

Poverty Alleviation through Ultra Micro Financing: Lesson Learned From Productive Zakat Mechanism in Baitul Mal Aceh

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ABSTRACT

Poverty in Aceh province, especially in Aceh Besar Regency and Banda Aceh City, is a factor in this research. One of the mechanisms currently being implemented in Baitul Mal Aceh is the ultra micro program. This research uses a qualitative method with an empirical approach through interviews as the main tool for data collection. The results of the study showed that (1) The implementation of the Ultra Micro Business Capital Assistance activities in general which were distributed to 123 mustahik by taking 72 samples, this can be seen from several mechanisms carried out, including conducting field surveys to see business conditions and direct interviews with prospective mustahik, as well as monitoring carried out, both at their place of residence and at their place of business. (2) The ultra-micro program at Baitul Mal Aceh has had a significant impact on improving the economy of mustahik in Aceh Besar Regency and Banda Aceh City, as proven by the eight indicators of mustahik success set by Baitul Mal Aceh.

Keywords: *Productive Zakat, Distribution, Mustahik*

INTRODUCTION

Data from the National Central Statistics Agency (BPS) shows that the number of poverty figures in Indonesia has increased every year, the percentage of poor people in September 2022 was 9.57 percent, an increase of 0.03 percentage points compared to March 2022 and a decrease of 0.14 percentage points compared to September 2021. The number of poor people in September 2022 was 26.36 million people, an increase of 0.20 million people compared to March 2022 and a decrease of 0.14 million people compared to September 2021. The percentage of urban poor people in March 2022 was 7.50 percent, increasing to 7.53 percent in September 2022 (BPS).

Meanwhile, according to data from the Central Statistics Agency (BPS) of Aceh Province in March 2023, the

number of poor people in Aceh Province was 806,750 people or 14.45 percent. This number decreased by 11,700 people compared to September 2022, which was 14.75 percent or 818,000 people. However, Aceh experienced an increase in the poverty line from IDR 617,293 per capita per month in September 2023 to IDR 627,534 per capita per month in 2023 (BPS).

Didin Hafidhuddin quoted the opinion Yusuf Al-Qaraḍawī that zakat is a worship related to financial and social economics that has a very important position, mechanism and determination. Even Prof. Drs. H. Akh. Minhaji, MA, Ph.D. Professor. Jurisprudence), Faculty of Sharia and Law, UIN Sunan Kalijaga Yogyakarta, emphasized that zakat is one of the important pillars in Islam and therefore becomes an inseparable part of the lives of Muslims, including in Indonesia. (Hafidudin, 2002:90)

However, in the practice of zakat which has a noble purpose, it is still felt to be far from what is expected and still "fails" to bridge the gap between the rich and the poor and also to lift the weak and the weakened. This is a sufficient reason if the issue of zakat always surfaces and becomes a subject of study for various levels of society.. (Inayah, 2003:116)

Didin Hafidhuiddin noted that the low realization of zakat collected at the Zakat Collection Institution (LPZ) was caused by the community's knowledge of the sources of wealth that are the objects of zakat which are still limited to conventional sources that are clearly stated in the Qur'an and hadith with certain requirements. In fact, Firmansyah, a researcher on "Zakat as an Instrument for Alleviating Poverty and Income Disparity" in the LIPI Journal of Economics and Development analyzed that the low collection of zakat funds was also caused by the failure in managing zakat in the past, which still left the community's distrust of zakat management institutions, so that many people still maintain the traditional pattern of zakat distribution, namely, direct distribution of zakat by muzaki to individuals who are considered entitled to receive it. (Firmansyah, 2013:182-183)

A change is needed to overcome various economic problems in Indonesia, especially Aceh, by making zakat an instrument of Islamic philanthropy that can balance the people's economy. However, in the effective distribution of zakat, cooperation is needed from various existing parties. Reflecting on the leadership of Caliph Umar bin Abdul Aziz, zakat was able to create economic equality for the people. This means that the distribution of zakat is not only in the form of its consumptive scope. However, it must be viewed from its productive scope.

