

Utilization of Zakat Funds in Improving Human Development: A Study on Scholarship Recipients of DKI Jakarta National Amil Zakat Agency

Aisyah Nur Athifah Lubis

Universitas Pembangunan Nasional Veteran Jakarta, Indonesia

Email: aisyah@upnvj.ac.id

Faizi*

Universitas Pembangunan Nasional Veteran Jakarta, Indonesia

*(Corresponding author) e-mail: faizi_febi@upnvj.ac.id

Abstract: this study aims to evaluate the effectiveness of zakat funds in improving human development through the Future of Jakarta Scholarship (FJS) programme, which addresses important issues such as the sub-optimal allocation of zakat in education, high dropout rate, and inadequate level of human development. Using descriptive qualitative research method, this study collected primary data through interviews. Interview subjects include zakat recipients, programme administrators, education experts and community leaders, to provide a comprehensive understanding of the impact of the programme. The FJS theoretical framework combines zakat and Islamic finance theories, highlighting the role of zakat in socio-economic development and poverty alleviation, alongside human development theory to assess its impact on life expectancy, years of schooling, and purchasing power. The findings show that the FJS programme effectively meets criteria such as accuracy, awareness, purpose, and monitoring in distributing zakat funds. This positive impact is seen from the increase in life expectancy, increase in years of schooling, and increase in purchasing power among the beneficiaries.

Keywords: Utilization, Zakat Funds, Human Development, National Amil Zakat Agency

Introduction

Zakat one of the fundamental pillars of Islam, has proven to be a significant financial tool for poverty alleviation, as evidenced by various studies across multiple countries. In Malaysia, the structured distribution of zakat has notably reduced poverty rates among the Muslim population, decreasing from 5.5 percent in 2004 to 1.7 percent in 2014.¹ In Indonesia, the Future of Jakarta Scholarship (FJS) program has leveraged zakat funds to enhance human development indicators such as life expectancy, years

¹ Maulida Dwi Agustinarsih et al., "Discovering the Experience of Financial Technology (FinTech) Users in Paying Zakah, Infaq, and Sadaqah (ZIS) in East Java, Indonesia," *El-Qish: Journal of Islamic Economics* 1, no. 2 (2021): 132–43, <https://doi.org/10.33830/elqish.v1i2.1842.2021>.

of schooling, and purchasing power, significantly contributing to poverty reduction.² Similarly, Sudan's Zakat Chamber has played a crucial role in improving living standards for the poor through targeted projects in healthcare, education, and economic development.³ In Pakistan, the Zakat and Ushr Ordinance has been instrumental in reducing poverty by providing financial assistance, healthcare, and education to the needy.⁴ Additionally, Saudi Arabia's General Authority of Zakat and Tax has funded various social welfare programs, significantly impacting poverty reduction.⁵ These examples collectively highlight the effectiveness of zakat in reducing poverty, emphasizing its potential as a powerful tool for socio-economic development when managed and allocated properly.

One of its advantages is providing various forms of assistance, including educational scholarships, to improve the quality of education. However, the distribution of zakat to recipients in the education sector has not fully achieved the desired impact of reducing poverty, addressing school dropout rates, and enhancing human development in Indonesia. The poverty level within the country is a key indicator of the well-being of society. From a practical standpoint, poverty has detrimental effects, such as decreased living standards, hindered development of a skilled workforce, economic and social burdens, increased crime rates, and disruption of societal order. Addressing poverty-related issues in Indonesia remains a challenging task that requires improvement. This includes various dimensions of poverty, such as economic and social aspects, which can be examined from different perspectives and measurements.⁶ In a broader context, poverty is not only a problem in

² Ulya Utari, Nurma Sari, and Amri Amri, "Utilization of Zakat Funds on The Welfare Dimensions of The Poor In Aceh Besar (Baitul Mal Mustahik Case Study)," *El-Qish: Journal of Islamic Economics* 1, no. 1 (2021): 56–68, <https://doi.org/10.33830/elqish.v1i1.1534.2021>.

³ Annisa Rizqa Alamri et al., "Management of Productive Zakat Management of Mustahik Welfare in Baznas Gorontalo District," *Prosperity: Journal of Society and Empowerment* 3, no. 1 (2023): 19–29, <https://doi.org/10.21580/prosperity.2023.3.1.14631>.

⁴ Basar Dikuraisyin, Ghosyi Harfiah Ningrum, and Julianinggar Lusiana Isnaini, "Asset Waqf Management Model in the Health Sector LAZNAS Daarut Tauhiid Peduli Surabaya," *AL-FALAH: Journal of Islamic Economics* 7, no. 2 (2022): 227, <https://doi.org/10.29240/alfalah.v7i2.4921>.

⁵ Basar Dikuraisyin, "Reconstructing Zakat Management through Political Culture: Insights from Madura," *Ulul Albab: Jurnal Studi Dan Penelitian Hukum Islam* 7, no. 2 (2024): 151–69, <https://doi.org/https://doi.org/10.30659/jua.v7i2.33734> Reconstructing.

