

ZAKAT POTENTIAL AS A MEANS TO OVERCOME POVERTY (A STUDY IN LAMPUNG)

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ABSTRACT

Zakat is a compulsory service run by the Muslims who are able to implement it. Zakat is a means of income redistribution and also can support development of human resources as well as enhance economic growth in Indonesia, particularly in the Lampung Province. The purposes of this study were to explore the potential of zakat and to analyze the role of zakat in empowering poor communities in Lampung Province. This research result showed that zakat potential in Lampung Province was quite large; Rp644.18 billions with the 2% opinion and Rp1.38 billions with the 4.3% opinion. Meanwhile the Regional Government of Lampung Province in 2007 and 2008, for example, budgeting for social services reached Rp29.15 billions and Rp21.01 billions respectively, including other poverty reduction programs. Therefore, zakat potential should attract the government's attention as one solution to reduce poverty in Indonesia. Zakat is not only the provision of voluntary charity, but it is an obligation that must be paid by Muslims who received the zakat obligation. The results of the analysis showed zakat's potential in empowering poor communities in each district/city in the province of Lampung. Based on the standards meet the needs of the poor with an income of one dollar per day, from ten districts in Lampung province, only two districts were capable of removing the poor families from the poverty line, those are Bandar Lampung and Metro. While the potential zakat of eight other districts had not been able to remove poor families from the poverty line due to the small acquisition of GDRP. This research showed that empowerment of the poor could be done based on the potentials of zakat in each district, the greater the GDRP, the greater the zakat potential that could be obtained. Even if the zakat potential was excessive than the poverty level in the district, it could be used as cross-subsidies with other districts in greater need.

Keywords: Zakat Potential, poverty reduction

INTRODUCTION

Zakat, as one of the third primary obligations of Muslim, serves as one of the services that must be performed by wealthy Muslims. According to Iqbal (2000), zakat serves as a

means to create equal distribution of income. Zakat can be made as a justification for economic redistribution, since a state of poverty can lead to transgression (*kufir*) which can lead to crime, child slavery, pornography, and prostitution. Zakat can serve as poverty risk

insurance for people with physical disabilities or for new born babies from poor families, to avoid crime and protect the liberal society from taking advantage of the poor by political actors.

As a developing country, the development and economic growth in Indonesia remains sluggish. The economic system has not been able to bring welfare to the people, and this is indicative from the total number of poor people in Indonesia which remains high at 37,17 million people (16.58 percent) on March 2007, and higher compared to the rates on February 2005, as large as 15.97 percent (BPS, 2008). Economic policies remain to create worries for the people, for example conversion from kerosene to LPG, the increase in basic needs prices, let alone the increase of electricity and fuel prices. The rise of all these costs is not balanced with the society's income, and therefore poverty has not been able to decline.

Zakat can play a significant role for the government in assisting development and improving the economy. Kahf (1997:67-85) suggested some beneficial effects of zakat for the government: **first** the effect of zakat substitution for government budget; zakat that is distributed to the people can reduce the same amount of funds required from the government budget, allowing the government to transfer this budget for other social needs. In addition, zakat can also give further increases in service and commodity for the poor. As a consequence zakat can improve the living quality of the poor.

Second, indirect effects of zakat towards government budget. Such effects are classified into four: (a) effect of zakat towards productiveness, referring to zakat redistribution to increase the poor people's income which implies that they increase their consumption of goods and services, education facilities, improvement of health, nutrition, and generally improving the welfare of the poor. Such improvements serve as the primary

factors in improving the productiveness of poor people. (b) Zakat's effects towards consumption and investment; redistribution of income through zakat can increase aggregate consumption of the society. Increased consumption will increase investment and output through the multiplier effect. This will in turn increase work opportunities, as well as the ability of the people to provide income to the government. (c) Zakat's effects towards the workforce; zakat distribution gives two sources of workforce enhancement either directly and indirectly. Direct improvement originates from the zakat organization itself, namely, the people directly involved in managing, collecting, and distributing zakat. While the indirect effects include the increased demands of the poor for consumption, particularly pertaining to fulfilling their basic needs of goods and services, which will increase work opportunities through pressure on production. (d) Zakat's effects on economic policy; the fixed measure of zakat (*nishab*) becomes a tool for economic policy, because the government cannot alter this measure.

Problems associated with optimizing the potentials of zakat relate with the poor management of the Zakat Amil Institute (LAZ-*Lembaga Amil Zakat*). According to Hafidhuddin (2001), two essentials are required to manage the problems of zakat, namely: (1) socialization of zakat; and (2) strengthening the institute's capacity. Moreover, motivation to perform zakat is determined by two conditions, namely; knowledge of zakat of those performing the zakat (*muzakki*) and the role of the government (Hayati and Sari, 2007). This finding indicates that the role of the government is required in collecting zakat, for example firm regulations in collecting zakat, as applied for tax, therefore allowing the optimal collection of zakat. Therefore, the focus of LAZ can be directed to empower the poor and not on efforts of fundraising (zakat collection).

