MANAGEMENT OF ZAKAH, INFAQ AND SHADAQAH: CONTRIBUTION TO POVERTY ALLEVIATION

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ABSTRACT
This study aims to measure the institutional performance of Bireuen District Baitul Mal in managing zakah, infaq and shadaqah and its role in reducing poverty in Bireuen. This study is qualitative research and applies case study approach to explore the performance of donation management and its contribution to the poverty alleviation in Bireuen. This gathers primary and secondary data namely interview, questionnaires, and documentation. The data was analysed by using National Zakah Index to assess the institutional performance of Baitul Mal financial management and distribution of donations in Bireuen which. To figure out role of Baitul Mal in Bireuen in reducing poverty, the interactive data analysis with triangulation techniques is employed to validate data. The results showed that institutional performance of Bireuen’s Baitul Mal is good with 0,73 index value. Baitul Mal Bireuen also has role in reducing poverty in Bireuen, but the role is very limited because the Baitul Mal has a limited portion of productive zakah schemes offered.


INTRODUCTION
Zakah (alms) is an obligation that must be paid for Muslims who are able to comply with Islamic law. Zakah as a practice of worship which leads to social aspects. Regulate human life in relation to God and relationships with fellow humans. So that Zakah has a vertical function that is as a form of obedience of Muslims to Allah. Besides that Zakah has a function horizontally as a form of social care for fellow human beings. Bagi ummat Islam Zakah merupakan kewajiban yang diperintahkan Allah yang harus ditunaikan. For Muslims, Zakah (alms) is an obligation that is commanded by God that must be fulfilled. Because of the importance of fulfilling and distributing Zakah, the Indonesian government issued a regulation concerning the management of Zakah, namely Law Number 23 of 2011.

In the last few decades, Zakah has played role and become an important national and international issue. The 1990 economic crisis in Indonesia has led to economic decline in which number of the poor rose from 11.3 per cent in 1996 to 24.2 per cent in 1998 (Wibisono, 2015:51).

The occurrence of the economic crisis in 1998, the Indonesian Government began to feel the benefits of Islamic banking, where among a series of conventional banks Indonesia had experienced a collapse, but Islamic banking was still able to stand firm. Then the government
issued a regulation, namely Law Number 38 of 1999 concerning management of Zakah whose substance is Zakah can be managed by the government through a body called the Amil Zakah Agency (BAZ) and can also be managed by non-government, namely through Amil Zakat Institution (LAZ).

Bremer (2013) stated that if Zakah can be utilized properly, it has potential to grow greater equality level in society, to raise the poor living standards, and also to avoid the rich wealth accumulation thus it can contribute in social justice. Romantin, Bahri and Lubis (2017) also said that management of Zakah, Infaq, and Ihadaqah (ZIS) will work well if Zakah institution either (BAZ) or (LAZ) can apply principles of good organization governance by stickling on principles of trust, transparency, and professionalism. On the other hand, Wahab and Rahman (2012) also mentioned that Zakat institutions can contribute in poverty eradication which is one of main problems in society nowadays. Therefore, it is necessary to measure performance of Zakah institutions whose function is producing Islamic society prosperity.

Study of performance of Zakat institution has not gained much attention, whereas it is very urgent to be done as a form of public accountability (Majid, 2004). Studies that have been done can be divided into three categories, namely a study of fiqh zakah alms from the perspective of Islamic law. Zakat management which highlights the administrative side of the economic management of zakah and charity that explores the implications of Zakah for economic life, production, consumption, and investment (Nurzaman, 2011). In the period of last ten years has conducted several studies on the performance of Zakat institution.

Management of Zakah in Aceh Province is different from other provinces in Indonesia, because Zakah in Aceh Province has become part of Regional Original Income (PAD). Zakah can reduce payment of income tax payable. Receipt of Zakah and its distribution are managed by an institution called the Baitul Mal. This Baitul Mal consists of the Aceh Province Baitul Mal and Regency / City Baitul Mal. This research was conducted at the Bireuen Regency Baitul Mal.