⁶ Euis Intan Anovani, "Perbandingan Dampak Pendayagunaan Zakat Produktif Dan Zakat Konsumtif Terhadap Tingkat Kemiskinan Mustahik," *Humanities, Management, and Science Proceedings* 1, no. 2 (2021): 419–31.

remote areas far from the central government but also presents a challenge in major cities, including Jakarta. From September 2021 to March 2022, Jakarta's economic growth was approximately 4.42 percent. However, there was also a relatively high inflation rate of 1.78 percent during the same period.

Education is a critical focus for developing nations like Indonesia, which has the fourth-largest population globally. However, educational attainment within society has not reached satisfactory standards. This can be attributed mainly to persistently low social and economic conditions that affect a significant segment of Indonesia's population.⁷ The level of income distribution is a key indicator of societal equality. Distribution is considered successful when the income share of a specific societal group aligns with their proportion in the population. One viable strategy for alleviating poverty is to establish a system that facilitates the transfer of wealth from more affluent segments to those less fortunate.

Research indicates that the quality of human resources significantly impacts Indonesia's poverty rate. Human development progress is crucial for poverty alleviation, as low-quality human resources can result in inadequate skills.⁸ Human development is foundational for national progress, highlighted by the strategic role of human resources. Zakat management aims to improve the well-being of recipients (mustahiq) to enhance human development quality.⁹ Beyond human development, there are alternative poverty alleviation methods. Islam, emphasizing compassion, presents an efficient approach to reducing poverty and providing business capital access.¹⁰ Zakat, integral to Islamic teachings,

⁷ KHURUL AIMMATUL UMMAH, AHMAD RIYADI, and SRI HERIANINGRUM, "Pola Implementasi Alokasi Ziswaf Dalam Penyediaan Akses Pendidikan Bagi Kaum Dhuafa," *JEBI (Jurnal Ekonomi Dan Bisnis Islam)* 3, no. 2 (2018): 247, <https://doi.org/10.15548/jebi.v3i2.183>.

⁸ Noor Zuhdiyaty and David Kaluge, "Analisis Faktor - Faktor Yang Mempengaruhi Kemiskinan Di Indonesia Selama Lima Tahun Terakhir," *Jurnal Ilmiah Bisnis Dan Ekonomi Asia* 11, no. 2 (2018): 27–31, <https://doi.org/10.32812/jibeka.v11i2.42>.

⁹ Cut Risya Varlitya, "Analisis Zakat Sebagai Pendapatan Asli Daerah Terhadap Indeks Pembangunan Manusia: Pendekatan Data Panel (Studi Kasus 12 Regencyupaten/City Provinsi Aceh)," *Jurnal Ekonomi Dan Kebijakan Publik Indonesia* 4, no. 2 (2017): 192–211.

¹⁰ Muhammad Danuludin, Ibdalsyah Ibdalsyah, and Hilman Hakiem, "Implementasi Pendistribusian Zakat Produktif Untuk Usaha Mikro Mustahik Di Era Pandemi Covid-19," *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam* 4, no. 2 (2021): 89–99, <https://doi.org/10.47467/elmal.v4i2.517>.

addresses social inequality and poverty by redistributing wealth from the affluent to the needy.¹¹

Zakat's importance in human life is evident through its significant impact. When distributed for productive activities, zakat benefits can be sustained. Zakat funds can support income sources in impoverished communities, with the allocation based on asnaf categories as shown below.

Table 1.2:
Allocation of Zakat Funds Based on Asnaf

No	Asnaf	2020			2021			2022		
		%	RP	Benefit Recipients	%	RP	Benefit Recipients	%	RP	Benefit Recipients
1	Fakir	0,33	449,697,700	31	63,79	93,910,767,113	664.126	52,31	105,282,389,473	711.609
2	Miskin	55,43	70,294,721,465	670.735						
3	Muallaf	0,10	131,620,100	47	0,23	339,772,700	2.459	0,27	547,079,900	2.197
4	Riqab	0,00	0	-	0,00	0	250	0,00	0	-
5	Gharimin	1,27	1,615,907,460	600	1,30	1,914,896,600	740	1,52	3,059,079,062	1.151
6	Sabilillah	42,51	53,909,670,442	164.854	34,51	50,806,827,054	1.634.502	45,77	92,116,246,612	11.894.242
7	Ibnu Sabil	0,33	412,305,796	1.609	0,17	251,231,200	211	0,12	248,521,858	90
Total		100	126,813,992,963	837.876	100	147,223,494,667	2.302.288	100	201,253,316,904	2.609.289

Source: Outlook Baznas DKI Jakarta (2020-2022)

From this table, it is evident that 50% of the allocated zakat can be directed towards financing productive activities aimed at supporting underprivileged communities. Examples of such activities include providing funding for skill training and business capital¹². The details are illustrated in the table below:

Table 1.3:
Allocation of Zakat Funds for Productive Activities

No	Field	Mustahik Amount	%
1	Economic	871.059	5,25
2	Education	1.177.337	7,10
3	Preaching	3.916.128	23,62

¹¹ Syahrul Amsari, "Analisis Efektifitas Pendayagunaan Zakat Produktif Pada Pemberdayaan Mustahik (Studi Kasus LAZISMu Pusat)," *AGHNIYA: Jurnal Ekonomi Islam* 1, no. 2 (2019), <https://doi.org/10.30596/aghniya.v1i2.3191>.