A study from Bidin *et al* (2009) in Malaysia indicates that intention to pay income zakat is 48% determined by subjective norms and attitudes towards zakat. The result of the PIRAC survey on 2007 indicates that 55% of Muslims that were respondents recognize that they are obliged to perform zakat (*muzakki*). This figure has increased 5.2% compared to a pervious survey (2004) which was 49.8%. This phenomenon exhibits the peoples' awareness of their obligation to perform zakat (PIRAC, 2007).

Other problems include the lack of concern from the government to optimize the potential of LAZ as a means to empower the poor. The role of LAZ is not merely to seek as much zakat possible and distribute all the zakat completely; however they must also empower the poor. Therefore synergy is required between the programs initiated by BAZIS/LAZ with programs of human development by the government, which will allow effective empowerment of the poor.

Numerous Zakat Amil Institutes (LAZ) have grown, which have been supported by the Law on Zakat Management No. 38 Year 1999. The numerous LAZ will push the collection of zakat funds from the society. This is a positive outcome since the more zakat funds are collected, the greater resources that can be utilized for social interests, particularly for efforts to eliminate poverty. However the large amount of LAZ also arise concerns related with optimal supervision. Meanwhile, to this day, the Law on Zakat Management have not separated and explicitly established which institutes should become supervisors, regulators, and the operators of zakat management (Official Magazine of the Zakat Forum, 2007).

Based on the elaborations above the current study aims to explore the potentials of zakat in the Lampung Province. By having data on zakat potential this allows the researcher to analyze the role of zakat in empowering the poor in the Lampung province.

The current study benefits academicians, practitioners, and the government. For academicians, this study is expected to increase understanding concerning calculation of zakat potential, the role of zakat in empowering the poor, as well as its potential from the macro and micro economic aspects, particularly for academicians who investigate this field in order to stimulate further rigorous research. From a practical point of view, as an actor of collecting and distributing zakat, this study is expected to provide information related to decision making in the optimal management of zakat. For the government, this study is expected to become one of the determinants in producing economic policies and empowering the poor.

LITERATURE STUDY

The Concept of Zakat

According to Qaradawi (1969), the literal meaning of zakat is different of when it is used as a verb. Zakat means to grow and to increase. When related to humans it means to improve/increase the output or to become better. This means that zakat refers to a blessing, growing, pure, and improvement/progress. The meanings from this word are used in the Al Qur'an and Hadits. This is most clear according to Al Wahidi and others that state that the root word "zakat" means to increase and grow. For example, when related to plants, it would mean to grow and when related with objects it would mean to increase. However because plants can only grow when they are clean and free from insects and other things that have negative impacts towards them, therefore the word zakat can also refer to purity and hygiene. When used related to humans, zakat can refer to improvement and truth.

The legal status of zakat of asset is based on At-Taubah (Q.S. 9:103) that state that it is an obligation. Zakat refers to the payment of available owned assets, whether from business or agriculture, business of professional

services and a range of other fields, because all the above are the products of human efforts in seeking and receiving Allah's grace for all of mankind. Humans are not the absolute owners of the asset, but they only use it for their own benefits while only Allah is the absolute owner. Therefore, when impoverished people are not able to receive these graces, Allah bears this responsibility to the fortunate ones, to pay concern by distributing some portion of their wealth or other assets to those that are unfortunate. In contrast, *infaq/sedekah* which refers to giving charity beyond zakat is *sunnat* (it is not obliged but, performing it will bring about rewards from Allah). For those who are willing to obey Allah's precepts, they are promised to receive "Al Birr" (virtue) as explained in surah Al-Baqarah verse 261 (BAZIS DKI Jakarta, 1999).

Role of Zakat in Overcoming Poverty

Zakat applies the concept of a just economy. Justice in equal distribution of income according to Ahmad (1998:2) is one of the components that are most important in the Islamic perspective towards a just socio-economic structure. What is most important to address in the scheme of a just equal distribution is insurance to fulfil the basic needs of the people, disregarding the country's stage of development. This last sentence explicitly calls for government intervention in the equal distribution of income, and these interventions should also cover issues of zakat as a means. Qaradawi (1997: 23) firmly states that "managing zakat is the obligation of an Islamic government". This also applies for Indonesia, although not an Islamic government, however Indonesia holds the largest Muslim majority, and it is only conceivable that the government pays considerable attention to zakat affairs. Results of a study from Samad & Glenn (2010) indicate that zakat in Islam is also believed in the religion Christian and Judaism. Both religions

acknowledge the rights of the poor, however its application is different based on Islamic understanding in the society as well as the dominance of religion in the government.

