STRENGTHENING MACROECONOMIC THROUGH POTENCY OF ZAKAH AS SOCIAL BUSINESS FINANCE

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ABSTRACT

This study examines the Potential Role of Zakat as Sharia Bank Social Business Finance for the survival of sharia banking, National economic growth, income distribution for the poor, and the ratio of the population's natural wealth. This study uses a small sample test to observe the correlation and contribution of the role of zakat in each of the observational variables, in comparing before and after being linked to the role of zakat, the hypothesis testing of two means is used to obtain different results and the results obtained in this study are that there are significant differences in the survival of the sharia bank which is linked to zakat becomes more profitable. Likewise, the use of hypothesis testing in measuring the effect of income distribution, fair wealth ratio, and growth on the role of zakat as a source of Islamic financial business social financial funds together has a significant effect with various relationships between variables such as income distribution and the role of having opposite directions , so

too is the relationship between the ratio of fair wealth to the role of zakat. However, a unidirectional relationship occurs with the profit of Islamic banks with the potential for zakat.

INTRODUCTION

Revitalization and implementation of Zakat in various Muslim countries, including Indonesia, is often seen as part of identity politics (Kuran, 1997). But for Neinhaus (1988), Chapra (1992), and Presley and Sessions (1994), the management of zakat is a tangible form of economic development and improvement in the welfare of the apparatus based on the Islamic paradigm (Susanto & Cahyadin, 2008). Despite the fact that to create sustainable development that has political, social, ethical, and moral complexity, multi-dimensional problems cannot be solved by an economic approach alone (Hasan, 2006).

In Islam or syariah donations play an important role in classical economics (Al-Haritsi, 2006) and modern (Shiddiqi, 2005), but conventionally (Keynes, 2003) argues that the theory of economic growth largely has no scientific discourse. The link between the two Islamic and conventional views is an important issue regarding the distribution of income, which, according to neoclassics, occupies a secondary place and is assumed to be regulated by marginal productivity. For example; wage determination in various types of work is determined by the actual market power of supply and demand. But the model of the mechanism for determining wages and income distribution cannot survive in environments where monopsony features, imperfect competition and economic and social forces come into play. In this environment, unlike the ideal market environment of fundamentalism, market forces do not produce optimal results and so there is space that can change the distribution of income. Thus, a policy-oriented framework for analyzing the relationship between distribution and growth needs to be done with an approach other than pro-labor and pro-capital distribution policies (Lavoie & Stockhammer, 2012). In this study, it is hoped that the Zakat instrument can become a potential source for strengthening national economic growth, income distribution, and equitable distribution of wealth.

The purpose of the research is primarily aimed at; Analyzing the involvement of Sharia Commercial Banks in managing Zakat funds as a source of social finance finance business for Islamic banks in Indonesia. Analyzing zakat funds as social business finance influences national economic growth, income distribution and fair wealth in Indonesia. Identifying the constraints and obstacles in managing zakat funds as a source of social finance business funds for national economic growth involving zakat fund sources on the distribution of income

and natural wealth in Indonesia. Proposing a mechanism and steps for managing Zakat funds as a source of social business finance funds for Islamic financial institutions.

LITERATURE REVIEW

The concept of Zakat in Islamic Jurisprudence

The word zakat means growth, improvement, cleanliness, and purity in Arabic (Ibn Faris, 1998). The Qur'an mentions the word zakat 30 times and in three places looks like an order from Allah SWT. Zakat is often called sadaqah in the Qur'an. The importance of zakat as an obligation for Muslims is also often emphasized in many sayings of the Prophet SAW. Based on some sayings of the Prophet SAW, zakat is recognized as one of the five pillars or fundamentals of Islam, as well as the importance of the institution of zakat that can be formed derived from the words of the Prophet SAW, where he shows that refusing to pay is a rebellion against Islamic provisions. So, zakat is a very essential form of worship.

The increase in the collection of zakat funds cannot be separated from the role of zakat management organizations (OPZ). As zakat funds have experienced significant growth, zakat management organizations also grow rapidly like mushrooms in the rainy season. This development mainly occurred after the presence of Law No. 38/1999 concerning Management of Zakat (PEBSFEUI, 2011).

The management and distribution of ZISW funds is in collaboration with the National Amil Zakat Agency (BAZNAS) and is expected to be distributed to the people who are entitled to receive it. Since 2005/2006, the commitment of Islamic Banking (including BI) to collect / distribute ZISW in the coordination of BAZNAS amounted to Rp9.66 billion. While the commitment to provide Lebaran parcels in 2005/1426 H amounted to Rp315 million. For banks, the Zakat Fund is a voluntary sector fund which can be an alternative in providing a social safety net. This voluntary sector fund can also guarantee that the people who are unable to continue can consume at a minimum level so that they can carry out productive activities and also guarantee a minimum demand for the production sector.

The Peduli Ummat Islamic Banking Program is expected to make a positive contribution to the general public, particularly in the economic sector of the sharia banking industry, which is currently developing quite well. Based on data for September 2018, sharia banking assets reached Rp. 494.04 trillion, with financing provided at Rp. 22.26 trillion and third party funds amounting to Rp. 371.83 trillion. This means that the Financing to Deposit Ratio (FDR) of Islamic bank products until April 2019 FDR UUS is at the level of 99.46 percent, slightly below the same period last year, which is 101.37 percent. Meanwhile, FDR BUS was at 79.57 percent, an increase from the same position last year, which was 78.05 percent. With a Non Performing Financing (NPF) ratio of around 4.5% in the first semester of 2019. And this

movement can be a national movement in developing a voluntary sector that is able to become a reliable social and economic pillar to support the existing private sector and public sector.

H1: Potential Zakat affects the Sharia Bank Business Finance Social Funding Sources

H2: Number of Muslim Population Working, GDP Expenditure, Total Income of Working Population influence the Potential of Zakat.

The Concept of Economic Growth and Zakat

Economic growth is a process of increasing the production of an economy that is realized in the form of an increase in national income. A country is said to experience good economic growth if the country's gross domestic product (GDP) increases, and then this is used as one indicator to measure economic development (Huda & et al., 2015). However, high economic growth without a balanced and equitable distribution will cause economic inequality. The emergence of economic disparities will cause other problems, such as increasing poor population, increasing unemployment, increasing crime rates, decreasing quality of education, and decreasing people's purchasing power. Therefore, inequality is one of the problems in economic development. The term economic development is used interchangeably with economic growth and economic development.

