

Zakat as a Sustainable and Effective Strategy for Poverty Alleviation: from the Perspective of a Multi-Dimensional Analysis

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ABSTRACT

Zakat is believed to be an alternative solution to overcome the problems of socioeconomic inequality and particularly poverty. Zakat has been widely practiced in the Islamic world for centuries; however, in order to measure the effectiveness of the system we need support of the empirical facts. This study aims to determine the effectiveness of poverty alleviation patterns based on zakat compared with the pattern of poverty alleviation efforts run by the government and the pattern of Corporate Social Responsibility (CSR), as well as the key determinant factors. Measurement of effectiveness is based on 30 attributes that include the dimensions of input, process and output. The study uses a multi-criteria decision analysis approach that is supported by the software Rappoverty. The findings show that the pattern of zakat-based poverty alleviation program performs better on all attributes compared to the pattern of other programs. The sensitive leverage factors that determine performance status consist of: the suitability of the program to the needs of the target communities, socialization and education, inter-agency coordination, consistency in the implementation of the rules, the existence of public institutions to carry out and support the program, improvement of welfare recipients, as well as an increase in the number of beneficiaries. The findings of this study indicate that the pattern of poverty reduction programs based on zakat can be a useful model for policy makers in developing effective poverty alleviation programs.

Keywords: zakat, performance status, leverage factors

INTRODUCTION

Poverty is a persistent and multi-dimensional problem. Not only is it difficult to be solved, but it has also become an extreme challenge that attracts mankind's attention all over the world (Blanden and Gibbonss, 2006). Various measures have been adopted and plans implemented to eradicate this social disaster at the local, national, and global levels. Quest for an effective poverty alleviation program pattern have been an intense topic of discussion among the intelligentsia from both academic and governmental environment all over the world.

According to the World Bank, the population that live under the poverty line

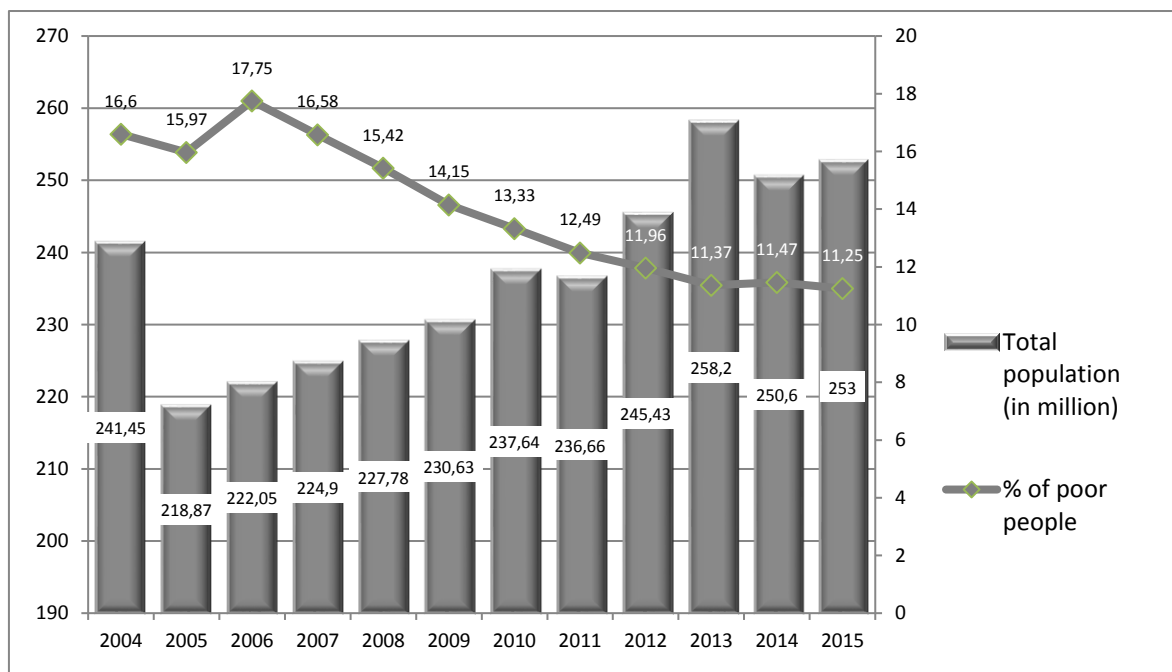
(\$1.9/day/person) in 2015 is 702 million (9.6 percent of the total world population) and half of them live in absolute poverty, a condition where they could not fulfill the barest essential needs. Dasgupta (2007) pointed out how difficult it is to overcome the poverty problem by comparing poverty to a muddy, downward spiral. Once an individual or a family gets into the spiral, it is difficult for them to get out; in fact, they even tend to be pulled to the bottom level.

Poverty not only reflects inability and helplessness, but also represents a complicated process that influences the society as well as the policy of a country. Poverty is bound to ensnare the next generation if it is left to become worse. Therefore, a comprehensive policy

supported by effective programs is needed in order to solve this long-term, cross-generation problem.

In Indonesia, the government has attempted to implement various programs in order to reduce poverty. Unfortunately, the government keeps changing the programs and each tends to be a short-term unsustainable program. Such programs will not be able to guarantee successful eradication of poverty. Figure 1 shows the condition of poverty and the changes in the last ten years in Indonesia. Although there is a decrease in the number of poor people, the chart, indicative of the rate of progress

of poverty eradication programs, tends to decline and slow down. The average decrease in the number of poor people during this period is only 0.56 percent per year. In 2015, the number of poor people was 11.22 percent of the total population or 28.59 million people. The number was deduced using the definition of poverty line of less than US\$ 1 earned per day. If deduced using the World Bank standard implemented nowadays, which is US\$1.9 per day, the number of those below poverty line will reach 42 percent or almost 60 million people.



Source: Badan Pusat Statistik (2015)

Figure 1. The Number of People below Poverty Line, the Proportion of Poor People and Targeted Poor Inhabitants in 2004-2015.

In facing the poverty problem that has been gaining momentum day by day, the government has tried one after the other ideas adopted from the western countries as well as movements to oppose the market mechanism that widens the socio-economic gap. In this context, we may examine an inspiring movement to fight against poverty known as the ‘gift economy’. This concept

states that the essence of economic activity is not the exchange that takes place through the market mechanism, where those who do not have any resources are unable to participate, but the individual relationships manifested in attention, acceptance, appreciation, friendship, kinship, and friendliness (Bell, 1991). For those who support this concept, such factors will

become the source of welfare for both the individual and the society at large. The spirit of the gift economy concept can be a breakthrough to solve the poverty problem through dealing with the diminished sense of solidarity and care for others in the present era of intense competition.