The results of a study from Ahmed (2004) raised the issue of the role of zakat and macro economic policy in income growth and reducing the level of poverty. The results of the study demonstrate that although macro economic policies play an important role in reducing poverty, however poverty cannot be reduced without performing zakat appropriately. The study suggests that: (1) zakat should be considered in macro economic policy that can increase growth and distribute income to reduce poverty; (2) The benefits of zakat would be larger when the percentage of zakat is larger and used for productive purposes. Because zakat is important to overcome poverty, therefore there arises a need to integrate faith with strategies of development.

Zakat Potential in Indonesia

A study conducted by the Department of Religious Affairs (2008), stated that the potential of ZIS in Indonesia reaches Rp7 trillions per year. While a survey on the potential of zakat performed by the Center of Language and Culture UIN Syarif Hidayatullah Jakarta together with Ford Foundation on 2004-2005, indicated that the figures are much more outstanding. The result of the survey revealed that the total amount of charities from Indonesian Muslims that can be distributed in form of zakat, *infaq* and *shodaqoh* is Rp 19.3 trillion per year. If this figure was projected to the year 2007 with an inflation correction using the BPS version of 2005 and 2006 of 17.1% and 6.6%, the zakat potential for 2007 that can be collected should reach Rp 24 trillion (Suara Merdeka, 2008).

The Indonesian Ulama Council (MUI-*Majelis Ulama Indonesia*) through the 3rd *Ijtima* Forum which was held on late January 2009 have issued the fatwa that corporate zakat is obliged. The general head of the

National Zakat Amil Body (Baznas- *Badan Amil Zakat Nasional*), KH Didin Hafidhuddin, stated that the government must support the fatwa of MUI by enforcing the obligation of zakat to companies.

According to Hafidhuddin, the potential of corporate zakat is very large. "Based on raw calculations, State Owned Enterprises (BUMN) have a zakat potential of Rp14.3 trillions per year from the profits they receive," as he stated in the seminar "Fatwa MUI: Corporate Zakat and How To Implement it on Indonesian Corporations". This total has not included Regional and Private Owned Enterprises. According to Hafidhuddin, the potential of corporate zakat is far larger than those calculations, because the potential for profession zakat can reach Rp19.3 trillions. Currently, around 50 companies pay corporate zakat to Baznas, with total collected funds of Rp4 billions to Rp5 billions.

"If the potential of zakat can be explored and the directors of State Owned Enterprises realized that this is not only for the interests of a small amount of people, therefore Indonesia would no longer have to ask for foreign debt," he says. According to Hafidhuddin, it is time for the government to stop seeking foreign loans. The details of zakat's potential are mentioned below:

- a. Potential of SOE Corporate Zakat Rp14.3 trillions.
- b. Potential of Profession Zakat Rp19.3 trillions.
- c. While the zakat paid by 50 corporations to Baznas is as large as Rp 5 billions.

Hafidhuddin stated that the government together with Muslims need to work together to explore the zakat potential. "Because zakat is fresh money and it is not a loan." According to him, if the corporate zakat was maximized, the effects would be impressive towards the peoples' welfare and the pride of the nation (Republika, 2009).

RESEARCH METHOD

This study uses a descriptive method to explain the characteristics of the phenomenon or the problem. The current study assists the researcher to explain the characteristic of the research subjects and investigate the several aspects of the phenomenon that is observed (Indriantono & Supomo, 1999).

Identification of Variables

The variables used in this study consist of two, namely GDRP and total number of poor people. Zakat refers to spending a portion of owned assets that have reached its *nisab* (minimum amount of asset to be subject to zakat) (condition of zakat) (BAZIS DKI Jakarta, 1999). Based on this definition, the calculation on the total amount of zakat is based on the Muslim's individual income that is obliged for zakat as well as data on profits gained from Muslim companies in the Lampung province. However, due to the difficulties in obtaining such data, the data is obtained through a proxy using GDRP from the Lampung province. Although this data does not separate between Muslims and non-Muslims, however with a total population of Muslims reaching 93 percent from the total population (LDA, 2008), this study views that the data for zakat potential is homogenous.

The poor are the targets of zakat. Zakat is distributed to the people who earn the rights to receive it (*mustahik*) consisting of 8 *ashnaf* (At-Taubah:60) namely, the poor, the committee in charge of zakat, *muallaf* (converts), to free a slave, people who make debts for Allah's cause and travellers. Poor people in this study are not viewed as individuals but rather as poor families (RTM- *Rumah Tangga Miskin*).

Type and Source of Data

The data obtained in this study consists of secondary data obtained using documentation techniques. The data was in form of GDRP per

district in the Lampung province, and poor family per district from the Lampung province.

