Feasibility Analysis of Paya Lombang Village for Zakat Community Development Program

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ABSTRACT

Poverty is still a problem for developing countries like Indonesia. The majority of poor people in Indonesia live in rural areas. BAZNAS, as an institution that collects and distributes zakat, has a Zakat Community Development (ZCD) program that is a mustahik community empowerment program in rural areas. This research aims to analyze the feasibility of Paya Lombang village in receiving zakat fund assistance through ZCD program and to examine priority dimensions contributing to the highest and the lowest values. This research is conducted by survey method through interview and focus group discussion by using questionnaires. The Multi-Stage Weight Index is used to analyze collected data. The result shows that, with a score of 0.59, Paya Lombang village is feasible enough to be considered as a rural area to be funded by zakat funds.

Keywords: *Poverty, Zakat Community Development (ZCD), Zakat Rural Index (IDZ).*

INTRODUCTION

Indonesia is one of the developing countries with the largest population. As a developing country, Indonesia has faced many problems, including poverty. Poverty is perceived by many aspects, including those related to the inability to access economically, socially, politically, and participation in society. Education, income, domicile and limited access such as access to health, finance, and public services were some of the dominant factors affecting poverty (Nurwati, 2008). Besides poverty, income inequality is also often experienced by developing countries like Indonesia. Income inequality is a more significant income difference between classes of people due to the difference in income earned by the community (Putri et al, 2015).

Table 1 indicates that the number of poor people in Indonesia has decreased both in urban and rural areas. The number of poor people in urban areas decreased from 10.49 million in 2016 to 10.27 million in 2017. This is the same as the population in the rural area of 17.28 million to 16.31 million in 2017. Overall, the number of poor people in Indonesia is higher in rural areas (BPS, 2020). On the other hand, the value of the Gini index in rural areas has increased from 0.316 in 2016 to 0.320 in 2017 (BPS, 2020).

Table 1: Percentage of Poor Population and Gini Index in Cities and Rural

Year	Total Poor Population (Million People)		Percentage of the poor population		Gini Index	
	Urban	Rural	Urban	Rural	Urban	Rural
2015	10.62	17.89	8.22	14.09	0.413	0.329
2016	10.49	17.28	7.73	13.96	0.409	0.316
2017	10.27	16.31	7.26	13.47	0.404	0.320
2018	10.13	15.54	6.89	13.1	0.391	0.319
2019	9.85	14.92	6.56	12.6	0.392	0.317

Source: Badan Pusat Statistik (BPS) 2020

Based on the dynamics of the data, there is a need for efforts by the government to reduce poverty in Indonesia. One of the instruments in Islam that is perceived to be a solution to the issue of poverty and inequality. Zakat is an instrument that has an Islamic socio-economic side, which is a transfer of income from *muzakki* to *mustahik* and is an instrument of

economic equality (Beik and Arsyianti 2016). Indonesia, as the country with the largest number of Muslims in the world, has a potential zakat collection of Rp 233.8 trillion (Puskas Baznas, 2019). Indonesia has an official body with the mission and function of raising and distributing zakat, infaq, and sadaqa (ZIS), namely the National Board of Zakat (BAZNAS). One of the community empowerments programs that BAZNAS has offered is Zakat Community Development (ZCD). ZCD is a community empowerment program initiated by BAZNAS through the rural *mustahik* community to break the cycle of poverty by integrating economic, health, education, humanitarian, and da'wah programs whose sources of funding come from Zakat, Infaq and Sadaqa (ZIS).