LITERATURE REVIEW
Zakah, Infaq and Shadaqah (ZIS)

Zakah (Arabic: ﺇﻠﻚ transliteration: Zakah) in terms of terms are certain assets that must be issued by people who are Muslim and given to groups that have the right to receive them (poor people and so on). Zakah in terms of language means 'clean', 'holy', 'fertile', 'blessing' and 'developing'. According to the provisions set by Islamic law. Zakah is the third pillar of the pillars of Islam (Rasyid, 2010).

The same opinion also explains, Zakah according to accent means sacred and fertile. Whereas according to the term syara 'that is removing from some property at the command of Allah, as obligatory shadaqah to those who have been determined by Islamic law. Literally zakat means "grow", "develop", "purify", or "cleanse" (Hanafi, 2016). Based on law number 23 of 2011, defining zakah a property that must be issued by a Muslim or business entity to be given to those who have the right to receive it in accordance with Islamic law (Anonymous, 2011).

Bremer (2013) also mentioned that zakah is unique among the other pillars of Islam because it can not be done alone, but other people need their participation therein ie there must be the
recipient and the giver. Zakah is also unique because it is the only Islam that management directly governed by God himself in the Qur'an Surah At-Taubah:60, it means:

"Surely charity is just for poor people, poor people, officials-administrators zakah, the Muslim convert who persuaded her to (freeing) of slaves, those who owe, to the way of Allah, and those who are in trip, as a statute that required God. And Allah is Knower, Wise."

Command and management zakah also been described in the word of Allah in Surah At-Taubah: 103, meaning:

"Take alms of their wealth, the charity that you cleanse and purify them and pray for them. Surely prayer you that (a) peace for their souls. And Allah is Hearing, Knowing."

Donation is an expenditure made by a Muslim as gratitude for the sustenance that has been given by Allah SWT with the appropriate number of the willingness of each, while Sadaqah is any provision or activity to expect a reward from Allah (Nurhayati and Wasilah, 2016: 278), Shadaqah has a wider meaning because not only administration in the form of objects but could also be in the form of deeds containing goodness such as giving a smile. Zakah has a dimension which is narrower than the donation and shadaqah, but charity bind every Muslim. The command did infaq and shadaqah also been described in the Qur'an and Hadist.

"...... and keep you berinfaq to the religion of Allah, and do not plunge yourself with your own hands into the valley of the accident (for shutting infaq it)." (Al-Baqarah: 195).

"That smile is a Sadaqah." (HR. Baihaqi).

Zakah Management Organizations (ZMO)
Zakah management of managing zakah organization have legal power and several advantages (Qadir, 1998, in the Hafidhuddin, 2002:126), that is able to ensure certainty and discipline in paying tax, to maintain modesty of mustahiq zakah when dealing directly to receive zakah from muzakki, to achieve efficiency and effectiveness as well as right target in using zakah based on priority, and to show spread of Islam in spirit of Islamic governance implementation. If zakah is handed over directly from muzakki to mustahiq, even though by sharia law it is valid, but functions and philosophy of zakah especially related to welfare of people that is difficult to implement.

Performance and Performance Measurement of ZMO
Performance is achieved the work of someone based on certain requirements made in achieving the objectives or also called as a standard work (Bangun, 2012:231). One of the purpose performance measurement of public sector organizations is to create public accountability (Mahmudi, 2013:14). Performance management of zakah management organizations must be equipped with a performance measurement system based on the development of performance indicators.

The Performance indicators are not only consist of financial performance indicators, but also non-financial performance indicators because of good and accountable management requires performance indicators to measure the success or failure of the organization. The indicators is used as a guidelines not as a control tool because it has an important role to guide the formation of learning organizations (Mahmudi, 2013:91; Marhayani., Musnadi,& Ibrahim, 2019).
Poverty Alleviation

Akram and Afzal (2014) explained that the main purpose of the Islamic economic system is appreciation or falah. Falah is the welfare of mankind in the world and the hereafter. In the economic field, the concept of falah refers to human material welfare aimed at the distribution of resources. Another aim is to prohibit humans from monopolizing wealth and emphasizing the circulation of wealth among all parts of society, including the poor.