Data Analysis

Data analysis was conducted by performing estimation on the total amount of zakat received based on the GDRP of each district/city in the Lampung province. Estimation on zakat received from GDP differs from one country to another. The average opinions from eight countries (Egypt, Pakistan, Indonesia, Qatar, Saudi Arabia, Sudan, Syria, and Turkey) is opinion a; 1.8%, opinion b; 3.9% and opinion c; 4.3%. Estimation of zakat in Indonesia consists of three opinions, namely; opinion a; 1%, opinion b; 1.7% and opinion c; 2% (Ahmed, 2008). This study calculates zakat potential based on opinion 1, namely the estimation of Indonesia zakat of 2% and opinion 2, namely the average estimation of zakat from eight countries of 4.3%.

The calculation of zakat potential for poor community empowerment is based on the indicators of poor people living below USD1/day (Report on Achieving MDGs in Indonesia, 2007). Furthermore, zakat potential is obtained by comparing estimations of zakat potential with the fulfilment of needs of poor

people living under USD1/day.

RESULTS AND DISCUSSION

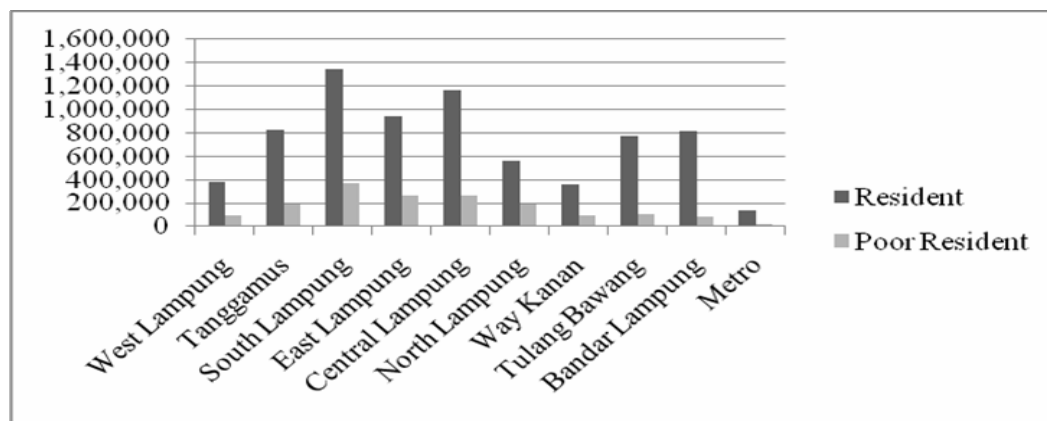
Profile of Poor People (*Mustahik*) in Lampung Province

The conditions of the poor in the Lampung province are quite diverse. Data on the poor refers to data from BPS and data from targets of poverty alleviation programs in poor villages in the Lampung province for the period 2007-2009 (BPMPD, 2009). The data that is used is based on the category; poor residents and poor families (RTM-*Rumah Tangga Miskin*).

Poor Residents in the Lampung Province

Furthermore data is displayed on the total number of poor residents per district/city in the Lampung province. Figure 1 presents the comparison of total poor residents per resident in each district/city in the Lampung province.

The figure indicates that most of the poor residents are located in the districts South Lampung, East Lampung, Central Lampung, and Tanggamus. The figure indicates that most of the poor residents are located in largely populated regions.



Source: BPS (2007)

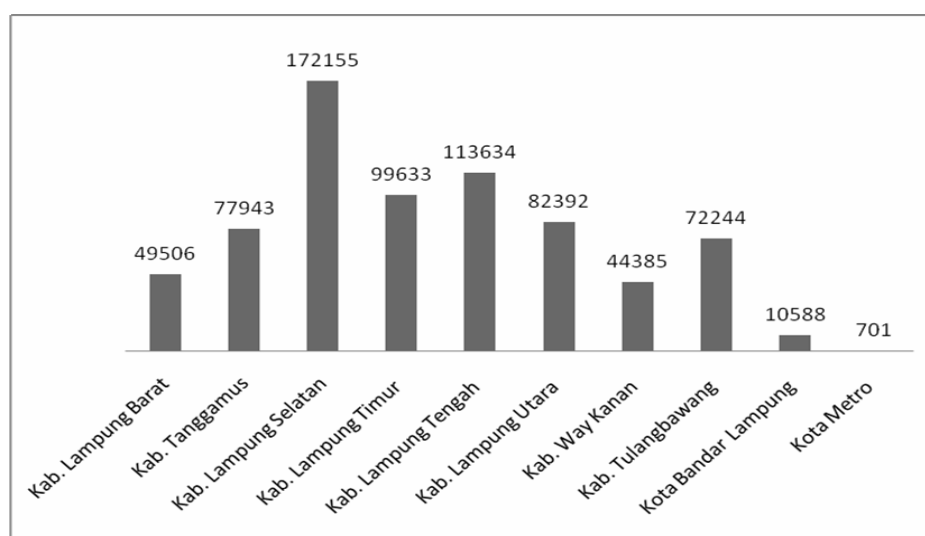
Figure 1. Total Poor Residents per District/City in the Lampung Province