BAZNAS covers programs across Indonesia, from Aceh in Sumatra to Papua and from Borneo (Kalimantan) to South-East Nusa (Nusa Tenggara). North Sumatra has the highest number of poor people on the island of Sumatra and is ranked 4th in Indonesia. The number of poor people in North Sumatra reached 1 282 040 people in March 2019 (BPS 2019). Serdang Bedagai Regency is a province of North Sumatra province with a population of 50.49 thousand poor people in 2018. In addition, Serdang Bedagai Regency is a disaster-prone region, namely extreme weather (whirlwind). The tornado caused damage to residents' homes and uprooted rice farmers. One of the rural areas bit by the tornado in Serdang Bedagai was Paya Lombang Village. The village is a rural area with significant agricultural and fisheries potential. The area of rice production in Paya Lombang Village is 1000 hectares, and the yield of catfish fisheries production is 95 700 tonnes per year. Only 40 percent of Paya Lombang Village Road was paved, while the rest 60 percent remain unpaved. During the rainy season, rural area roads that have not been asphalted are very slippery so that middlemen are gradually pushing down farmers' selling prices due to difficult accessed roads. According to the Head of the Paya Lombang Village, the middleman system was already very entrenched in the village because most residents were given capital loans for agricultural products, which later had to be resold to middlemen at lower rates. The poverty remains the same as the number of underprivileged families in Paya Lombang Village, which numbered 745 families. Based on these problems the village needs to be identified whether the rural area can be assisted by zakat or not through the Zakat Community Development (ZCD) program using the Indeks Desa Zakat/Zakat Rural Index (IDZ) method.

This research was conducted in Paya Lombang Village during January to February 2020. The choice of area is because the rural area has the highest population in Tebing Tinggi District. Paya Lombang Village is also one of the rural areas with the highest Muslim population in Tebing Tinggi District.

LITERATURE REVIEW

According to Hafidhuddin (2002) etymologically, zakat means pure, clean, blessing, growth, benefit, and development. Every property that is spent zakat will be clean, grow, bless and develop. Zakat Community Development (ZCD) is one of the empowerment programs owned by BAZNAS through communities and villages by integrating aspects of the economy, education, health, social humanity and da'wah in a comprehensive manner whose funding sources come from zakat, donations, alms, and other socio-religious funds (Zakat Community Development Guidelines 2017).

Zakat Rural Index/Indeks Desa Zakat (IDZ) is a measuring tool used to measure the condition of a village, so that it can be said that it is feasible or not worthy of assistance with zakat funds. The preparation of IDZ is based on Process-Oriented principles so that zakat management organizations can use it to see the progress of the program. IDZ is expected to be a reference for zakat management organizations in the implementation of the village or community-based empowerment initiatives to make their management is more measurable (Puskas BAZNAS 2017).

Nurzaman researched IDZ and Annisa (2017) at three points: 1) Secanggang Village, Secanggang District, Langkat Regency; 2) Selontong Village, Secanggang District, Langkat Regency; 3) Buring Village, Malang Municipality. The results of this study indicate that the index values in the three regions have relatively good index values with index values of 0.51, 0.53 and 0.59. The three villages have a range of values between 0.41 and 0.60 so that they can be eligible for assistance.

Maulida et al. (2018) used IDZ in a study entitled The Implementation Desa Zakat Index (IDZ) for Priority Areas of the Zakat Community Development (ZCD) Program for the Empowerment Productive *Mustahiq* in South Kalimantan. This research was conducted in three locations, namely

RT 34 Desa Beruntung Jaya, Desa Ulin, and Desa Ujung Batu. The index values of the three villages were 0.46, 0.63 and 0.68. The lowest index value in this study was found in RT 34 Desa Beruntung, 0.48, which means that it could be considered for assistance.

Khalifah et al (2017) in a journal entitled Optimization of BAZNAS Programs on Sustainable Development Goals (SDGs): Analytic Network Process Approach (ANP). This study uses the Analytic Network Process (ANP) method. The results showed that using ANP and statistics there are several priority conclusions that include Pillars of Environmental Development (W = 0.47783), Partnership for All Development Objectives (W = 0.00486), and Zakat Community Development (W = 0.07367).

METHODOLOGY

Data Type and Source

This research uses primary data and secondary data. Primary data were obtained from the interviews and the Focus Group Discussion (FGD). This helps to deepen the results of the dimensions, indicators, and variables in IDZ so that the resulting components are relevant and measurable. Primary data is used to determine the general condition of the rural areas based on five dimensions, namely economic, health, education, social, humanitarian dimensions, and dakwah. IDZ values are also measured using secondary data in the form of administrative data and other administrative data. The retrieval data in this paper using Microsoft Excel 2013.

Stages of Zakat Rural Index (IDZ) Calculation

The calculation technique for obtaining IDZ values is estimated by using the Multi-Stage Weighted Index method. This method combines each stage of weighting in each component, shaping up the index, so the weighting must be done in stages and meticulous procedural. IDZ calculation is achieved through five sequential stages.

