

# The Effectiveness of Zakat Utilization Program Based on Integrated Community Development in West Bandung Regency (Case Study of Assisted Village by Rumah Zakat)

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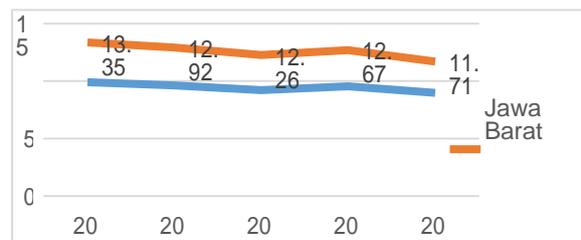
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**Abstract** –This paper aims to determine the effectiveness of zakat utilization based on Integrated Community Development (ICD) to affect the improvement of welfare. This study not only measures the level of welfare of the community but also *mustahiq* community members in Mekarwangi Village after the intervention of ICD-based zakat program. Recently, this research is still infrequent; further, there is no standardized assessment tool to measure the welfare of *mustahiq* community. This paper used Zakat Village Index instrument to measure the welfare of *mustahiq* community and CIBEST model to measure welfare of *mustahiq* community members. By using mixed method approach and multi stage cluster sampling by an interview by questioner. The results showed that the ICD-based zakat utilization program in Mekarwangi Village was quite successful but not significant in improving community welfare with the result of the Zakat village index of 0.59 influenced by the low economic dimension by 0.32 and the spread of the ICD program of Rumah Zakat that has not been evenly distributed in Mekarwangi Village. After intervention by ICD-based zakat program is able to increase welfare index of the *mustahiq* community members by 67 percent. The material poverty index, spiritual poverty and absolute poverty index can also be reduced by 36 percent, 11 percent and 20 percent, respectively.

**Keywords**—Effectiveness, Integrated Community Development, Mustahiq Community, Cibest- Model, Zakat Village Index (IDZ)

## I. INTRODUCTION

Poverty remains one of the main problems faced by most developing countries including Indonesia. Poverty is one of the social issues of MDG targets and indicators that have not been achieved. Three of them are the problem of poverty, education and economic growth. One of the regions in Indonesia, namely West Bandung Regency, is one of the regions in West Java that has a poverty level above the average percentage of poverty in West Java and in Indonesia. The poverty percentage of West Bandung Regency in 2016 was 11.71, while Java 8.95. Not only in 2016 alone the last five years West Bandung was still above the average percentage. The following graph 1 compares the percentage of poverty in 2012-2016:



**Graph 1: Percentage of poverty in West Java and West Bandung for the period 2012-2016**

The poverty problem is a matter of social deprivation. Social deprivation that occurs in rural areas is caused by five things, namely poverty, powerlessness, isolation, vulnerability and physical weakness.

Social instruments that play a role in reducing poverty and ensuring the welfare of the people in Islam, one of which is zakat. Islam has several instruments of social funds in hacking poverty and dividing it into three parts including zakat, infaq and waqf. Some research that support the role of zakat alleviating poverty are research by Sadeq [1], Beik [2] Beik and Arsyanti [3], Nurzaman, Jatmiko and Annisa [4].

Management of zakat in Indonesia has been progressing rapidly. Utilization of zakat is not only distributed in the form of consumer goods, but the utilization of zakat can be distributed in the form of zakat productive program to encourage independence *mustahiq* sustainably. One example of a program conducted by Rumah Zakat is the utilization of zakat through Integrated Community Development (ICD) or empowerment based on integrated region. Integrated Community Development (ICD) is a process of empowerment through an integrated program in accordance with the characteristics of the region and time.

The purpose of the Integrated Community Development (ICD) creates a measurable improvement based on community issues that occur in the region. This means that the beneficiaries are not an area-based individual.

Integrated Community Development Program has identified the development of local communities as an essential strategy for poverty alleviation as well as for the sustainable development of economy, society, and culture.

The success of zakat as an instrument in alleviating poverty will be seen when between inputs, processes and output shave match results. This means that the effectiveness of zakat utilization program occurs. Effectiveness is the range of effort to meet the objectives and targets of the program with specific resources and facilities with an emphasis not to cripple methods, resources and not with unnatural pressure on its implementation. Effectiveness is an assessment of the goals and objectives of an organization. In achieving success, organizations must be able to consider goals and defend themselves in pursuing targets.