Poor Families in the Lampung Province

The total numbers of poor families in Lampung are considerably diverse (BPMPD, 2009). Most poor families are located in the South Lampung district followed by the Central Lampung district and East Lampung district. The least number of poor families are located in the Metro city and Bandar Lampung. Figure 2 indicates the data of poor families in the Lampung province.

Zakat in Lampung

Zakat, infaq, and *sedekah* (ZIS) in the Lampung province is observed from the amount of ZIS received from official zakat institutes in the Lampung province. However this data does not reflect actual conditions because there remains several *muzakki* that delivers their zakat directly to the poor or mosques nearby their area. The total number of ZIS received in Lampung can be seen in table 1.



Source: Body for Community and Village Government Empowerment, Lampung Province (2009)

Figure 2. Total number of poor families in the districts/city in the Lampung province

Table 1. Total number of Zakat, Infaq/*Sedekah* Year 2006 to 2009 LAZ/BAZIS

No	LAZIS	2006	2007	2008	2009
1.	DPU-DT Lampung	105,269,000	279,176,000	317,691,000	*
2.	Rumah Zakat Indonesia			181,671,000	414,432,000
3.	LAZIS Dewan Dakwah		60,970,000	124,630,000	135,825,000
4.	Bazis Prov. Lampung	147,533,018	70,917,600	112,737,876	148,501,000
5.	Baitul Mal Hidayah			69,390,000	78,778,000
6.	Baitul Maal Abdurrahman bin Auf				22,235,000
Total Zakat		252,802,018	411,063,600	806,119,876	777,536,000

Note: * = data is recapitulated once a year

Source: From each Amil Zakat Foundation

The total number of ZIS can be seen to rise from year to year; from 2009 the data on ZIS can not be collected entirely because one of the LAZ performs a recapitulation of the data once a year. The data indicates that the total amount of ZIS received from Bandar Lampung reached Rp77.53 millions. While the ZIS distribution is displayed in table 2.

The table indicates that the distribution of ZIS increases from year to year. In 2009, it the data has not been able to be collected entirely because there was some LAZ that only performed recapitulation once a year.

Zakat Potential from the Lampung GDRP

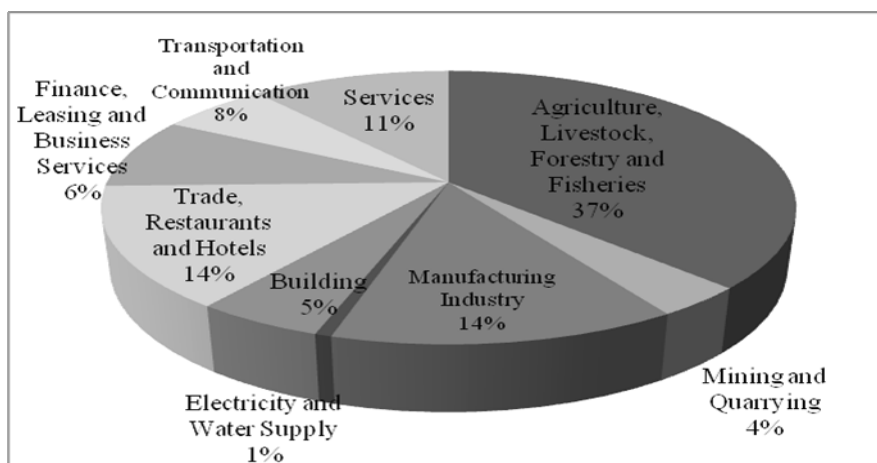
An estimation of the zakat potential from the Gross Domestic Regional Product (GDRP) of the Lampung province can be seen from several sectors. Figure 3 indicates the zakat potential based on the Lampung provincial GDRP. Zakat potential largely contributes to agriculture, livestock, forestry, and fishery, followed by management industries, trade, restaurant, hotel and other services. The total zakat potential is as large as 2% from the Lampung GDRP totalling Rp644.18 billions

