

SYNCRONIZING OF POVERTY ZAKAH WITH SUSTAINABLE DEVELOPMENT GOALS

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Abstract

Poverty is a big problem for many countries in the world, including Indonesia. In Sustainable Development Goals (SDGs) there are some goals to eradicate poverty of 17 goals. As a country with largest Moslem, zakah in Indonesia is expected to be a target of poverty eradication. This research analyzed the effort of poverty eradication with zakah based on BAZNAS (Indonesia's zakah board) programs. From their programs, there is an effort to eradicate poverty with productive zakah, such as with community, micro financing, also business assistance. So, these programs in line with goals number 1, 8, 10 and 17 of SDGs, means that poverty zakah of BAZNAS in integrated manner get the targets, not only 'no poverty', but also others like decent work and economic growth, reduced inequalities dan partnership for the goals.

Keyword: poverty; zakah; SDGs; poverty eradication

Poverty is a condition that is below the standard line for minimum needs, both food or non-food which is called the poverty line or also called the poverty threshold (Ferezagia, 2018). Etymologically, 'poverty' comes from the word of 'poor', means complete lack to meet basic needs. The Central Bureau of Statistics defines it as an individual's inability to meet the minimum basic needs for a decent life (Badan Pusat Statistik, *n.d.*).

According to World Bank, Indonesia faces a considerable development challenge. The global crisis caused by the Covid-19 pandemic has created unprecedented hurdles for Indonesia's development goals, which is impacted went from upper-middle income to lower-middle income status as of July 2021(Overview, *n.d.*). Globally, Covid-19 has produce an additional 199-124 million people were pushed back into extreme poverty in 2020 (*Goal 1 | Department of Economic and Social Affairs, n.d.*). In 2020 there are 9.4% of poor people in Indonesia (*Poverty Headcount Ratio at National Poverty Lines (% of Population) - Indonesia | Data, n.d.*).



Sources: (Badan Pusat Statistik, *n.d.*; *The 2020 Global Multidimensional Poverty Index (MPI) Human Development Reports, n.d.*, p. 2; ralph, 2021)

Figure 1. Infographics of Poverty in Indonesia

In Islam, there are various instruments for poverty alleviation in the spirit so that wealth does not circulate only among the rich (QS 59:7). Most of these instruments are not mandatory, except for one instrument called zakah (*Qur'an Kemenag, n.d.*).

Zakah is one of the characteristics of the Islamic economic system. Zakah is able to help people who experience financial deficiencies or people who are below average in finance, zakah is the principle of justice in Islam. In terms of zakah means to grow and develop, fertility or increase or means to clean or purify. Zakah is defined as the amount of property that is determined by Allah to be handed over to the entitled group (asnaf), in addition to issuing a number of charity (Hakim, 2020).

Zakah is a certain part of property have to be issued by every Moslem who has reached the specified conditions. As one of the pillars of Islam, zakah is given to those who are entitled to receive it or called as asnaf (QS 9:60). Systematically, zakah has a nisab (certain level that has been determined). If it exceeds its nisab, then a Moslem's financial obligation is to pay part of his net worth. Distribution of zakah is the distribution of wealth from someone who has excess in wealth (muzaki) to someone who lack of wealth (mustahiq). The distribution of zakah funds can only be given to eight predetermined asnaf.

Zakah given who are entitled to receive zakah is generally consumptive in nature, namely to meet the daily needs of the poor and in dire need. But this only helps society in the short term. Therefore, in addition to consumptive zakah, it is necessary to implement productive zakah, namely to increase or as their business capital. Distribution of zakah productively (empowerment) is the distribution of zakah which aims to provide sustainable income to mustahiq. The distribution of productive zakah is accompanied by guidance or assistance for the small business of mustahiq. These two types of zakah are:

a. Consumptive Zakah

Consumptive zakah is directly distributed to those who are unable and in dire need, especially to the poor. Therefore, consumptive zakah is given to mustahiq to meet daily needs such as clothing, food and shelter, as well as other short-term and urgent needs. Their needs can be fulfilled by consumptive zakah (Safradji, 2018).

b. Productive Zakah

Productive zakah is funds distributed to mustahiq that are long-term to be developed and used to help their businesses, so that they can meet their daily needs from the profit of these business. Productive business is any business that is able to be profitable, has potential business quality and has good management, and it is obligatory for these business to belong to the poor who are in the mustahiq criteria and are engaged in the halal sector. In its distribution, it requires the presence of a zakah institution (amil) that can be trusted in carrying out its responsibilities and is able to manage the distribution of zakah so that the goals of this program are not achieved (Safradji, 2018).