The zakah system which is an obligation in Islam can play a role in carrying out the distribution of wealth from the rich to the poor so that it can provide the welfare of mankind. The role of zakah in alleviating poverty is a role that is clearly explained in the Qur'an and Sunnah and cannot be denied its existence. Qardhawi (2005) underlines that the role of zakah is not only limited to poverty alleviation but aims to overcome other social problems.

Baitul Mal

Baitul Mal has existed since the time of the Prophet Muhammad where its management was divided into several decades or stages with different management systems and policies. During the reign of Umar bin Abdul Aziz, the Baitul Mal had become a clean state financial institution and was able to create prosperity and reduce poverty with a program to improve public welfare, but this did not last long.

The greed of the rulers undermined the joints of the Baitul Mal and lasted until the Caliphate of the Abbasids. Apart from these distortions, it should be recognized that the Baitul Mal has graced the pages of history in Islam as a state institution that contributed to the development of Islamic civilization and the creation of prosperity for the Muslims and continued until the collapse of the last Caliphate, ie Khilafah Ustmaniyah in Turkey in 1924. During the reign contemporary, Baitul Mal experiences a shift in function, namely only being an institution that manages ZIS and waqf only (Aliamin, 2016).

RESEARCH METHOD

This study is a qualitative case study approach (case study) aimed at exploration and descriptive study. This study aims to measure the institutional performance of Baitul Mal Bireuen in zakah management ZIS and its role in poverty reduction. This study uses the approach of the National Zakah Index (IZN) to measure institutional performance by using questionnaires given to the Head of the Secretariat and the Sub Division of Finance and Reporting Zakah. Interactive data analysis with triangulation techniques (data sources, methods and investigator) in order to assure the validity of the data used to determine how the Baitul Mal role in poverty alleviation. Using the techniques of interview with the Head of the Executive Agency, Head of the Supervisory Board and the Head of the Secretariat and mustahiq. The data is also used as supporting documentation primary data analysis.

IZN is a standard measurement tool used to evaluate the development of zakah both on the national and provincial level issued by the Center for Strategic Studies (Puskas) BAZNAS 2016. IZN be an indicator that can provide a picture of the extent to which charity has been instrumental to the welfare mustahiq and on stage what zakah institutions have been built both internally institutional, community participation, as well as government support. Measurements IZN has two dimensions: macro and micro. Macro dimension consists of indicators of regulation
(regulation), support the state budget (APBN support), and zakah institution database (database of the number of official zakah institution, muzakki, and mustahiq, individual muzakki ratio and the ratio of body muzakki). Consists of a micro dimension of institutional indicators (collection, management, distribution and reporting).

In this study, the researchers only use the micro dimensions with institutional indicators. The measurement indicator of institutional done through several stages. First, create a Likert scoring scale with a range of 1-5 where 1 represents the worst condition and 5 the best conditions. The second phase, calculating an index for each component with the following formula:

$$I_i = \frac{(S_i - \text{Smin})}{(\text{Smax} - \text{Smin})}$$

Where:
- $I_i$ = Index on components \(i\)
- $S_i$ = Actual score value on component measurement \(i\)
- $\text{Smax}$ = Maximum score
- $\text{Smin}$ = Minimum Score

The resulting index value is in the range 0.00 - 1.00. Criteria of National Zakah Index Value:
- 0.00 - 0.20 for not category
- 0.21 - 0.40 for less good category
- 0.41 - 0.60 for fairly good category
- 0.61 - 0.80 for good category, anf
- 0.81 - 1.00 for very good category

The third phase, obtained by multiplying index of each component with weights to get indicator index as the following calculation:

$$X_p = 0.30X_c + 0.20X_m + 0.30X_a + 0.20X_r$$

Where:
- $X_p$ : Indicator index of institutions
- $X_c$ : Component index of collection
- $X_m$ : Component index of management
- $X_a$ : Component index of distribution
- $X_r$ : Component index of reporting

