
Zakat in Poverty Alleviation and Improving The Community's Financial Economy: The Role of Empowerment Human Resources

A.Nur Fitrianti ¹, Andi Arifwangsa Adiningrat ², Sri Wahyuni ³,
Idrawahyuni ⁴, Warda ⁵

Abstract:

Poverty occurs due to several factors, including low education, low work productivity, minimum wage, human development index, unemployment and other factors. This research aims to determine the role of human resources in the distribution of zakat in alleviating poverty, and to determine zakat in alleviating poverty and improving the community financial economy through community empowerment. The research approach uses qualitative descriptive analysis. The data collection technique was carried out by distributing questionnaires, interviewing informants and drawing on journal articles related to the research variables. The qualitative steps are carried out by reduction, presentation and drawing conclusions. The research results show that (1). The role of human resources in distributing zakat is quite effective but not yet optimal, (2). Zakat in alleviating poverty through community empowerment in the aspect of zakat in individual economic independence is categorized as effective even though it is not completely independent, and 3). Zakat which is managed using a human resource empowerment approach has great potential to improve the community's financial economy, although it is not yet optimal.

Keywords: Zakat, Economy, Human Resources, Finance, Poverty Alleviation

1. Introduction

In the current era of globalization, the Indonesian people face challenges and life problems, namely economic problems that often recur. Economic problems include a number of problems involving economic aspects in everyday life. An unstable or less inclusive economy can be one of the main causes of poverty. In Indonesia and other developing countries, poverty is a big problem because it triggers poverty, which in turn triggers a number of other challenges (Fadila and Marwan 2020).

¹ Economic development department, Universitas Muhammadiyah Makassar. nur.fitrianti@unismuh.ac.id

² Taxation departement, Universitas Muhammadiyah Makassar. andiariefky@unismuh.ac.id

³ Islamic economics departement, Universitas Muhammadiyah Makassar. sriwahyuni@unismuh.ac.id

⁴ Accounting department, Universitas Muhammadiyah Makassar. idrawahyuni@unismuh.ac.id

⁵ Economic development department, Universitas Muhammadiyah Makassar warda@unismuh.ac.id

Factors causing poverty in Indonesia include low levels of education, low labor productivity, low wages, unequal income distribution, lack of job opportunities, low quality of natural resources, lack of use of technology, work ethic and worker motivation. Apart from that, poverty is also caused by several factors, including the minimum wage, human development index and unemployment factors.

The results of research conducted by (Arifin 2019) show that the Provincial Minimum Wage has a negative and significant influence on poverty, the Human Development Index has a positive and insignificant influence on poverty, Economic Growth has a negative and insignificant influence on poverty, Unemployment has a positive and significant influence on poverty. The minimum wage was created with the aim of improving workers' welfare and thereby reducing poverty. The standard of living of society is described through the increasing quality of knowledge, skills and talents.(Todaro, M. P., & Stephen C, S. (2014)).

The issue of poverty is one of the problems that the Indonesian people are still facing today, including in South Sulawesi Province. Despite being one of the provinces with good economic growth, the poverty rate in South Sulawesi is still relatively high. According to official data released by BPS (2021), during the 2010-2021 period as many as 815.98 thousand people in South Sulawesi lived below the poverty line. In this case, the role of economic indicators in development is highly expected to play a role in reducing numbers.

The number of poor people in districts/cities in South Sulawesi Province for the 2010-2021 period tends to fluctuate.(Statistik 2020) During the 2010-2021 period, the average poverty rate for South Sulawesi Province was recorded at 9.56 percent. Meanwhile there are 10 (ten) districts that have an average poverty level above the provincial average poverty level, namely Selayar Islands (13.24 percent), Jeneponto Regency (15.83 percent), Maros Regency (11.59 percent) , Pangkep Regency (16.16 percent), Bone Regency (11.17 percent), Enrekang Regency (13.77 percent), Luwu Regency (13.77 percent), Tana Toraja Regency (12.83 percent), North Luwu Regency (14.29 percent), and North Toraja Regency.

Islam through its holy book explains the need for harmony in life, including in economic matters. The Al-Quran recommends to human beings who are able to pay zakat, as the fourth pillar of Islam which will complete the identity of a Muslim. In the Islamic perspective, zakat is considered the most effective and proven tool to combat poverty and all its undesirable consequences.(Ibrahim and Shaharuddin 2015).