According to Act 23 of 2011 about the Management of Zakah, zakah is a religious institution that aims to improve justice and the welfare of the community so that it needs to be regulated to increase usability, zakah have to be managed institutionally in accordance with Islamic Law. Zakah management is an activity of planning, implementing, and coordinating the collection, distribution and utilization of zakah. Zakah means assets that may be issued by a Moslem or business entity to be given to those who are entitled to receive it in accordance with Islamic law (*UU No. 23 Tahun 2011 Tentang Pengelolaan Zakat [JDIH BPK RI]*, n.d.).

BAZNAS is an institution that has the authority to carry out zakah management tasks to coordinate the Amil Zakah Agency (BAZ) and the Amil Zakah Institution (LAZ), build a nationally integrated zakah management information system, create a map of the potential for collecting and distributing zakah, as well as building a muzaki and zakah data base. The management of zakah is regulated by the state with BAZNAS as the national zakah operator in order to create a unified system (a staffing system in which personnel management is

carried out by a national level institution specifically formed for this purpose in zakah management.

Based on Article 34 of Act 23 of 2011 concerning Zakah Management, the state also plays a role as a supervisor and supervisor of zakah management in Indonesia (*UU No. 23 Tahun 2011 Tentang Pengelolaan Zakat [JDIH BPK RI]*, n.d.). The government carries out supervision in the form of implementing sharia audits for the management of zakah, infaq, shadaqah and other religious social funds, both by the BAZNAS and LAZ. The government organ authorized to carry out sharia audits is the ministry that carries out government affairs in the religious field, namely the Ministry of Religion (*PP No. 14 Tahun 2014 Tentang Pelaksanaan Undang Undang Nomor 23 Tahun 2011 Tentang Pengelolaan Zakat [JDIH BPK RI]*, n.d.).

On the other hand, on September 25, 2015, the Sustainable Development Goals Agenda was ratified as a development agreement that covers all countries. A total of 193 heads of state were present, including from Indonesia, to ratify the SDGs Agenda. With the theme "Changing Our World: The 2030 Agenda for Sustainable Development", the SDGs, which contain 17 Goals and 169 Targets, create a global action plan for the next 15 years (effective from 2016 to 2030), to tackle poverty, reduce inequality and create a healthy environment. The SDGs apply to all countries (universal), so that all countries have a moral obligation to achieve the Goals and Targets of the SDGs

The 17 of these goals are (*THE 17 GOALS | Sustainable Development*, n.d.):

1. No Poverty
2. Zero Hunger.
3. Good Health and Well-being.
4. Quality education.
5. Gender equality.
6. Clean water and sanitation.
7. Affordable and clean energy.
8. Decent work and economic growth.
9. Industry, innovation, and infrastructure.
10. Reduced inequalities.
11. Sustainable cities and communities.
12. Responsible consumption and production.
13. Climate action.
14. Life below water.
15. Life on land.
16. Peace, justice, and strong institutions.
17. Partnerships for the goals.



Source: (*THE 17 GOALS | Sustainable Development*, n.d.)

Figure 2. Sustainable Development Goals

Basically, the SDGs and zakat meet in an objective to overcome poverty, including hunger. Several opinions and views exist to link the SDGs values one by one with an explanation of the work of zakat, especially from the side of the beneficiaries, but there is a fairly fundamental paradigm between the two, namely zakat is a suggestion of a Muslim's dedication to Allah, while the SDGs are only limited to personal benefits. Worldly (Badan Amil Zakat Nasional, 2017).