Table 1 - Likert Scale Score in Measuring Institutional Performance

<table>
<thead>
<tr>
<th>Component</th>
<th>Criterion</th>
<th>1= very weak</th>
<th>2=weak</th>
<th>3=neutral</th>
<th>4=strong</th>
<th>5=very strong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection</td>
<td>Growth (YoY) &lt;5%</td>
<td>Growth (YoY) &lt;5-9%</td>
<td>Growth (YoY) &lt;10-14%</td>
<td>Growth (YoY) &lt;15-19%</td>
<td>Growth (YoY) &gt;20%</td>
<td></td>
</tr>
<tr>
<td>Management</td>
<td>SOP zakah management, strategic planning, ISO certification/quality management, and the annual working program are unavailable</td>
<td>Have at least one of documents from these required documents, SOP zakah management, strategic planning, ISO/quality management, and the annual working program</td>
<td>Have at least two of documents from these required documents; SOP zakah management, strategic planning, ISO/quality management, and the annual working program</td>
<td>Have at least three of documents from these required documents; SOP zakah management, strategic planning, ISO/quality management, and the annual working program</td>
<td>SOP zakah management, strategic planning, ISO certification/quality management, and the annual working program are available</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td>ACR &lt;20%</td>
<td>ACR 20-49%</td>
<td>ACR 50-69%</td>
<td>ACR 70-80%</td>
<td>ACR ≥90%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>SP &gt; 12 months</td>
<td>SP 9-12 months</td>
<td>SP 6-&lt;9 months</td>
<td>SP 3-&lt;6 months</td>
<td>SP &lt;3 months</td>
<td></td>
</tr>
<tr>
<td>Reporting</td>
<td>No budget allocation for Da’wah program (DP)</td>
<td>Budget allocation for DP at least 0.1-&lt;2.5% from total distribution budget</td>
<td>Budget allocation for DP at least 2.5-&lt;7.5% from total distribution budget</td>
<td>Budget allocation for DP at least 7.5-&lt;10% from total distribution budget</td>
<td>Budget allocation for DP at least &gt;=10% from total distribution budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Do not have any financial report</td>
<td>Have financial report which is not audited by independent auditor</td>
<td>Have audited financial report with qualified opinion, adversed opinion, and disclaimer</td>
<td>Have audited financial report with unqualified opinion and periodic publication</td>
<td>Have audited financial report with unqualified opinion, sharia audit report, and periodic publication</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Puskas Baznas (2016)*
RESULTS AND DISCUSSIONS

Institutional Performance of Baitul Mal Bireuen

Institutional performance on IZN describe the performance of Baitul Mal Bireuen District in the implementation of the collection, management, distribution and reporting ZIS. Components of the collection illustrates how much improvement ZIS funds collected by the agency that refers to the previous year. Describes the performance management component of zakah institution in managing the ZIS terms of SOP management, strategic plans, annual work program and ISO certification. Component distribution describe the time to mustahiq ZIS fund distribution and allocation of funds for program productive and economic programs. The latter is a reporting component that describes that zakah institutions have financial statements audited and published periodically, shariah audit report is used to view the transparency and accountability of zakah institution. The results of the Baitul Mal of institutional performance measurement Bireuen district can be seen in Table 2.

Table 2 - Measurement of Institutional Performance Components of Baitul Mal Bireuen

<table>
<thead>
<tr>
<th>Component</th>
<th>Actual Conditions</th>
<th>Score</th>
<th>Category</th>
<th>Index</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collection</td>
<td>Growth of accumulation of zakah funding &gt; 20%</td>
<td>5</td>
<td>Very strong</td>
<td>1.00</td>
<td>Very good</td>
</tr>
<tr>
<td>Management</td>
<td>Has a strategic plan, annual work programs but does not have SOP and ISO certification</td>
<td>3</td>
<td>Neutral</td>
<td>0.50</td>
<td>Fairly good</td>
</tr>
<tr>
<td>Distribution</td>
<td>Ratio of funds distributed is 90%. Consumptive social programs are applied every 4 months. There are no economic programs and da’wah programs from zakah funds, but are allocated from infaq and shadaqah funds</td>
<td>4</td>
<td>Strong</td>
<td>0.75</td>
<td>Good</td>
</tr>
<tr>
<td>Reporting</td>
<td>Have audited financial statements, but have no Sharia audit reports and periodic reporting publication</td>
<td>3</td>
<td>Neutral</td>
<td>0, 50</td>
<td>Fairly good</td>
</tr>
</tbody>
</table>