The gift economy concept is in line with the concept of zakat in Islam, which is a mechanism of distributing the wealth from the rich to the poor in a spirit of sincerity, attention, appreciation, and kinship. The basic concept of zakat is giving to another sincerely without expecting a reciprocate gift or favor, as decreed by the word of Allah SWT: Those who doeth good deed as atom's weight, they will see it (QS. Al Zalzalah: 1-8). This motivates people to payzakat.

Zakat is not only a means to improve the welfare of the poor, but it has also evolved as a sustainable practical mechanism to manage the socio-economic gap in any society. The obligation of a Muslim to pay zakat never ends; although the recipients' financial condition has improved, the obligation of paying zakat still remains. Under the circumstances, zakat will become an essential part of a Muslim's life, to be observed through one's lifetime, and an eternal mechanism to balance the society they belong to (Ariyani, *et al* 2016).

As the country with the largest Muslim community, the potential zakat funds volume in Indonesia is quite high. According to BAZNAS, the fund amounts to Rp 217 trillion per year. Unfortunately, this resource has not been fully used in the country's poverty alleviation program. Although they have the same objective in

reducing poverty, the government and many zakat institutions pursue their own programs. This can be understood in terms of certain reasons, such as the target of the poverty alleviation programs. Zakat based poverty alleviation programs are followed by only a specific community and managed by the rules of religion. Moreover, the period set aside to raise zakat funds is less flexible, especially zakat *fitriah* that concludes by Idul Fitri day.

This research was intended to shed light on the effectiveness of zakat patterns in overcoming poverty using various dimensions and criteria. Research on the correlation between zakat and the economy level, welfare, and socio-economy equality of the society is not a new topic and has been carried out by many people. Unfortunately, most of them are based on a single criterion and only focus on a certain program in a certain area. Since a comprehensive poverty alleviation program involves many dimensions and criteria, use of a single measurement parameter will hamper the effectiveness of the program itself. Therefore, this research has been designed to overcome such limitations by using comprehensive attributes including the dimension of input, process, and output altogether. By comparing the performance of the zakat based poverty alleviation programs to the government programs and CSR i.e. programs implemented by private institutions, the findings and the leverage factors of this research will serve as a significant reference towards proposing zakat as an effective alternative in reducing poverty.

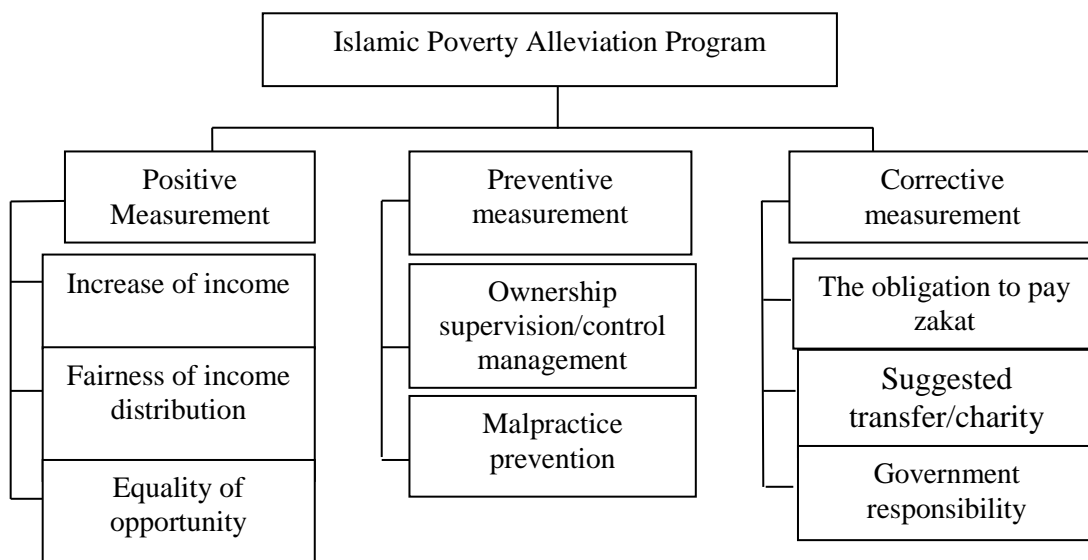
LITERATURE REVIEW

Zakat is a mechanism of distributing wealth from the rich to the poor supported by religion rules (Ali, 2010). As an obligation, zakat is not only a means to improve the welfare of the poor, but also serves as a sustainable practical mechanism to manage the socio-economic gap in the society that practices it. The obligation of a Muslim to pay zakat never ends; although the recipients' economy has improved, the obligation of engaging in zakat continues. Under the circumstances, zakat will become an essential part of a Muslim's life, to be observed through one's lifetime, and an eternal asset in the fight against poverty.

Zakat is one of the Islamic approaches that aim to reduce poverty. There are several Islamic approaches to reducing poverty, such as: (a) increasing income, (b) increasing the fairness of income distribution, and (c) providing

equal opportunity for all social segments (Hassan, 2010). The scheme of this comprehensive strategy involves three different sets and tactics (Sadeq, 1995), as described in Figure 2.

According to Bremer (2013), the structure of zakat explicitly pursues equality and social justice from both ends of the income spectrum. At the top end, charity works to prevent over-concentration and excessive accumulation of wealth that exceeds the needs of the family, while at the bottom tip, charity determines the category of people in need who should receive the assistance. In our current economic system, zakat provides a value system that has a significant part in overcoming the problem of income distribution beside tax and transfer. Zakat is also an economy propulsion system that will assist people to manage their resources in order to achieve a better life (Marthon, 2007).



Source: Sadeq (1995)

Figure 2. Islamic Poverty Alleviation Scheme

Al-Qardawi in Ali (2010) stated that zakat is not only an obligation but also a system that addresses the rights of the poor. Zakat paid by an individual indirectly returns to be goodness for the payer, and brings bountiful rewards from Allah SWT. Andreoni (1990) wrote that a deed of

generosity will return some benefits to the person (a private utility pay off). One of the benefits derived in helping people is the happy feeling known as the warm glow. Beside the warm glow, a person that pays zakat will nurture good character traits such as unselfishness and care for others. As we

know, these traits have started to fade under the influence of the capitalist era.

