Analysis of BAZNAS Tangerang District Performance

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ABSTRACT

Zakat has a significant role in the field of economics, as well as having social and moral implications and alleviating poverty. There is a huge gap, however, between targeted zakat collection, which reached Rp 20 billion, and actual zakat collection, which equals Rp 2 billion in 2017. This research was carried out in order to evaluate the performance of BAZNAS Tangerang District. The purposive sampling technique was used in this research. The analytical method used was the National Zakat Index (NZI) with a method of calculation known as the Multi-Stage Weighted Index, which measured zakat performance based on macro and micro dimensions. The results of the assessment of the NZI of Tangerang District is 0.60 that showed a fairly good condition based on classification of zakat performance. This research provides recommends for BAZNAS Tangerang District to improve its performance.

Keywords: BAZNAS Performance, NZI, Tangerang District, Zakat

INTRODUCTION

Zakat is an obligatory act for every Muslim. The command to provide zakat is firmly demonstrated in the Al-Qur'an, where the word ‘Zakat’ is mentioned 30 times, 27 instances of which are mentioned along with the word ‘shalat’ (Shiddieqy, 2005). Zakat funds collected from muzaki (the zakat provider) will later be distributed to eight groups of mustahik (zakat receiver) according to Al-Qur'an, Surat At-Taubah verse 60.

For Muslims, zakat is an instrument through which to carry out an economic and moral task (Multifiah, 2010). Zakat has a role in three areas: economics, society, and morality. In the field of economics, zakat is considered to be an income distribution instrument between the poor and the rich, so that wealth is not accumulated within one group only. Within society, zakat is able to develop people’s sense of responsibility to help each other. In the area of morality, zakat plays the role of cleansing one’s heart from ungenerous, because zakat develops a sense of sharing and purifies the wealth of muzaki in order to obtain ridho from Allah based on the wealth that they own (Multifiah, 2010).

Zakat also plays a significant role in reducing the problem of poverty. Poverty is a problem faced by every developing country. According to Beik (2009), many government policies have tried to address the issue of poverty, but such policies have not been well established, and they require an alternative government instrument. Some of these alternative instruments are zakat, infaq, and shadaqah. Infaq is disbursement for benefit interest. Infaq does not have nisab (the minimum amount for a Muslim net worth to be obligated to give zakat), (El-Bantanie, 2009). Shadaqah is giving movable or immovable goods, which will soon run out whether it is used or not, to another person or legal entity, such as foundation or the like, without compensation and conditions, but simply to please God and expect his reward on the day of Judgement (A. Roihan A. Rashid, 2001).
Indonesia is the largest Muslim-majority country in the world. Indonesia’s Muslim population is approximately 87.18 percent of its total population (BPS, 2010). This leads to a greater opportunity for zakat collection in Indonesia compared to other countries. The study on Badan Amil Zakat Nasional (BAZNAS) that was coordinated with the Faculty of Economics and Management Bogor Agricultural University (FEM-IPB) showed that the total potential collection of zakat at the national level is 217 trillion rupiahs (Wibisono in 2016 was measured approximately 20 billion rupiahs every year. The actual collected zakat fund, however, is only 2 billion rupiahs per year (Tangsel Pos, 2016), which is only 10 percent of the potential value.

Zakat is one of the solutions to poverty alleviation in Tangerang District. The main goal of zakat is to solve several crucial problems in society such as poverty, unemployment, natural disaster, debt, and income inequality (Qardawi, 1988). Research that observed mustahik households that had received zakat funds from dompet dhuafa (one of the zakat institutions in Indonesia) showed that zakat fund distribution helped to decrease the number of households living below the poverty line by about 10 percent (Beik, 2009). Zakat fund collection targets should be optimized in order to decrease the poverty rate in Tangerang District.

In general, this research aims to identify the performance of BAZNAS in Tangerang District as an official zakat institution in order to assess and evaluate the operation of the institution and to recommend several strategic steps to optimize the performance of zakat management. The zakat management performance evaluation is based on the measurement of the National zakat Index (NZI). NZI is an index that was arranged by the research team at the Center of Strategic Studies BAZNAS and is a composite index for measuring the condition and growth of zakat at the national level (Puskas BAZNAS, 2016).