1. Each indicator has assessment criteria or what is called a Likert scale which consists of 5 assessment criteria, so the results of the calculation start from the smallest number 1 to the most massive 5. The higher the

value, the rural area, is considered to be less prioritized for assistance. Conversely, the lower the value the rural area is considered more feasible or highly prioritized for assistance. Then after obtaining the actual figures (based on facts, findings and data obtained that have been adjusted to the Likert scale criteria), the indicators are calculated using the calculation method as follows:

$$\text{Indicator}_x = \frac{(Score_x - Score_{min})}{(Score_{max} - Score_{min})}$$

Indicator_x = Indicator value x
Skor_x = Indicator score x
Skor_{min} = 1 (lowest value)
Skor_{max} = 5 (highest value)

2. After the value of each indicator is obtained, then multiplied by the weight of each indicator to get the indicator index.

3. Then the index indicators are grouped according to the variable and multiplied by the weight of each variable to get the index of the variable.

4. The index of each variable is multiplied by the weight of each dimension to get the dimension index. The result is a composite index that can be called the Zakat Rural area Index. The formula is as follows:

$$IDZ = (0.25X_1 + 0.16X_2 + 0.20X_3 + 0.17X_4 + 0.22X_5)$$
$\quad\quad IDZ$ = *Indeks Desa Zakat/* Zakat Rural Index
$\quad\quad X_1$ = Economic dimension
$\quad\quad X_2$ = Health dimension
$\quad\quad X_3$ = Educational dimension
$\quad\quad X_4$ = Dimensions of humanity
$\quad\quad X_5$ = *Da'wah* Dimension

5. IDZ value, which ranges between 0 and 1. The results of IDZ will be divided into five categories or Score Range as described as follows:
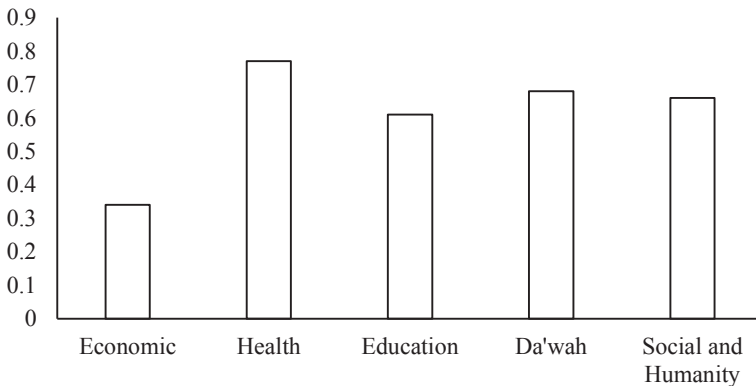
Table 2: Score-Range-IDZ

Score Range	Category	Interpretation
0.00-0.20	Poor	Very prioritized to assisted
0.21-0.40	Less than satisfactory	Prioritized to assisted
0.41-0.60	Satisfactory	Can be considered for help
0.61-0.80	Good	Less prioritized to be help
0.81-1.00	Excellent	Not prioritized to be helped

Source: Puskas BAZNAS 2017

RESULTS AND DISCUSSIONS

Zakat Rural Index (IDZ) Measurement Results

Based on measurements that have been calculated, the results of *Indeks Desa Zakat* (IDZ) of Paya Lombang is 0.59, which indicates that the condition of the Rural area of Paya Lombang is considered good enough to be assisted by zakat. The results of the index value of each dimension can be seen in Figure 1.

Figure 1: Summary of *Index Desa zakat* results
Source: Secondary and Primary Data 2020