There are two types of zakat. They are zakat *fitriah* that should be paid by a Muslim during Ramadhan, and zakat *maal* that should be paid by a Muslim based on the minimum wealth level owned over a certain period of time. Zakat has been developed as a complete system to fight against poverty. In addition to the rules regarding time and the amount of payment, from the target point of view, zakat also determines eight categories of recipients: they are indigent people, poor people, zakat committee, people converted to Islam, slaves, *gharemeen*, *fi sabilillah*, and *ibnusabil*. It does not mean that zakat must be distributed to all categories even when the fund is limited. Zakat can be given to only one particular category considering the conditions and circumstances (Marthon, 2007).

According to Beik (2013), there are two approaches to determining the recipients. The first is to use the government's official standard of poverty line and the second is based on the approach of *had al-kifayah* standard that considers the minimum needs that should be fulfilled. By *had al-kifayah* standard, the poverty level is determined by the ability of a person to fulfill his primary needs, including food, clothing, housing, health, and education. Zakat institutions in Indonesia usually use one or the other of these two parameters to consider the zakat recipients.

Some studies about zakat found that in addition to giving benefits to the payer, zakat also has positive effects on the economy of society as a whole. Research conducted by Ali (2010) revealed that zakat can increase the aggregate demand and capital stock that will lead to economic growth. The findings were supported by two arguments: they are (1) the transfer of wealth from the rich to the poor will increase the poor people's marginal propensity to consume, which in turn will increase the aggregate demand; (2) the

zakat payer will increase the savings ratio in order to prevent depletion of wealth through various meanings including zakat. In support of this postulate, Marthon (2007) demonstrated that zakat has a domino effect on the improvement in social welfare through two main aspects namely the creation of vacancy and the decrease of social gap.

The increase of aggregate demand by the recipient of charity will boost the demand for products and therefore increase production and investment, which in turn will have an impact on increasing the demand for manpower (unemployment decreases). Simultaneously, the transfer of wealth from the rich to the poor will prevent the accumulation of wealth such that it reduces the economic gap. Ali (2010) asserted, in the context of zakat, that macro charity can regulate capital accumulation through improved capital ratio of labor and enhanced economic potency and social development of the recipients of charity. For these efforts to transform charity from the duties and limited values of religion to become an instrument of economic development, the concept of zakat must be adapted in order to achieve prosperity for the whole community.

The success of zakat as an instrument for balancing wealth has been proven since the era of Prophet Muhammad SAW and the leaders of Islam before the middle ages. With proper management, zakat works as a highly effective method to reduce poverty. This is in line with the study done by Ahmed (2004) that concluded that zakat can have a great impact on poverty reduction if it is supported by good governance, which meets the following criteria: (1) compliance with the law and rules that are supported by the guarantee of legality and a strong institutional support system, (2) management performance, (3) financial performance, (4) performance of the administrative agency, and (5) degree of social legitimacy (Indonesia Zakat & Development Report, 2010). These criteria

indicate that the management of zakat funds must be accompanied by good planning, implementation and control.

In addition to the aspects of managing zakat, facing a multi-dimensional problem such as poverty needs a multidimensional program too. Therefore, the performance of poverty alleviation programs cannot be evaluated based on a single criterion (for example, to evaluate the program only from the aspect of the amount of funds only). Such an approach can impede the effectiveness of the evaluation activities itself. To overcome this drawback in assessing the effectiveness of the zakat program, this research used a multidimensional approach, addressing both the upstream and downstream aspects. The performance of the program is measured through a multidimensional scale approach (Multi-Dimensional Scaling or MDS).

The multidimensional scale approach has been designed to assist in the transformation of the multidimensional into

multiple, simpler dimensions. The use of MDS will also help in reducing the data so that it can be managed more easily. Groenen et al (2004), stated that the multi-variant analysis techniques used in MDS can help to determine the performance position of an object on a geometric map based on the common aspects or other irregularities. Jaworska (2009) stated that MDS is a data analysis technique in the form of a geometric figure that describes the similarities based on Euclidean distance. According to Fauzi and Anna (2005), MDS is an explorative data analysis technique that works through the condensation a large amount of data to a spatial map. This makes it relatively simple to describe the significant relationships between the variables in the most economical way. MDS has the following advantages compared with other multi criteria techniques: able to handle nominal or ordinal data; does not require normal multivariate, and provides stable results.

METHODOLOGY

This research used a multi-criteria approach decision analysis using the analysis appliance called Rappoverty (Rapid Appraisal for Poverty Evaluation). Rappoverty is an evaluation method to determine the performance status of the object and leverage factors that determine the status. The performance status of poverty alleviation programs is assessed against considerations such as the ability to survive over a long period of time, preserve their effectiveness and grow and develop strength through a set of specific attributes that ensure the sustainability of the benefits produced (Ariyani, 2016).

The final mark of the effectiveness of a poverty alleviation program is the ability to uplift the poor from their conditions while the leverage factors are sensitive factors that determine the performance status of the program. Rappoverty analysis will produce a clear and comprehensive description of the

performance of the program based on the attributes analyzed. Based on predefined policies, Rappoverty can be used to design follow up measures in response to the feedback and results of the evaluation in a timely manner. This way, the results of this research will be useful in determining the effectiveness of the poverty alleviation policy.

Rappoverty method is a modification of Rappfish (Rapid Appraisal for Fisheries) that was developed by the Fisheries Center at the University of British Columbia, Canada (Pitcher and Preikshot, 2001; Kavanagh and Pitcher (2004). In processing the data, Rappoverty uses some of the following principles: (1) a quick rapid assessment method based on a number of attributes that are easily scored, (2) the attributes can be redefined or replaced according to the available information, (3) the method of decision making is based on a multi-dimensional

scale and (4) uses ordination method to determine a decision.

Ordination method is a technique to simulate the best and worst status of an object by placing the object in a sequence of measurement from a reference point based on arating scale ranging from the best

outcome (100 percent) to the worst (0 percent). Thus the result of Rappoverty is a performance index. As the basis for decision making, the results are converted to five large-scale performance status categories from 0 to 100 percent as described in the Table 1 below.

Table 1. The Value of the Index Categories

Index	Category
0-20	Very bad
21-40	Bad
41-60	Average
61-80	Good
81-100	Excellent

Source: Author (2016)

To evaluate and determine the performance status of the patterns of poverty alleviation programs based on zakat, the government's program pattern, and CSR program pattern, 30 attributes that include various dimensions of the process input and output are used. The attributes were derived from the results of focus

group discussion (FGD) by the world cafe method involving 24 participants from various circles, namely: managers of the zakat institutions, managers of the government's program, managers of the CSR program, academicians, and graduate students. The thirty attributes are as in Table 2.

