Measuring the Effectiveness of Zakat Distribution at the National Board of Zakat of Bandung City

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ABSTRACT

Zakat, collected by the National Board of Zakat (Baznas) of Bandung City, has practical value for the community’s welfare. This study aims to measure the effectiveness of Zakat distribution in Baznas Bandung City. This research was conducted using quantitative methods. Data sourced from the Baznas Bandung City Financial Report for the 2017-2021 period. Distribution effectiveness measurement uses the allocation-to-collection ratio (ACR) approach. In addition, this study uses a descriptive approach. The results showed that the ACR value was 94 per cent. Thus, the level of effectiveness in the distribution of Baznas Bandung City is in the Highly Effective category. Therefore, Baznas Bandung City needs to optimize the distribution of Mustahiq Zakat, which covers five program areas: Education, Economy, Health, Da’wah, and Humanity.

Keywords: effectiveness of Zakat distribution, ACR, Zakat, Baznas Bandung City.

INTRODUCTION

Zakat and Infaq/Alms receipts in the Bandung City carried out by the National Board of Zakat (Baznas) of Bandung City during the 2017-2021 period reached IDR 225.67 billion (Bandung, 2019, 2020, 2021, 2022). Each year, the Zakat and Infaq/Alms receipts by the Baznas Bandung City reach IDR 45 billion. Thus, the Zakat and Infaq/Alms collection achievement by the Baznas Bandung City has reached 2% compared to its potential of IDR 2 trillion (Fatah & Effendy, 2020). Fatah & Effendy (2020) explained that the Zakat Organization Forum (FOZ) had carried out the Ayo Pay Zakat Movement to increase public awareness of paying Zakat.

The average annual Zakat and Infaq/Alms receipts, which have only reached IDR 45 billion, are influenced by many factors, including accessibility, credibility, and Zakat collection programs (Nugroho & Widiastuti, 2017), Zakat literacy (Canggih & Indrarini, 2021), and the quality of Zakat distribution (Muhammad & Saad, 2016). In this study, the focus is on one factor that needs attention is the quality of Zakat distribution (Muhammad & Saad, 2016). Zainal, Bakar, and Saad (2016) identified that the satisfaction of Zakat distribution could affect Muzaki’s trust. However, on the other hand, the effectiveness of Zakat distribution can encourage Zakat collection (Din et al., 2019). Therefore, the effectiveness of distribution must be the concern of all parties.
Based on Law No. 23 of 2011 concerning Zakat Management, the distribution of Zakat is related to the distribution and utilization of Zakat to Mustahiq. In the Al-Quran, the distribution of Zakat has been determined for eight asnaf (Mikail & Adekunle, 2020). The eight asnaf who are entitled to receive Zakat are the Fakir, Miskin, Amil, Muallaf, Riqob, Ghorimin, Ibnu Sabil, and Fii sabitillah (Bahri & Khumaini, 2020; Din et al., 2019; Ismail et al., 2018). Furthermore, the Zakat distribution's effectiveness is related to achieving the goals of Zakat distribution (Bahri & Khumaini, 2020; Rifa’i, 2013; Syahriza, Harahap, and Fuad, 2019). Ansori (2018) identifies two objectives of Zakat distribution: distribution of wealth to Mustahiq and fair distribution of factors of production to the community. Therefore, the distribution of Zakat in the city of Bandung is related to efforts to distribute wealth and equalize the factors of production carried out in the city of Bandung.

However, the description of the effectiveness of Zakat distribution in Baznas Bandung City still needs to be improved. This condition is caused by the limited research that discusses the effectiveness of Zakat distribution in Baznas Bandung City. It causes the collection of Zakat in Baznas Bandung City to reach its potential, IDR 2 trillion. This description of the effectiveness of Zakat distribution is essential because it can affect Zakat collection. Therefore, one effort must be made to measure the effectiveness of Zakat distribution in Baznas Bandung City.