Aceh is one of the provinces in Indonesia with the largest percentage of Muslim population. Based on data from

the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs (Kemendagri), the number of residents in Serambi Mekah who are Muslim is 5.24 million people or 98.56% of the total population of 5.33 million people. The Aceh Central Statistics Agency (BPS) noted that Aceh Province is the poorest province in Sumatra, the number of poor people in Aceh increased from 806.82 thousand to 818.47 thousand people, reaching 15.6%. (Raihanul, Zaki, Nur, 2018:2)

Baitul Mal Aceh is an institution that collects zakat from muzaki and infak from munfiq as well as other religious assets. The specialty of Baitul Mal Aceh is its zakat management system which has special characteristics and is different from other provinces in Indonesia. The management of zakat and infak managed in Baitul Mal Aceh as part of the Regional Original Income (PAD), is different from other regions managed by BAZNAS and not PAD. Its existence has been proven to have started since April 1973. (Baitul Mal Aceh)

Abdul Rani Usman as a member of the Aceh Baitul Mal Board said that the Aceh Baitul Mal has been productive in terms of zakat and infaq according to the capabilities of the available resources. The limitations of the database and human resources as well as the wide reach of the region, often hamper the distribution of zakat and infaq. On the other hand, national entrepreneurs and companies operating in Aceh have not yet paid their zakat through the Aceh Baitul Mal. Based on the description above, it is important to conduct this research.especially the part of Islamic philanthropy as the most important role especially in the ultra micro productive zakat program in poverty alleviation. Therefore, the researcher tries to review it in written form Analysis of Poverty Alleviation Mechanism Through Ultra

Micro Productive Zakat in Baitul Mal Aceh

The similarity between this research and previous research is in the discussion regarding poverty alleviation with a productive zakat program as business capital where the business is developed by the mustahik.. The differenceThe author's research focuses on the mechanism of poverty alleviation with ultra-micro programs and links the large influence of databases to the smooth running of the program.

The limitations of the problem in this study includeBaitul Mal Aceh's mechanism in poverty alleviation through productive zakat and the impact of ultra micro programs for mustahik in Aceh Besar Regency and Banda Aceh City.

This study uses a qualitative method with an empirical approach through interviews as the main tool for data collection. Primary data sources were obtained fromstaff of the productive zakat empowerment and mustahik section assisted by Baitul Mal Aceh in the Productive Zakat category of Micro Business Program. While secondary data was obtained from objects or research or books relevant to the problems related to the analysis of poverty alleviation mechanisms through ultra-micro productive zakat in Baitul Mal Aceh.

LITERATURE REVIEW

Zakat and Its Terminology

In terms of language, the word zakat is the masdar form of zaka (زكاة) which means growing, clean and good. Zakat means growing and developing, if someone is zaka it means that person is good. Arabs say zaka is zar'u (plant) which is a plant that grows and increases. (Zuhaili, 2011:164)

According to Islamic jurisprudence, zakat is a certain amount of wealth that Allah requires to be given to those who are entitled to receive it.

The amount that is paid out is called zal which means something that increases in number and makes it more meaningful. (Qaradawi, 2006:55)

Meanwhile, according to Law Number 23 of 2011 concerning the management of zakat, it is explained that zakat is wealth that must be paid by a Muslim or business entity to be given to those entitled to receive it in accordance with Islamic law.. (UU, 2011)

As for what is meant by productive zakat is zakat given to mustahik as capital to run an economic business activity, or to grow the economic level in the potential productivity of mustahik. Anwar also said that this productive zakat is the management and distribution of zakat funds productively which has a long-term effect on zakat recipients. Hopefully, with this productive zakat, it can produce new muzaki so that those who are currently still mustahik can switch to becoming muzaki.(Astute, 2019:3)

Productive zakat aims to improve the economic and social welfare of mustahik, as well as to develop their potential. Productive zakat can be in the form of funds used to open a business, improve the quality of life, or help poor people overcome socio- economic problems. Productive zakat can also be in the form of assistance to obtain education, health, and others. Productive zakat is different from consumptive zakat which is only used to meet daily needs.. (Muhajir, 35)In some cases, productive zakat can be in the form of business capital given to mustahik to open a business or develop an existing business. Productive zakat can also be in the form of assistance to obtain education, health, and others. Productive zakat aims to improve the economic and social welfare of mustahik, as well as to develop their potential. Productive zakat can also be in the form of funds used to help poor people overcome the socio-economic

problems they face. (Mahalili, 2017:70-78)

Distribution of zakat is the process of distributing zakat funds received by the National Zakat Agency (BAZNAS) to eligible recipients, known as mustahik. Zakat can be distributed in two forms: distribution and utilization. Distribution of zakat includes the distribution of charitable or emergency funds, such as education, health, humanity, and da'wah-advocacy. Utilization of zakat includes the distribution of productive funds, such as economics, education, and health, which aim to improve the welfare of mustahik. (Rahmah, 2023)

The provisions for distributing zakat are procedures regulated by Islamic law and serve as guidelines in managing and distributing zakat. Zakat is a portion of wealth that must be paid by Muslims who have wealth that reaches the nisab. Zakat is intended for eight asnaf, namely: Fakir, poor, amil, mualaf, slaves, gharimin, Fisabilillah, and ibnu sabil.