The economic dimension occupies the lowest index value with an index value of 0.34, which indicates that the rural area economy is in poor condition. Thus, the economic dimension is prioritized to be assisted. Meanwhile, the dimension that reaches the highest index value is the health dimension with an index value of 0.77. It indicates the health condition of Paya Lombang Village is good, so it is not prioritized to be assisted. The education dimension obtained an index value of 0.61, which indicates that the educational conditions in Paya Lombang Village are good so that it is not prioritized to be assisted. The *da'wah* dimension obtains an index value of 0.68, which indicates that the spiritual condition of Paya Lombang Village is also in good condition so that it is not prioritized to be assisted. In the social and human dimensions, the index value of 0.66 shows that the social and humanitarian conditions of Paya Lombang Village are in good condition so that it is not prioritized to be assisted. The IDZ value of Paya Lombang Village is obtained from the fourth stage as follows:

$$IDZ = 0.25X_1 + 0.16X_2 + 0.20X_3 + 0.17X_4 + 0.22X_5$$
$$IDZ = 0.25(0.34) + 0.16(0.77) + 0.20(0.61) + 0.17(0.68) + 0.22(0.66)$$
$$IDZ = 0.59$$

Economic Dimension

Based on the results of measurements that have been made that the economic dimension index value of 0.34 is obtained. The index value indicates that the economic condition of the Paya Lombang Village is not good so that the economy of the village is prioritized for assistance. The economic dimension consists of 4 variables, namely productive economic activity, rural area trade centre, access to transportation and logistics/shipping services, and access to financial institutions. The economic dimension index value is obtained at the third stage calculation, as follows.

$$IDZ = 0.28X_1 + 0.24X_2 + 0.22X_3 + 0.26X_4$$
$$IDZ = 0.28(0.35) + 0.24(0.35) + 0.22(0.28) + 0.26(0.38)$$
$$IDZ = 0.34$$

Based on these calculations, an economic index value of 0.34 is obtained, which is not good. This relates to the low productive economic activities, low trade centres, lack of transportation access and logistics

delivery, and low access to financial institutions. Paya Lombang Village is prioritized to be supported with zakat funds. The economic dimension index values of each variable can be seen in Table 3.

Table 3: Index values of economic dimension variables

Variable	Variable Weight	Variable Index	Category	Interpretation
Productive Economic Activity	0.28	0.35	Less than satisfactory	Preferred to be helped
Rural area Trade Center	0.24	0.35	Less than factory	Preferred to be helped
Access to Transportation and Logistics / Shipping Services	0.22	0.28	Less than factory	Preferred to be helped
Access Financial Institutions	0.26	0.38	Less than satisfactory	Preferred to be helped

Source: Secondary and Primary Data 2020

Health Dimension

Based on the results of measurements that have been made the value of the health dimension index of 0.77 is obtained. The index value indicates that the health condition of Paya Lombang Village is good, so it is not prioritized for assistance. The health dimension consists of 3 variables, namely public health, health services, and health insurance. The health dimension index value is obtained in the fourth stage calculation, as follows.

$IDZ = 0.41X_1 + 0.36X_2 + 0.23X_3$
$IDZ = 0.41(1.00) + 0.36(0.53) + 0.23(0.75)$
$IDZ = 0.77$

Based on these calculations, the health dimension index value of 0.77 was considered acceptable. The value of the health dimension index of each variable can be seen in Table 4.

Table 4: Health dimension variable index value

Variable	Variable Weights	Variable Index	Category	Interpretation
Public health	0.41	1.00	Excellent	Not prioritized for help
Health services	0.36	0.53	Satisfactory	Can be considered for help
Health insurance	0.23	0.75	Good	Prioritized to be assisted

Source: Secondary and Primary Data 2020

Educational Dimension

Based on the results of measurements that have been made that the educational dimension index value obtained is 0.61. The index value shows that the condition of education in Paya Lombang Village is good, so it is not prioritized to be assisted. The educational dimension consists of 2 variables, namely the level of education and literacy and educational facilities. The educational dimension index value is obtained in the fourth stage calculation, as follows.

$$IDZ = 0.50X_1 + 0.50X_2$$
$$IDZ = 0.50(0.64) + 0.50(0.59)$$
$$IDZ = 0.61$$

The educational dimension index values of each variable can be seen in Table 5.