The utilization of zakat does not only focus on consumptive ones. Utilization of zakat is productive and has a broader impact in reducing poverty. So the number of muzaki becomes more than mustahiq. This means that the program is capable of making people prosperous. Thus, this study tries to measure the impact of a community-based program to determine effectiveness ICD program against improving the welfare of mustahiq. What is the existence of the ICD-based zakat program increasing the welfare of Mustahiq and community mustahiq or not? The measuring instrument used not only measures the effectiveness of the community, but includes individual members of the community.

## II. METHOD

The method of this study used a mixed method approach. Data sources used are primary data and secondary data. Primary data obtained through direct interviews using a questionnaire by Likert scale.

Using a multistage cluster sampling method, which is two-stage or more technique in determining to sample by special consideration so that it can be used as sample. The stages of determining the sampling in this study are as follows: 1) Conducting the selection of areas of several assisted villages by

Second, after getting the value of the indicator, then multiplied by the weight of the indicator value to get the indicator index. Next, index indicators are grouped according to the indicator of variables. Fourth, then multiplied by the weight of each variable of indicator to get the value of the variable index. Fifth, the index of variables obtained then multiplied by the weight of each dimension to obtain the dimension index. The result is a composite index of Zakat Village

Rumah Zakat to be sample and represent to their villages in West Bandung District that are Ngamprah, Sirnajaya, Rajamandala Kulon, Gudangkahuripan, and Mekarwangi Villages; 2) In the second stage of the election of one village built the Village Mekarwangi. In this study, the criteria of zakat recipient used in the sample were those who had become mustahiq than productive zakat. The instruments used to measure program effectiveness utilization of community-based zakat to improve welfare the community uses the Village Zakat Index instrument, and to measure program effectiveness towards individual members of the community then used CIBEST Model. IDZ have five components in measuring the effectiveness of charity for the welfare of the community is the economic dimension, the dimension of education, dimension of health, social dimension of humanity and dimensions of *da'wah*. The economic dimension consists of four variables, namely the presence of productive economic activities, trade centers and access to transportation and logistics services as well as the presence of access to financial institutions

Dimensions of health have three such variables concerning public health, health services and health insurance. Educational dimension obtained from the levels of education and literacy and community education facilities. Social and human dimension resulting from the unavailability of the interaction space, electrical infrastructure, communication and information, and disaster mitigation. While the *da'wah* dimension derives from the assessment means and the companion of religion, the level of religious knowledge society and the level of religious activity and community participation

Determine some procedures in the calculation of zakat village index. The First, the assessment criteria of each indicator using Likert scale consisting of 5 assessment criteria. The higher the value, the village is considered increasingly not prioritized for help. This means the condition of the village is very good. Conversely, the lower the value, then the village is prioritized to be assisted. Having obtained the actual figures (based on facts, findings and data obtained), then the indicator is calculated by using the calculation method as follows:

$$\text{Indicator } X = \frac{\text{Score } X - \text{Score min}}{\text{Score max} - \text{Score min}}$$

Index. The formula is as follows:

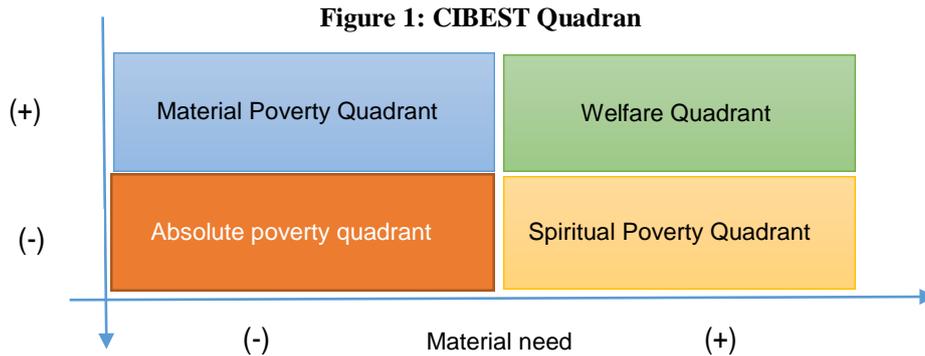
$$ZVI = X1_{ec} + X2_{hea} + X3_{edc} + X4_{soc} + X5_{da}$$