Table 2. Performance Evaluation Attributes of Poverty Alleviation Programs

Input Dimensions	Process Dimensions	Output Dimensions
Recipient criteria	Planning program approach	Appropriate distribution
Recipient requirements	Involvement level of the community in determining the target	Achievement of program targets
Fund raising	Fixing target mechanism	Increase in the number of the recipients
Availability of the fund	Characteristics of the program	Establishment of social institutions
Recipients' data	Coordination among institutions	Sustainability of the program
The program's suitability to the needs of the targeted society	Socialization and education by the supervisor	Improvement of recipients' welfare
The variety of programs	The board components	
Program completion	Operational expenses	
The stability of regulations	The punctuality of program distribution	
Capability of the operators and supervisors	Evaluation and monitoring	
The recipients' understanding on the program	Implementation of good governance	

Source: World Cafe-FGD (2015)

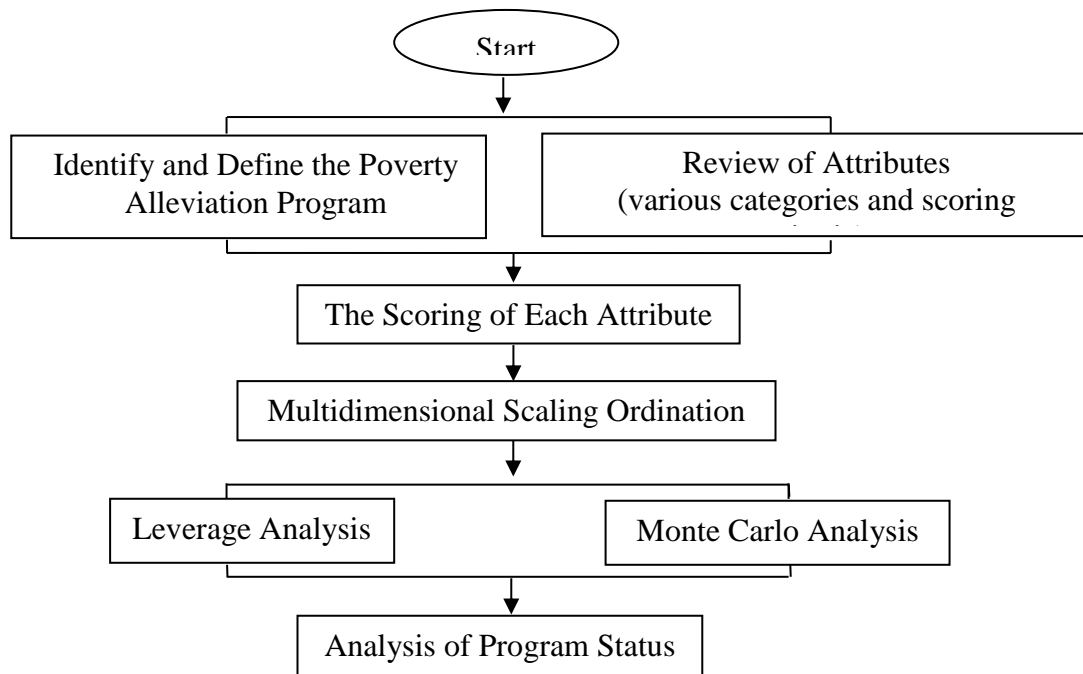
The object of this research consisted of 11 government programs representing the pattern of the government program, 3 zakat program patterns and 2 patterns of

CSR program. The government programs were grouped into categories of social assistance and community empowerment programs. The social assistance programs

consisted of: Hoping Family Program (PKH), Rice Program for the Poor (Raskin), Community Health Warranty Program (Jamkesmas), Poor Students Assistance Program (BSM), the School Operational Assistance Program (BOS). The community empowerment programs consisted of the Rural National Program for Community Empowerment (PNPM), Urban PNPM, Tourism PNPM, Generation PNPM, Rural Agribusiness Business Development (PUAP), and the development of Social Infrastructure Economic Region (PISEW). The zakat programs consisted of: zakat program from

BAZNAS, LAZ Dompot Dhuafa and MAZ Baitussalam, while the studied CSR program patterns consisted of the CSR program of PT Antam and CSR program of PT Pertamina.

The research was carried out in the areas of Bogor, Jakarta and Tangerang. The data was obtained through questionnaires filled by 24 participants of FGD-World Cafe. The data derived from the results of the questionnaire was then inserted into the Rappoverty software to determine the ordination. The overall process to analyze the performance status of the program is presented in Figure 3.



Source: Fauzi and Anna; adapted from the Chart Rappfish (2005)

Figure 3. The Chart of Analysis Process to Assess the Performance Status of Poverty Alleviation Programs

RESEARCH FINDINGS AND DISCUSSION

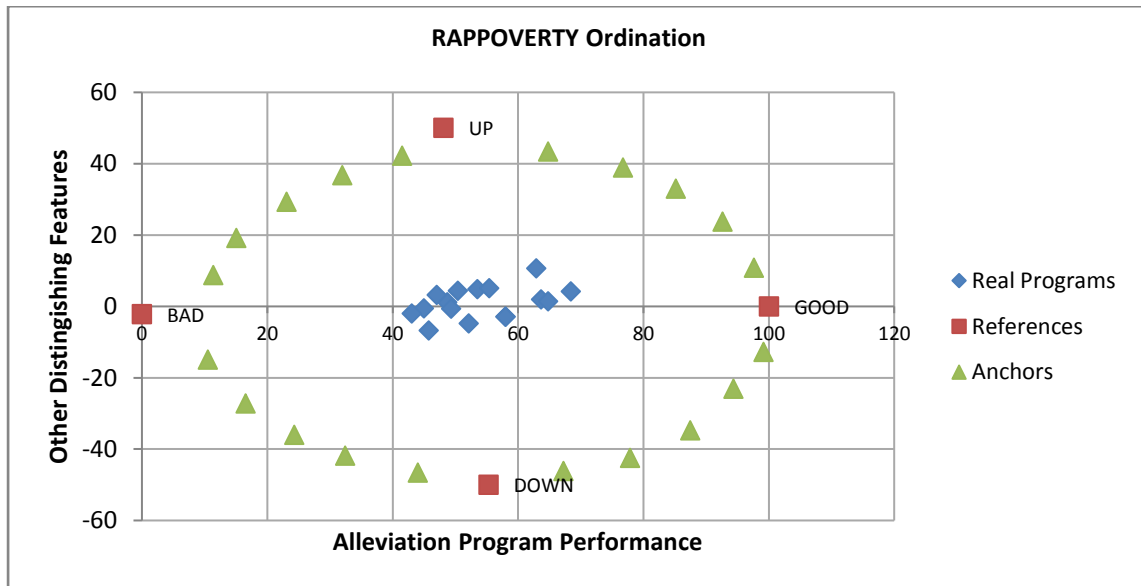
Figures 4 to 6 present the results of the ordination analysis on each dimension of the entire objects analyzed. The horizontal axis describes the differences in the performance status of the program on each of the attributes in the ordination of bad score until good score, while the vertical axis describes a mixture of those scores. The status of the object's performance can be seen by looking at the position of the analyzed object on the ordination region.