Source: Primary Data (2018)

Performance of collection get 1.00 index score, which means that zakah and infaq collection performance is very good in which its growth percentage is 95 per cent or above 20 per cent as shown in Table 3.
Table 3 - Zakah and Infaq Collection by Baitul Mal Bireuen from 2006 to 2017

<table>
<thead>
<tr>
<th>Year</th>
<th>Zakah (USD)</th>
<th>Infaq (USD)</th>
<th>Amount(USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>332.628.000</td>
<td>1.033.188.000</td>
<td>1.365.816.000</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>481.606.000</td>
<td>762.517.810</td>
<td>1.244.123.810</td>
<td>91%</td>
</tr>
<tr>
<td>2008</td>
<td>703.165.000</td>
<td>992.095.000</td>
<td>1.695.260.000</td>
<td>136%</td>
</tr>
<tr>
<td>2009</td>
<td>786.175.000</td>
<td>1.339.473.000</td>
<td>2.125.648.000</td>
<td>125%</td>
</tr>
<tr>
<td>2010</td>
<td>951.521.000</td>
<td>1.459.971.000</td>
<td>2.411.492.000</td>
<td>113%</td>
</tr>
<tr>
<td>2011</td>
<td>1.044.280.000</td>
<td>1.339.473.000</td>
<td>2.383.753.000</td>
<td>99%</td>
</tr>
<tr>
<td>2012</td>
<td>1.100.656.000</td>
<td>2.095.193.000</td>
<td>3.195.849.000</td>
<td>134%</td>
</tr>
<tr>
<td>2013</td>
<td>1.759.363.195</td>
<td>2.952.892.662</td>
<td>4.712.255.857</td>
<td>147%</td>
</tr>
<tr>
<td>2014</td>
<td>2.051.096.618</td>
<td>3.911.785.370</td>
<td>5.962.881.988</td>
<td>127%</td>
</tr>
<tr>
<td>2015</td>
<td>3.075.719.991</td>
<td>4.815.348.303</td>
<td>7.891.068.294</td>
<td>132%</td>
</tr>
<tr>
<td>2016</td>
<td>4.065.967.000</td>
<td>6.016.668.000</td>
<td>10.082.635.000</td>
<td>128%</td>
</tr>
<tr>
<td>2017</td>
<td>3.256.205.713</td>
<td>6.314.329.098</td>
<td>9.570.534.811</td>
<td>95%</td>
</tr>
</tbody>
</table>

Source: Baitul Mal Bireuen, 2018

In 2016 the amount of zakah and infaq funds collected was Rp. 10,082,635,000,- but in 2017 it became Rp. 9,570,534,811,- or decreased by 5 per cent with a value of Rp. 512,100,189. This decrease is because zakah and infaq high school teachers/vocational Bireuen district in 2017 under the auspices of the Department of Education Aceh so cutting directly carried to the Aceh Provincial Treasury and not deposited into the Department of Education Youth and Sports of Bireuen. Currently, Baitul Mal Bireuen only receive zakah and infaq only, while Shadaqah does not exist. The results of this study are consistent with the research conducted by Sari, et al (2013) that the lack of coordination between all zakah management institutions has resulted in the achievement of zakah collection and distribution that is not optimal.