¹² Irsan Maulana, Arif Rahman, and Asep Iwan Setiawan, "Implementasi Pendistribusian Zakat Produktif Dalam Meningkatkan Ekonomi Masyarakat," *Jurnal Manajemen Dakwah* 4, no. 1 (2019): 97-114, <https://doi.org/10.15575/tadbir>.

4	Health	2.340.580	14,12
5	Social Humanity	8.273.216	49,90
Total		16.578.320	100

Source: BAZNAS (2021)

Based on the data presented above, it is evident that zakat funds are primarily allocated towards non-productive activities. Ideally, zakat funds should be directed towards initiatives that yield tangible outcomes. By supporting productive endeavours, zakat can effectively aid the impoverished and enhance the overall well-being of the community, especially after meeting the basic needs of the recipients.

Zakat, an obligatory form of almsgiving in Islam, offers a promising solution for addressing educational disparities by channeling financial resources to underprivileged students and educational institutions. By redistributing wealth from affluent individuals to those in need, zakat can alleviate the financial barriers that prevent many children from accessing quality education. For example, zakat funds can be allocated to cover tuition fees, purchase educational materials, and enhance school infrastructure, thereby making education more accessible to children from low-income families.¹³

Additionally, zakat can support scholarship programs and financial aid, providing opportunities for talented students who might otherwise be unable to pursue higher education due to financial constraints. The benefits of zakat extend beyond individual upliftment, contributing to broader socioeconomic development by fostering a more educated and skilled workforce. By strategically investing in education through zakat, societies can break the cycle of poverty and empower future generations to achieve economic and social progress. Thus, the effective allocation of zakat towards educational initiatives has the potential to drive significant positive change for both individuals and communities.¹⁴

Despite the government's efforts to evenly develop educational infrastructure, particularly in remote and underserved areas, the

¹³ Afief El Ashfahany and Muhammad Iqbal Nur Ishlahudin, "Efficiency Analysis of Zakat Management Institutions in Banyumas Regency: Case Study of LAZISMU, LAZISNU and BAZNAS," *Iqtisad: Reconstruction of Justice and Welfare for Indonesia* 10, no. 1 (2023): 51, <https://doi.org/10.31942/iq.v10i1.8261>.

¹⁴ Amirullah et al., "Functions of the Agency of Amil Zakat, Infaq, Sedakah and Its Management in Gowa District, South Sulawesi Province, Indonesia," *Asian Journal of Applied Sciences* 10, no. 4 (2022): 366–78, <https://doi.org/10.24203/ajas.v10i4.7023>.

allocation of only 20% of the regional budget for education is still relatively low. The utilization of zakat in education aims to provide learning opportunities for underprivileged children. The zakat funds given to them have the potential to motivate them to pursue higher education, ultimately improving the standard of living in the community.¹⁵ Zakat can continue to be used sustainably in the education sector, such as by enhancing facilities, providing scholarships, and engaging in other relevant activities. Contributions to education play a crucial role in encouraging zakat institutions to take the lead in fundraising efforts to meet the needs in this sector.¹⁶

Results from the research¹⁷ indicate that the Human Development Index (HDI) significantly influences the poverty rate in Indonesia. This is because limited skills resulting from low-quality human resources affect poverty rates. Human development plays a crucial role in a nation's progress, and the importance of human resources cannot be overstated. Therefore, one of the primary objectives of zakat management is to improve the well-being of mustahiq (those eligible to receive zakat). This objective is closely linked to the goal of enhancing the quality of human resources, which is measured by the Human Development Index.¹⁸ Research conducted shows that the implementation of productive zakat in the One Family One Scholar (SKSS) scholarship program positively and significantly impacts students' academic achievements. This finding aligns with another research¹⁹ that indicates that zakat funding for educational scholarships has an effectiveness rate of 95.58%. Additionally, the results of several other studies²⁰ support these findings by demonstrating the effectiveness of BAZNAS' distribution of zakat funds for scholarships in

¹⁵ N M Radzi and A Ab Rahman, "Zakat and Educational Equity of Urban Poor Children," *O-JIE: Online Journal of Islamic ...* 7, no. 2 (2019): 29–39.