Figure 4 represents the ordination of the performance status of the analysis objects on the input dimension. Based on 12 attributes of the input dimension, the zakat program pattern is in the ordination of good score with an index above 60. It can be concluded that the whole zakat programs analyzed have performed well in terms of the input dimension. The performance index of the whole program can be seen in Table 3.

Analysis of the government program shows the whole program in the

ordination region between bad score and good score i.e 43 and 57. Governmental programs empowered are relatively have better performance compared with programs based on social support. The overall performance status of the government program lends to a pattern of average classification. The performance of the Rural and the Urban PNPM are as exceeds that of the other empowerment programs. On the other hand, Generation PNPM has yielded the worst performance compared with other programs.

Analysis of CSR programs shows the two analyzed programs are located in the ordination of bad score and good score with different performances. The CSR program pattern of Pertamina has a good performance status, while the CSR program Antam is average.



Source: Author (2016)

Figure 4. Ordination of the Input Dimension

Figure 5 illustrates the position of the ordination of the research object on the process dimensions. The results of the analysis on this dimension show better

performance variables with relatively the same pattern of ordination on the input dimension. These programs are located in the region of good score. If seen from the

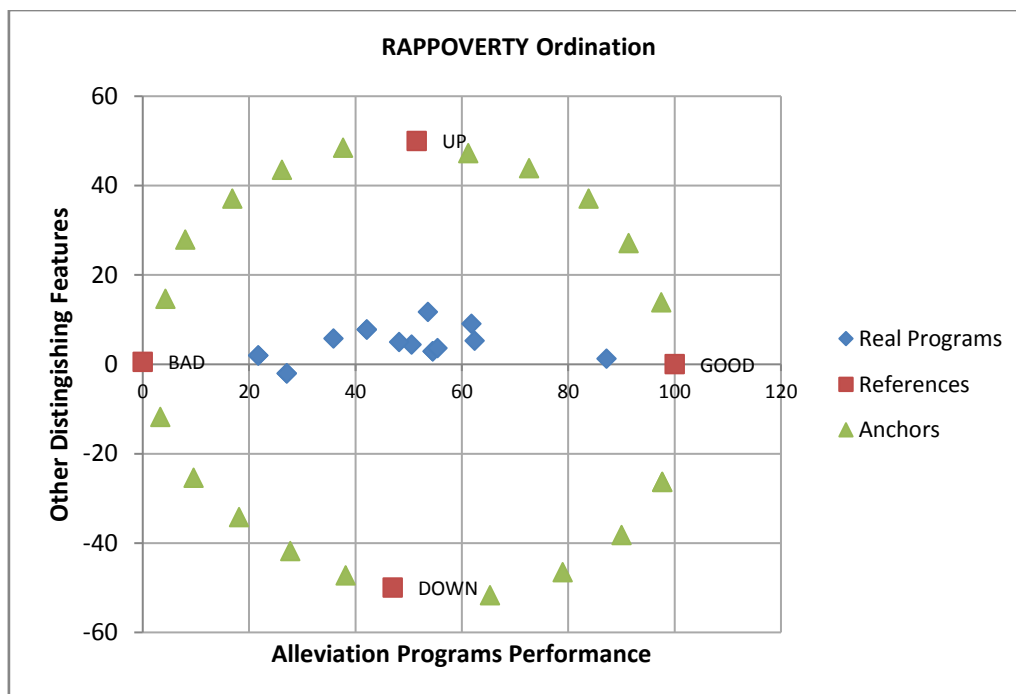
status of performance, the Dompot Dhuafa program has the highest performance status at 87, which means that it is classified in the category of very good performance, leading others that are good.

The analysis of the government program in terms of the process of the whole program is located in the ordination region among bad score and good score, with different performance classifications for the social assistance programs and the empowerment programs. If seen from the scale of the performance index, the social assistance program performs poorly in its entire parts while the empowerment program yields an average performance. Rural PNPM and Urban PNPM have higher performance indices compared with other programs. Family is the program with the worst status.

Figure 6 shows the performance status of the program on the output dimensions. The analysis on this dimension produces various performance indices but still it follows the same pattern as the previous two dimensions. All zakat

programs are in the area of good performance with the LAZ Dompot Dhuafa program yielding the highest score at 80,00. The zakat programs of MAZ Baitussalam and BAZNAS also have good performance 55,47 for the MAZ Baitussalam program and 51,77 for the BAZNAS program.

Analysis of the government programs on the dimension of the output shows different performances for the social assistance program and the community empowerment program. This is similar to the dimensions of the process but with different performance classifications. The ordination position of the whole program is in between of bad and good scores. If seen from the scale of the performance index, the social assistance program is classified in a poor performance category while the empowerment program has a good performance. The Raskin program has the lowest performance index, while the Rural PNPM and Urban PNPM programs get the highest scores.