On the other hand, there are several provisions for distribution in the utilization of productive zakat, namely: (1) It is necessary to conduct an inventory and identification of the potential targets for appropriate zakat recipients. After that, it is necessary to form a committee in the field of economic development (2) Using the Basic Need Approach model of zakat. The mustahik are divided by considering the shortcomings experienced and what factors caused them to fall into poverty. Then given capital and skills education and motivation to drive significant changes from each individual. (3) Productive zakat using the Basic Need Approach model, and remains within the corridor of fiqh.

In productive zakat, there are several things that are prohibited to ensure the sustainability and blessings of zakat. Here are some examples of things that are prohibited:

Not in accordance with Islamic law, Productive zakat must be distributed in accordance with the provisions of Islamic law, as regulated in the Qur'an and Hadith. not transparent, Management of productive zakat must be carried out transparently and can be supervised by the community. (3) Not in accordance with needs, Productive zakat must be distributed according to the needs of the mustahik, such as education, health, and humanity. (4) not based on data, Management of productive zakat must be based on accurate and up-to- date data on the mustahik. (5) does not have guidelines, Management of productive zakat must be carried out with clear guidelines and in accordance with Islamic law. (6) not based on regulations, Productive zakat must be distributed in accordance with applicable regulations. (Wahyuningsih, 2020:12-13)

The Ultra Micro (UMi) program standard is a government program that provides financing facilities for ultra micro businesses that have not been able to access financing from banks. This UMi program is distributed in the form of conventional financing or financing based on sharia principles. The UMi program standard includes several things, such as:(1)Financing Facilities.The UMi program provides easy and fast financing facilities for ultra-micro businesses that are not yet able to access financing from banks..(2)Mentoring.The UMi program also provides assistance from distributors to debtors. (3) Distributor Criteria. To be able to become a distributor, Non-Bank Financial Institutions (LKBB) must be able to meet the criteria set by the government, such as having experience in financing MSMEs. (4) Distribution Channels. The UMi program tries to expand distribution channels so that it can reach more ultra-micro businesses through cooperation with non-government- affiliated LKBBs. (5) Financing Experience. The UMi program also prioritizes the experience of

financing MSMEs that has been carried out by LKBBs, so that they can increase their ability to provide assistance to ultra-micro businesses. (Ministry of Finance)

RESULT

Baitul Mal Aceh is an institution that collects zakat from muzaki and infak from munfiq as well as other religious assets. Efforts to increase zakat in Indonesia, according to Law No. 23 of 2011 concerning zakat management, require a contribution from an institution that collects and manages zakat funds. This institution has a very important role in the process of collecting and distributing zakat funds. As stated in Qonun Aceh No. 10 of 2007 concerning Baitul Mal Aceh and Qanun Baitul Mal itself is a regulation that was born based on Law No. 11 of 2006 concerning the Government of Aceh (UUPA), which regulates several matters relating to Baitul Mal Aceh, namely: Article 180, letter d, zakat as PAD, Article 191 paragraph (1): Zakat, waqf assets and religious assets are managed by Baitul Mal Aceh and Baitul Mal Regency/City.

Analysis of the Mechanism of Baitul Mal Aceh in Alleviating Poverty Through Ultra Micro Productive Zakat

In every institution there is management in carrying out its performance, starting from planning, organizing, staffing, directing and leadership, and controlling. Baitul Mal Aceh has a poverty alleviation program that is included in productive zakat, one of which is the ultra-micro productive zakat assistance program. Based on the author's analysis of the mechanism of Baitul Mal Aceh in poverty alleviation through Ultra Micro productive zakat

According to Mrs. Yuwita, Ultra Micro Business Capital Assistance is a business capital assistance grant program in an effort to help ultra micro business

actors whose funding sources come from the Zakat Senif Miskin fund. The main target of this activity is the mustahik of ultra micro business actors in the Banda Aceh and Aceh Besar areas. The amount of assistance provided is according to needs, a maximum of IDR 5,000,000 (five million rupiah). From the assistance that has been provided, it is hoped that it can meet the business capital needs of ultra micro business actors, increase the amount of production and income of business actors, and free them from their ties to loan sharks..

In the implementation of Ultra Micro Business Capital Assistance in Baitul Mal Aceh, of course there are various problems that can affect the success of this activity. To overcome this, an activity evaluation is needed to see the suitability of the implementation with what has been set and the goals to be achieved. This evaluation aims to provide an overview of the implementation of activities, obstacles, potential and support needed to optimize the implementation and development of activities in the future..