Empowering human resources is an important aspect in effective zakat management. Zakat distributed through empowerment-based programs can have a more sustainable impact than just providing direct assistance. For example, zakat can be used for skills training, providing business capital, and business assistance for

underprivileged people, so that they not only receive temporary assistance, but also have the opportunity to be economically independent

The potential of zakat will be able to cover various aspects, including poverty alleviation programs in the form of a social security system. Zakat can be used in various forms of social security systems, such as employment insurance, pension insurance and life insurance. As well as to overcome various problems such as housing, access to capital and education for the poor which can be done through maximizing the management and utilization of zakat.(Rianto and Arif n.d.).

In this context, optimal zakat management can be a significant solution in overcoming structural poverty. With the right strategy, zakat is not only able to meet the basic needs of the poor, but is also able to lift them from poverty through developing greater economic potential

Empirical study regarding the Implementation of the Zakat Concept in the Al-Qur'an as an Effort to Alleviate Poverty in Indonesia. The results show that Zakat in the Al-Qur'an has a positive correlation with economic growth, and the potential for zakat in Indonesia at a macro level can be optimized through the government's role as a regulator and supervisor, in this case the management of zakat in Indonesia. (Safitri, J. 2017) .Management of zakat in Malaysia is mandatory, while zakat in Türkiye is voluntary. Zakat in Malaysia and Türkiye are both tax deductible. (Rakhmat and Beik 2022).

2. Theoretical Background

Zakat Law

Paying zakat is fardhu'ain based on Hadith and ulama consensus (ijma'). Muslims have agreed that zakat is fardhu'ain. They emphasize that anyone who denies the obligation of zakat, even though someone like him admits his obligation, is an infidel, because he has lied to Allah, Rasulullah SAW and the Muslims. Meanwhile, if a person like that does not know the obligations of zakat, such as someone who has just converted to Islam and does not know the obligations of Islamic Sharia, then that person must be given understanding. If he persists in denying the obligation of zakat after being given an understanding then he will be punished as an infidel. (Syaiikh, M. 2014)

Poverty

According to BPS (2016), poverty is the state of being unable, financially or otherwise, to meet one's basic physical and nutritional needs. Poverty is the core problem of a country's economy. Research conducted by (Rizky Amanda Yusnuri and Jariah Abubakar 2023) claims that poverty alleviation in Indonesia will have a large and beneficial impact on the country's GDP

The Relationship between Zakat and Poverty

Islam places an obligation on everyone who has assets beyond the necessities of a decent life to pay zakat. Apart from that, a Muslim is encouraged to spend some of his wealth to help close relatives, orphans and poor people around him. More than that, a Muslim should feel called to think about the benefit of religion and Muslims in general

3. Methodology

The approach in this research is a descriptive qualitative analysis approach. This research was carried out at Amil Zakat Institutions, namely the Amil Zakat Agency (Baznas) and the Muhammadiyah Amil Zakat Institute (LazismU). The source of informants in this research was 12 people, consisting of 4 people from Makassar City Baznas, 3 people from LazismU, and 5 people from the lower middle class.

The research collection technique was carried out by distributing questionnaires, interviews with informants and a library of journal articles related to the research variables. The analytical method for this research is the qualitative analysis method. The qualitative research method is a research method based on philosophy that is used to research scientific conditions (experiments) where the researcher is the instrument, data collection techniques and qualitative analysis place more emphasis on meaning. (Sugiyono. (2018)). Qualitative steps by reduction, presentation and drawing conclusions

The data analysis method in this research uses qualitative data analysis to answer a problem formulation. Qualitative research methods are research methods based on philosophy that are used to examine scientific conditions (experiments) where the researcher is the instrument, data collection techniques and qualitative analysis emphasize meaning.(Sugiyono. (2018). Before interpreting qualitative data, the research team will carry out an analysis method with the following steps.