Economic growth is conventionally defined as a process that causes the income per capita of the population to increase (Okun & Richardson, 1961). Meanwhile, economic growth in Islam has a further estuary in the form of increasing world welfare and the hereafter. That is, economic growth is not only related to worldly benefit, but also involves the relationship with the benefit of the hereafter. Therefore, the goal of economic growth is to build human welfare both in the world and the hereafter (Aedy, 2011).

In general the goal of economic growth in Islam is the fulfillment and maintenance of the maqâshid syarĭah (religion, soul, reason, descent, and property), so that falâh or world welfare and the hereafter will be achieved. This idea was put forward by Ali Rama & Makhlani (2013) who explained that economic development is one of the important aspects of life that is highly considered in Islam. Economic growth is intended to preserve and preserve the five main elements supporting human life, namely religion (din), soul (nafs), reason ('aqal), descendants (nasl), and property (mâl). Furthermore, the focus of economic growth lies not only in material growth alone, but also places man as the principal and main object of growth itself as it functions as a caliph on earth.

According to Abdul Mannan (2016) in general, zakat functions in several fields, namely the moral, social and economic fields. From the moral perspective, zakat serves to erode the greed and greed of people who have excess wealth. As for the social aspect, zakat serves to eliminate poverty from the community. In the economic aspect, zakat serves to prevent the

accumulation of wealth in the hands of a small proportion of people and is a compulsory contribution of Muslims to the treasury of the country.

The development of economic activities has an impact on people's understanding. At present, the management of zakat views that zakat funds are not only used for public consumption but are used for more productive things so that the optimization of zakat funds can be achieved properly.

H3: The difference between economic growth before the role of zakat and economic growth after the role of zakat.

The concept of income distribution in Islam

The definition of income distribution according to Islamic economists put forward by Jaribah bin Ahmad al-Haritsi is the division based on duties and responsibilities, meaning the distribution of income between the elements of production that contribute to its realization. And because the accuracy of the arrangement of ownership of the elements of production is considered as the basis for the prealization of justice in the distribution of income, the demand for justice in the distribution of income must be started with the regulation in economic activities, enforcing the relationship between the elements of production in it accordingly with the correct method.

Distribution according to Thahrir Abdul Muhsin is the distribution of population yields to each individual or the distribution of national wealth to each citizen or the distribution of population income for each person from the factors of production. Thus distribution in the Islamic economy involves regulating the ownership of the elements of production and the sources of wealth. Whereas Islam allows general ownership and special ownership, obtaining and using and methods for inheritance, grants, and wills. Likewise, Islamic economics also has politics in the distribution of entry both in the elements of production and between the individual community and its groups. This is aside from returning the distribution in Islam the social security system delivered in Islamic teachings.

The main principle in the concept of distribution according to the Islamic view is the increase and distribution of the results of wealth so that the circulation of wealth can be increased, so that the wealth can be abundant evenly and not only circulate among certain groups.

In addition, there is also an opinion stating that the position of distribution in the economic activities of a government is very important, because distribution becomes an important position of microeconomic theory both in the Islamic and capitalist economic system because the discussion in the field of distribution is not only related to mere economic aspects but also social and political aspects so that it becomes a concern for the flow of Islamic and

conventional economic thinkers and also the distribution itself becomes the goal of fiscal policy in a government (in addition to the allocation function). As for distribution, it is often applied in the form of tax levies (both individual and corporate taxes). However, the community can also carry out self-help through the institutionalization of ZIS, in which case the government is not directly involved in the mobilization of ZIS revenue management received.

While Anas Zarqa argues that the definition of distribution is a transfer of wealth income between individuals by means of exchange (through the market) or by other means, such as inheritance, shadaqah, endowments and zakat.

In the discussion of the notion of income distribution, it cannot be separated from the discussion of the concept of moral economy that is adhered to, it is also inseparable from the instrument model applied by individuals and the state, in determining the sources and ways of distributing income. The concept of moral economy, which is related to material, ownership and wealth must be understood for the purpose of maintaining equality or eroding the gap between rich and poor. The idealism of economic principles must be agreed in the corridor of achieving general living standards and preventing the exploitation of the rich against the poor. In general, Islam directs the mechanism of moral and spiritual based in the maintenance of social justice in every economic activity. The background is due to the imbalance distribution of wealth that underlies almost all individual and social complications. This problem does not occur because of differences in the physical strengths and weaknesses of humans so that it causes wealth gain because it is a natural occurrence. The real problem occurs because of irregularities in distribution which accumulatively results in a gap in the opportunity to obtain wealth. The rich get richer and the poor don't get jobs.

Distribution becomes an important position of Islamic economic theory because the discussion of distribution relates not only to economic aspects but also social and political aspects. Therefore the distribution in the Islamic economy has become a concern for the flow of Islamic and conventional economic thinkers to date. On the other hand, this situation is related to the economic vision in the midst of humankind more often put forward the existence of guarantees for the fulfillment of the needs of a better life. And it is indeed undeniable that some normative aspects related to the word of Allah and the words of the Messenger of Allah are an important part of his missionary mission. Actually the concept of Islam does not only prioritize economic aspects, where the measurement is based on the amount of ownership, but how can it be distributed using its humanitarian potential, in the form of respect for the right to life in life.

The distribution of assets will not have a significant impact if there is no awareness among fellow human beings of equal living rights. Therefore the distribution of income is related to several problems: 1) How to regulate the distribution of income, 2) Does the

distribution of income carried out must lead to the formation of a community that has the same income, 3) Who guarantees the distribution of this income in the community. To answer this problem, Islam has advocated doing zakat, infaq, and sadaqah. Then Baitul Mal distributes it to people who need to alleviate other people's life problems by providing direct or indirect assistance. Islam does not direct the equal distribution of income, where equality in Islam is justice on the basis of maslahah; where between one person with another person in the same position or different, able or unable to be able to help each other, respect and respect their respective roles. All of the above conditions will be realized if each individual is aware of his existence before God.

H4: The economic growth, collection and distribution of Zakat directly by LAZ / BAZ to the poor population, the collection and distribution of zakat through financial institutions (BUS) to the poor affects the distribution of income.