According to Mr. Muslim, activity evaluation is a systematic process of determining the value, purpose, effectiveness, or suitability of activities with previously established criteria and objectives. In the evaluation carried out by Baitul Mal Aceh, there are three test steps, namely (1) collecting data, (2) applying several criteria to the object of observation, and (3) making considerations, drawing conclusions or decisions. The background to the Baitul Mal Aceh ultra micro program is as follows:

First, Conducting an approach and implementation time for the evaluation of ultra-micro business capital assistance activities using a qualitative approach that is descriptive and emphasizes more on analysis in understanding the implementation of this activity, as well as the extent of the impact of the assistance

provided on the life of the mustahik's business. The facts and information needed are obtained through direct observation and interviews with the mustahik, both at their residence and at their place of business. This activity was carried out on March 17-18, 2023

Second, Referring to the data and data collection techniques, the population used in this evaluation activity is the recipient of the 2022 Baitul Mal Aceh ultra-micro business capital assistance, totaling 123 (one hundred and twenty-three) mustahik in the Banda Aceh and Aceh Besar areas. From the total data per Regency/City, samples were taken using the Slovin formula with a critical value (error limit) of 10%. So the total sample was 72 (seventy-two) mustahik. Sampling in each Regency/City used the simple random sampling technique with the team conducting the evaluation being able to determine who the mustahik would be visited.

According to Mr. Putra Misbah, the mechanism of Baitul Mal Aceh to distribute or manage funds to the community on a very small or micro scale. Baitul Mal Aceh collects funds from the community in the form of zakat, infak, and sedekah. These funds are then managed and allocated for various programs. This program involves providing assistance in very small forms, such as micro business capital, educational assistance, or other basic needs. The goal is to improve the welfare of beneficiaries directly and effectively. Furthermore, in the ultra micro program, the following 6 aspects are implemented: (1) organization (2) Mustahik Criteria and Administrative Completeness (3) data collection, verification and validation (4) distribution (5) monitoring and evaluation (6) reporting.

From the explanation of the interview above and the results of the author's analysis of the ultra-micro productive zakat program at Baitul Mal

Aceh, it can be concluded that the registration mechanism for prospective recipients of assistance is carried out online through the Baitul Mal Aceh website by filling in the requirements that have been listed. The next step is the selection and administrative verification by the Baitul Mal Aceh amil by conducting a field survey to see the business conditions and direct interviews with prospective recipients of business capital assistance.

Then the administrative selection stage, only applicants who are declared eligible to receive assistance will be contacted again by Baitul Mal Aceh to conduct a field survey. And if they have been declared to have passed, the final results of prospective recipients of assistance who have passed will be published openly on the website, based on the results of the field survey. The domicile and business location of prospective recipients must be in accordance with the requirements of Baitul Mal Aceh, namely Aceh Besar and Banda Aceh. The mechanism for measuring the development of Baitul Mal Aceh's ultra-micro assistance is through monitoring carried out by directly visiting the recipients of Ultra Micro Business Capital Assistance, either at their place of residence or at their place of business.

This activity begins with an explanation of the purpose and objectives of the implementation team's arrival. Then, it is continued with interviews with mustahik and observations related to the information needed. The evaluation results are obtained if all information has been obtained by the team. Meanwhile, there are also mustahik who provide input on the implementation of this activity. The results of this evaluation are expected to be a benchmark in data collection, verification and validation, to distribution, which is carried out in the ***Ultra Micro Business Capital Assistance activity to Baitul Mal Aceh.***

The Impact of the Ultra Micro Program on Improving the Economy of Mustahik in Aceh Besar Regency and Banda Aceh City

Based on the author's observation results, the implementation of Ultra Micro Business Capital Assistance activities related to the level of success in economic programs in the ultra micro business sector run by Baitul Mal Aceh in determining the standard of success of mustahik businesses can be measured by eight indicators. The indicators of business success used for measuring instruments include: Indicators of success according to criteria; Indicators of success in increasing income; Indicators of success according to the purpose of use; Indicators of success in improving the economy; Indicators of success in solving economic problems; Indicators of success according to mustahik's expectations; Indicators of success in mentoring; and Indicators of success in being able to donate or pay zakat.

Then the author trying to analyze from 72 samples of recipients of the Ultra Micro Business Capital Assistance program for mustahik in Aceh Besar Regency and Banda Aceh City, based on the evaluation report by percentageing the number of 72 mustahik samples to see the level of target success.