The analytical method that the author will use is an applied qualitative descriptive method. Data analysis carried out using qualitative data analysis includes several aspects, namely:

- 1) Comprehension At this stage all recordings are opened and transcribed into the computer. All data is written completely, in detail, coherently and well described to fully see the community's entrepreneurial development strategy
- 2) Synthetizing This stage begins when the researcher has obtained complete data and grouped it with supporting keywords. The data was filtered and identified what forms of community entrepreneurship development strategies existed
- 3) Theorizing Select the data used to represent the data that has been obtained.
- 4) Recontextualization is an important final stage in qualitative research data analysis. At this stage a theory is obtained where the theory can be applied

to various population settings. In this research, the data was analyzed manually using the following steps: a) The results of the recording, whether in the form of notes or a recording device, were typed completely using a computer word for word. b) The typing results are then viewed as a whole. c) Researchers code with cards containing keywords and provide categories to identify the highest prevalence or greatest priority. d) Then a scheme is created by connecting several categories to produce a theme

The steps that must be taken in analyzing data with content analysis include:

- 1) **Data reduction** is a selection process, focusing attention on simplifying, abstracting and transforming 'rough' data that emerges from the notes in the research object.
- 2) **Data presentation** is a collection of structured information that provides the possibility of drawing conclusions and taking action. The presentation most often used for qualitative data in the past was narrative text.
- 3) **Verification** is drawing conclusions that can be done during research. The meanings that emerge from the data must first be tested for their truth, robustness and suitability. This research uses an interactive analysis model, namely that the three components mentioned above are intertwined in parallel

4. Empirical Findings/Result

This research was conducted at 7 people in the zakat amil institution in Makassar City and 5 people in the lower middle class community in Makassar City with a total of 12 people who became informants in the research. Regarding the type and number of informants, it can be seen in table 1 as follow

Table 1. General Description of Respondents

Characteristics	Amount	Percentage
Gender	5	41,67%
Man	7	58,33%
Woman	12	100%
Total		
Age	6	50%
15 to 30	2	16,67%
30 to 40	4	33,33%
41 to 50	12	100%
Total		

Last education	4	33,33%
SMP	1	8,33%
SMA	6	50%
S1	1	8,33
S2	12	100%
Total		
Length of work	8	66,67%
1-5 years	4	33,3%
6-10 years	0	0%
11-15 years	12	100%
Total		

Source: Processed data, 2024

Based on table 1 above, it shows that The total number of respondents was 12 people with a description of the distribution of various characteristics, namely the number of informants according to gender, dominated by women 7 people or 58,33% . Based on age, the highest number of informants was between 15-30 years old, 6 people or 50% of the total 12 people. The number of informants based on their last education was dominated by S1 with 6 people or 50%. Meanwhile, the highest number of informants based on work period between 1-5 years was 8 people or 66,67%.

Analysis Description of Zakat in Poverty Alleviation

Table 2. Aspect of Zakat ini Poverty Alleviation

Aspect of Zakat in Poverty Alleviation	Percentage	Criteria
Distribution Zakat in Education and Training	75 %	Less effective
Zakat in Economic Independence	90 %	Effective
Zakat in Access to Health Services	70 %	Less Effective
Zakat in Access to Education and Training	80 %	Quite Effective
Quality of Life and The Cycle of Poverty	85 %	Quite Effective
Income Distribution Through Zakat	78,33 %	Less Effective
Food Hunger Levels	83,33 %	Quite Effective
	80,23	Quite Effective

Average

Source: Processed data, 2024

Based on table 2 above, it shows that zakat in alleviating poverty with an average of 80.23% is considered quite effective but not optimal. This means that zakat has had a significant impact in helping poor people, although it is not yet comprehensive in every region, there is still room for improvement in order to achieve more optimal results.

The above aspect shows the highest factor, namely the zakat aspect in individual economic independence of 90%, which is categorized as effective, this means that

the zakat program which focuses on increasing economic independence, such as providing business capital and skills training, is very effective in reducing poverty and increasing income. Meanwhile, Zakat in Access to Education and Training, Food Hunger Levels, and Quality of Life and the Poverty Cycle, although quite effective, is not yet optimal.

The results of this research are in accordance with the results of interviews with informants from one of the Front Office Staff at the Muhammadiyah Amil Zakat Institution (LazismU) Makassar City on February 21 2024 which stated that

"Using zakat funds for productive businesses that are included in programs to help people get out of the poverty line".