On the basis of that reality, this study was made with the aim of knowing the relevance of zakat performance to the SDGs, especially in economic programs organized by BAZNAS. This study also aims to find solutions on how the benefits of economic programs at BAZNAS can further meet the various objectives of the SDGs.

Method

The method used in this research is a qualitative approach which is intended to understand a process or attempt to understand scientific problems based on the information reported (Sugiyono, n.d.). Based on the design, this research is field research, namely research that can connect real life, carried out by digging up data sourced from interviews with BAZNAS, as well as other information in the form of data sourced from interviewees.

The unit of analysis chosen is BAZNAS in its task of receiving and distributing zakat funds, where BAZNAS has networks, both at the provincial, district, sub-district and village levels, which means that BAZNAS can penetrate to the joints of rural areas. In this study, the intended focus is the problem of distributing zakat funds in the form of economic programs.

Findings and Discussions

BAZNAS is an organization that helps to distribute zakat funds on a national scale from the collection of muzzaki, and through programs BAZNAS has carried out its mandate well and has distributed aid to villages where local residents need assistance or assistance and costs to run their business. From these activities, it can reduce the poverty rate in Indonesia.

The mechanism of BAZNAS as the zakat authority given the mandate of national zakat management, the BAZNAS approach in distributing and utilizing zakat is carried out through five channels, namely through the BAZNAS program institution, through a direct distribution mechanism via public services, through collaboration with regional BAZNAS, collaboration with LAZ including LAZ Islamic organizations, and in collaboration with

other strategic partners, such as the Foundation. NGOs and institutions that focus on poverty alleviation and community empowerment. For example, BAZNAS has developed eleven program institutions under the coordination of the Directorate of Distribution and Utilization of BAZNAS, where each program agency has a specific mandate. The eleven program institutions are LAB (Active Services of BAZNAS), BTB (BAZNAS Disaster Response), LBB (BAZNAS Scholarship Institution), SCB (BAZNAS Cendikia School), MCB (BAZNAS Convert Center), RSBI (Indonesian BAZNAS Healthy House), ZCD (Zakat Community Development), BMFi (BAZNAS Microfinance), LPEM (Mustahik Economic Empowerment Institute), LPPM (Mustahik Farmer Empowerment Institute), and Puskas (Strategic Study Center) which are specially designed to provide policy input based on the strategic studies carried out.



Source: Presentation of BAZNAS at the interview session

Figure 3. Programs of BAZNAS

BAZNAS has several programs for poverty alleviation in Indonesia, the Economic Program is one of the BAZNAS poverty alleviation models whose goal is to build growth in the economic life of the poor in various sectors. good. Economic Empowerment is a form of productive zakat and is included in the goals of sustainable economic development or SDGs, the first program of Economic Empowerment is Zakat Community Development, the second program is BAZNAS Micro Finance, the third program is the Mustahik Economic Empowerment Institute, and the fourth program is the Institute for Empowerment Mustahik Farmer. And the results of BAZNAS Economic Empowerment in various regions in Indonesia.

Zakat Community Development

Community and village empowerment program by integrating the aspects of da'wah, economy, education, health, and humanity comprehensively in the form of program assistance, strengthening mustahik groups, managing PIRT and Halal Labels for Mustahik Products, strengthening da'wah, improving literacy skills.

BAZNAS Micro Finance

Productive financing assistance institutions for mustahik with the principle of non-profit in business development, through the following mechanisms:

1. Capital financing
2. Business development service
3. Strengthening social capital

In the Micro Finance program, BAZNAS has carried out activities to help lower middle-class businesses. Capital is the main factor needed to develop a business unit.

The lack of capital in small and medium enterprises is due to the characteristics of closed businesses, relying on very limited capital from the owner, while loan capital from banks or other financial institutions is difficult to obtain because the administrative and technical requirements requested by banks cannot be met.

Lembaga Pemberdayaan Ekonomi Mustahik

Strengthening mustahik through training and business assistance in managing NIB, IUMK, and Halal Labels for mustahik products, branding mustahik products, using Zmart applications, agricultural organic certification, agribusiness development.