The calculation estimation technique for obtaining IDZ value is done using Multi-Stage Weighted Index method. This method allows calculation of not only final (composite) index value, but also the index value for each component. The value of the index is indeed

ranged between 0 and 1. If the IDZ value approaches 1 then the village, ICD program has been effective in improving welfare and not prioritized for assistance again. Conversely, if the index value closes to 0, the village should be prioritized for assistance by zakat program based on community because zakat has not been effective in improving welfare.

While The unit of analysis used in the CIBEST Model is households. divided households into four groups as in Figure 1, namely:

- A prosperous household is a household that is able to meet material needs and spiritual needs.
- Households with poor material conditions are households that are only able to fulfill spiritual needs.
- Spiritually poor households are only able to meet material needs.
- Households that cannot meet the two needs of both material needs and spiritual needs



In the CIBEST model, material poverty is based on three approaches namely a periodic survey of basic material needs, a standard poverty line according to BPS which is used with modifications and adjustments from both per capita approach to family approaches, and ethical standards (limits property ownership subject to obligation) zakat. Standard poverty line of West Bandung Regency:

$$Hi = \frac{Vpi + Vfi + Vzi + Vgi}{5}$$

Whereby:

Hi: Actual score of members of the i-household

Vpi: Score of prayer for members of the i-household Vfi: Score fasting for members of the i-household

Vzi: Zakat and infaq score of members of the i-household

Vhi: Family environment score according to family member i

Vgi: Score government policies according to family members

The formula for calculating each index is as follows:

$$WelfareIndex = \frac{\text{Amount of rich spiritual and household material}}{\text{Total number of households observed}}$$

$$MaterialPovertyIndex = \frac{\text{The amount of poor material and rich spiritual household}}{\text{Total number of households observed}}$$

$$spiritualpoorindex = \frac{\text{Amount of spiritual poor and rich in household material}}{\text{Total number of households observed}}$$

$$AbsolutePoorIndex = \frac{\text{Amount of spiritual poor and poor household material}}{\text{Total number of households observed}}$$

Spiritual standard, which separates spiritually poor households and spiritually rich households, is determined to be equal to 3. Mathematically, it can be written as follow.

$$SV=3 \quad (SV = \text{absolute line (standard) for spiritual poverty})$$

$$MV \text{ Bandung Barat} = Rp 294.823,00 \times 3,80 = Rp 1.120.327,00$$

While spiritual poverty based on 3 variables: worship, family environment, and policy government. The formulation of the CIBEST model calculation is as follows:

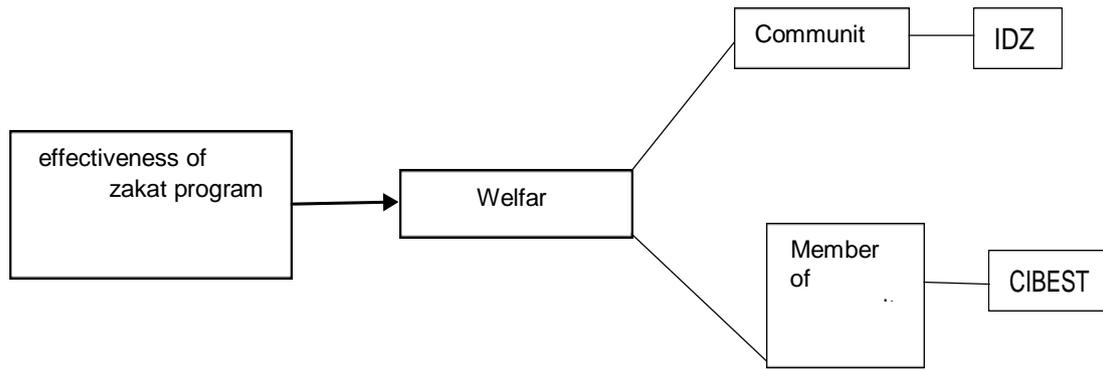


Figure 2: Research Framework

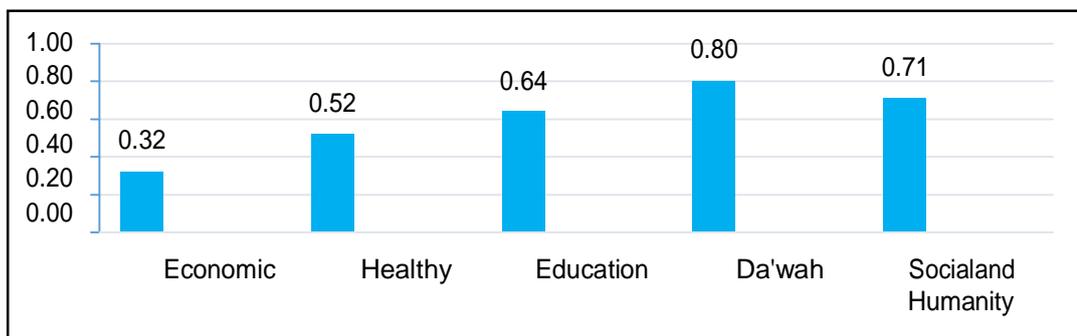
III. RESULT AND DISCUSSION

A. The Effectiveness of the ICD program toward the MustahiqCommunity

This section will present findings and analysis that related to the purpose of this study. Based on the sampling method, we finally choose Mekarwangi Village and then get 45 families (recipients of Zakat) as the sample data that used for this study. The result of Zakat Village Index of Mekarwangi Village shows that Mekarwangi Village can be considered to be assisted by zakat. The value obtained is 0.59. The score is derived from the index value of economic 0.32, health

dimension 0.52, education dimension 0.64, social and human 0.80 and da'wah dimensions 0.71. The Index variable is obtained from the indicator index of the variables of each indicator of dimension variables.

The value shows a value of 0.59 means not effective enough to improve community welfare and can be reconsidered assisted by zakat funds based on community, while the lowest dimension that becomes a problem of the village is the economic dimension (0.32). More details can be seen in the following figure and graphs 2 and look at appendix 1:



Graph 2: IDZ Summary Results

B. The Effectiveness of the ICD program towards the Member of MustahiqCommunity

The results of the CIBEST index calculation based on the average before and after spiritual value and income before and after community-based zakat intervention are:

**Quadrant I** of Mekarwangi Village as a guided village of Rumah Zakat, spiritual average score, average income score, and a number of households after zakat intervention increased. The average spiritual score before zakat is 3.5 points after zakat to 4.14. This is because the spiritual and material needs of community-based zakat recipients of Mekarwangi Village are always held by religious guidance, business coaching, and program monitoring. The number of households before zakat was 12 up to 42 households with material and spiritual welfare after the intervention of zakat, with an average income of Rp1,825,000.00 to Rp1,927,380.00. This means that community-based zakat has succeeded in making members of the Mekarwangi village mustahiq group prosperous.

**Quadrant II** households of material poor after zakat intervention is 2 out of 18, with mustahiq income before zakat are Rp.958,333.00 goes up to Rp.1,000,000.00. However, after receiving zakat, the average is still below the poverty line of West Bandung Regency. This means that 2 household sor members of Mustahiqin Mekarwangi Village have not materially prospered. Although the number of households in quadrant II increased to 2 households and experienced a spiritual average increase of 3.8.

**Quadrant III** is a group of spiritual poor or material rich. The number of quadrant III households before the intervention of zakat is 6 households and falls to 1 household, within come above the poverty line of Rp.2,428,033.00 to Rp.2,500,000.00 after the intervention of zakat. The cause of poor spiritual is because in one village still adheres to Sundanese Wiwitan teachings that are not yet understood about Islam. So that the spiritual value is low.

**Quadrant IV** is an absolute poverty quadrant. Before the intervention of zakat there were 9 households that could not fulfill their spiritual and material needs. Where the average spiritual score is 3 and the average amount of income is Rp.450,000.00. However, after the intervention of zakat, there were no more households belonging to absolute poor community groups.