Table 5: Educational dimension variable index value

Variable	Variable Weights	Variable Index	Category	Interpretation
Level of Education and Literacy	0.50	0.64	Good	Prioritized to be assisted
Educational Facilities	0.50	0.59	Satisfactory	Can be considered for help

Source: Secondary and Primary Data 2020

The Social Dimensions of Humanity

Based on the results of measurements that have been carried out, the index value of the human social dimension is 0.66. The index value shows that the social and humanitarian condition of Paya Lombang Village is good, so it is not prioritized to be assisted. The education dimension consists of 3 variables, namely a means of open space for community interaction, electricity infrastructure, communication & information, and natural disaster mitigation. The index value of the social dimension of humanity is obtained in the calculation of the fourth stage, as follows.

$$IDZ = 0.36X_1 + 0.43X_2 + 0.21X_3$$
$$IDZ = 0.36(0.86) + 0.43(0.82) + 0.21(0.00)$$
$$IDZ = 0.66$$

Based on these calculations, the index value of the social dimension of humanity is 0.66, which is considered good, so it is not prioritized to be assisted. The index value of the social dimension of the humanity of each variable can be seen in Table 6.

Table 6: The index value of the human social dimension variable

Variable	Variable Weights	Variable Index	Category	Interpretation
Community Open Space Interaction Facility	0.36	1.00	Excellent	Not prioritized for help
Electriurban area, Communication and Information Infrastructure	0.43	0.82	Excellent	Not prioritized for help
Natural Disaster Mitigation	0.21	0.00	Poor	Very prioritized to be assisted

Source: Secondary and Primary Data 2020

Dimension of *Da'wah*

Based on the results of measurements that have been made that the value of the propaganda dimension index is 0.68 The index value indicates that the spiritual condition of Paya Lombang Village is good so it is not prioritized to be assisted. The *da'wah* dimension consists of 3 variables, namely the availability of religious facilities and companions, the level of community religious knowledge, and the level of religious activity & community participation. *Da'wah* dimension index values are obtained in the fourth stage calculation, as follows.

$$IDZ = 0.33X_1 + 0.30X_2 + 0.37X_3$$
$$IDZ = 0.33(0.76) + 0.30(0.64) + 0.37(0.63)$$
$$IDZ = 0.68$$

Based on these calculations, the dimension of *the Da'wah* dimension is 0.61, which is considered good, so it is not enough to be assisted with zakat funds. *Da'wah* dimension index values of each variable can be seen in Table 7.

Table 7: *Da'wah* dimension variable index value

Variable	Variable Weights	Variable Indeks	Category	Interpretation
Availability of Facilities and Religious Assistance	0.33	0.76	Good	Prioritized to be assisted
Level of Community Religious Knowledge	0.30	0.64	Good	Prioritized to be assisted
Level of Religious Activity and Community Participation	0.37	0.63	Good	Prioritized to be assisted

Source: Primary Data (2020)

CONCLUSION

IDZ value of Paya Lombang Village is 0.59. In general, these values illustrate that the condition of the Paya Lombang Village is quite good and the rural area index can be considered to be assisted with zakat in the implementation of the Zakat Community Development (ZCD) program.

An acquisition index value of each dimension is the index value of the economic dimension of 0.32, the index value of health dimension of 0.77, the index value of education dimension of 0.61, the index value of *da'wah* dimension of 0.68, and an index value of the social dimension of the humanity of 0.66. Meanwhile, the dimensions that have the lowest index value are the economic dimension of 0.32 (prioritized to be assisted) and the dimension that has the highest index of health dimension of 0.77 (less prioritized to be assisted).

RECOMMENDATIONS

A variety of activity initiatives to enhance community welfare may be recommended based on the measurement results obtained. There are three (3) dimensions that can be helped, seen from the index dimension and the index value of variables, namely the economic dimension, the educational dimension, and the social dimension of humanity.

Community empowerment focused on the improvement of agricultural quality in the Paya Lombong Village is the type of assistance that can be provided in an economic dimension. The formation of agricultural cooperatives in the rural area so that agricultural products can be managed both from the upstream to downstream sectors to boost the economy of the community. In addition, road improvements in rural areas can also be supported, considering that as many as 60 percent of rural areas have not been paved. Furthermore, BAZNAS and the rural area government have coordinated socialization on the importance of continuing education so that rural areas parents and youth are motivated to continue their education to the next stage.

Payment of zakat maal in Paya Lombang Village is still rendered directly to the *mustahik*. Therefore, BAZNAS cooperates with the local district BAZNAS to form Zakat Management Units (UPZ) in the Paya Lombang Village. When this can be achieved, the distribution of zakat in rural areas is expected to be more effective and efficient.

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