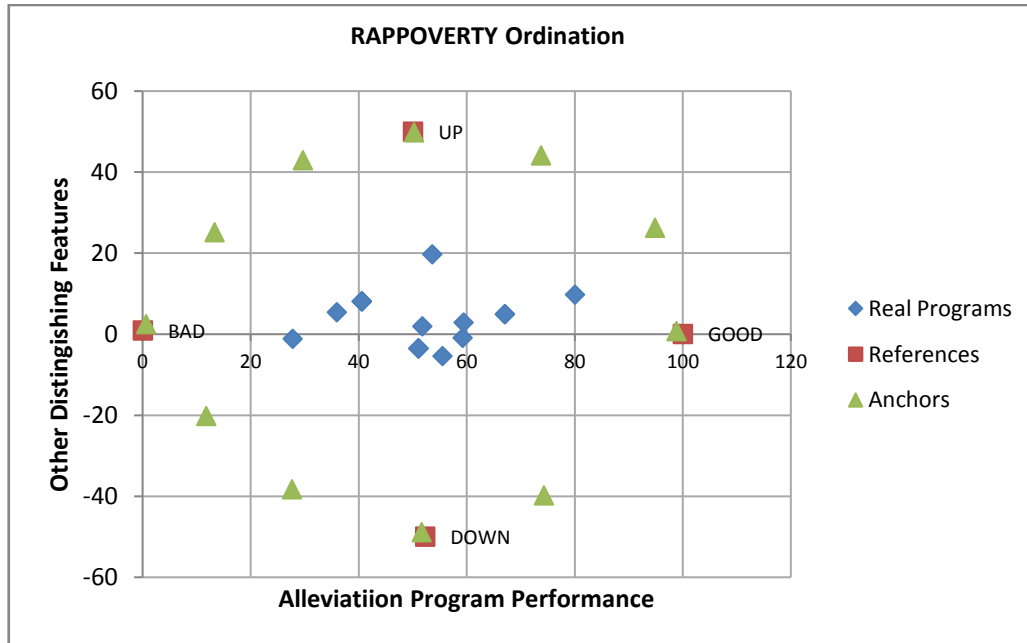


Source: Author (2016)

Figure 5. Ordination of the Process Dimension

Analysis of the CSR program pattern shows that the two analyzed programs are located in an ordination position between good and bad scores. Unlike the previous dimensions, on the dimension of output,

both the analyzed programs have the same status are average scores. The performance indices of the two programs are 59,39 for the CSR program of Antam and 53,60 for the CSR program of Pertamina.



Source: Author (2016)

Figure 6. Ordination of the Output Dimension

The overall results of the ordination analysis outlined previously indicates that the performance status of poverty alleviation programs varies significantly between the government programs, zakat programs and CSR programs, but the pattern is still consistent enough. The zakat programs tend to have higher performance indices on all dimensions compared with the CSR program pattern or the pattern of the government programs. These results provide adequate evidence that poverty alleviation programs based on zakat are far more effective compared with other program patterns.

The results of the Rappoverty analysis described show that the pattern of the zakat program performs better on all

dimensions compared with the government programs and the CSR programs. This is most likely due to the fact that the zakat based programs score positively on all sensitive attributes and contribute significantly enough to determine the performance of the program. The results of the leverage analysis of the performance of poverty alleviation programs are shown in Figure 7. The factors that have the longest lines are the most sensitive factors that affect the performance of the program (called leverage factors). Once these leverage factors are identified, the program policy should give fully attention to those factors so that the poverty alleviation program will be more effective.

Table 3. The Performance Category of Poverty Alleviation Programs Based on Ordination

Output Dimension	Dimension
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	Input		Process		Output	
	Index	Status	Index	Status	Index	Status
Hoping Family Program	44,97	Bad	21,71	Bad	35,94	Bad
Community Health Warrant	48,69	Average	27,14	Bad	40,55	Bad
School Operational Assistance	53,50	Average	35,82	Bad	40,55	Bad
Poor Student Assistance	50,37	Average	27,14	Bad	40,55	Bad
Rice for the Poor	45,76	Average	21,70	Bad	27,77	Bad
Urban PNPM	57,98	Good	54,65	Average	67,05	Good
Rural PNPM	57,98	Good	54,65	Average	67,05	Good
PISEW	49,31	Bad	50,65	Average	59,23	Good
PUAP	47,01	Average	48,25	Average	51,04	Good
Generation PNPM	43,03	Bad	42,23	Average	51,04	Good
Tourism PNPM	52,11	Average	42,23	Average	51,04	Good
Zakat Program of BAZNAS	63,66	Good	53,75	Average	51,04	Good
Zakat Program of Dompot Dhuafa	64,80	Good	87,37	Excellent	80,00	Excellent
Zakat Program of MAZ Baitussalam	68,41	Good	61,81	Good	55,47	Average
CSR Program of Antam	55,38	Average	62,44	Good	59,39	Average
CSR Program of Pertamina	62,88	Good	47,42	Average	53,60	Average

Source: Rappoverty Analysis (2016)

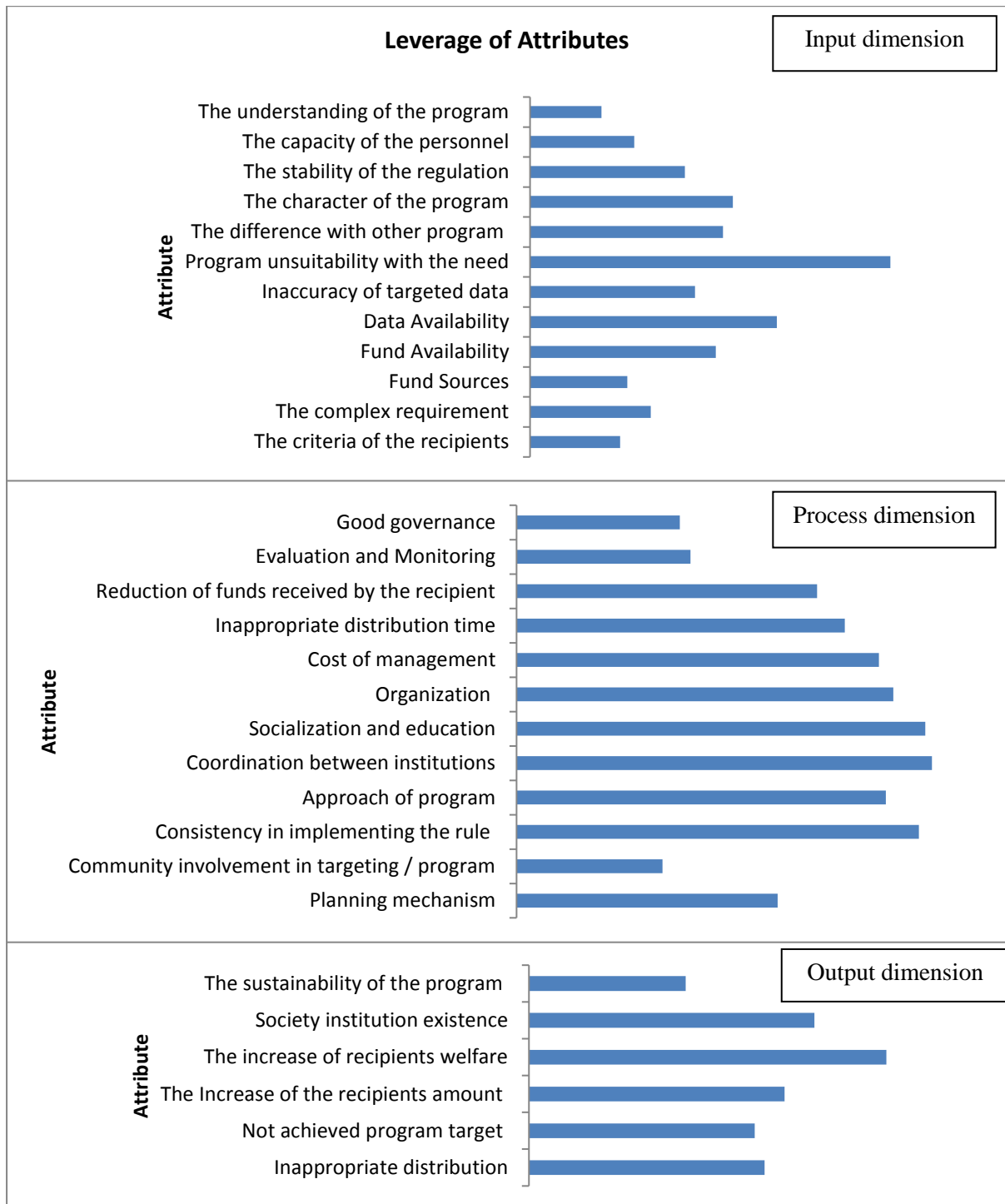
On the input dimension, the compliance of the program with the needs of the target communities is a key leverage factor of poverty alleviation programs. The performance of the program in this attribute will be better if the public or potential recipients of the program are involved seriously since the planning phase. This can help to avoid issues such as biases that may result in a program inappropriate for the needs of the community, an undifferentiated program for the whole community and not achieving the target.