The Concept of Fair Wealth in Islam

The distribution of income and wealth in the Islamic economy is closely related to the moral values of Islam, as a means to achieve prosperity in the world and the hereafter (falah). For this reason, it is our duty as servants of God to prioritize and make the distribution of income and wealth aimed at equity become very urgent in the Islamic economy, because it is expected that every human being can carry out his obligations as servants of God without having to be obstructed by obstacles that are beyond his ability. Therefore the state is responsible for the distribution mechanism by prioritizing the public interest rather than the interests of certain groups. The public sector that is used for the benefit of the people should not fall into the hands of people who have a vision of the interests of groups or groups and personal. The state must also ensure that the minimum needs of all its people are met. (Q.s. al-Ruum: 38-39). A. Shafi'i Ma'arif - as quoted by Sri-Edi Swasono - asserted that justice is more evenly distributed so that the socio-economic inequality that is threatening our future can be minimized not as wide open as it is today. He further added that it is the leader who must be able to turn the pyramid upside down, if such a figure cannot be born from the womb of this nation, then the conclusions are temporary, we have failed as a nation and state (Swasono; 2010, 98-99). Because the low standard of living becomes a barrier to the progress of a people, so we need a solution that must be resolved as a whole people.

H5: Benefits of Islamic banks - ROA, distribution of population income, ratio of fair wealth of the population, and economic growth affect the role of Zakat as a source of social finance funds for Islamic business banks.

METHODOLOGY

The data used in this study are secondary data sourced from Indonesian Sharia Banking statistical data for the period 2014 to 2019 and the Zakat Outlook 2018, and 2019.

Descriptive Statistical Analysis

Descriptive statistical analysis in research is used to obtain research models that are relevant to the research objectives namely; to assess the role of zakat funds as sources of Islamic business finance social banks in enhancing national economic growth and observing their impact on the distribution of income and fair wealth, so as to obtain an overview of:

Descriptive statistical analysis of the Potential of Zakat as a source of Islamic business finance social bank funds, by regressing:

- Regression Analysis of Sharia Bank Social Business Finance Fund sources (SBFBS) on profitability of Islamic Banks; in managing zakat funds, whether receiving, distributing, and utilizing as productive sources of funds, it is assumed that Islamic banks are still profitable, then the regression equation to illustrate the relationship and influence of these variables is as follows:

$$SBFBS_t = \alpha + \beta_1\, ROA_t + e_t \,..........................(1)$$

- Regression analysis of SBFBS variable, low, medium, and high Gini Ratio (GR) variable, fair wealth variable (KW) 1,2, and 3 as independent variables on Zakat Potential (PtZ) as the dependent variable. This analysis is to illustrate the role of zakat potential as a source of funds for Islamic finance business finance banks (Islamic banks are assumed to operate profitably or profitably) to increase the distribution of income and fair wealth of the Indonesian people, the equation of regression is as follows:

$$PtZ_t = \alpha + \beta_1 SBFBS + \beta_2\, GR_{R,S,T} + \beta_3\, KW_{1,2,3} + e_t \,........(2)$$

In which: $PtZi_t$ is the ratio of zakat potential calculated previously of 2.5% of zakat obligation multiplied by the number of Muslim residents obliged to pay zakat, then multiplied again with the nominal per capita income of the population per year.

The $SBFBS_t$ variable is the Sharia bank business finance business which is a source of Islamic bank funds in the form of received financing then channeled back into financing provided to improve the economy and Islamic banks also become profitable.

GRt is the Gini Ratio which is classified based on the Gini Ratio and World Bank categories and a cross tabulation analysis is performed to obtain the correlation results between the interpretations, namely, Low, Medium, and High, then collect to get the regression results of the potential role of zakat.

KW_t is the distribution of income and natural wealth by calculating the income of the national poverty line plus the receipt of zakat divided by the number of national poor population in the year t. towards national economic growth in the year t.

Hypothesis Development

1) Potential of Zakat as a source of Islamic Business Finance Social Business Funds

H1: The role of zakat affects the source of social funds in Islamic Finance Business Bank

Developed into:

$H1_0$: The potential for zakat does not have an effect as a source of Islamic financial business social financial funds

H1a: Potential zakat influences as a source of Islamic financial business social financial funds

2) Potential of Zakat and the Income Power of the Muslim Population to Work

H2: The number of Muslim residents working, GDP Expenditure, Total income of the working population affect the potential for zakat.

Development of hypotheses on each variable as follows:

a. Dimension of population:

$H2a_0$: The number of working Muslim population does not affect the potential for zakat

H2aa: The number of Muslim residents working influences the potential for zakat

b. Dimension of expenditure of population per capita

$H2b_0$: Expenditure per capita population does not affect the potential for zakat

H2ba: Spending per capita population affects the potential for zakat

c. Dimensions of working population income:

$H2c_0$: The number of working Muslim population does not affect the potential for zakat

H2ca: The income of the working population influences the zakat potential.

3) Economic Growth related to the Role of Zakat

H3: The difference between economic growth before zakat potential and economic growth after zakat potential

It developed into the following:

$H3_0$: There is no difference between economic growth before zakat potential and economic growth after zakat potential

$H3_a$: There is a difference between economic growth before zakat potential and after.

4) Income distribution related to Zakat distribution to the poor population

Economic growth, distribution of zakat by OPZ, distribution of zakat by Islamic banks influence on income distribution:

   a.   Dimensions of economic growth

   $H4a_0$: Economic growth has no effect on income distribution

   H4aa: Economic growth affects the distribution of income

   b.   Dimensions of Zakat Distribution by OPZ to the poor population:

   $H4b_0$: Zakat distribution by OPZ to the poor does not affect the distribution of income

   H4ba: Distribution of zakat by OPZ to the poor affects the distribution of income

   c.   Dimensions of Zakat Distribution by Islamic Banks to the poor population:

   $H4c_0$: Distribution of zakat by Islamic banks to the poor population does not affect the distribution of income

   H4ca: Distribution of zakat by Islamic banks to the poor population affects the distribution of income

5) Advantages of Islamic banks, distribution of population income, ratio of fair wealth of the population, and economic growth to the potential for zakat as a source of funds for Islamic financial business social businesses:

Development of hypotheses on each variable as follows:

   a.   Dimensions of Profit of Islamic Banks

   $H5a_0$: The profit of the Islamic bank does not affect the zakat as a source of funds for the financial business of the Islamic bank.

   H5aa: The profit of the Islamic bank influences the zakat as a source of Islamic financial business social fund

   b.   Dimensions of population income distribution:

   $H5a_0$: Income distribution has no effect on zakat as a source of Islamic financial business social fund.

   H5ba: Income distribution influences zakat as a source of Islamic financial business social fund

   c.   Dimensions of the population's fair wealth ratio:

   $H5c_0$: The ratio of the fair wealth of the population has no effect on zakat as a source of Islamic financial business social financial funds.

   H5ca: The ratio of the fair wealth of the population influences zakat as a source of Islamic financial business social financial funds

   d.   Economic Growth Dimensions:

H5d$_0$: Economic growth has no effect on zakat as a source of Islamic financial business social finance funds.