¹⁶ Ainul Fatha Isman and Muhammad Aminul Wahid, "Pendayagunaan Zakat Pada Masa Pandemi Covid-19 Dalam Perspektif Maqāṣ Id Al- Sharī ' Ah," *Jurnal Ilmiah Ekonomi Islam* 8, no. 03 (2022): 2709–17.

¹⁷ Zuhdiyaty and Kaluge, "Analisis Faktor - Faktor Yang Mempengaruhi Kemiskinan Di Indonesia Selama Lima Tahun Terakhir."

¹⁸ Varlitya, "Analisis Zakat Sebagai Pendapatan Asli Daerah Terhadap Indeks Pembangunan Manusia: Pendekatan Data Panel (Studi Kasus 12 Regencyupaten/City Provinsi Aceh)."

¹⁹ Husnul Hami Fahrini, "Efektivitas Program Penyaluran Dana Zakat Profesi Dalam Bentuk Pemberian Beasiswa Bagi Siswa Muslim Kurang Mampu Oleh BAZNAS Di Regencyupaten Tabanan," *Jurnal Pendidikan Ekonomi Undiksha* 7, no. 2 (2016): 2–4.

²⁰ Mayang Indah Sari, "Analisis Efektivitas Program Penyaluran Dana Zakat Untuk Beasiswa Bagi Mahasiswa Muslim Pra Sejahtera Pada Baznas Provsu" 2 (2022): 1–15.

North Sumatra Province, as it follows established procedures. Another study that already passed reveals that an increase in zakat income as a source of Regional Original Income contributes positively to improving the Human Development Index, particularly in the areas of health, education, and community income. However, some research²¹ confirms the positive correlation between zakat and human development in Indonesia.

However, previous research has produced conflicting results. For instance, a study conducted by²² concluded that the distribution of zakat funds in the form of scholarships by BAZNAS did not significantly affect the academic performance of students at UIN Sultan Maulana Hasanuddin Banten. Similar findings were reported in a study by²³ which found that although BAZNAS City Bekasi successfully distributed zakat funds, the Bekasi Cerdas program, funded by zakat, experienced a yearly decline, suggesting a decrease in its effectiveness. Another research study by²⁴ was found no significant impact of zakat on poverty in Aceh Province from 2010 to 2017. This conclusion was supported by a t-value of -1.5097 with a significance value of 0.1329, which is greater than 0.05. Furthermore, a study conducted by²⁵ revealed a significant negative effect of zakat on poverty alleviation in Indonesia. Additionally, research conducted by²⁶ found that the distribution of ZIS funds had no significant

²¹ Mudita Sri Karuni, "Pengaruh Dana Zakat Terhadap Pembangunan Manusia Di Indonesia," *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita* 9, no. 2 (2020): 174–85, <https://doi.org/10.46367/iqtishaduna.v9i2.245>.

²² Ima Mutammima Rohmawaty, "PENGARUH PENDISTRIBUSIAN DANA ZAKAT DALAM BENTUK BEASISWA BAZNAS TERHADAP PRESTASI MAHASISWA Studi: Mahasiswa Penerima Beasiswa BAZNAS KAB.Serang Di UIN Sultan Maulana Hasanuddin Banten Tahun 2016" (Universitas Islam Negeri "Sultan Maulana Hasanuddin" Banten, 2018).

²³ Dini Fakhriah, "Efektivitas Penyaluran Dana Zakat Di BAZNAS Kota Bekasi Dalam Peningkatan Pendidikan Melalui Program Bekasi Cerdas" (Universitas Islam Negeri Syarif Hidayatullah Jakarta, 2016).

²⁴ M Muhaddisin and S Sartiyah, "Pengaruh Zakat Dan Pendidikan Terhadap Kemiskinan Di Provinsi Aceh," *Jurnal Ilmiah Ekonomi Islam* 1, no. November 2019 (2019): 254.

²⁵ Musalim Ridlo and Ahmad Mifdlol Muthohar, "Pengaruh Zakat, Pembiayaan Syariah Dan APBN Terhadap Pengentasan Kemiskinan Di Indonesia Dan Malaysia," *Jurnal Dinamika Ekonomi & Bisnis* 17, no. 2 (2020): 123–30, <https://doi.org/10.34001/jdeb.v17i2.1101>.

²⁶ Muhammad Ramadhani and Difi Dahliana, "Dampak Pengangguran Dan Penyaluran Dana Zakat Infak Sedekah Terhadap Kemiskinan Di Provinsi Kalimantan Selatan," *Ecoplan* 5, no. 2 (2022): 150–58, <https://doi.org/10.20527/ecoplan.v5i2.604>.

impact on poverty in South Kalimantan. Another study by²⁷ also emphasized that the effectiveness of productive zakat in alleviating poverty in BAZNAS Bengkalis District had no significant impact due to a lack of intensive guidance, limited knowledge and human resources among the management, and improper targeting in the distribution of productive zakat.