The zakat programs as a rule anticipate this issue. Programs based on zakat are designed based on the recognition of their candidate beneficiaries. Zakat also employ a differentiated planning model that does not always apply the concept of bottom up which is often ineffective in addressing the problem of poverty alleviation. Based on this condition, zakat institutions apply an approach combining the bottom up and top down methods. The managers develop program by paying attention to and listening to the aspirations of the potential recipient. This approach anticipates the issues caused by government-adopted programs that mimic the pattern of programs from other countries, which may not be suitable and in

accordance with the needs of the recipient community. (Dolles, 2010).

To determine the program recipient, zakat uses the nearest neighbor as a source of information. This is a part from using statistical population data issued officially by the government to support the accuracy of the determination of target. Some zakat institutions have drawn a *mustahik* map which is very useful for this purpose.

On the dimensions of the process, the following attributes serve as the leverage factors of the program: socialization and education, coordination between institutions and consistency in the implementation of the rules. Socialization and education will determine the level of understanding of the recipient of the program. The success of socialization and education improves the involvement of beneficiaries in the implementation of the program. Institutional coordination is necessary to avoid overlapping programs where the same program is carried by various institutions, leading to inefficiencies in the utilization of natural resources. Consistency in the implementation of the rules is crucial to guarantee the implementation of the program as planned in terms of funds, time, and the program distribution target.



Source: Author (2016)

Figure 7. Leverage Factors of Poverty Alleviation Programs

The superior performance of zakat programs on the dimensions of this process can be explained as follows. An intensive mentoring process is conducted by personnel who are physically living in the location of the poor. This creates a very good impact on the process of socialization and education. The same environment, culture and habits contribute to the success of socialization and education through a proper communication pattern.

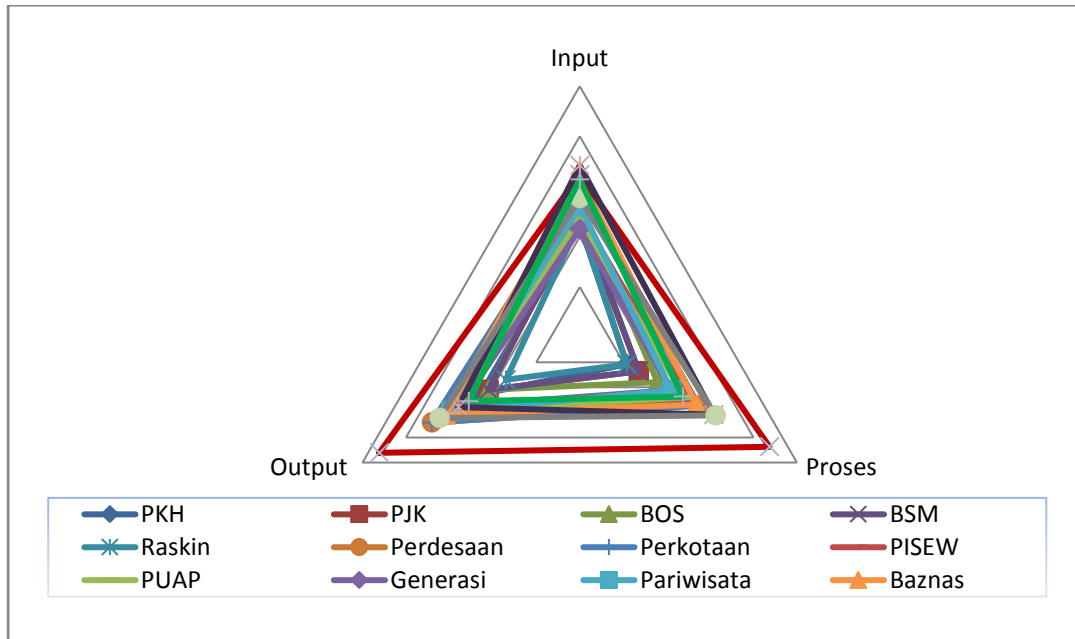
The level of understanding of the facilitators and the trust of the poor towards the mentor, known to them as a neighbor, motivate program recipients to participate in the implementation of the program. Furthermore as a rule, excellent consistency between the plan and the implementation is achieved by the zakat institutions through regular, on going evaluation and monitoring efforts.

On the dimension of output, the existence of public institutions, improved welfare of the recipients and increasing numbers of beneficiaries are the attributes that significantly affect the performance of poverty alleviation programs.