After knowing the results of the number of households in each CIBEST Welfare Index quadrant, then look for the index value obtained from the calculation of mustahiq households in a particular quadrant to be divided by the total household respondents. The following table shows the results of the CIBEST Welfare Index in Mekarwangi Village before and after receiving zakat:

<b>Qudran</b>	<b>Before</b>	<b>After</b>	<b>Percentage of Change</b>
<b>I</b>	0.266	0.93	67%
<b>II</b>	0.4	0.044	-36%
<b>III</b>	0.133	0.022	-11%
<b>IV</b>	0.2	0	-20%

**Table 2 CIBEST Welfare Index Mekarwangi Village Before and After Receiving Zakat**

Based on table 2, Zakat increase welfare index of the *mustahiq* community members by 67 percent. The material poverty index, spiritual poverty and absolute poverty index can also be reduced by 36 percent, 11 percent and 20 percent, respectively.

**IV. Conclusion**

The ICD-based zakat program of Rumah Zakat has not been effective enough to improve welfare. The unsuccessful ICD program has improved the welfare of the community because the distribution of the ICD program in Mekarwangi village has not been evenly distributed through out the area in Mekarwangi Village, which has an average economic dimension of 0.32. IDZ Value of Mekarwangi Village is 0.59.

The ICD-based zakat program of Rumah Zakat has a significant effect in improving the welfare of members of the Mustahiq community of 45 household zakat recipients by 67 percent. The material poverty index, spiritual poverty and absolute poverty index can also be reduced by 36 percent, 11 percent and 20 percent, respectively.

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**Appendix 1**

Dimension	Dimension Index	Variable	Variable index	Indicator	Indicator Index		
Economic	0.32	Productive Economic Activity	0.26	Number of Featured Products	0		
				Labor Force Participation Rate	0.75		
				Number of Creative Industries Creative Community	0.00		
		Village Trade Center	0.24			Market	0.00
						Trade Center	0.50
		Transportation Access and Logistics / Shipping Services	0.42			Accessibility of Village Road	1.00
						Public Transport Mode	0.00
						Logistics Services/ Freight Forwarding	0.00
		Access to Financial Institutions	0.38			Availability and Accessibility of Financial Institutions	0.00
						Percentage of residents who are indebted to moneylenders	1
						Percentage of population using financial products / services	0.25
		Healthy	0.52	Public health	0.94	Clean Water Facilities	1.00
Number of Houses Have Bathroom and Toilet	0.75						
Number of Houses Have Drinking Water Access	1.00						
Condition of House of Residents	1.00						
Health Services	0.38					Public Health Center Facilities Available	0.00
						Available facilities of village delivery cottage	1.00
						Available of Midwives	0.00
						Available Posyandu Facilities	1.00
						Availability of Doctor / Midwife Certified	0.00
Health Insurance	0.00					Number of Villagers Who Have Have BPJS Health	0.00
				Level of Education and Literacy	0.52	Education Level of Villagers	0

Education	0.64			Society can Read and Count	1
		Education facilities	0.76	Availability of Learning Facilities and Infrastructure	1.00
				Access to Schools Affordable and Easy	1.00
				Availability of Adequate Teachers	0.25
Social Dimension and Humanity	0.71	Public Open Space Interaction Facility	1	Availability of Sports Facilities	1
				Available Citizen Activity Group	1
		Electricity, Communication and Information Infrastructure	0.82	Available Electric Flow	1.00
				Available Communications Access	0.50
				Available Internet Access	0.75
				Available for Television or Radio Broadcast	1.00
		Natural Disaster Mitigation	0.00	Disaster management	0.00
Da'wah	0.80	Availability of Religious Facilities & Companions	0.9225	Availability of Mosque	0.75
				Access to the Mosque	1.00
				Availability of a Religious Companion	1.00
		Level of Knowledge of Community Religion	0.89	Level of Al-Qur'an Literacy of the Community	0.75
				Community Awareness for Tithe and Influence	1.00
		Level of Religious Activities and Community Participation	0.63	Religious Routine Activities	1.00
				Participation in Jama'ah Prayer 5 Time	0.25
				Participants in Religious Routine Activities	0.75