LITERATURE REVIEW

According to Qardawi (1988), the word Zakat has its root in ‘zaka’ which connotes blessedness growth, cleanliness, and goodness. Based on a fiqh term, Zakat is the amount of wealth that is obliged to be given to a certain recipient within a certain time. From many verses of the Qur’an and Hadiths about Zakat, fiqh scholars have determined several benefits arising from...
Zakat (Dahlan et al., 2003): 1) it protects the wealth of the rich from the desire to rob that is caused by the social gap; 2) it helps the poor; 3) it cleanses one’s heart of miserliness; 4) it cleanses wealth obtained in illegal ways; and 5) it demonstrates gratitude for Allah’s blessings.

Zakat incorporates hikmah and benefits that hugely impact a person’s faith, as well as social and economic aspects. Accordingly, zakat is an alternative method for solving several socio-economic problems.

METHODOLOGY

National Zakat Index (NZI)

The National Zakat Index (NZI) developed by the research team at the Center of Strategic Studies BAZNAS is a composite index for measuring the condition and growth of national zakat. NZI was expected to be an indicator that demonstrated the significance of zakat’s role to mustahik and provided an illustration of the stage of zakat institution development, either through internal institutions, society participation, or government support (Puskas BAZNAS, 2016).

NZI components are generally formed by macro and micro dimensions, as seen in Figure 1. The macro dimension was reflected by the aggregate role of government and society contributions to zakat institution development. The micro dimension was reflected by the perspectives of the zakat institution and Zakat receivers or mustahik (Puskas BAZNAS, 2016).

Source: Puskas BAZNAS (2016)

Figure 1. Components of National Zakat Index (NZI)
The analysis tool used in this study was the National Zakat Index (NZI) and an estimation method with the Multi-Stage Weighted Index. This method combined several weighting steps for every component of the index, consisting of dimensions, indicators, and variables. The estimation method was divided into several steps (Puskas BAZNAS, 2016).

The estimation method of is with the Multi-Stage Weighted Index, the first step involved scoring with a Likert scale by using a score range from 1 to 5, with 1 for the worst condition and 5 for the best condition about zakat management of BAZNAS Tangerang District. This scoring was made for all variables in this index. The macro dimension used three indicators: regulation, government financial support, and the database of the official zakat institution, muzaki, and mustahik. The database of the official zakat institution was then divided into total of official zakat institution, individual muzaki ratio, and firm muzaki ratio. The micro dimension used two indicators: zakat institution performance and the impact of zakat upon mustahik. Zakat institution performance was divided into four specific variables: accumulation, management, distribution, and reporting. The impact of zakat was represented by five variables: the impact of zakat on economic, spiritual, education, health, and independence aspects.

The second step was the measurement of index according to every variable. The formulation of this step is provided below:

\[ I_i = \frac{S_i - S_{\min}}{S_{\max} - S_{\min}} \]

Definitions:
- \( I_i \): Index of variable i
- \( S_i \): Actual score on variable measurement
- \( S_{\max} \): Maximal score
- \( S_{\min} \): Minimal score

The third step involved multiplying the index of every variable by its weighting value to obtain the index value of the indicator. The indicators for regulation and government budget did not require certain measurements because they had no detailed variables, whilst other indicators needed to be divided into several variables with certain measurements.

a. Index of Zakat Institution Database

\[ X_{13} = 0.33X_{131} + 0.33X_{132} + 0.33X_{133} \]

Definitions:
- \( X_{13} \): Index of zakat institution database
- \( X_{131} \): Index of total of official zakat institution variable
- \( X_{132} \): Index of ratio of individual muzaki to total household variable
- \( X_{133} \): Index of ratio of corporation muzaki to total corporation variable

b. Index of Institutional Indicator

\[ X_{21} = 0.30X_{211} + 0.20X_{212} + 0.30X_{213} + 0.20X_{214} \]

Definitions:
- \( X_{21} \): Index of institutional indicator
- \( X_{211} \): Index of collections variable
- \( X_{212} \): Index of management variable
- \( X_{213} \): Index of distribution variable
- \( X_{214} \): Index of report variable

c. Index of Zakat Impact Indicator

\[ X_{22} = 0.40X_{221} + 0.40X_{222} + 0.20X_{223} \]

Definitions:
- \( X_{22} \): Index of zakat impact indicator
- \( X_{221} \): Index of CIBEST prosperity variable (material and spiritual)
- \( X_{222} \): Index of education and health variable (HDI modification)
- \( X_{223} \): Index of autonomy variable
The fourth step was multiplying the index of every indicator by its weighting value to obtain the index of micro and macro dimensions.