H5da: Economic growth affects zakat

DISCUSSION AND RESULTS

Calculation of the Role of Zakat as a Sharia Bank Social Business Finance

Correlation analysis between the funding needs of Islamic financial institutions and the total Zakat funds collected. Islamic financial institutions, calculations using data as purposive sampling are Sharia Commercial Banks (BUS) on financing items received by Islamic banks and as data for collected zakat funds is the total collected Zakat funds presented in the Zakat Outlook 2019. The relationship of the availability of zakat funds and financial institution funding needs as follows:

Table 1: Zakat As a Source of BUS Business Finance Funds

YEAR	FINANCING ACCEPTED	TOTAL ZAKAT COLLECTION
2014	7,200,000,000,000	3,738,216,792,496
2015	7,567,000,000,000	4,194,142,434,378
2016	40,132,000,000,000	5,017,293,126,950
2017	47,294,000,000,000	6,224,371,269,472
2018	57,394,000,000,000	8,091,682,650,312
CORRELATION		**0.9130**

Source : Sharia Banking Statistics and Zakat Outlook 2019

Table 1 shows the results of the correlation between the financing needs of Islamic banks each year from 2014 to 2018 obtained from the receipt of financing consists of components, among others: Securities issued (owned by non-bank third parties and owned by other banks), financing received, other liabilities, various liabilities, other profit sharing investment funds (liabilities to other banks, securities, financing received), and loan capital . With the zakat funds collected during the period 2014 to 2018, if linked to have a correlation level of 091 or 91% have a very strong correlation. This means that this zakat fund can help or support the needs of Islamic bank funds if all funds collected from the Amount of Zakat annually are deposited through banks or Islamic financial institutions, so as to meet the needs of sufficient funds (liquidity and capital) of banks and Islamic financial institutions.

Correlation and regression analysis on ROA as a variable (X) against SBFBS as the dependent variable (Y), for the measurement of value of the role of zakat relevant to SBFBS, as follows:

Tabel 2: Role of Zakat as Social Business Finance BS

YEAR	ROA-BS	SBFBS
2014	0.41	51.92
2015	0.49	55.43
2016	0.63	12.50
2017	0.63	13.16
2018	1.28	14.10

Source : Sharia Banking Statistic & Zakat Outlook 2019

Table 2, The role of Zakat as a source of social funds for Islamic bank finance business (SBFBS) by using the formula calculation (2) shows that Islamic banks' need for funds continues to increase every year, while the role of zakat which the amount of funds raised continues to increase even more can meet the needs of Islamic bank funds and Islamic financial institutions.

Table 3: Summary of Output of the Role of Zakah on SBFBS

Regression Statistics							
Multiple R	0.60758						
R.Square	0.35915						
Adjusted R Square	0.15887						
Standard Error	20.3423						
	Df	SS	MS	F	Significant		
Regression	1	726.4701276	726.47	1.755551	0.27059658		
Residual	3	1241.439562	413.8131875				
Total	4	1967.90956					
	Coefficients	Standard Error	T stat	P-value	Lower 95%	Upper 95%	Lower 95%	Upper 95%
Intercept	56.3651	22.27739	2.5301	0.085413	-14,531	127.2617	-14.5314	127.26
X Variable 1	-39.1621	29.55695	-1.3249	0.27706	-133,223	54.9012	-133.2255	54.90

Table 3 illustrates the role of zakat as a source of social business finance funds in Islamic financial institutions with a correlation calculation result of 0.6075, which means that the role of zakat as a source of social finance funds for Islamic business banks has a strong correlation. However, the result of the determinant or determination is only 0.3691, meaning that the role of zakat as a source of funds for Islamic finance business finance banks is only 36.9%, other factors of funding sources are 63.1% as a determining factor for social funding sources finance is still greater.

Next is the significance value of F in the ANOVA table of 0.2770> 0.05 so that Ho is accepted, meaning that the null or initial hypothesis is the role of zakat which has a positive and significant impact on the source of Islamic business finance funds for Islamic banks.

Intercept of 56.37 and X1 variable value of -39.16, the regression equation obtained for the role of zakat on SBFBS funding sources in the period 2014 to 2018 is as follows: Y = 56.37 - 39.16X. meaning that if a sharia bank or a sharia financial institution decreases its income by 1%, (this study uses ROA of a sharia bank) for receiving or managing zakat fund raising, sharia banks or sharia financial institutions will be able to increase the source of zakat funds for the social business financenya by 17.21% . This way, Islamic banks or Islamic financial institutions can reduce the need for funding funds received from loans or financing received from banks or non-banks based on interest and profit sharing. This result shows that from the following hypothesis:

H_{10} : Potential Zakat does not affect the source of social business financial funds of Islamic Banks.

H_{1a} : Potential Zakat affects the financial resources of Islamic business financial banks.

The potential role of zakat in Indonesia has an influence as a source of bank funding from the social side of financial business, meaning that these results reject H10 and accept H_{1a}.

Calculation of Potential Zakat Funds

The formula for calculating the estimated zakat potential is as follows:

Potential Zakat *= 2,5% x The number of residents who must give Zakat x Nominal income per capita / year* ……………..(3)

Table 4: Potential Zakat Based on Income of Muslim Population Working

YEAR	ZAKAT POTENTIAL (Y) 2.50%	TOTAL POPULATION (X1)	INCOME / CAPITA (X2)	TOTAL INCOME (X3)
Calculation of Zakat Potential based on Income from Total Muslim Population Working				
2014	2,187,655,005,657.60	112,761,072	776,032	87,506,200,226,304
2015	2,489,786,635,834.95	114,628,026	868,823	99,591,465,433,398
2016	2,716,216,640,183.55	114,819,199	946,258	108,648,585,607,342
2017	3,068,341,369,464.53	118,411,973	1,036,497	122,733,654,778,581
2018	3,402,899,413,232.28	121,022,423	1,124,717	136,115,976,529,291

Source : BPS Indonesia (2019)

Table 4 Calculation of zakat potential is carried out using the formula (3); the population is obtained from the Central Statistics Agency data with the actual figures on the number of working population according to employment and educational status with productive Muslim population, and the per capita income data in this study uses the GDP of provincial expenditures for the period 2014 to 2018, and total income (X3) is the result of multiplying the population (X1) with per capita income (X2). In order to get a calculation for the potential of zakat by applying the provisions of 2.5% as income Zakat multiplied by the number of working Muslim population then multiplied again with the potential amount of income received.