Lembaga Pemberdayaan Peternak Mustahik

The mechanism of this program is by making various livestock centers, such as:

- Livestock Cultivation Center: breeding, breeding livestock, fattening livestock.
- Animal feed center: forage, animal feed, fortification feeds, feed factory.
- Livestock auction center: animal market, livestock trade advocacy, online marketing.
- Center for processing by-products: organic fertilizer, (compost and biosulury), processing fur, horns, bones, biogas.
- Product processing center: meat, milk and egg processing, quality management advocacy, product marketing advocacy.

Findings and Discussion

Based on the various types of BAZNAS Economic Programs described above, it can be seen that all of them are on the path of poverty alleviation through the distribution of productive zakat funds. Various activities in the BAZNAS Economic Program do not help mustahiq through the distribution of zakat funds to meet their daily needs, but by making various efforts to empower mustahiq to be economically strong.

The Zakat Community Development Program is a program based on the results of BAZNAS' understanding of the typical society in Indonesia, namely a social community that has a strong family spirit, so that communities are formed in various parts of the region. Mustahiq recipients of zakat funds for this program are members of communities that are given various literacy and understanding, both in the form of da'wah, education, health, and various humanitarian programs, as well as economic activities, so as to form strong communities. These communities continue to be assisted and given various reinforcements in order to form forward thinking in an effort to improve their economy. After that, it can be continued with various other activities that are included in the Economics Program. In this program, mustahiq is also prepared for various capitals to become entrepreneurs such as obtaining various permits, both business licenses and permits related to products, including halal certification.

In addition to Community Development Zakat, in the Economic Program there is also BAZNAS Micro Finance which specifically helps mustahiq economic activities in the form of financing for mustahiq business needs, which can be in the form of capital assistance, business development services, as well as strengthening social capital. Almost the same as the Zakat Community Development program, here not only financial assistance is provided, but more than that, strengthening and meaningful provisions are also provided for mustahiq to be ready to enter the world of entrepreneurship. Here mustahiq are also given services to be able to develop their business, either in the form of consultation or mentoring, besides that mustahiq are also given social capital which can be in the form of network development or strengthening the network between mustahiq. The difference is, here mustahiq is not fostered in groups but is more devoted to each individual.

In the Economic Program there are also 2 empowerment institutions, namely the Mustahiq Economic Empowerment Institute and the Mustahiq Farmer Empowerment Institute. At the Mustahiq Economic Empowerment Institute, the activities carried out are related to the empowerment of mustahiq as entrepreneurs, both managing various kinds of permits needed and various other forms such as applications for product sales, development and certification for mustahiqs who run an agricultural business. As for the Mustahiq Farmer Empowerment Institute, the focus is on livestock activities, both for improving the quality of livestock in the form of superior seeds and for feed, processing products, by-products, and marketing.

Thus, the activities carried out in the BAZNAS Economic Program certainly target goal 1: no poverty. This goal aims to reduce the level of poverty in all its forms (end poverty in all its forms everywhere), so it is clear that poverty that must be eradicated is not only in the form of extreme poverty, but also in other forms and levels, including the vulnerable. By strengthening in the economic field through productive zakat, it is hoped that mustahiq will become more than just helping to meet their needs, but can even have a strong source of livelihood that can raise the level of their economy to be more empowered.

Goal 1 also aims to ensure that the poor and vulnerable to poverty have the same rights in livelihood (economic resources), such as access to basic services, ownership and control over land, even appropriate new technology and financial services, including microfinance (*Goal 1 | Department of Economic and Social Affairs, n.d.*), means that the Economic Program of BAZNAS has been very much in line with Goal 1.

In addition to goal 1, the BAZNAS Economic Program also still has links to several Goals, which although they do not directly mention poverty alleviation, they share the same spirit, namely the spirit to improve the dignity of human life by providing opportunities for the poor to build a strong economy.