A. Index of Macro Dimension

\[ X_1 = 0.30X_{11}+0.40X_{12}+0.30X_{13} \]

Definitions:
- \( X_1 \): Index of macro dimension
- \( X_{11} \): Index of regulation indicator
- \( X_{12} \): Index of government’s financial support indicator
- \( X_{13} \): Index of \( zakat \) institution database indicator

B. Index of Micro Dimension

\[ X_2 = 0.40X_{21}+0.60X_{22} \]

Definitions:
- \( X_2 \): Index of micro dimension
- \( X_{21} \): Index of institutional indicator
- \( X_{22} \): Index of \( zakat \) impact indicator

The fifth step involved multiplying the index of every dimension by its weighting value to obtain the National Zakat Index by using this formulation:

\[ IZN = 0.40X_1+0.60X_2 \]

Definitions:
- \( IZN \): National Zakat Index
- \( X_1 \): Macro dimension
- \( X_2 \): Micro dimension

The result of the index value would be a score between 0.00 and 1.00. The valuation scale of the National Zakat Index organizes \( zakat \) performance into five classifications, as seen in Table 1.

<table>
<thead>
<tr>
<th>Score</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.81–1.00</td>
<td>Very Good</td>
</tr>
<tr>
<td>0.61–0.80</td>
<td>Good</td>
</tr>
<tr>
<td>0.41–0.60</td>
<td>Fairly Good</td>
</tr>
<tr>
<td>0.21–0.40</td>
<td>Less Good</td>
</tr>
<tr>
<td>0.00–0.20</td>
<td>Not Good</td>
</tr>
</tbody>
</table>

Table 1. Classification of Zakat Performance

The Center of Islamic Business and Economic Studies (CIBEST) Model, or CIBEST index, was developed by Beik and Arsyianti (2015). The development of the index was based on the CIBEST quadrant of the following four areas: prosperity, spiritual poverty, material poverty, and absolute poverty.

CIBEST Prosperity Index

The CIBEST (Center For Islamic Bisnis and Economic Studies) index measured the number of people in each quadrant and the implications for government policy. The focused ‘needs’ that required measurement were material...
and spiritual needs. Within the CIBEST concept, the analysis unit used was household/family. This was based on the concept that the family is a unit and thus has to be measured as an intact unit. Within the CIBEST concept, household/family was divided into six subgroups: head of family; working adult; non-working adult (> 18 years old); teenagers (14–18 years old); children (7–13 years old); and children 6 years old or younger.

**Human Development Index Modification**

The Human Development Index (HDI) explains how people are able to access development facilities in order to obtain income, health, education, etc. The HDI was introduced by the United Nations Development Programme (UNDP) in 1990 and published periodically in the yearly report, the Human Development Report (HDR). The HDI was formulated from three basic dimensions: a long and healthy life, knowledge, and a decent standard of living.

HDI measurement uses a new method that is based on the life expectancy at birth, expected years of schooling and mean years of schooling, and income per capita (BPS 2014). The HDI modifications that were measured in this research were health and education.

\[
\text{HDI} = \sqrt{I_{\text{health}} \times I_{\text{education}}} \times 100
\]

**Definitions:**

- HDI: Human Development Index
- \(I_{\text{health}}\): Health Index
- \(I_{\text{education}}\): Education Index

To measure the attainment of inter-region HDI, this research utilized the HDI grouping in several categories:

<table>
<thead>
<tr>
<th>HDI Value</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–60</td>
<td>Low HDI</td>
</tr>
<tr>
<td>61–70</td>
<td>Medium HDI</td>
</tr>
<tr>
<td>71–80</td>
<td>High HDI</td>
</tr>
<tr>
<td>81–100</td>
<td>Very High HDI</td>
</tr>
</tbody>
</table>

Source: Modifikasi BPS (2014)