Table 2. Distribution of Zakat, Infaq/Sedekah Year 2006 s.d 2009 LAZ/BAZIS

No	LAZIS	2006	2007	2008	2009
1.	DPU-DT Lampung	114,623,000	253,512,000	280,460,000	*
2.	Rumah Zakat Indonesia			132,619,000	302,529,000
3.	LAZIS Dewan Dakwah		43,510,000	107,974,000	107,127,000
4.	Bazis Prov. Lampung	144,258,815	69,564,975	89,898,438	92,735,000
5.	Baitul Mal Hidayah			55,526,000	59,827,000
6.	Baitul Maal Abdurrahman bin Auf				12,742,800
Total Distribution of Zakat		258,881,815	366,586,975	666,477,438	562,218,000

Note: * = data is recapitulated once a year

Source: from each Amil Zakat Foundation



Source: Processed data 2009, BPS

Figure 3. Potential of Zakat from Lampung GDRP from numerous sectors

A study conducted by Ahmed (2008) demonstrates that the calculation of zakat can be made through calculations of Gross Domestic Product (GDP). Estimation of the total amount of zakat received is different for each country. Each country has different opinions. The average opinion from eight countries (namely: Egypt Pakistan, Qatar, Pakistan, Indonesia, Saudi Arabia, Sudan, Syria, and Turkey) are as follows opinion a; 1.8%, opinion b; 3.9% and opinion c; 4.3%. Estimation of zakat is divided between three opinions, namely; opinion a; 1%, opinion b; 1.7% and opinion c; 2%. The larger the percentage of zakat the larger the estimation of zakat that is received. Similarly, the larger the GDP the larger the potential of zakat that is received to tackle poverty.

Calculation of zakat potential in this study is analyzed using two opinions, namely the Indonesian opinion of 2% from GDRP and the average opinion from eight countries of 4.3% from GDRP. Table 3 indicates the zakat potential from both opinions.

The first method calculates zakat potential from the Indonesian opinion of 2% from GDRP by allocating 1 USD/ day for each poor family. The measure for poverty of USD1/day is chosen based on the indicator from

Millennium Development Goals (MDGs) (Report on Achievement of MDGs Indonesia, 2007) that poverty is indicated by an income below 1 USD/day. Zakat potential is calculated by allocating 1 USD per poor family per day to take them out of the poverty line (Ahmed, 2008).

Table 3 indicates the zakat potential in allocating USD 1 per day per poor family. From the overall districts/ cities only Bandar Lampung and Metro can take the poor families out of the poverty line. Meanwhile, the second method uses the average opinion from eight countries of 4,3%. The total numbers of districts/cities that are able to take poor families out of the poverty line of 1USD/day include Bandar Lampung and Metro, while the other districts indicate an increase of percentage however they are not yet able to escape the poverty line. This indicates the small GDRP of the Lampung province therefore zakat potential, for both 2% and 4.3% has not been able to take poor families out of the poverty line. Therefore zakat potential to take the poor families out of the poverty line depends on the total amount of GDRP and the opinion of zakat percentage, the larger the GDRP and the larger the percentage of zakat, therefore the larger the

Table 3 Potential of zakat from the opinion of 2% and 4.3% from GDRP

District/City	GDRP	2% zakat	4.3% zakat
West Lampung	1,278,916,350,000	25,578,327,000	54,993,403,050
Tanggamus	3,111,602,400,000	62,232,048,000	133,798,903,200
South Lampung	4,710,965,390,000	94,219,307,800	202,571,511,770
East Lampung	3,751,258,720,000	75,025,174,400	161,304,124,960
Central Lampung	5,255,606,080,000	105,112,121,600	225,991,061,440
North Lampung	2,855,120,380,000	57,102,407,600	122,770,176,340
Way Kanan	1,252,815,290,000	25,056,305,800	53,871,057,470
Tulang Bawang	4,081,171,690,000	81,623,433,800	175,490,382,670
Bandar Lampung	5,432,245,760,000	108,644,915,200	233,586,567,680
Metro	479,391,740,000	9,587,834,800	20,613,844,820
Lampung	32,209,093,800,000	644,181,876,000	1,384,991,033,400

Source; Processed Data, BPS

zakat potential that can be utilized. Zakat potential for each district/city can function as cross subsidies between districts/cities. Districts with low zakat potential due to their low GDRP but with high rates of poor families can be subsidized with districts/cities with larger amounts of zakat.

Based on a study of the National Zakat Amil Body (*Baznas-Badan Amil Zakat Nasional*), zakat potential for Indonesia can reach Rp19.3 trillions. However to this day no Islamic country can collect zakat up to 2.5% from the total GDP. Malaysia in 2006 was only able to collect zakat as large as 600 million ringgit (Rp1,5 trillions) or around 0.16% from the total GDP. This is also the case in Indonesia, which is only able to collect Rp800 billions or only 0.045% from the total GDP. In general, the countries in the gulf are only able to collect 1% in average from their GDP (Witjaksono, 2008). This is also the case for the total amount of ZIS for the Bandar Lampung areas as large as 0.0024% from the Bandar Lampung's GDRP based on accurate data obtained from Bandar Lampung, while data was difficult to obtain from other districts since the ZIS management has not acquired an

established structure and the funds have not been managed effectively. This is in addition to the numerous ZIS that are spread across the society.