Explanation

The meaning of the interview results above shows that zakat collected from Muslims is not only used for direct assistance such as food or clothing, but is also used to fund activities that can improve the economic capacity of zakat recipients. Overall, this is a strategy that utilizes zakat funds for economic empowerment so as to provide a more sustainable impact compared to just providing consumer assistance

Apart from that, the lowest aspect factor, namely Zakat in Access to Health Services at 70%, is categorized as less effective because this has challenges, one of which is unequal distribution. In some places, although zakat funds are available, adequate health facilities and competent medical personnel may be lacking. This limits the effectiveness of the Health Zakat program. Apart from that, Zakat is used to finance education and training for those who are less fortunate, but not all of them, so the distribution of zakat in education and training programs with a percentage of 75% is categorized as less effective.

The results of this research are in accordance with the results of interviews with informants, one of the Heads of Income Distribution at the Makassar City National Zakat Amil Agency (Baznas) on April 19 2024, stating that

"The role of Islamic Financial Institutions is actually good but not optimal because it has not been centralized in one place"

Explanation

The meaning of the interview results above shows that the role of zakat institutions has functioned well in providing financial services in accordance with sharia principles. They have made a positive contribution to the economy and society but have not achieved it fully, there is still room for further improvement and development. The role of Islamic financial institutions has not been maximized because they have not been coordinated or united in one centralized forum or platform.

The results of this research are in accordance with the results of interviews with the informant source, one of the underprivileged residents of the community Makassar City on February 25 2024 who stated that

"The distribution of zakat here is not optimal. We are the ones who need it but have never received zakat assistance"

Explanation

The meaning of the interview results above shows that zakat distribution that has not been optimal can be a serious problem for those who need it.

"We need training that can really help us get a job or open a business," said a housewife. Apart from that, *empowerment programs often only provide training once or twice, with no continuation,"* said an unemployed youth.

Explanation

The meaning of the interview results above shows that the statements made by housewives and unemployed youth highlight the need for more effective and sustainable training in empowerment programs. They expressed a desire to gain skills that could help them get a job or start a business. This highlights the importance of training that not only provides basic knowledge, but also equips participants with practical skills that can be applied in the real world.

Complaints about the lack of continuity in empowerment programs are also important. Training once or twice may provide initial understanding, but without continuation and further support, it is difficult for participants to truly develop their skills or change their life situations. This indicates the need for a more holistic approach in empowerment programs, which includes not only initial training but also guidance, support and opportunities for long-term skills development

Poverty Alleviation Strategy

How to overcome poverty can be through various strategies. What must be done from the start is to overcome the poverty that surrounds the local community, namely by creating an economic order that allows the birth of a fair distribution system, a zakat management strategy that is all oriented towards increasing the rewards of muzaki and improving the welfare of the mustahik and a centralized zakat system is also able to alleviate existing poverty. The zakat management strategy is all focused on multiplying muzaki rewards and improving the welfare of mustahik and the centralized zakat system is also able to alleviate existing poverty. (Suryani and Fitriani 2022).

Based on the results of interviews with informants, one of the Amil Zakat Managers at the Amil Zakat Muhammadiyah Institution (LazismU) Makassar City, Makassar on February 21 2024 stated that

"Measuring the success of a system or policy to reduce poverty is very easy, the important thing is that the target is clear, especially the recipient database must be clear. If not, then there are no clear benchmarks for success."

Explanation

The meaning of the interview results above shows that success in reducing poverty is very dependent on the clarity of targets and the accuracy of recipient data. Without these two things, it is difficult to evaluate the effectiveness of the policies implemented.

There are several effectiveness steps and strategies in managing zakat, namely (1) the government intervenes optimally, (2) zakat institutions carry out massive outreach about the obligation to pay zakat and pay it through institutions, (3) zakat institutions need to improve the capabilities of zakat managers, and (4) expanding the concept of obligation. Meanwhile, effectiveness steps and strategies are; determine the distribution of zakat recipients between jabariah (forced) unemployment and khiyariah (choice) unemployment with different approach models. (Maghfirah 2022).