**RESULTS AND DISCUSSION**

BAZNAS Tangerang District is an official zakat institution in Tangerang District. The management of zakat, infaq and shadaqah in Tangerang District was based on the Region Act Number 24 2004. The vision of BAZNAS Tangerang District is to create a society that is aware of zakat and to decrease social inequality. Regarding this vision, BAZNAS Tangerang District develop the following goals 1) optimization of Zakat, infaq, and shadaqah (ZIS) collection and utilization in accordance with sharia principles; 2) an increase in muzaki awareness through BAZNAS and a minimization of the social inequality experienced by mustahik; and 3) the realization of ibadah ijtima’iyah (society), which is based on ukhuwah Islamiyah for the prosperity of umat. BAZNAS Tangerang District also has a motto for its daily operations: “BAZNAS towards individual shaleh and social shaleh.”

The evaluation results of BAZNAS Tangerang District’s performance, based on the National Zakat Index, are demonstrated below.

**Macro Dimension**

The components of the macro dimension of the measurement of NZI consisted of three indicators: regulation, government financial support, and the zakat institution’s database. The zakat institution’s database indicator is explained in detail by several variables that consist of the number of official institutions that
issue zakat, muzaki, mustahik, individual muzaki ratio, and firm muzaki ratio.

The measurement of the macro dimension index began with the scoring of each variable that formed the macro dimension (Table 3).

The scoring was based on the actual condition of zakat management in BAZNAS Tangerang District. After the score was obtained, the measurement of every variable and indicator’s index value was able to be carried out.

Table 3. Likert Scale Scoring of Variables that Constitute the Macro Dimension

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Variable</th>
<th>Actual Condition</th>
<th>Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulation (X₁₁)</td>
<td>Regulation</td>
<td>Tangerang District has regional legislation regarding zakat, which is Regional Act Number 24 2004.</td>
<td>5</td>
</tr>
<tr>
<td>Government financial support (X₁₂)</td>
<td>Government financial support</td>
<td>In 2016, the government financial support to operational cost ratio was approximately 0.76 percent.</td>
<td>5</td>
</tr>
<tr>
<td>Zakat institution’s database (X₁₃)</td>
<td>The number of official institutions that issue zakat, muzaki and mustahik (X₁₃₁)</td>
<td>BAZNAS Tangerang District currently has no database of the number of official institutions that issue zakat, muzaki, and mustahik in every institution.</td>
<td>1</td>
</tr>
<tr>
<td>Individual muzaki ratio (X₁₃₂)</td>
<td>The ratio of registered individual muzaki to total households in Tangerang District was only approximately 0.012 percent.</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Firm muzaki ratio (X₁₃₃)</td>
<td>The ratio of registered firm muzaki to total firms in Tangerang District was approximately only 0.82 percent.</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

Source: Secondary Data (2017)

a. Regulation

The operation of zakat in Tangerang District is based on Regional Act Number 24 2004 regarding zakat, infaq, and shadaqah (ZIS) management in Tangerang District. The act was developed for the implementation of Act Number 38 Year of 1999 regarding zakat management. Regional Act Number 24 2004 consists of 11 chapters and 24 sections that explain the rules of ZIS management in Tangerang District.

The regulation variable obtained 5 in the scoring because there was already a regional act for the operation of zakat in Tangerang District. This demonstrated the government’s support for the operation and development of zakat. After obtaining the variable score of 5, the index was able to be measured. The result of the measurement was 1. This means that the performance of BAZNAS Tangerang District based on the regulation was considered to be very good. The index, which was 1, then needed to be multiplied by its weighting value, which was 0.30. Therefore, the indicator index value obtained was 0.30.

b. Government Financial Support

In 2016, the government’s financial support allocation for BAZNAS Tangerang District’s operational costs was approximately 650 million rupiahs. This number increased from 2015, when it was only 450 million rupiahs. This means that the increase in the budget was 200 million rupiahs. The budget allocation was used to pay for electricity, the internet, incentives for BAZNAS employees, etc. The changes...
to budget allocation for BAZNAS operational costs is presented in Figure 3.