The existence of public institutions is a manifestation of the independence of the community in solving the problem by itself in accordance with certain norms and rules developed by the community. In the context of poverty alleviation, the most preferred method is the development of the capabilities of the poor such that they can resolve their problems without depending on other parties. Therefore, improved welfare of the recipient becomes an important parameter for measuring success of poverty alleviation efforts. The increase in the number of program beneficiaries can be an indication that the program successfully reaches a wider cross-section of the targets.

For the factors mentioned, the zakat institutions have established social infrastructure as demonstrated by Dompot Dhuafa. The focus of Dompot Dhuafa in the formation of public agencies is a significant factor that has contributed to the success of the program in supporting the poor people on their way to financial independence. With the existence of public institutions, the program recipients can interact intensively so that mutual learning among them will be nurtured. Further, the zakat institution improves the welfare of the recipients by training them to become entrepreneurs in accordance with their ability. With the intensive mentoring that comes with the revolving fund program, the business pursued by the recipients is able to improve their welfare (Dompot Dhuafa, 2014). In terms of increasing the number of recipients of the program, the institution of charity typically attempts to expand the scope of the program areas as the manifestation of a wide spread social responsibility.

The performance status of various program patterns on multiple dimensions can also be seen on the kite diagram in Figure 8. The kite diagram indicates the program's performance status through the position of the program on the diagram. A program located on the outside of the diagram shows good performance index while one located within the diagram shows a relatively poor performance index. As Figure 8 shows, the zakat program of Dompot Dhuafa is located on the outer line of the diagram, followed by BAZNAS program and the program of MAZ Baitussalam. Figure 8 reinforces the ordination analysis results that have been described previously.

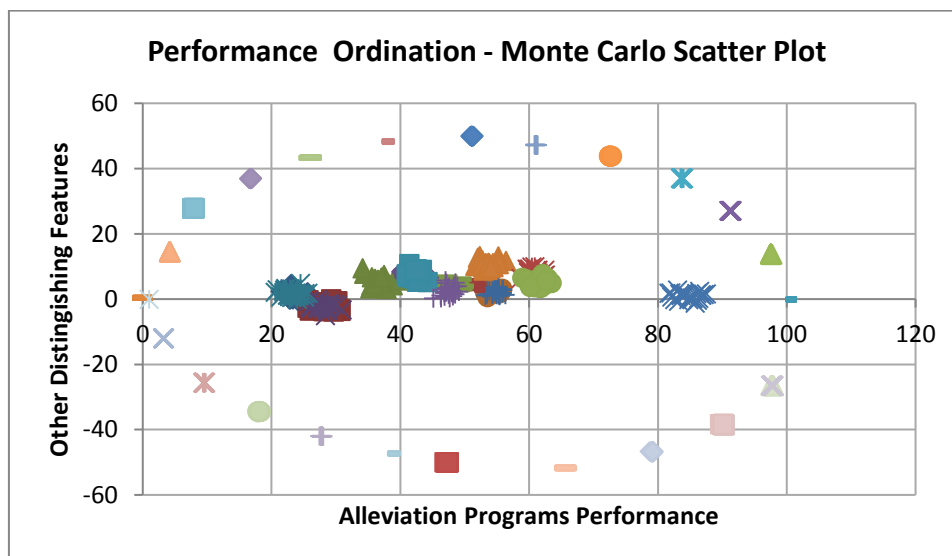


Source: Author (2016)

Figure 8. The KiteDiagram of the Performance of Government Pattern, Zakat and CSR

The reliability of the results of the ordination analysis has been tested using Monte Carlo analysis methods. This analysis is useful to evaluate the possibility of random errors (i.e. error in the scoring due to lack of information), variation in the scoring due to the difference between the

assessment and an error in the input data. In this research, Monte Carlo analysis was carried out using "scatter plots". The results of the Monte Carlo analysis, repeated as many as 25 times, show that the results of the ordination has not changed as indicated in Figure 9 on the input dimension.



Source: Author (2016)

Figure 9. Monte Carlo Analysis Results on the Process Dimension

The feasibility of the model (good of fit) of this research has also been studied

to determine whether each of the attributes considered in this study is significant

enough to be added to the model, and to test the accuracy of the model compared with the actual situation. The results of the feasibility analysis, determined by the values of stress (S) and determination coefficient (R^2), are as follows: on the input dimension the value of S is 0,18 and the value of R^2 is 0,89; on the dimension of the process the value S is 0,16 and the value of R^2 is 0,92; and on the dimensions of the output the value of S is 0,22 and the value of R^2 is 0,88. In accordance with the rules of feasibility analysis model developed by Kavanagh & Pitcher (2004), a good model is obtained when the value of S is smaller than 0.25 and the drag coefficient R^2 close to 1. Therefore, it can be stated that the model examined in this research is a good fit. Thus, it can be concluded that it is not necessary to add an attribute to the model to bring it closer to the actual situation.

CONCLUSION

Compared with the pattern of poverty alleviation programs of the government and CSR, zakat programs developed by the government (BAZNAS), community (MAS Baitussalam) and private sector institutions (Dompet Dhuafa), overall show a good performance on the dimensions of input, process and output. Even in terms of some of the attributes, the zakat program pattern has a very good performance exceeding the pattern of other programs. This finding provides adequate evidence that a well-managed zakat program pattern can be an effective alternative approach to reducing poverty.

The results of the leverage analysis indicates some sensitive factors toward the performance of poverty alleviation programs that the zakat institutions have responded well to in their design and development of the program. Zakat institutions systematically involve the recipients of the program in program planning so that the program is customized

to the needs of the recipient. Socialization and education are conducted intensively by the officers through the process of mentoring. Zakat institutions also work in coordination with related institutions to determine program objectives. Consistency in the implementation of the rules is characteristic of zakat institutions, making them consistent and reliable. The establishment of community institutions, improvement of recipients' welfare, and increase in the number of recipients, have all been achieved by zakat institutions.

The results of this study have important implications for determining the poverty alleviation policy in the following matters. It is important to consider the pattern of zakat as a raw model for the development of poverty alleviation programs. In designing poverty alleviation programs, it is necessary to develop a complete and comprehensive system comprising both ex-ante and ex-post indicators as illustrated by the dimensions of input, process, and output in this research. Considering that poverty is a multidimensional/multifaceted challenge, conducting proper assessments and leveraging future programs based on the output of the assessment are very important as the basis for designing effective programs. This study can be a significant instrument in ensuring feedback and feed forward for future poverty alleviation programs.

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