Various analyzes of the effectiveness of Zakat distribution, e.g. Bahri & Arif (2020); Bahri, Aslam, and Muhammad (2020); Bahri & Khumaini (2020); Bahri & Utama (2021); Husin et al. (2022); Nafi (2020); Syahriza et al. (2019); Uddin et al. (2020); Yudhira (2020); and Yusup, Sobana, and Fachrurazy (2021). However, the analysis conducted by Bahri & Arif (2020); Bahri et al. (2020); Bahri & Khumaini (2020); Nafi (2020); Yudhira (2020); and Yusup et al. (2021) was carried out at Rumah Zakat, IZI, the National Board of Zakat (Baznas), and Baznas of Kudus Regency. Bahri & Utama (2021) measure the effectiveness of Zakat distribution nationally in Indonesia. Husin et al. (2022) identified the determinants of effective Zakat distribution with a research locus at tertiary institutions in Selangor, Malaysia. Syahriza et al. (2019) discuss the effectiveness of the distribution of productive Zakat at Rumah Zakat North Sumatra. Furthermore, Uddin et al. (2020) measured the effectiveness of the Central for Zakat Management (CZM) efforts regarding using of Zakat for microfinance in Bangladesh.

Meanwhile, discussions regarding the effectiveness of Zakat distribution at Baznas Bandung City still need to be completed. In line with this information, research on the effectiveness of Zakat distribution in Baznas Bandung City needs to be carried out because it can provide information about the effectiveness of Zakat distribution at Baznas Bandung City. In addition, these findings can be used as a basis for research on the effectiveness of Zakat distribution in other cities and districts in Indonesia. Furthermore, the results can also be used by Zakat management institutions that want to increase the effectiveness of Zakat distribution. Therefore, this study aims to measure the effectiveness of Zakat distribution at the Bandung City Baznas.
METHOD
This research was conducted using quantitative methods. In quantitative research, knowledge discovery uses data in numbers (Bahri & Khumaini, 2020). Then, it is used as an analytical tool to determine the desired result. The data comes from the Bandung City Baznas Financial Report for the 2017-2021 period. Measuring the effectiveness of distribution uses the allocation-to-collection ratio (ACR) approach, which comes from the Zakat Core Principle approach.

ZCP explains the ACR ratio used to measure the ability of Zakat institutions to distribute Zakat by dividing the total disbursement funds by the total collection funds. There are five categories of ACR assessment (Bahri & Khumaini, 2020; Baznas, 2018): Highly Effective (if ACR ≥ 90 per cent), Effective (if ACR reaches 70-89 per cent), Fairly Effective (if ACR reaches 50-69 per cent), Below Expectation (if ACR reaches 20-49 per cent), and Ineffective (if ACR < 20 per cent). Furthermore, this study uses a descriptive approach to explain the results of measuring the effectiveness of Zakat distribution at the Bandung City Baznas. The quantitative approach with a descriptive approach aims to explain various conditions and situations of the research object (Abdullah, 2015).

RESULT AND DISCUSSION
Profile of Baznas Bandung City
The Baznas Bandung City is one of the Zakat management entities in Indonesia at the City level. The Baznas Bandung City manages Zakat in Bandung City, West Java Province, Indonesia. Bandung has a population of 2.461 million and a Muslim population of 2.309 million (BPS-Bandung, 2018). Zakat's potential amount in Bandung is IDR 2 trillion (Fatah & Effendy, 2020), or 7.4 per cent of West Java's potential, IDR 26.8 trillion (Baznas, 2020).

In order to carry out the mandate as Zakat administrators in the City of Bandung, the Bandung City Baznas compiles the Vision and Mission of the Institution. Based on the opinion of Mumford & Strange (2005), vision is related to a mental model to accommodate top-down and bottom-up approaches in leadership (Pakkala, 2010). Furthermore, according to Pakkala (2010), the mission is a statement of purpose for the institution's existence.

