$$

b. In 2020

$$\frac{7.750.790.400}{12.360.223.00} \times 100\% = 62\%$$

c. In 2021

$$\frac{10.735.550.00}{13.256.237.00} \times 100\% = 81\%$$

d. In 2020

$$\frac{24.200.000,00}{23.500.000,00} \times 100\% = 102\%$$

The following are the results of calculations using DCR (Disbursement Collection Ratio): the comparison between the amount of zakat funds distributed and the amount of zakat funds collected. Before calculating the comparison of the amount of funds received and distributed using the DCR ratio, a table of the receipt and distribution of zakat funds from the Infaq Management Institute from 2019 to 2022 will be displayed. Zakat to Improve Community Welfare:

The indicators for measuring prosperity or not used in this research are divided into several health, education and economic programs so that people can increase their standard of living and enjoy a decent life by distributing zakat. The explanation is as follows.

Health:

Bangkalan Regency Infaq Management Institute is in Improving Community Welfare through health insurance, namely providing health assistance to the community, such as mass treatment, mass circumcision, and free financial aid. This program is only prioritized for underprivileged communities.

Education:

Bangkalan Regency Infaq Management Institute, in improving welfare through education, LMI provides educational assistance such as initial school entry assistance, scholarships and other educational assistance.

Economy:

The Bangkalan Regency Infaq Management Institute aims to improve welfare through the economy by providing business capital and free educational classes by bringing in experts according to the scientific field. It can be concluded from the results of interviews regarding the distribution of Zakat for Health, Education and Economics, that zakat can improve the welfare of the people in Bangkalan district.

V. CONCLUSION

Based on the results of the discussion and analysis in this research, the following conclusions can be drawn:

The effectiveness of Zakat Distribution System at the Bangkalan Regency Infaq Management Institute is effective and has met the effectiveness indicators which are measured using effectiveness indicators based on Camble JP's theory, where the distribution of Zakat has achieved program success, success in target satisfaction with the program, achieved objectives and comprehensive goal achievement.

The effectiveness of the Zakat Distribution System at the Bangkalan Regency Infaq Management Institute is effective, which has been measured using the DCR (*Disbursement Collection Ratio*) indicator.

Zakat at the Bangkalan Regency Infaq Management Institute can improve community welfare, which is measured using welfare indicators according to the Todaro Steen C theory. It can provide health, education, and increased income.

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