Management performance has an index value of 0.50 which means performance is fairly good where Baitul Mal Bireuen District has a strategic plan and annual work program, but does not yet have an SOP and ISO Certification or quality management. Baitul Mal Bireuen District has a strategic plan for the 2013-2017 period which has a vision to be a trustworthy, professional and transparent Amil institution. As for the annual work program of the Bireuen Regency Baitul
Mal including the assistance of the elderly; education assistance for students and poor students (Dayah, Elementary School, Middle School, High School/Vocational High School, MA, MTs, MI and Ministry of Religion), and Tahfidz Al-Quran; assistance and coaching for converts; construction of poor homes; rehab poor house; medical assistance for the poor; disaster emergency response; creative economic empowerment; help of poor people with visual impairment; donations for orphans; and accompanied by Baitul Mal.

The distribution performance obtained an index value of 0.75, which means that the performance of the distribution of ZIS in the Baitul Mal of Bireuen Regency was good. Distribution ratio has a value above 90 per cent means the distribution of zakah which implemented by Baitul Mal Kabupaten Bireuen is very good, as show in Table 4.

Table 4 - Zakah Distribution of Baitul Mal Bireuen in 2017

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount (USD)</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zakah Receipt</td>
<td>3,426,022,031.00</td>
<td></td>
</tr>
<tr>
<td>Zakah Distribution</td>
<td>3,287,858,000.00</td>
<td>95.97%</td>
</tr>
<tr>
<td><strong>1. Needy (Fakir)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aid for right of elderly in UPZ district</td>
<td>370,580,000.00</td>
<td>10.82%</td>
</tr>
<tr>
<td><strong>2. Poor (Miskin)</strong></td>
<td>2,721,278,000.00</td>
<td>79.43%</td>
</tr>
<tr>
<td>Aid for the poor application right to Baitul Mal</td>
<td>445,500,000.00</td>
<td>13.00%</td>
</tr>
<tr>
<td>Financial aid of poor Dayah students</td>
<td>530,250,000.00</td>
<td>15.48%</td>
</tr>
<tr>
<td>Financial aid of Tahfidz Al-quran</td>
<td>34,000,000.00</td>
<td>0.99%</td>
</tr>
<tr>
<td>Financial aid of poor elementary school students</td>
<td>820,803,000.00</td>
<td>23.96%</td>
</tr>
<tr>
<td>Financial aid of poor junior high school students</td>
<td>541,590,000.00</td>
<td>15.81%</td>
</tr>
<tr>
<td>Financial aid of poor senior high school students</td>
<td>63,265,000.00</td>
<td>1.85%</td>
</tr>
<tr>
<td>Financial aid of poor Islamic senior high school students</td>
<td>49,190,000.00</td>
<td>1.44%</td>
</tr>
<tr>
<td>Financial aid of poor Islamic junior high school</td>
<td>77,120,000.00</td>
<td>2.25%</td>
</tr>
</tbody>
</table>
Based on Table 4 shows that in 2017, zakah funds collected Rp. 3,426,022,031,- and successfully disbursed to *mustahiq* by 95 per cent by value Rp.3,287,858,000. Social charity programs or consumptive distribute in every four months which consists of three stages, namely from December-March, April-July and August-November. Baitul Mal Bireuen not distribute zakah funds for economic activities and productive, but these activities through funds allocated infaq and shadaqah.

The last component is reporting which has an index value of 0,50 which means its performance is "fairly good". This is because the Baitul Mal Bireuen have audited financial statements and audit reports but does not have sharia audit report and publication of periodic reporting. Bireuen Regency Baitul Mal is audited by government auditors both external and internal because the zakah funds are part of PAD, but the results of this audit are not published separately because it has become part of the financial statements of the Bireuen District government.

At present, the financial statements of Bireuen Regency Baitul Mal not in accordance with the standards of PSAK 109 on Accounting for Zakah, Infaq/ Shadaqah, where the financial statements still consist of reports on the realization of ZIS, asset reports in the form of asset purchase reports, and cash flow reports in the form of receipt and transfer reports or General Cash Book ZIS. This result is consistent with previous research conducted by Ihsan and Gustina that requires zakah reporting standards that can help create accountability and transparency in the management of zakah to the public.