Based on the budget plan that was coordinated by BAZNAS, the cost of BAZNAS operations for Zakat management was approximately 850 million rupiahs. The ratio of government financial support allocation to BAZNAS operational costs was approximately 76 percent. This ratio exceeds 75 percent and made the variable score 5. Based on the score, the variable index value was considered to be 1. The weighting value of this indicator was 0.04. The variable index value was then multiplied by its weighting value, resulting in an indicator index value of 0.04.

c. Zakat Institution Database

The Zakat institution database indicator was categorized into the number of official Zakat institutions, muzaki and mustahik; the individual muzaki ratio; and the firm muzaki ratio.

- **The number of official institutions that issue zakat, muzaki and mustahik variable index**

  The variable for the number of official Zakat institutions, muzaki and mustahik obtained a score of 1 because BAZNAS Tangerang District has no database on the number of official institutions that issue zakat, muzaki and mustahik. The only database owned by BAZNAS was on the zakat Collector Unit (ZCU) in 29 sub-districts, as an effort to help zakat collection and distribution. zakat institutions in Tangerang District have not officially registered their names with BAZNAS Tangerang District. Therefore, this variable scores 1, and the index value is 0. These numbers show that there was no database on the number of official Zakat institutions, muzaki and mustahik owned by BAZNAS Tangerang District, demonstrating a lack of Zakat institution data collection in Tangerang District.

- **Individual muzaki ratio index**

  The individual muzaki ratio score is 1 because the ratio of registered individual muzaki to the number of households in Tangerang District was only 0.012 percent, which was less than 1 percent. The number of individual muzaki registered in BAZNAS Tangerang District was only 100 people out of 827,015 households. This variable index value was 0, which demonstrated that the number of individual muzaki registered in BAZNAS Tangerang District was considered low.

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Source: Tangerang District Office’s Archive (2017)

**Figure 3.** Allocation of Government Financial Support for BAZNAS Tangerang District
• Firm muzaki ratio index

The firm muzaki ratio variable obtained a score of 1 because the number of registered firm muzaki to the total number of firms in Tangerang District was only 0.82 percent. Registered firm muzaki in BAZNAS Tangerang district numbered only 40 out of the total 4,883 firms in Tangerang District. The value of this variable index was 0, demonstrating that the performance of BAZNAS Tangerang District based on the registered firm muzaki ratio was considered to be not good.

The measurement result of the macro index value with regards to its variable, indicator, and macro dimension is shown in Table 4.

Table 4. Index Value of Each Variable and Indicator of Macro Dimension

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Index Value</th>
<th>Indicator</th>
<th>Index Value</th>
<th>Variable</th>
<th>Index Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macro</td>
<td>0.70</td>
<td>Regulation (X_{11})</td>
<td>1.00</td>
<td>Regulation</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Government financial support (X_{12})</td>
<td>1.00</td>
<td>APBD Support</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Zakat institution database (X_{13})</td>
<td>0</td>
<td>The number of official zakat institutions (X_{131})</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Individual muzaki ratio (X_{132})</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Firm muzaki ratio (X_{133})</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Secondary data (2017)

The macro dimension index value was 0.70, which means that the performance of BAZNAS Tangerang District in macro terms was considered to be good. The result shows that the government of Tangerang District has provided good support to increase the quality of zakat management.

Micro Dimension

Micro dimension components consist of two indicators: the institutional indicator and the zakat impact indicator. The measurement of the micro dimension index value begins with the scoring of every variable in the micro dimension (Table 5).

Table 5. Likert Scale Ccoring on the Variables of Micro Dimension

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Variable</th>
<th>Actual Condition</th>
<th>Score*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutional</td>
<td>Collection (X_{211})</td>
<td>Zakat fund collection’s growth in BAZNAS Tangerang District from 2015 to 2016 was 14.12 percent</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Management (X_{212})</td>
<td>BAZNAS Tangerang District has a Standard Operational Procedure (SOP), strategic planning, and an annual working program.</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>Distribution (X_{213})</td>
<td>BAZNAS Tangerang District is able to distribute Zakat funds to mustahik. The Allocation to Collection Ratio (ACR) of BAZNAS Tangerang District is 100 percent. BAZNAS vave several times to distribution zakat funds. Distribution for the social (consumptive) program in the sixth month, distribution for economy (productive) program was less than six months, and there was separated allocation for the dakwah program of about 0.7 percent.</td>
<td>4</td>
</tr>
<tr>
<td>Reporting (X_{214})</td>
<td>Material and spiritual prosperity (CIBEST prosperity index) (X_{221})</td>
<td>BAZNAS Tangerang District’s financial report was not audited.</td>
<td>2</td>
</tr>
<tr>
<td>Zakat Impact</td>
<td></td>
<td>CIBEST prosperity index is 0.51.</td>
<td>3</td>
</tr>
</tbody>
</table>
Education and health (HDI modification)  
\( X_{222} \)  
HDI modification value is 34 percent.  