Table 5: Potential Zakat as a Source of Funds

YEAR	ZAKAT POTENTIAL %
Potential Zakat as SBFBS Source of Funds	
2014	58.52
2015	59.36
2016	54.14
2017	49.30
2018	42.05

Source : Processed Data (2019)

Table 5 shows the potential of zakat funds that have not been calculated as a potential source of funds to increase the source of social business finance funds for Islamic banks or Islamic financial institutions in the period 2014 to 2018, their interest by dividing the annual zakat potential to the amount of zakat collected multiplied by one hundred percent. This means

that the potential for raising funds through Islamic financial institutions in this study is that BUS can add sources of funds (financing received by Islamic banks without margins) on average by 52.67%. This can strengthen the viability of Islamic banks in terms of adequate liquidity.

Analysis of the Potential Zakat and the Ability of the Income of the Muslim Population to Work

Analysis in investigating the potential for zakat with the number of Muslim residents working based on their education and employment status, and Brutto Domestic Product Expenditures, as well as the total population income using statistics, yields the following calculation:

Table 6: Average Potential Zakat and Population Income Descriptive Statistics

	Mean	Std. Deviation	N
POTNZAKAT	2.773400	.4769605	5
JMLPNDDK	1163.20	33,745	5
PGLUARKPT	950.000000	136.6455268	5
PDPTNPDDK	110.918800	19.0794982	5

Source : Processed Data (2019)

Table 6 shows the average potential of zakat (in 10,000s) that can still be obtained with the assumption of the amount of zakat income, namely: 2.5% of the total annual population income from 2014 to 2018 is Rp. 27,734,000,000 from each average population of 116,320 people, with an average GDP per capita expenditure per population of Rp. 950,000 and net income per resident of Rp. 1,109,188.

Table 7: Potential Regression Coefficient of Zakat

Model	Unstandardized		Standardized Coefisients			Colinearity Statistics	
	B	**Std. Error**	**Beta**	**T**	**Sig.**	**Tolerance**	**VIF**
1 (Constant) Total Population Income of the population	.037 -3.722E-5 .025	.018 .000 .000	-.003 1,003	2,032 -2,001 761,969	.179 .183 .000	.037 .037	26,932 26,932

@ Dependent on Zakat Collection Variables

Source : Processed Data (2019)

Table 7 shows the value of the influence of the independent variable number of working Muslim population (X1), GDP per capita expenditure (X2), Total population income (X2) on the potential of Zakat (Y), made in the regression equation as follows:

$$Y = 0.037 - 3.722E\text{-}5\ X1 + 0.025\ X3$$

The results of this regression coefficient equation illustrate the following:

1. Variable X1 the number of working Muslim population has a significance level of 0.179> 0.05 then H2a is rejected, meaning that there is no influence of the number of working Muslim population on the potential for zakat. Potential zakat (Y) and the number of people working (X1) have negative relationship or opposition, where if the number of people working increases it will reduce the potential for zakat. This can be interpreted that the number of working Muslim population increases 1 will reduce the potential for zakat income which has not been calculated to be a Muslim obligation of Rp.372,200 per year.

2. Variable X3 Total population income to the potential of Zakat (Y) significant value of 0,000 <0.05 so that H2c is accepted, meaning there is a significant influence between total population income with zakat potential with positive or direct correlation where each increase in total income of the population will increase increasing potential tax.

3. Variable X2 GDP Population expenditure per capita for potential zakat in this equation is excluded, because it has no correlation (very low correlation) and is insignificant. Here are the results of the statistical test:

Table 8: GDP Expenditures Per Capita Variable

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
					Tolerance	VIF	Minimum Tolerance
1 PGLUARKPT	.011[b]	0,41	0,752	0,379	.00	6351,288	9,637E-05

Source: Processed Data (2019)

Table 8, GDP expenditure Per capita variable shows the results of a partial correlation to potential zakat of only 0.0379 which means it has a very low level of relationship and a significant effect of 0.752> 0.05, therefore the initial hypothesis (H3) that the GDP per capita expenditure variable does not affect the potential for zakat is rejected. Because consumeristic behavior (overconsumption spending) the population will reduce the amount of zakah collected

Table 9: Summary of the results of testing the hypothesis of zakat potential and population income

Hypothesis	Statement	Value	Description
H2$_a$	The number of Muslim residents working influences Potential Zakat	1,202	H2$_a$ Rejected, negatively correlated
H2$_b$	GDP expenditure per capita population affects the potential Zakat	-1.362	H2$_b$ Rejected, uncorrelated (excluded)
H2$_c$	Total Working Population Income influences the Potential of Zakat	1,860	H2$_b$ Accepted, positive correlation

Source : Processed Data (2019)

Calculation of Economic Growth Related to the Role of Zakat

Investigations were carried out using constant price price GDP data from 2014 to 2018 with conditions before being burdened with zakat obligations or potential zakat and GDP conditions if burdened with zakat obligations (using zakat potential data that had been calculated previously), so the results of hypothesis testing using the difference of two means This dependent variable will show changes in GDP as the value of economic growth influenced by the potential role of zakat, as follows:

Table 10: GDP Constant Prices before and after being subjected to Zakat

GDP of Constant Price before and after Zakat (in hundreds of billion)		
YEAR	GDP BEFORE ZAKAT	GDP POST-ZAKAT
2014	8,565	10,753
2015	8,983	11,472
2016	9,435	12,151
2017	9,913	12,981
2018	10,425	13,828

Source : BPS and Processed Data (2019)

Table 10 depicts GDP data for constant prices (Rupiah) based on the 2010 base year taken from the Central Statistics Agency on GDP. The constant price for the last ten years, it is assumed that the growth was prior to being subject to the obligation to pay zakat using zakat potential numbers that had not been previously calculated. And GDP growth after being

subjected to the obligation to pay zakat by adding up the potential zakat numbers as an addition to expenditure in the constant price component of GDP. The results of the statistical test comparison are therefore as follows:

Table 11: Average Value of GDP Growth with the Role of Zakat

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	SBLMZAKAT	9.46420	5	.735786	.329054
	SSDHZAKAT	12.23700	5	1.212404	.542204

Source : Processed Data (2019)

Based on Table 11, it is known that the average value of economic growth before being associated with the role of zakat is Rp.9,464.20 (in billion) and the average value of economic growth after being linked to the role of zakat is Rp. 12,237.00 (in billion). That is, the average value of economic growth after the role of zakat increases compared to economic growth before the role of zakat. This shows that the role of zakat can increase economic growth. The results of this comparison are obtained on the standard deviation before the role of zakat on economic growth is only 0.7357 and the standard deviation after the role of zakat on economic growth is only 1.2124. That is, the level of errors made in this observation is low.