Given the lack of knowledge and research on the effectiveness of using zakat funds for educational scholarships, particularly in the context of Jakarta as a measure of human development, it is important to conduct further investigation. Therefore, conducting this study is not only necessary but also vital to fill this research gap.

In this research, the author will use a qualitative descriptive research method employing a case study approach. Qualitative research involves the researcher as the main instrument and utilizes data collection techniques such as observation, interviews, document analysis, photographs, and field notes.²⁸ The data for this research will be gathered through interviews and document analysis to examine the alignment between theory and practice in the field. The case study approach, which involves collecting and analyzing data about a specific case or phenomenon, will be used in this study to explore issues, obstacles, or matters related to individuals, groups, families, organizations, institutions, regions, or communities.²⁹

The primary data will be collected through interviews with these informants to gain insights into their experiences and perspectives regarding zakat utilization. Observations will focus on how zakat programs are implemented and their impact on beneficiaries. Documentation used as data will include reports on zakat fund allocation, program evaluations, and relevant scholarly articles. The data will be analyzed through thematic analysis to identify patterns, themes, and relationships within the collected information. This approach will help to correlate the theoretical framework with practical findings, revealing the effectiveness and impact of zakat on human development.

²⁷ Sri Wahyuningsih, "Efektifitas Zakat Produktif Terhadap Pengentasan Tingkat Kemiskinan Studi Kasus BAZNAS Regencyupaten Bengkalis," *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita* 9, no. 1 (2020): 44–53, <https://doi.org/10.46367/iqtishaduna.v9i1.211>.

²⁸ Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D* (Alfabeta, 2013).

²⁹ M.Si Hardani, S.Pd. et al., *Metode Penelitian Kualitatif & Kuantitatif* (CV Pustaka Ilmu, 2020).

Utilization Zakat Funds through Educational Scholarships at BAZNAS DKI Jakarta

The National Amil Zakat Agency (BAZNAS) of DKI Jakarta Province, known as Baznas DKI Jakarta, not only collects zakat but also implements the Future of Jakarta Scholarship (FJS) program to empower education. The primary aim of FJS is to assist financially struggling individuals with their educational expenses. Baznas DKI Jakarta views education as a fundamental right and a means to break the poverty cycle. The FJS program supports talented and motivated students who lack financial resources, enabling them to achieve their potential and contribute to Jakarta's development. In addition to financial aid, the FJS program provides mentorship and support to ensure scholars' success. Baznas DKI Jakarta is dedicated to cultivating future leaders who will positively impact their communities. The rigorous selection process for the FJS ensures that the most deserving candidates are chosen based on academic performance, leadership potential, and community commitment.

The disbursement of zakat funds through educational scholarships at Baznas DKI Jakarta involves multiple stages, with information primarily disseminated via their official Instagram platform, as noted by Informant 4, a representative from Baznas DKI Jakarta.

Based on the collected data, the initial stages of the disbursement process for FJS Scholarship funds by Baznas DKI Jakarta are as follows: The first step taken by Baznas DKI Jakarta is the dissemination of information regarding open recruitment activities. This is achieved through their Instagram social media platform, @mdj.baznasbasisdki. Evidence of this process is found in posts uploaded by Baznas DKI Jakarta whenever there is an opening related to the Future of Jakarta Scholarship (FJS), including detailed requirements that prospective participants need to prepare. Following this, prospective participants are required to gather the necessary administrative documents, such as an identity card, a certificate of poverty, and their most recent academic achievements. The subsequent stage involves the announcement of the administrative document selection. From the numerous document submissions received, Baznas DKI Jakarta conducts a selection process to prioritize those who are eligible to receive the scholarship.

4. Interview Process

To be eligible for this scholarship, applicants must fulfill the administrative requirements and advance to the next stage. The next stage consists of a series of tests and interviews, which aim to evaluate the suitability of potential scholarship recipients and determine their eligibility for the aid. The following statements are from selected scholarship recipients who have also participated as informants in this study. As part of the application process, potential recipients must complete a commitment statement. The purpose of this statement is to inspire recipients to show their dedication to their education once they have received the scholarship funds.

5. Announcement of Final Results

The scholarship program, which will announce successful participants on Instagram and Baznas DKI Jakarta's official website following a series of tests, aims to empower underprivileged families, foster independence and intellectual growth, and create opportunities for those lacking the means to pursue higher education. It expects these individuals to contribute to their communities, addressing unequal growth and alleviating poverty. By providing financial support, educational resources, mentorship, and guidance, the program seeks to break the cycle of poverty, support participants' academic journey and holistic development, and equip them with essential skills for their chosen fields.