Autonomy  
\( X_{223} \)  
Autonomy value is 2.45 ≈ 2.

Source: Primary and Secondary Data (2017)

**a. Institutional Indicator**

The institutional indicator consisted of several variables: collection, management, distribution, and reporting.

- **Collection index**
  The score for the collection variable was 4 because the growth of Zakat fund collection increased by approximately 14.12 percent from 2015 to 2016. Collected Zakat funds in 2015 were approximately 2,693,782,257 rupiahs and increased in 2016 to approximately 442,294,280 rupiahs. Zakat funds were collected through Zakat Collector Unit (ZCU) that existed in 29 sub-districts in Tangerang District or through direct collection from the muzaki to BAZNAS Tangerang District.

Based on the obtained score, the collection variable index value was 0.75, which means that Zakat fund collection in Tangerang District was considered good.

- **Management variable index value**
  The management variable score was 4 because BAZNAS Tangerang District had a Standard Operational Procedure (SOP), strategic planning, and an annual working program. The management variable index value was 0.75, which means that the Zakat fund management of BAZNAS Tangerang District was considered good.

- **Distribution Index**
  The distribution variable score was also 4 because BAZNAS Tangerang District’s ACR was 100 percent. This means that the total collected Zakat fund in 2015, 2,693,782,257 rupiahs, was fully distributed in 2016. Zakat fund distribution for the social (consumptive) program called ‘Indonesia Peduli’ was carried out in the sixth month, while Zakat fund distribution for the economy program (productive) was carried out for less than six months. The latter program took place in March, June, and September. BAZNAS Tangerang District also had separate allocation for the dakwah program, approximately 20 million rupiahs, which was approximately 0.7 percent of the total Zakat fund. The distribution variable index value was 0.75, which means that the
management of Zakat funds in BAZNAS Tangerang District was considered good.

- **Reporting index**
  The reporting variable score was 2 because BAZNAS Tangerang District’s financial report was not audited. The financial report was only internally audited. The reporting variable index value was 0.25, which means that the Zakat fund financial report in BAZNAS Tangerang District was considered less good.

  The values of the index variables above were processed in order to obtain an overall institutional index. The overall institutional index obtained from the measurement was 0.65. This means that, institutionally, BAZNAS Tangerang District was considered good.

  **b. Zakat Impact Indicator**

  The Zakat impact indicator consisted of several variables: material and spiritual prosperity (CIBEST prosperity index), education and health (HDI modification), and autonomy. The scoring of the variables was obtained from direct interviews using a questionnaire, with 100 respondents. All of the respondents were mustahik who received Zakat funds from BAZNAS Tangerang District in 2016. Respondents were divided based on gender, age, education, occupation, and the number of people under their responsibility.

  **CIBEST prosperity index**

  The CIBEST prosperity index measurement is based on the material and spiritual wealth of mustahik. Table 6 shows that the number of households in quadrant I or considered to be materially and spiritually prosperous was 50. The average income of this group was 2,680,900 rupiahs and the average spiritual score was 3.92. After receiving Zakat funds, the number of households in this group increased to 69. The average income of this group was 2,965,683 rupiahs and the average spiritual score was 3.93, meaning that the CIBEST prosperity index of this group was 0.69. The increase in the number of households in quadrant I is 19 households, meaning that Zakat has the ability to bring about greater prosperity for approximately 19 percent of households. The CIBEST prosperity index value was 0.69, with a score of 4.