Table 1. Ultra Micro Program Success Indicators

Indicator	Amount	Presentati on
The condition of the mustahik is in accordance with the criteria	68	17.62%
Ultra micro assistance increases income	60	15.54%

Ultra micro assistance according to its purpose	61	15.80%
Ultra micro assistance can improve the economy	63	16.32%
Ultra micro assistance solves the economic	54	13.99%

Source: Author's Analysis Results

Table 2. The situation of Mustahik

Problems of the needy		
In accordance with the wishes of the mustahik	55	14.25%
Mentoring	13	3.37%
Are you able to pay zakat/give alms?	12	3.11%

Source: Author's Analysis Results

The author's research on the impact of productive zakat on the ultra-micro program, the author took 3 samples of mustahik from the results of the author's analysis through existing data from Baitul Mal Aceh, to be observed and interviewed as material for the author's research.

First, Fauziyah. She is a housewife who raises 3 children, she lives in Punge Ujoeng village, Banda Aceh City, she makes cakes every day which are then sold in several coffee shops around the house, the capital she spends is around Rp. 100,000 a day and sometimes she gets results from her sales of around Rp. 200,000-350,000 a day. From the interview results, she received ultra micro assistance from Baitul Mal Aceh of Rp. 3,000,000 which is enough to continue her business to grow even further. Mrs. Fauziah has been able to donate but has not yet paid zakat

Second, Nurulaini. She is a housewife who lives in Indrapuri, Aceh Besar, who raises her 4 children and grandchildren from Mrs. Ramlah who sells groceries, she used to sell in front of her house but now she has moved to Simpang 4 Tungkop and sells in a rented kiosk. Mrs. Nurulaini sells basic necessities such as sugar, oil and other kitchen utensils. From the interview results, she received ultra micro assistance from

Baitul Mal Aceh of Rp. 3,500,000 which is enough to continue her business to grow further, but because of the many responsibilities that must be met, the impact of ultra micro assistance is still mediocre for Mrs. Nurulaini.

Third, Mrs. Susilawati is a resident of Ingin Jaya, Aceh Besar who raises 4 people, she sells in a wooden kiosk that she has rented for the past three years. From the interview results, she received ultra-micro assistance from Baitul Mal Aceh of Rp. 5,000,000 because of the many needs and responsibilities, so Mrs. Susilawati has not used the ultra-micro assistance properly for business but also for household expenses. So the author concludes that Mrs. Susilawati has no impact on her business progress..

From the results of the interviews obtained by the beneficiaries (mustahik) of the Ultra Micro productive zakat program, it can be concluded that: Mrs. Fauziah has developed her program so that she can donate. Mrs. Nurualaini is still continuing her business but has not developed much and has been able to donate. Likewise with Mrs. Susilawati, her business has not developed much because she still has many other responsibilities but she has been able to donate too.

CONCLUSION AND RECOMMENDATION

The results of this study show that: First, The implementation mechanism of the Ultra Micro Business Capital Assistance activity in general is distributed to 123 mustahik by taking 72 samples. One of the mechanisms used is to conduct online administration via the Baitul Mal Aceh website. The next is the selection and verification of administration by the Baitul Mal Aceh amil by conducting a field survey to see the business conditions and direct interviews with prospective recipients of business capital assistance, and finally with monitoring carried out by directly visiting the mustahik recipients of Ultra Micro Business Capital Assistance, either at their place of residence or at their place of business.

Second, The ultra-micro program at Baitul Mal Aceh has a significant impact on improving the economy of mustahik in Aceh Besar Regency and Banda Aceh City, as evidenced by eight indicators of success, including: the success of the ultra-micro program according to the criteria set by Baitul Mal Aceh, increasing the income of mustahik, the purpose of using ultra-micro by mustahik, increasing the economy of mustahik, solving the economic problems of mustahik, the suitability of mustahik's hopes with the reality afterward, the success of mustahik's assistance by Baitul Mal Aceh and mustahik can now give alms or zakat.

So from this research, researchers can provide suggestions to Baitul Mal Aceh, is advised to further improve the monitoring or mentoring and routine evaluation, provide training to mustahik on the utilization of ultra micro aid funds that have been distributed by Baitul Mal Aceh. Provide special training for the business section so that it can increase the creativity of mustahik in ultra micro businesses as well as to mustahik amanah in the use of aid and ultra micro.

For further researchers, it is suggested to research related to the

mechanism of poverty alleviation through ultra-micro productive zakat. Therefore, the author is happy and fully supports if there are students or other productive zakat researchers who will research ultra-micro as poverty alleviation.

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