6. Inauguration Process

According to Baznas DKI Jakarta's Instagram, the latest inauguration occurred on Monday, December 4, 2023, at Aula Universitas Al-Azhar Indonesia, South Jakarta. This event marks the beginning of the recipients' association with Baznas DKI Jakarta for the 2024 scholarship period. During the ceremony, recipients took an oath, committing to academic and personal growth and positively impacting their communities. Aula Universitas Al-Azhar Indonesia in South Jakarta served as the venue for this significant occasion. The ceremony celebrates the recipients and underscores the opportunities and responsibilities accompanying the scholarship. As they embark on their journey with Baznas DKI Jakarta, recipients carry their families' and communities' aspirations. This event heralds a transformative experience, promising growth and impact.

7. Bank Account Creation & Fund Disbursement Process

Baznas DKI Jakarta directly distributes living allowances to scholarship recipients to ensure they promptly receive funds for living expenses, alleviating financial burdens and enabling focus on studies. Additionally, Baznas DKI Jakarta provides mentorship and guidance, aiding recipients in their academic journey and goal achievement. These comprehensive services aim to empower students and promote universal access to education.

In the distribution of aid, Baznas DKI Jakarta collaborates with Bank DKI Syariah and Bank Syariah Indonesia. According to an Instagram post from MDJ Baznas DKI Jakarta on Tuesday, December 12, 2023, the process of opening bank accounts for the beneficiaries is currently underway. The purpose of using banking assistance in the disbursement of funds is to help the recipients gain a better understanding of the banking sector. They will be directly involved in activities such as creating a bank account and withdrawing funds. It is important to note that the recipients of these funds are individuals who are classified as poor and needy.

Effectiveness of Distributing Zakat Funds Through Educational Scholarships at BAZNAS DKI Jakarta

To evaluate the effectiveness of distributing zakat funds for educational scholarships at Baznas DKI Jakarta, researchers utilized established theories on effectiveness³⁰. These theories led to the identification of four indicators for measuring effectiveness: Target Accuracy, Program Socialization, Program Objectives, and Program Monitoring.

a. Target Accuracy

According to the theory, target accuracy is a crucial measure for evaluating the success of a program. It is assessed by examining whether the participants' targets in this program align with the predetermined objectives. The determination of the target for distributing zakat funds for scholarships by Baznas DKI Jakarta is aimed at individuals who have financial limitations in pursuing their education. The eligibility criteria for this scholarship are individuals classified as either poor or needy.

³⁰ Ni Wayan Budiani, "Efektivitas Program Penanggulangan Pengangguran Karang Taruna 'Eka Taruna Bhakti' Desa Sumerta Kelod Kecamatan Denpasar Timur Kota Denpasar," *Jurnal Ekonomi Dan Sosial (INPUT)* 2, no. 1 (2007): 49–57.

The primary objective of the initial application process is to accurately identify and prioritize scholarships for students in genuine need. Testimonials from past recipients confirm the program's effectiveness. These scholarships significantly benefit the recipients' lives. Gathering more feedback from current recipients can provide a comprehensive understanding of the program's impact. Additionally, input from scholarship providers on the program's effectiveness would offer a holistic perspective. This feedback can then refine the selection process, ensuring scholarships are awarded to those truly in need.

Regarding the urgency of ensuring the accurate distribution of the zakat fund, it is important to note that Allah SWT has specifically directed the zakat funds towards eight specific groups. This aligns with the insights provided by Informant 5, who is both an academician and a practitioner.

Baznas DKI Jakarta's distribution of zakat funds for educational scholarships focuses on helping the poor and needy classified as *asnaf*. According to the theory of effectiveness measurement, a program is effective if recipients meet predetermined criteria. The informant's explanation and the documentation process, including incapacity statements, confirm that the distribution aligns with target accuracy indicators. The thorough verification process ensures recipients meet specific criteria, reflecting Baznas DKI Jakarta's commitment to accurately targeting deserving individuals for scholarships. This meticulous approach enhances program effectiveness and ensures zakat funds reach those who truly qualify as *asnaf*. However, the verification process and selection criteria's transparency and fairness need further exploration to maintain accuracy and integrity.

b. Socialization

Based on the previous effectiveness theory³¹, Program socialization enables implementers to disseminate and communicate program details to the public and participants. It involves not only sharing information but also creating a positive image and understanding of the program. Effective socialization can enhance engagement, support, and commitment from the community, aiding program success. Implementers should use diverse communication channels and strategies for clear, consistent, and

³¹ Ni Wayan Budiani, "Efektivitas Program Penanggulangan Pengangguran Karang Taruna 'Eka Taruna Bhakti' Desa Sumerta Kelod Kecamatan Denpasar Timur City Denpasar," *Jurnal Ekonomi Dan Sosial (INPUT)* 2, no. 1 (2007): 49–57.

transparent information sharing. Moreover, fostering stakeholder ownership and involvement can further enhance the socialization process and overall program effectiveness.

Baznas DKI employs traditional media channels like television, radio, and newspapers, in addition to social media, to disseminate information about the scholarship program. This approach targets individuals who are not active on social media or prefer traditional information sources, ensuring the program's details reach a diverse demographic.