<table>
<thead>
<tr>
<th>No.</th>
<th>Quadrant</th>
<th>Before Zakat</th>
<th>After Zakat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Spirituality</td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td></td>
<td>score</td>
<td>income</td>
</tr>
<tr>
<td>1.</td>
<td>Quadrant I (Prosperity)</td>
<td>3.92</td>
<td>2,680,900</td>
</tr>
<tr>
<td>2.</td>
<td>Quadrant II (Material Poverty)</td>
<td>3.83</td>
<td>542,500</td>
</tr>
<tr>
<td>3.</td>
<td>Quadrant III (Spiritual Poverty)</td>
<td>3</td>
<td>1,937,500</td>
</tr>
<tr>
<td>4.</td>
<td>Quadrant IV (Absolute Poverty)</td>
<td>3</td>
<td>921,667</td>
</tr>
</tbody>
</table>

Source: Primary Data (2017)
The CIBEST prosperity index value of 0.75 means that mustahik prosperity in Tangerang District was considered good.

- **Human Development Index results**
  The concept of human development is a development process that aims for the better availability of income, health, and education. Human development as an overall performance measurement is formed from three basic dimensions, including a long and healthy life, knowledge, and a decent standard of living. Each dimension has its own indicator (BPS 2014).

  The mustahik life expectancy value was 0.33, which means that the average life expectancy of a baby born in was approximately 33 percent with the ability to live until the age of 33. The field research, however, implies that many people who survived lived until the age of 60. From 100 mustahik respondents, the number of 28-year-old heads of the family was one, with three heads of family aged 32 and two heads of family aged 33.

  The education index is one of the human resource qualities that represents the knowledge dimension of the HDI. The indicators used to measure the education index were mean years of schooling and expected years of schooling. Based on those two indicators, the HDI value was 0.34.

  The education and health index measurement for mustahik households using the HDI modification resulted in an index value of 0.34, or 34 percent. This result scored 2, which was considered low. The overall HDI modification index value was 0.25, which means that human development from the perspective of education and health was considered less good.

- **Autonomy**
  The autonomy variable index score was 2 because the average mustahik household in Tangerang District had unstable employment. The score was decided based on the average score of jobs and savings of the mustahik household, which was 2.45. The autonomy variable index value was 0.25, which means that the employment and savings of mustahik households in Tangerang District was considered less good.

  Each value of the variable index determined the overall zakat impact indicator. The overall value of the zakat impact indicator was 0.45.

  Each value of the variable index that represented micro dimensions determined the overall value. The results of the measurement are demonstrated in Table 7. The measurement of this indicator was based on the formula below:

  \[ X_1 = 0.40X_{21} + 0.60X_{22} \]
  
  \[ = 0.40(0.65) + 0.60(0.45) \]
  
  \[ = 0.53 \]

  The micro dimension index value was 0.53, which means that the performance of BAZNAS Tangerang District from the micro dimension perspective was considered fairly good. The result needs to be maintained and even improved because zakat is an alternative instrument for poverty alleviation. Well-managed zakat will be able to have a positive impact for mustahik so that they will be more financially independent and able to transform into muzaki, which means a decrease in the number of households living below the poverty line.
Table 7. The value of variables and indicators of micro dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Index Value</th>
<th>Indicator</th>
<th>Index Value</th>
<th>Variable</th>
<th>Index Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro</td>
<td>0.53</td>
<td>Institutional (X_{z21})</td>
<td>0.65</td>
<td>Collection (X_{z21})</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Management (X_{z212})</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Distribution (X_{z13})</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Reporting (X_{z14})</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Spiritual and material prosperity</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(CIBEST prosperity index) (X_{z21})</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Education and health (HDI modification)</td>
<td>0.25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(X_{z22})</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Autonomy (X_{z23})</td>
<td>0.25</td>
</tr>
</tbody>
</table>

Source: Primary and secondary data (2017)

National Zakat Index (NZI)

The NZI was obtained from the measurement of macro and micro dimension indicator values. Based on the measurement, the NZI value is shown below:

\[
NZI = 0.40X_1 + 0.60X_2 \\
= 0.40(0.70) + 0.60(0.53) \\
= 0.60
\]

The NZI value of 0.60 means that BAZNAS Tangerang District performance was considered fairly good, although there were still many aspects that needed to be fixed and improved. The overall performance of zakat management needs to be optimized in order to reach its targets. One of the targets regarding zakat is that zakat fund collection reaches 20 billion rupiahs annually. The NZI result provides an evaluation reference for BAZNAS Tangerang District to improve their zakat performance.