The results of this study explain that the vision of the Bandung City Baznas is "Becoming the main institution for the welfare of the ummah at the Bandung City level". Furthermore, there are nine missions of the Bandung City Baznas: (1) To build a robust, reliable and modern Baznas as a non-structural government institution authorized to manage Zakat; (2) Maximizing Zakat literacy in the city of Bandung and increasing collection of ZIS-DSKL in a regular and measurable manner; (3) Maximizing the distribution and utilization of ZIS-DSKL to alleviate poverty, improve people's welfare, and reduce social inequality; (4) Strengthen the competency, professionalism, integrity, and welfare of the Zakat Amil Bandung City in a sustainable manner; (5) Modernization and digitization of Zakat management in the city of Bandung with a solid and measurable
data-based management system; (6) Strengthening the system of planning, controlling, reporting, accountability and coordination of Zakat management in Bandung City; (7) Building a partnership between Muzaki and Mustahiq with the spirit of helping in kindness and piety; (8) Increase the synergy and collaboration of all relevant stakeholders for the development of Zakat in the City of Bandung; and (9) Play an active role and become a reference for the Zakat movement in West Java.

Furthermore, the Baznas Bandung City establishes an Organizational Structure to run the program. In detail, the Organizational Structure of Baznas Bandung City can be seen in Figure 1.

Figure 1. Organizational Structure of the Baznas Bandung City

![Organizational Structure of the Baznas Bandung City](https://baznaskotabandung.org/visi-dan-misi/)


**Collection of Zakat Baznas Bandung City**

Baznas in Bandung City manages Zakat and Infaq/Alms within the scope of Bandung City, West Java Province, Indonesia. The collection of Zakat and Infaq/Alms carried out by the Baznas Bandung City in the 2017-2021 period can be seen in Table 1.

<table>
<thead>
<tr>
<th>Year</th>
<th>Acceptance of Zakat and Infaq/Alms (IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>19,753,946,713</td>
</tr>
<tr>
<td>2018</td>
<td>23,939,175,161</td>
</tr>
<tr>
<td>2019</td>
<td>26,390,675,433</td>
</tr>
<tr>
<td>2020</td>
<td>24,074,315,730</td>
</tr>
<tr>
<td>2021</td>
<td>22,411,274,581</td>
</tr>
</tbody>
</table>
Based on Table 1, the Zakat and Infaq/Alms collection by the Bandung City Baznas for the 2017-2021 period (IDR) reached IDR 116,569,387,618. The average collection of Zakat and Infaq/Alms per year reaches IDR 23,313,877,524. The largest Zakat and Infaq/Alms collection was achieved in 2019 with IDR 26,390,675,433. Meanwhile, the lowest collection of Zakat and Infaq/Alms in 2017 was IDR 19,753,946,713.

**Distribution of Zakat Baznas Bandung City**

One of the functions of Zakat and Infaq/Alms management carried out by the Baznas Bandung City is managing Zakat and distributing Zakat and Infaq/Alms within the scope of the City of Bandung, West Java Province, Indonesia. The distribution of Zakat and Infaq/Alms carried out by the Bandung City Baznas in the 2017-2021 period can be seen in Table 2.

**Table 2.** Distribution of Zakat and Infaq/Alms by Baznas Bandung City Period 2017-2021 (IDR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Distribution of Zakat and Infaq/Alms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>12,504,008,515</td>
</tr>
<tr>
<td>2018</td>
<td>24,472,228,041</td>
</tr>
<tr>
<td>2019</td>
<td>23,899,169,085</td>
</tr>
<tr>
<td>2020</td>
<td>22,979,970,130</td>
</tr>
<tr>
<td>2021</td>
<td>25,247,652,482</td>
</tr>
<tr>
<td>Total</td>
<td>109,103,028,253</td>
</tr>
<tr>
<td>Annual Average</td>
<td>21,820,605,651</td>
</tr>
</tbody>
</table>


Based on Table 2, the distribution of Zakat and Infaq/Alms by the Baznas Bandung City for the 2017-2021 period (IDR) reached IDR 109,103,028,253. As a result, the average distribution of Zakat and Infaq/Alms per year reaches IDR 21,820,605,651. The most extensive distribution of Zakat and Infaq/Alms was achieved in 2019 with IDR 25,247,652,482. Meanwhile, the distribution of Zakat and Infaq/Alms was the lowest in 2017, amounting to IDR 12,504,008,515.