This indicates that zakat potential has not been optimized to the best interests of the society. Therefore it requires the commitment from the regional government to address the potential and management of zakat, particularly for the Lampung province.

DISCUSSION

Based on the analysis on the total amount of poor families and zakat potential in the Lampung province, the role of zakat can be seen in empowering the poor in each district/city in the Lampung province. The empowerment of the poor can be conducted based on zakat potential for each region. If there were an abundance of zakat potential compared to the level of poverty in that district, zakat can be used as a cross-subsidy for other districts in greater need. Comparison on zakat potential and the total amount of poor families can be observed from Figure 4.

Table 4. Percentage of Increased Income of Poor Families of USD 1/day through Allocation of Zakat Funds

District/City	GDRP per district/city of Lampung Province	Poor Family x \$1/day	Potential of zakat to overcome poverty	
			2%	x:4,3%
West Lampung	1,278,916,350,000	162,627,210,000	0.16	0.34
Tanggamus	3,111,602,400,000	256,042,755,000	0.24	0.52
South Lampung	4,710,965,390,000	565,529,175,000	0.17	0.36
East Lampung	3,751,258,720,000	327,294,405,000	0.23	0.49
Central Lampung	5,255,606,080,000	373,287,690,000	0.28	0.61
North Lampung	2,855,120,380,000	270,657,720,000	0.21	0.45
Way Kanan	1,252,815,290,000	145,804,725,000	0.17	0.37
Tulang Bawang	4,081,171,690,000	237,321,540,000	0.34	0.74
Bandar Lampung	5,432,245,760,000	34,781,580,000	3.12	6.72
Metro	479,391,740,000	2,302,785,000	4.16	8.95
Lampung	32,209,093,800,000	2,375,649,585,000	0.27	0.58