Table 12: Average Value of Economic Growth

		Pooled Sample Test						
		Period Differences						Sg (2 failed)
	Mean	std Deviation	std Error Mean	96% Confidence Interval of the Difference				
				Lower	Upper	t	df	
Par 1 Sblm Z Akat Ssdh Z Akat	2772800	476984	213314	3365054	2180548	12999	4	.000

Source: Processed Data (2019)

Based on Table 12, it is known that the average value of economic growth (using data before and after the role of zakat) is -2,772,800 (meaning that growth has decreased in rupiah value by Rp. 2,772,800, due to merging of data). With a standard deviation of 0.4769. The t test used to measure the difference between the two means has a value of -12,999 by giving the conclusion of a significant difference of 0,000 <0.05. This means that the initial hypothesis (H4) is accepted that there is a significant difference between economic growth before the role

of zakat and economic growth after the role of zakat. The conclusion of this difference is shown from the average value of economic growth before the role of zakat of 9,646.20 and the average value of economic growth after the role of zakat of 12,237.00, both of which have significant differences. So the hypothesis of the difference test for this research is that $H3_0$ is rejected which states there is no difference between economic growth before and after the role of zakat, and the result is that H3a is accepted there is or there is a difference between economic growth before and after the role of zakat.

Calculation of Income Distribution Related to the Role of Zakat

The results of the interpretation are then carried out cross tabulation analysis between the Gini Ratio and the category of the world bank to get the results of the correlation coefficient of income distribution with the level of economic growth.

Table 13: Indonesian Gini Ratio and the Role of Zakat

YEAR	GINI RATIO	POOR POPULATION	TOTAL ZAKAT RAISED	DISTRIBUTION OF INCOME
2014	0.414	27,727.78	3,738,216,792,496	134,818.47
2015	0.402	28,513.57	4,194,142,434,378	147,092.86
2016	0.394	27,764.32	5,017,293,126,950	180,710.10
2017	0.391	26,582.99	6,224,371,269,472	234,148.65
2018	0.384	25,674.58	8,091,682,650,312	315,163.19
AVERAGE	0.397	27,252.65	5,453,141,254,722	202,386.65

Source : BPS and Processed Data (2019)

Table 13 shows the income distribution in Indonesia based on the Gini ratio for the period 2014 to 2018 which falls into the category of low inequality, with an average poor population of 27,252,650 people, if the amount of zakat collected is channeled to the number of poor people it produces an average value of Rp. 202,386.65 per year. The receipt of zakat distributed in the amount of two hundred thousand per year for every soul of the poor population is very small and does not meet the needs and also cannot overcome poverty.

The next analysis is conducted on the hypothesis test of the influence of the role of zakat collected and distributed directly to the poor, and zakat collected and channeled through financial institutions (BUS) to the poor, as well as economic growth (GDP) on the distribution of income represented by the Gini ratio during 2014 until 2018. This observation calculates the correlation and influence of each variable partially or together the role of zakat in the distribution of income in society, the results are as follows:

Table 14: Gini Ratio Hypothesis Test

YEAR	GINI RATIO	POOR POPULATION	TOTAL ZAKAT RAISED	INCOME DISTRIBUTION
2014	0.414	27,727.78	3,738,216,792,496	134,818.47
2015	0.402	28,513.57	4,194,142,434,378	147,092.86
2016	0.394	27,764.32	5,017,293,126,950	180,710.10
2017	0.391	26,582.99	6,224,371,269,472	234,148.65
2018	0.384	25,674.58	8,091,682,650,312	315,163.19
AVERAGE	0.397	27,252.65	5,453,141,254,722	202,386.65

Source : BPS (2018)

Table 14, Anova shows that the F test is a joint hypothesis test on all variables, namely the gini ratio that describes the income distribution as the dependent variable (Y), the economic growth variable is represented by GDP as an independent variable (X1), the zakat revenue variable is collected and directly channeled by LAZ / BAZ to poor population is stated by ZKTMISKIN (X2), the variable if zakat revenue is collected more than Islamic financial institutions (BUS) is stated by ZKTBUS (X3). The calculation of the significance of the influence test together using the table of critical values of the F distribution with a significance level of 5% or α = 0.05 obtained the table value for this variable and sample is 9.28> 0.397 on the calculated value in table 15. Anova, so this shows that H5 is accepted, namely the collection and distribution of zakat directly by LAZ / BAZ to the poor population, and the collection and distribution of zakat through financial institutions (BUS), as well as economic growth (GDP) significantly influence the income distribution (Gini ratio) for poor population.

Table 15: Coefficient of Income Distribution and the Role of Zakat

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	24,364	387,725		0,063	0,960		
PDB	1,438	1,196	1,314	1,202	0,442	0,084	11,838
ZKTMISKIN	-0,01	0,007	-1,326	-1,362	0,403	0,106	9,396
ZKTBUS	4,82E-08	0	0,931	1,86	0,314	0,403	2,482

a. Dependent Variable: GINIRATIO

Source: Processed Data (2019)

Based on table 15. the coefficients produce a regression equation that illustrates the relationship and effect of each variable as follows:

$$Y = 24.364 + 1.438X1 - 0,010X2 + 0,000\ 000\ 004\ 822\ X3$$

The conclusion of the results of the regression coefficient is as follows:

1. Economic Growth- GDP (X1) to Revenue Distribution - Gini Ratio (Y) Seen in the Coefficients model 1 column there is a sig value of 0.442. The sig value is greater than the probability value of 0.05, or the value of 0.442> 0.05, then H4$_a$ is rejected. Variable X1 has a t$_{count}$ of 1.202 with t$_{table}$ = 3.182. So t$_{count}$ <t table or value 1.202 <3.182 can be concluded that the variable X$_1$ has no contribution to Y. However, a positive t value indicates that the variable X1 has a direct relationship with Y. So it can be concluded economic growth - GDP does not have a significant effect but has a positive relationship to the distribution of income - Gini ratio which means that if the income distribution increases then economic growth will also increase.

2. LAZ / BAZ (X2) collection and distribution of zakat directly to the poor population on the Income Distribution - Gini Ratio (Y) Seen in the Coefficients model 1 column there is a sig value of 0.403. The sig value is greater than the probability value of 0.05, or the value of 0.403> 0.05, then H4$_b$ is rejected. Variable X$_2$ has a tcount of -1,362 with t$_{table}$ = 3,182 or a value of -1,362 <3,182, So t$_{count}$ <t$_{table}$ can be concluded that the X2 variable has no contribution to Y. A negative t value indicates that X2 has an opposite relationship to Y. So it can be concluded that the collection and distribution of zakat directly to the poor population does not have a significant influence on the distribution of income, but has a opposite direction if the distribution of income increases, the collection and distribution of zakat to the poor will decrease.