**The Effectiveness of Baznas Bandung City Distribution**

Based on the opinion of several researchers, e.g. Bahri & Khumaini (2020), Rifa’i (2013, and Syahriza et al. (2019), the effectiveness of Zakat distribution is related to success in achieving goals in Zakat distribution. Therefore, this study measures the effectiveness of Zakat distribution in Baznas Bandung City. Measuring the effectiveness of Zakat distribution at the Baznas Bandung City is essential because it can affect the Zakat and Infaq/Alms collection at the Baznas Bandung City.

Measurement of the level of effectiveness of Zakat and Infaq/Alms uses the ZCP approach with the ACR formula. The ACR formula divides the total disbursement funds
by the total collection funds. In detail, the use of the ACR formula can be seen in Table 2.

Table 2. Collection and Distribution of Zakat and Infaq/Alms by Baznas Bandung City Period 2017-2021 (IDR)

<table>
<thead>
<tr>
<th>Year</th>
<th>Acceptance of Zakat and Infaq/Alms</th>
<th>Distribution of Zakat and Infaq/Alms</th>
<th>Total</th>
<th>ACR (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>19,753,946.713</td>
<td>12,504,008.515</td>
<td>32,257,955.228</td>
<td>63</td>
</tr>
<tr>
<td>2018</td>
<td>23,939,175.161</td>
<td>24,472,228.041</td>
<td>48,411,403.202</td>
<td>102</td>
</tr>
<tr>
<td>2019</td>
<td>26,390,675.433</td>
<td>23,899,169.085</td>
<td>50,289,844.518</td>
<td>91</td>
</tr>
<tr>
<td>2020</td>
<td>24,074,315.730</td>
<td>22,979,970.130</td>
<td>47,054,285.860</td>
<td>95</td>
</tr>
<tr>
<td>2021</td>
<td>22,411,274.581</td>
<td>25,247,652.482</td>
<td>47,658,927.063</td>
<td>113</td>
</tr>
<tr>
<td>Total</td>
<td>116,569,387.618</td>
<td>109,103,028.253</td>
<td>225,672,415.871</td>
<td>94</td>
</tr>
<tr>
<td>Rata-Rata</td>
<td>23,313,877.524</td>
<td>21,820,605.651</td>
<td>45,134,483.174</td>
<td>94</td>
</tr>
</tbody>
</table>


Based on Table 2, the average ACR value for the 2017-2021 period reached 94 per cent. The highest ACR value was achieved in 2021, reaching 113 per cent. Meanwhile, the lowest ACR value occurred in 2017. Within five years, the Bandung City Baznas increased the ACR value by 31 per cent, from 63 per cent to 94 per cent.

The results of the ACR measurement are then assessed based on five categories, namely: Highly Effective (if ACR ≥ 90 per cent), Effective (if ACR reaches 70-89 per cent), Fairly Effective (if ACR reaches 50-69 per cent), Below Expectation (if ACR reaches 20-49 per cent), and Ineffective (if ACR < 20 per cent). Based on the measurements carried out in this study, the distribution effectiveness level at the Bandung City Baznas is 94 per cent in the Highly Effective category with ACR requirements of ≥ 90 per cent. The results of measuring the effectiveness of the distribution of Zakat and Infaq/Alms at the Bandung City Baznas are in line with the Sharia Enterprise Theory presented by Triyuwono (Bahri, Ali, and Aslam, 2022; Bahri & Arif, 2020; Bahri, Putri, and Romansyah 2022). Based on the Sharia Enterprise Theory, Zakat management must be accountable vertically to Allah SWT and horizontally to humans and the environment.

CONCLUSION

The Zakat collection carried out by the Baznas Bandung City has increased. This study has measured the effectiveness of Zakat distribution in Baznas Bandung City. This research was conducted using quantitative methods. The data comes from the Baznas Bandung City Financial Report for the 2017-2021 period. Measuring the effectiveness of distribution has been carried out using the allocation-to-collection ratio (ACR) approach. In addition, this study uses a descriptive approach. The study's results found that the ACR value was 94 per cent. Thus, the level of effectiveness in the distribution of Baznas Bandung City is in the Highly Effective category. Therefore, Baznas Bandung City needs to optimize the distribution of Zakat to Mustahiq, which covers five program areas: Education, Economy, Health, Da'wah, and Humanity.
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