Based on measurement of four components, indicator index scores of Baitul Mal in Bireuen is 0.73 showing that performance of zakah institutions is classified as "Good". This index value is obtained by performing the following calculation model:
X_p = 0.30X_c + 0.20X_m + 0.30X_a + 0.20X_r
X_p = 0.30 (1.00) + 0.20 (0.50) + 0.30 (0.75) + 0.20 (0, 5, 0)
X_p = 0.73.

**Role of Baitul Mal in Poverty Alleviation in Bireuen**

The results statistical data analysis shows that there are increase and decrease in poverty levels distribution of poor asnaf from 2014 to 2017 as the following Table 5.

**Table 5m- Distribution of Poor Asnaf Zakah and Poverty Bireuen Regency**

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution of Poor Asnaf Zakah</th>
<th>Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (USD)</td>
<td>People</td>
</tr>
<tr>
<td>2014</td>
<td>1.445.585.000</td>
<td>10.684</td>
</tr>
<tr>
<td>2015</td>
<td>2.161.465.000</td>
<td>17.771</td>
</tr>
<tr>
<td>2016</td>
<td>3.194.357.000</td>
<td>24.197</td>
</tr>
<tr>
<td>2017</td>
<td>2.721.278.000</td>
<td>17.941</td>
</tr>
</tbody>
</table>

Source: Data processed (2018)

Baitul Mal in Bireun does not have specific strategy in reducing poverty because basically, all funds ZIS is distributed to welfare the mustahiq. The Baitul Mal distribute zakah to asnaf including the poor, muallaf, Ibn Sabeel, and the others but the most priority are poor, muallaf, and Ibn Sabeel. The highest percentage is asnaf that reaches 90 per cent in form of education aid. There is no amount of zakah distributed to productive and empowerment purpose, and the amount are only allocated to infaq fund with small portion.

Several activities in context of poverty reduction were allocated from the infaq funds consisting of construction of houses to the poor, house rehabilitation of the poor, costs of medical treatment for the poor, assistance of the blind, youth empowerment of Islamic creative economy, development of productive businesses, and assistance from Baitul Mal. These activities have delivered huge benefits to beneficiaries life especially poor asnaf in fulfilling their daily needs and business capital.

The allocation of zakah funds for poor asnaf is distributed through education sector such as financial assistance for poor Dayah, elementary, junior high school, senior high school/vocational high school, Islamic elementary, Islamic junior high school, Islamic senior high school students, and assistance from Ministry of Religion to Tahfidz Al-Quran and the poor rights. Rights for the poor are distributed in cash.

The results showed that the Baitul Mal Bireuen have a role in poverty reduction in Bireuen, but is still limited due to the absence of zakah productive. The results of this study are consistent with previous studies ever conducted by Hassanain and Saaid (2016) that the programs in Sudan zakah institutions have a positive relationship with the alleviation of poverty in Sudan. Bashir and Ali (2012) also showed that the management of zakah in Brunei Darussalam able to achieve the main goal of reducing poverty charity.

Kasri (2016) also showed that the incidence, depth and severity of poverty in Indonesia decreased due to the contribution of zakah institution. The poverty rate in Indonesia and Brunei...
Darussalam also decreased because of their uniqueness in zakah management for poverty reduction program through productive zakah (Jailani, 2016). Then the effectiveness of zakah institution is also able to reduce poverty in Pakistan (Abdullah, et al, 2015). Nadzri, et al (2012) also found that the effectiveness of zakah institution is able to collaborate with microfinance institutions in its role to reduce poverty.

CONCLUSION

Based on the discussion of the results of research that has been stated previously, it can be concluded that overall institutional performance Baitul Mal Bireuen generate an index value of 0.73 which means that its performance is good. Baitul Mal Bireuen also has a role in poverty reduction in Bireuen, but is still limited due to the absence of zakah productive.

This study has limitations including the lack of sufficient data to see trends in poverty reduction through alms from the beginning of the Baitul Mal Bireuen district and contribution of zakah from different sources. The study also only streekur performance zakah institution of institutional side only. Therefore, further research can be done to see the performance in different aspects such as financial and other performance. through different methods, both qualitative and quantitative, or a combination of both.

REFERENCES