Source: Processed data, BPS and BPMPD

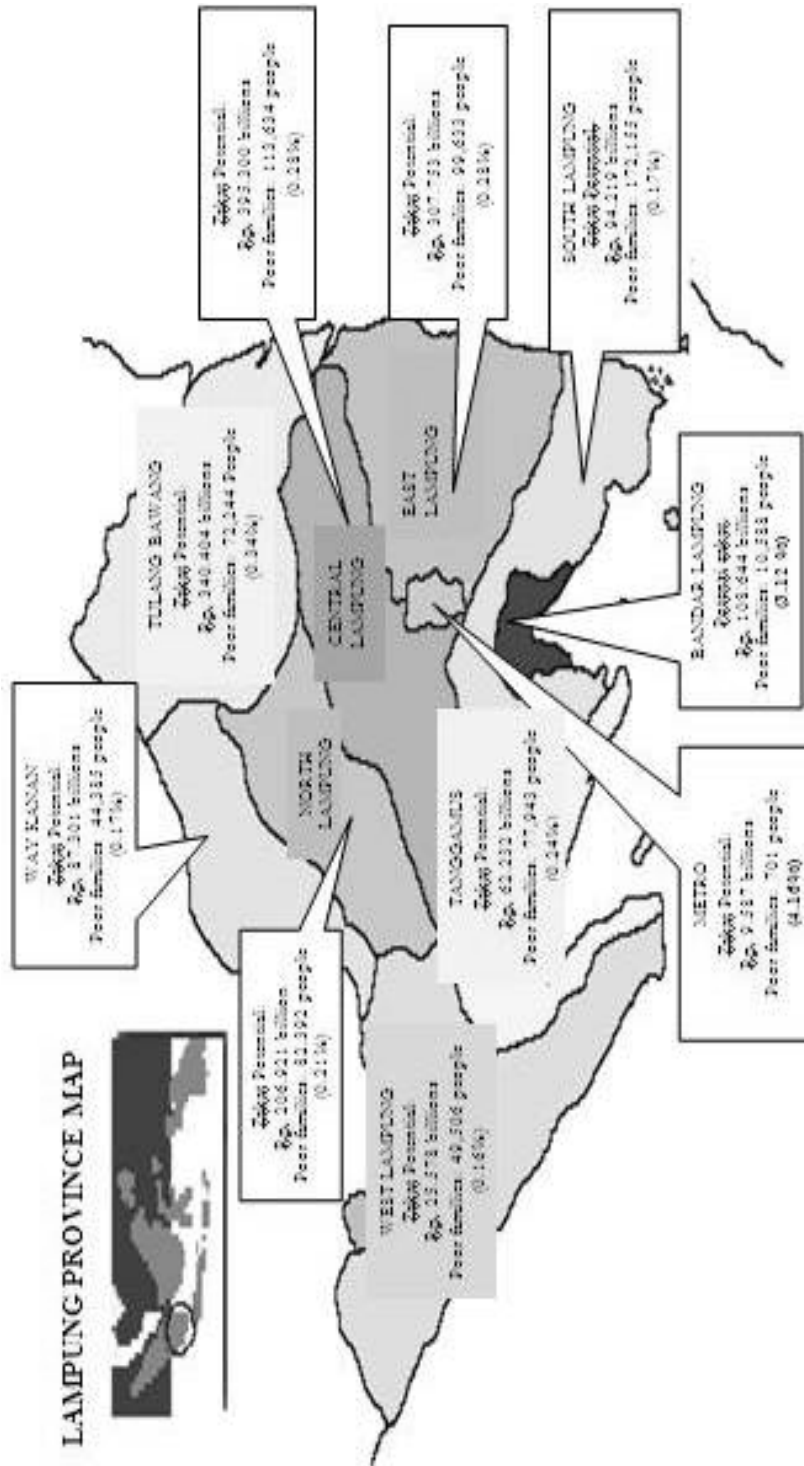


Figure A. Comparison Between Potential and Poor Families Based on District City of Lampung Province

The figure indicates that with the opinion of 2% the City Bandar Lampung owns a zakat potential of Rp108,644,915,200. With this potential Bandar Lampung was able to take 10,588 poor families out of the poverty line. In addition, in the West Lampung district, a total of 172,155 poor families with a zakat potential of Rp94,219,307,800, was only able to accommodate 0.17% of the needs of poor families to escape the poverty line. However this condition is better compared to the West Lampung district that is only able to fulfil 0.16% of the poor families from its zakat potential.

Distribution of ZIS does not imply that all of the ZIS is completely distributed or allocated to 1 USD/day for poor families, ZIS distribution is intended to empower the poor. Empowerment is an effort to help the vulnerable and powerless to enable them to achieve welfare in their social life (Gunawan & Sugiyanto, 2003).

Therefore zakat is obliged to be collected to the LAZ not directly to the *mustahik*. Direct distribution would neglect aspects of guidance and empowerment to the *mustahik* let alone to accommodate the collective needs of the impoverished. LAZ is an official and professional institute that has the role to represent the *mustahik* in performing those roles.

Based on an analysis on the potential of zakat and the distribution of *mustahik*, zakat potential can be explored to empower the poor. The large zakat potential should already become the concern of the government therefore allowing the effective management of zakat. The regional government of the Lampung Province for example in 2007 and 2008 allocated funds for the social department as large as Rp29.15 billions and Rp21.01 billions, including other programs to tackle poverty. The large potential of zakat in the Lampung province reaches Rp644,181,876,000 with the opinion of 2% and Rp1,384,991,033,400 with the opinion of 4.3%, and if this was explored even further

these figures would certainly assist the government in battling poverty in the Lampung province.

Effective management of zakat from the aspects of collection and distribution will eventually depend on the professionalism of management of the zakat amil bodies/ institutes, as well as fine synergy with the government, BAZIS and private LAZ. Therefore it is expected that the large zakat potential can be collected and be solely used for empowering the poor, and therefore zakat can become an alternative solution of empowering the poor in Indonesia, particularly in the Lampung province.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

1. The results of the analysis indicate that zakat potential in the Lampung province totals; Rp644,181,876,000 with the opinion of 2% and Rp1,384,99,033,400 with the opinion of 4.3%. Based on GDRP, the largest zakat potential was obtained from the Bandar Lampung City and the smallest from the Metro City.
2. Zakat plays a role in empowering the poor in each district/ city in the Lampung province. Empowerment of the poor can be conducted based on the zakat potential in each region. If zakat potential was abundant compared to the level of poverty, zakat can act as a cross subsidy in other districts have greater needs for it.

Recommendations

Based on the results of the analysis the following recommendations are made:

1. The results of the study provide a description for the Lampung Provincial Government to optimize the collection of zakat that can be utilized to empower the poor, which will assist the government in

overcoming poverty in the Lampung province. The benefits of zakat are large including efficient use of government spending in the program of tackling poverty.

2. The results of the study indicate that level of poverty and zakat potential differs from one district/ city to another. There are districts with large zakat potential, but there are also districts with high levels of poverty with lower potential of zakat. Therefore further studies are required to construct an effective model to collect and utilize the zakat for empowering the poor for each district/city in the Lampung province.
3. The presence of institutes related with collecting and distributing zakat, namely the government, BAZIS and private LAZ, therefore requires further studies that designs an information system between those institutes, as well as an information system of collection and distribution of zakat, to allow the effective collection and operation of zakat potential, without any overlapping from several zakat amil bodies/ institutes.

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