The evaluation of BAZNAS Tangerang District’s performance was seen in the scoring of each NZI variable that is in accordance with the actual condition. The macro dimension consisted of these variables: regulation, government financial support, the number of official zakat institutions, muzaki and mustahik, individual muzaki ratio, and firm muzaki ratio. Regulation regarding zakat management in Tangerang District was reflected in Regional Act Number 24, 2004. The existence of the act demonstrated government support through an increase in the performance of zakat management in Tangerang District. This aspect of zakat performance needs to be maintained and improved in many ways through adaptation to the current condition of zakat management, without neglecting the principles of sharia. The government’s financial support allocation for BAZNAS Tangerang District is another form of government support that demonstrated an optimization of zakat management performance, so that zakat funds were focused on the prosperity of mustahik. Government financial support allocation for zakat management was considered very good and should be maintained and improved, so that the operational cost is fully covered by the budget allocation.

The number of official zakat institutions, muzaki and mustahik in Tangerang District was not recorded and registered in BAZNAS Tangerang District. It is recommended that BAZNAS Tangerang District develops a registration mechanism for zakat institutions, muzaki and mustahik in Tangerang District in order to perform further coordination of Zakat fund management. The number of individual muzaki registered in BAZNAS Tangerang District was slight, as was the number of firm muzaki. Based on this fact, more intensive publication and socialization of zakat is urgently needed to increase the awareness of muzaki regarding the obligatory aspect of zakat.
payment. It must be noted, however, that the achieved performance needs to be maintained so that it will not cause a higher publication cost that directly reduces the allocation of zakat funds for mustahik. The micro dimension consisted of these variables: collection, management, distribution, reporting, material and spiritual prosperity, education and health, and autonomy. zakat fund collection in Tangerang District did not attain the target: The zakat fund collection target for every year is approximately 20 billion rupiahs but the actual collection every year is approximately 2 billion rupiahs. This demonstrates that a more proactive effort in collecting zakat funds is needed. Zakat institutions need to actively approach muzaki to raise their awareness, provide them with a good service when they are in the process of paying zakat, and provide transparent reporting of zakat fund utilization. These methods need to be applied to increase the trust of muzaki.

Zakat management performance was considered fairly good through the existence of zakat management’s Standard Operational Procedure, strategic planning, and annual working program. Zakat management will be optimizable if there is ISO certification or quality management so that trust will increase between zakat institutions and muzaki. zakat distribution in Tangerang District was considered fairly good because zakat institutions were able to distribute 100 percent of collected funds to mustahik. The financial reporting of the zakat institution was considered less good because it was not externally audited and only internal audits were performed. This was also considered less good because the institution had no periodic report publication or sharia audit report. This fact needs to be evaluated and revised so that BAZNAS management reporting will be improved. Material and spiritual prosperity, education and health, and the autonomy of mustahik were considered less good. This fact shows that a coaching program and controls are needed for mustahik. A coaching program is needed to increase the financial independence of mustahik and to increase their ibadah. The main goal of the zakat management program is to eventually transform mustahik into muzaki. Overall, BAZNAS Tangerang District was considered fairly good in managing zakat funds based on the measurement of NZI.

CONCLUSIONS AND RECOMMENDATIONS

The index measurement results of the macro dimension was 0.70, which means that BAZNAS Tangerang District performance in the macro dimension was considered good. The index value for the micro dimension was 0.53, which means that BAZNAS Tangerang District performance in the micro dimension was considered fairly good. The NZI value for Tangerang District was 0.60, which means that, overall, zakat management performance was considered fairly good.

Based on the NZI measurement of each dimension, BAZNAS Tangerang District’s performance from the macro dimension perspective was considered good. The government needs to provide support for zakat management through the allocation of financial support for zakat management operations. BAZNAS Tangerang District was expected to arrange a registration mechanism for zakat institutions, muzaki and mustahik in order to complete the database and generate further coordination between zakat fund collection and distribution.

The index measurement result for the micro dimension shows that the performance of zakat management was considered fairly good. However, the performance needs to be improved through more proactive publication and socialization about zakat. In addition, a coaching program also needs to be developed for mustahik in Tangerang
District, in order to increase their financial independence and spiritual condition.

REFERENCES


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