3. Zakat collection and distribution through financial institutions (BUS) to the poor (X3) against income distribution - Gini Ratio (Y) The sig value for Zakat collection & distribution through BUS is 0.314. The sig value is greater than the probability value of 0.05, or the value of 0.314> 0.05, then H4$_c$ is accepted. Variable X3 has t$_{count}$ which is 1.860 with t$_{table}$ = 3.182. Or the value of 1,860 <3,182, So t$_{count}$ <t$_{table}$ can be concluded that the X$_3$ variable has no contribution to Y. A negative t value indicates that X$_3$ has an opposite relationship to Y. So it can be concluded that the collection and distribution of Zakat through financial institutions (BUS) to the poor does not have a significant effect on income distribution, but has an opposite direction, that is, if the income distribution increases, the collection and distribution of zakat through financial institutions (BUS) to the poor will decrease.

Table 16: Summary of hypothesis testing results Distribution of income and the role of zakat

Hypothesis	Statement	Value	Description
H4$_a$	Economic growth affects the distribution of income	1,202	H4$_a$ Rejected, positively correlated
H4$_b$	The collection & distribution of zakat directly by LAZ / BAZ to the poor population influences the income distribution	-1.362	H4$_b$ Rejected, negatively correlated
H4$_c$	Zakat collection & distribution through financial institutions (BUS) to the poor population towards income distribution	1,860	H4$_b$ Rejected, negatively correlated

Source : Processed Data (2019)

Calculation of Fair Wealth Related to the Role of Zakat

To calculate and determine the relationship and influence on Islamic banks' social business finance which is assumed to be a financial institution designated or designated as receiving and distributing community zakat.

Table 17: Ratio of Fair Wealth to Potential Zakat

YEAR	YEARLY INCOME/CAPITA	YEARLY MANDATORY ZAKAT / CAPITA	FAIR WEALTH RATIO (%)
2014	9,312,384.00	630,629.53	1,476.68
2016	10,425,876.00	699,716,74	1,490.01
2016	11,355,096.00	808,245.43	1,404.91
2017	12,437,096.00	941,733.75	1,320.75
2018	13,496,602.25	1,139,747.34	1,184.17
AVERAGE	**11,405,585.10**	**844,014.56**	**1,375.31**

Source : Processed Data (2019)

Table 17, taking into account the ratio of the average wealth of the Muslim population of Indonesia based on the average annual income per capita of 11,405,585.10 and the obligation of zakat per year of average income per year of 844,014.56, the ratio of the average wealth of the Indonesian Muslim population to an average of 1,375.31% per person.

Observations for the correlation test and the influence of the profit of Islamic financial institutions (BUS) as recipients / collectors of income Zakat and channeling it to the poor in benevolent financing, the level of distribution of population income, the ratio of fair wealth of the Muslim population of Indonesia, and economic growth on the role of income zakat as a source social business finance funds of Islamic financial institutions (BUS) in Indonesia during the period 2014 to 2018.

Table 18: The variable coefficient of Zakat Function as Social business Finance

Coefficients[a]							
Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	73981,453	0,000		118.257.	0,000		
ROABS	25,408	0,000	0,394	9.298.	0,000	0,106	9,397
GINIRASIO	285,634	0,000	1,479	17.881.	0,000	0,144	6,958
KEKAYAANWAJAR	-25,269	0,000	-1,439	-8.603.	0,000	0,024	42,475
PDBGROWTH	-300,937	0,000	-1,424	-11.659.	0,000	0,089	11,176

Source : Processed Data (2019)

Based on table 18, the coefficients produce a regression equation that illustrates the relationship and effect of each variable as follows:

$$Y = 73981,453 + 25.408X1 + 285.634X2 - 25.269X3 - 300.937X4$$

The conclusion of the results of the regression coefficient is as follows:
1. Sharia Bank Profit - ROABS (X1) against Sources of Funds Zakat SBFBS (Y) Seen in the Coefficients model 1 column there is a sig value of 0,000. The sig value is smaller than the probability value of 0.05, or the value of 0,000 <0.05, then $H5_a$ is accepted. So it can be concluded that the variable X_1 has a contribution to Y. and the positive value of t indicates that the variable X_1 has a direct relationship with Y. So it can be concluded that the profit of Islamic banks has a significant influence and positive relationship to zakat-based fund sources as SBFBS which means that if SBFBS then the profit of Islamic banks also increases.
2. Distribution of population income (X2) to the source of Zakat SBFBS funds (Y) Seen in the Coefficients model 1 column there is a sig value of 0,000. The sig value is smaller than the probability value of 0.05, or the value of 0,000 <0.05, then $H5_b$ is accepted. So it can be concluded that the variable X_2 has a contribution to Y. A positive t value

indicates that X_2 has a direct relationship with Y. So it can be concluded that the income distribution of the population has a significant influence on the source of SBFBS zakat funds and has a positive relationship if the income distribution increases, the sources of SBFBS Zakat funds increase.

3. The ratio of the population's reasonable wealth (X_3) to the source of funds Zakat SBFBS Seen sig value of 0.000. The sig value is smaller than the probability value of 0.05, or the value of 0,000 <0.05, then H5$_c$ is accepted. So it can be concluded that the variable X_3 has a contribution to Y. A negative t value indicates that X_3 has an opposite relationship to Y. So it can be concluded that the distribution of population income has a significant effect on the source of SBFBS Zakat funds, by having an inverse relationship that is when income distribution increases, the source of SBFBS zakat funds decreases.

4. Economic growth (X4) on the source of funds Zakat SBFBS (Y) The sig value of 0.000 was seen. The sig value is smaller than the probability value of 0.05, or the value of 0,000 > 0.05, then H5$_c$ is accepted. So it can be concluded that the variable X_4 has a contribution to Y. A negative t value indicates that X_4 has an opposite relationship to Y. So it can be concluded that economic growth has a significant effect on the source of SBFBS Zakat funds, and has a two-way relationship when economic growth increases, the source of SBFBS zakat funds decreases.