While Baznas primarily relies on social media to disseminate information, it's clear that their scholarship program details have reached potential recipients through various channels. Although social media is their main tool, Baznas could benefit from expanding outreach to include television, radio, and community events. Diversifying their approach would enable Baznas to reach a wider audience, ensuring equal access for all potential applicants. This multi-faceted strategy could help Baznas make a greater impact and reach those without social media access.

Informant statements indicate widespread awareness of the FJS Baznas DKI Jakarta scholarship program, often through unexpected channels like WhatsApp groups and parents. To reach individuals with limited social media access, Baznas DKI Jakarta disseminates information to local sub-districts, which then distribute it to the RT/RW levels. This is further confirmed by the mustahik, as there is currently a growing awareness and accessibility to information about the FJS.

Regarding the socialization activities of this scholarship program, informant 5, who was interviewed by the researcher, suggested a method that goes beyond formal socialization and includes non-formal media. This approach could be implemented by Baznas DKI Jakarta as the regulating body.

DKI Jakarta disseminates information via Instagram posts and word of mouth to reach individuals with limited access. The information is shared through local sub-districts, RT/RW, and Baznas institutions like hospitals. The socialization program indicators are met when the information reaches the community, particularly those identified as poor and needy by Baznas. Baznas DKI Jakarta's programs and targets have been effectively communicated through social media and word of mouth. Thus, the MDJ Baznas KI Jakarta scholarship socialization program meets the necessary indicators.

c. Objectives

Based on the previous theory of effectiveness³², Program objectives assess the alignment between established goals and achieved results in implementing activities. The primary goal of Baznas DKI Jakarta's financial assistance for educational scholarships is to help mustahik achieve educational goals and escape poverty. Limited access to education significantly contributes to poverty among mustahik. By overcoming poverty, the number of muzakki (zakat givers) in Indonesia is expected to rise. The scholarship program also aims to empower recipients. Mustahik participate in various Baznas-facilitated activities, including mentoring. These activities aim to provide mustahik with experiences, education, and additional skills beyond academics, thereby enhancing their prospects.

Aligned with the objectives, the scholarship recipients from FJS Baznas DKI Jakarta believe that the assistance provided through this scholarship is in accordance with the goals set by the regulator. Not only does this scholarship help recipients to continue their education, but the mustahik also feel that Baznas, as the regulator, pays attention to their other needs, such as the need for soft skill development. The mustahik feel that the activities provided by Baznas can enhance their skills, which they may not often acquire through formal education.

Baznas DKI Jakarta aims to improve the welfare of mustahik by disbursing zakat funds for educational scholarships. This program is expected to help mustahik continue their education and become empowered, promising individuals, transitioning from mustahik to muzakki. Interview findings indicate that the objectives of the scholarship program have been fulfilled, as beneficiaries have experienced tangible benefits. This aligns with the theory that program objectives are achieved when mustahik feel supported in meeting their needs.

d. Monitoring

Based on the previous effectiveness theory³³, Program monitoring is the concluding phase, focusing on the participants. For the MDJ scholarship program monitored by Baznas DKI Jakarta, this involves Monev, which includes a random sampling of 15 recipients to verify receipt of financial assistance. To ensure the scholarship funds' impact,

³² Budiani.

³³ Budiani.

Baznas DKI Jakarta monitors recipients' piety levels through their daily spiritual activities, such as prayer and Quranic recitation.

Besides conducting assessments, Baznas DKI Jakarta frequently employs mentoring for monitoring, as previously mentioned. Monthly mentoring sessions are held regularly, with more extensive sessions every three months. During these sessions, mentors observe and report on each mustahik's progress, which is then examined thoroughly.

When monitoring passive participants in the organized activities of Baznas DKI Jakarta, an approach is taken to temporarily withhold scholarship funds within a predetermined period. This is based on an administrative requirement during registration, where the mustahik fills out a commitment letter, signifying an agreement to remain active and contribute to all activities provided by Baznas. Based on the information provided regarding Baznas DKI Jakarta's steps in monitoring the FJS program, one efficient measure that the regulator could consider is involving the recipient's original educational institution. This was suggested by informant 5 in this study.

Educational institutions' support would facilitate Baznas DKI Jakarta in overseeing the scholarship program, ensuring zakat funds are properly utilized by recipients. Feedback and suggestions can be efficiently documented through the campus institutions attended by mustahik. Baznas DKI Jakarta verifies with recipients whether the assistance meets its intended purposes by assessing their active participation in Baznas activities, as agreed upon when applying for scholarships. The monitoring of the FJS educational scholarship program by Baznas DKI Jakarta includes evaluating recipients' progress, tracking attendance and activities, and holding discussions to identify any challenges. These measures align with Budiani's theory, which states that program monitoring indicators are met when evaluations are conducted to observe program implementation progress.