Another goal that is also related to this Economic Program is Goal 8: Decent Work and Economic Growth, which is a goal that promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. improvement of the economic condition of the community in an equitable and sustainable manner. Activities in the BAZNAS Economic Program are aimed at goals that are more than just meeting the needs or welfare of mustahiqs, but also making mustahiqs productive through entrepreneurship.

On the other hand, the majority of people in Indonesia have a mindset that to improve economic welfare the way that can be taken is to become an employee who has a fixed income. In fact, to improve the economy, it is necessary to build new job opportunities through entrepreneurship, which is more promising for sustainability if it is carried out well and with a spirit of development that does not give up easily. The BAZNAS Economic Program, in addition to spurring the entrepreneurial spirit of mustahiq, also builds community strength, including communities in villages with an economic base, so that rural communities can prosper in their own villages, without the need to move to big cities to look for work as laborers or office employees.

In addition, the BAZNAS Economic Program is also in line with Goal 10: Reduce Inequalities, which is a goal with the spirit of reducing inequality between residents. One of the targets of this goal is to increase the income of 40% of the population with the lowest income in the world by 2030. The BAZNAS Economic Program targets the mustahiq, namely the needy and poor, or parties from low economic groups, both those who are unable to work as well as those who are already working but are still unable to bear their own living expenses, to be able to achieve economic independence through the business sector and be

given reinforcements according to their needs, in the form of knowledge, skills, capital, as well as strengthening business networks.

In fact, pandemic Covid-19 is likely to reverse progress made in reducing income inequality since the financial crisis (*Goal 10 | Department of Economic and Social Affairs*, n.d., p. 10), which means that efforts to reduce income inequality have been eroded by the pandemic conditions where many people who have just come out of poverty have fallen back into the same place, and even people who are still below the poverty line have become poorer. On the other hand, there are certain business sectors that are not affected by the pandemic or even able to reap more profits due to the pandemic conditions, such as Health and digital businesses, which means that it is not impossible that there are parties who are getting richer because of the pandemic. This means widening the gap between the rich and the poor. For that, it is necessary to make efforts to activate productive zakat programs in the economic field, such as the BAZNAS Economic Program that has been carried out, this is to spur economic growth for the poor to become empowered again and leave the abyss of poverty.

The three goals above are goals that are strongly directly related to various activities in the BAZNAS Economic Program, although in fact there are several goals that are still related but not directly related or have weak links, such as Goal 2: Zero Hunger, where one form of reducing hunger is to promote sustainable agriculture. Agriculture itself is one of the activities in the Baznas Economic Program, both in the form of the Mustahiq Farmer Empowerment Institute and in several activities at the Mustahiq Economic Empowerment Institute.

Another program that is also indirectly related is Goal 11: Sustainable Cities and Communities, where the problem to be addressed in this goal is urban slum areas (slums) which are formed from uncontrolled population growth in cities, which is one of the impacts of urbanization. . The BAZNAS Economic Program participates in strengthening rural communities to be independent and economically empowered, so that they no longer need to move to cities in search of a better life.

Conclusions and Suggestions

The Goals met with BAZNAS Economic Program are:

- a. Goal 1 where the BAZNAS Economic Program is designed to be able to fight poverty through productive zakat that empowers mustahiq
- b. Goal 8, which is a goal that targets equal employment opportunities and creates economic stability through entrepreneurship that is in line with activities in the BAZNAS Economic Program
- c. Goal 10 which seeks to empower the economy of the mustahiq who are the poor in order to raise their level economically so that the gap will decrease.

In addition to these goals, there is actually Goal 2 which targets the problem of hunger. One form is by strengthening agriculture in order to meet food security, where several activities in the BAZNAS Economic Program are directly in the form of activities in this field. In addition, Goal 11 is also indirectly supported by this program in the form of reducing urbanization due to the strength of rural communities economically.

Based on these conclusions, the recommendation given is that the BAZNAS Economic Program can increasingly empower rural communities, especially in the field of agriculture, that they can significantly support food security in Indonesia, as well as to strengthen economic communities in villages so as to help reduce the flow of urbanization to rural areas. dense urban area.

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