Table 19: Summary of hypothesis testing results Distribution of income and the role of zakat

Hypothesis	Statement	Value	Description
H5$_a$	Islamic bank profits affect the source of SBFBS Zakat Funds	9,298	H5$_a$ Rejected, positively correlated
H5$_b$	Sharia population income distribution affects the source of SBFBS Zakat Funds	17,881	H5$_b$ Accepted, positive correlation
H5$_c$	The Fair Wealth Ratio affects the SBFBS Zakat Fund Source	-8.603	H5$_a$ Rejected, positively correlated
H5$_d$	Economic Growth affects the Sources of Zakat Funds SBFBS	-11.659	H5$_a$ Rejected, negatively correlated

Source : Processed Data (2019)

Table 19 shows that Zakat income as a source of social business financial funding for Islamic financial institutions (BUS) is influenced by several variables related to the role of Zakat in it such as: profitability of Islamic banks, income distribution for the poor, the ratio of the reasonable wealth of the Indonesian Muslim population, and economic growth.

The relationship of the role of zakat as a source of social business financial funds is in the same direction towards the profit of Islamic banks and wealth distribution, if Islamic banks receive more and more sources of zakat funds, the profits will increase along with the increasing survival of Islamic banks. Similarly, the relationship to the distribution of wealth in the same direction, means the source of Islamic bank zakat funds increases because the number of people who earn income is more evenly distributed, and are increasingly more able to pay zakat through Islamic banks.

On the other hand, the relationship between the role of zakat as a source of social business financial funds is unidirectional to the ratio of the reasonable wealth of the Muslim population in the opposite direction. This happens because the population stores their wealth longer so that the ratio of fair wealth increases, as a result the source of Islamic bank zakat funds decreases. Likewise, the relationship between the role of zakat as a source of social business financial funds is in the same direction towards economic growth. When economic growth increases, public spending increases, resulting in delays in the payment of zakat which results in a decrease in the source of zakat funds for Islamic business financial banks.

CONCLUSION

1. The involvement of Islamic Commercial Banks in managing Zakat funds as a source of social finance funds for Indonesian Islamic banks in Islamic financial institutions has a positive and strong relationship. However, as a determinant factor in the role of zakat as a source of social funds for Islamic bank finance business, the value is very small and the determinants of other funding sources are still greater.

   The role of zakat on the source of funds Zakat as a source of social finance finance business for Indonesian Islamic banks (SBFBS) in the period 2014 to 2018 is as follows: Y = 56,37 – 39,16X. This means that if Islamic banks or Islamic financial institutions reduce their income by 1%, (this study uses ROA of Islamic banks) to receive or manage the collection of zakat funds, Islamic banks or Islamic financial institutions will be able to increase the source of zakat funds for social business financenya by 17.21% . This way, Islamic banks or Islamic financial institutions can reduce the need for funding funds received from loans or financing received from banks or non-banks based on interest and profit sharing.

2. Zakat fund income as a source of social business financial funds of Islamic financial institutions (BUS) is influenced by several variables related to the role of Zakat in it such as: profits of Islamic banks, income distribution for the poor, the ratio of the fair wealth of the Muslim population of Indonesia, and economic growth.

The relationship of the role of zakat as a source of social business financial funds is in the same direction towards the profit of Islamic banks and wealth distribution, if Islamic banks receive more and more sources of zakat funds, the profits will increase along with the increasing survival of Islamic banks. Similarly, the relationship to the distribution of wealth in the same direction, means the source of Islamic bank zakat funds increases because the number of people who earn income is more evenly distributed, and are increasingly more able to pay zakat through Islamic banks.

On the other hand, the relationship between the role of zakat as a source of social business financial funds is unidirectional to the ratio of the reasonable wealth of the Muslim population in the opposite direction. This happens because the population stores their wealth longer so that the ratio of fair wealth increases, as a result the source of Islamic bank zakat funds decreases. Likewise, the relationship between the role of zakat as a source of social business financial funds is in the same direction towards economic growth. When economic growth increases, public spending increases, resulting in delays in the payment of zakat which results in a decrease in the source of zakat funds for Islamic business financial banks.

3. Constraints and obstacles in managing zakat funds as a source of social finance business funds for national economic growth involving zakat fund sources on the distribution of income and natural wealth in Indonesia:
   a. The potential gap, this huge potential should have been overcome.
   b. Zakat Management Organization (OPZ) managerially has not been systematically directed, for the community as Muzakki and Mustahik.
   c. Community behavior related to the very consumptive nature still accompanies the activities of daily life.
   d. Institutional credibility issues, Amil HR (Human Resources) issues, zakat regulation issues, role issues between BAZ (Amil Zakat Institutions) and LAZ (Amil Zakat Institutions) and the effectiveness and efficiency of zakat empowerment programs.

4. The mechanism and steps for managing Zakat funds as a source of funding for social business finance of Islamic financial institutions (BUS), starting with deposits from Muzakki that can be deposited with Amil and then deposited in Islamic non-bank financial institutions, for example; Baitul Maal Wa Tamwil (BMT - a type of Sharia

cooperative), or Amil can also directly make deposits to Islamic banks. Or Muzakki can even directly deposit his zakat into Islamic banks that have zakat deposit services as Amilnya Islamic banks as Baitul Maal.

Zakat deposit received by an Islamic bank is collected as a deposit received by a wadi'ah contract that is treated as accepted liabities. It therefore becomes a source of free or low-cost funds for Islamic banks. This accepted liability has special treatment, because it can only be used for Mustahiq which consists of 8 (eight) groups. Sources of funds from Zakah liabilities received can be channeled or given directly as current assets (receivables) which are the rights of the mustahiq. However, if the source of zakat liabilities received has not been used or has not been distributed, then the funds can be used for Qardhul hasan loans (benevolent loans) for the mustahiq, as economic interest-free loans with social business value.

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APPENDIX

Zakat Fund Management Steps and Mechanism as Source of funds for Business Finance in Islamic Financial Institutions (BUS)

Figure 1: Zakat Fund Management Mechanism Flow

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┌─────────────────┐              ┌─────────────────┐
│  Zakat Payment  │──────────────│    MUZAKKI      │
└─────────────────┘              └─────────────────┘
                                         │
                                         ▼
                                 ┌─────────────────────┐
                                 │ ISLAMIC NON-BANK    │
                                 │ FINANCIAL INSTITUTION│
                                 └─────────────────────┘
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ISLAMIC BANK BALANCE

ASSETS	LIABILITIES
Current Assets: – LAZ/BAZ	Wadiah Savings received
Sharia Funding: – Qardhul Hasan	

MUSTAHIQ:
1. Impoverished people
2. Poor
3. Amil
4. Muallaf
5. Riqab (Hamba sahaya)
6. Gharimin (debto)
7. Fi Sabilillah
8. Ibnu Sabil