5. Discussion

The Role of Human Resources of Zakat Institutions in Distribution of Zakat for Poverty Alleviation

Based on the research results that have been presented, it shows that the role of human resources in distributing zakat is quite effective but not optimal. This means that zakat has had a significant impact in helping poor people, although it is not comprehensive in every region, there is still room for improvement in order to achieve more optimal results.

The role of human resources in distributing zakat is key in ensuring that zakat funds are used effectively and efficiently to help people in need. However, even though it has had a significant impact, there is still room for improvement so that the results are more optimal. One thing that can be improved is the training and development of human resources involved in the zakat distribution process. This includes training on financial management, a better understanding of community needs, and effective communication skills to interact with zakat recipients

However, the distribution of zakat in the aspects of health, education and training is not yet optimal, resulting in obstacles to a person's desire to acquire skills that can help get a job or start a business, often related to aspirations to increase financial independence and the desire to achieve career goals has not been achieved in its entirety. This is also the underlying factor that has not been achieved, namely limited knowledge, limited capital, as well as lack of motivation or self-confidence

can prevent someone from taking the necessary steps towards achieving career goals. Thus, investing in developing human resource skills is often considered an important step in achieving financial independence and achieving career goals.

The results of this research are in accordance with research conducted by (Maghfirah 2022) which states that the causes of zakat receipts not being optimal are (1) zakat institutions have not carried out systematic and massive outreach, (2) understanding of the use of zakat by zakat payers is still relatively low, (3) public trust in Zakat institutions are still relatively low, (4) there are no sanctions given to people who are reluctant to pay zakat, and (5) the government has not intervened optimally.

Futhermore, The results of research conducted byby (Tanjung and Panggabean 2023) showing thathuman resource management is very important, especially in creating an effective organization. In this context, the North Sumatra Amil Zakat institution makes human resources a serious concern in order to optimize the collection of zakat funds from existing potential. Recruitment of Amil zakat must prioritize the values of creativity and innovation in order to attract public trust in the existence of LAZ and BAZNAS.

Zakat in Poverty Alleviation through Empowering Human Resources

Based on the research results that have been presented, the zakat aspect in individual economic independence is equal to an effective slice even though it is not yet completely independent. This means that the zakat aspect which focuses on individual economic independence has been proven to be effective in reducing the level of poverty, even though it has not yet reached the optimal level. This shows that zakat programs that focus on providing business capital and skills training have a positive impact in helping individuals to become economically independent. Although there is still room for improvement and optimization, these results provide a strong basis for continuing to develop and increase the effectiveness of zakat programs aimed at increasing individual economic independence

The results of research conducted by (Hakimi et al. 2021) show that positive attitudes and knowledge of zakat have a positive and significant effect on the intention to pay zakat. The intention to pay zakat has a significant positive influence on the behavior of implementing professional zakat payments. Zakat is one of the Islamic social funds that has the potential to be eradicated poverty

Zakat in Improving Community's Financial Economy through Empowering Human Resources

Zakat which is managed using a human resource empowerment approach has great potential to improve the community's financial economy. By providing training, business capital and assistance, zakat is able to change the status of mustahik from aid recipients to economically independent individuals. Apart from that,

empowering women through zakat programs also has a significant impact on improving family welfare.

However, to achieve more optimal results, challenges such as limited funds and low capacity of zakat institutions must be overcome. By increasing public awareness of paying zakat, increasing the capacity of zakat institutions, and strong collaboration between stakeholders, zakat can be a very effective instrument in financial economic empowerment and poverty alleviation.

The results of this research are different from research conducted by (Rustan, Syamsuddin, et al. 2023) which shows that Human resource (HR) competency has a positive and significant influence on the quality of financial management. Whereas, (Rustan, Hamzah, et al. 2023) which says that financial resources have a positive and significant influence on business continuity.

6. Conclusions

Based on the research results and discussion, the following conclusions can be drawn

- a. The role of human resources in distributing zakat is quite effective but not yet optimal.
- b. Zakat in alleviating poverty through community empowerment in the aspect of zakat in individual economic independence is categorized as effective even though it is not completely independent.
- c. Zakat managed using a human resource empowerment approach has great potential to improve the community's financial economy, although it is not yet optimal, because there are challenges such as limited funds and low capacity of zakat institutions.

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