Impact of Utilizing Zakat through Educational Scholarships on Human Development in BAZNAS DKI Jakarta

Law No. 38 of 1999 specifies that zakat funds primarily support financially disadvantaged individuals in meeting basic needs. Mustahik individuals fall into one of eight categories. Zakat also aims to help mustahik individuals engage in productive activities to improve their living standards. Data analysis on zakat fund allocation for education

reveals a consistent increase in disbursements. In 2022, the funds distributed surged to IDR 6,709,784,089, up from Rp. 14,497,835,498 in 2021, reaching IDR 21,207,619,587. The number of mustahik beneficiaries also rose significantly, with 76,945 individuals in 2022 compared to 20,308 in 2021, totaling 97,253 in 2022.

To assess the impact of zakat utilization for scholarships on human development, the researcher adopts the Human Development Index (HDI) theory from the Central Statistics Agency³⁴. Three indicators from this theory measure the impact of zakat utilization through educational scholarships on human development: life expectancy, years of schooling, and community purchasing power. Life expectancy evaluates health and longevity, with better health conditions potentially leading to higher incomes and enhanced workforce participation, thereby contributing to economic growth. Years of schooling measures education through literacy rates and average schooling years, reflecting intelligence, creativity, skills, and religiosity. Increased education levels are often linked to higher income and productivity, which in turn fosters national economic growth. Purchasing power measures income through per capita community purchasing power adjusted for purchasing power parity, indicating individual self-reliance and access to a decent living standard. The table below shows the Human Development Index for the Jakarta Special Capital Region from 2018 to 2022.

Table 1.4:
Annually adjusted Human Development Index for DKI Jakarta Province
in 2018-2022 (Percentage)

Description	2018	2019	2020	2021	2022
Life Expectancy (Years)	72,67	72,79	72,91	73,01	73,02
Average Years of Schooling (Years)	11,05	11,06	11,13	11,17	11,31
Expected Years of Schooling (Years)	12,95	12,97	12,98	13,07	13,08
Adjusted Per Capita Expenditure per year (000 Rupiah)	18.128	18.527	18.227	18.520	18.927

³⁴ Dendi Herdiansyah and Poni Sukaesih Kurniati, "Pembangunan Sektor Pendidikan Sebagai Penunjang Indeks Pembangunan Manusia Di City Bandung," *Jurnal Agregasi: Aksi Reformasi Government Dalam Demokrasi* 8, no. 1 (2020): 43–50, <https://doi.org/10.34010/agregasi.v8i1.2765>.

Human Development Index	80,47	80,76	80,77	81,11	81,65
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Source: Central Statistics Agency (2023)

The table above reveals a consistent increase in all components of the Human Development Index (HDI) in Jakarta's Special Capital Region. Indicators such as life expectancy, expected years of schooling, and average years of schooling show a positive trend from 2018 to 2022. Additionally, per capita expenditure has risen during this period. Comparing the zakat distribution for education in Table 6 with the human development improvements in Table 11, it is evident that increased funds for beneficiaries positively influence the HDI percentages. The rise in beneficiaries receiving zakat for education correlates with higher averages in schooling years and school expectancy. This progress in education boosts confidence among Jakarta residents by demonstrating the empowering effect of education in developing competent and competitive individuals.

Thus, all sectors, including education, health, and living standards, are crucial in advancing the HDI. However, the education sector receives special emphasis due to its significant role in shaping quality, competitive individuals. This focus on education does not undermine the importance of health and living standards, which remain essential for improving the HDI. In summary, this research primarily highlights the education sector's impact on the Human Development Index.

Analyzing data and trends in the Jakarta Special Capital Region reveals a strong link between human development indicators and the allocation of funds and resources in education. This correlation underscores education's crucial role in advancing the Human Development Index. The impact of zakat distribution for education shows that increasing the number of beneficiaries significantly improves average years of schooling and school expectancy. This highlights the positive influence of increased funding on educational opportunities and emphasizes the importance of targeted support in shaping the region's educational landscape.

Moreover, empowering individuals through education has broader implications beyond the Human Development Index, fostering societal transformation where competent individuals contribute effectively to Jakarta's social and economic fabric. Thus, focusing on education aligns with the goal of building a robust and resilient society. However, recognizing the interconnectedness of sectors within human development

is essential. Health and living standards are integral to supporting educational advancements. Therefore, a holistic approach addressing education, health, and living standards is crucial for sustaining progress and fostering inclusive development in the Jakarta Special Capital Region.

Conclusion

The findings indicate that the zakat funds allocated to the educational scholarship program by Baznas DKI Jakarta are highly effective. This effectiveness is evidenced by accurate targeting of the Poor and Needy, extensive program promotion, objectives focused on recipient welfare, and regular monitoring. The FJS program enhances human development, improving the education sector and the Human Development Index in Jakarta. However, ongoing efforts to improve education are crucial, given its significant role in human development. The scholarship program increases life expectancy, school attendance rates, and purchasing power for recipients, motivating them to break the poverty cycle. It also enables them to pursue education without the risk of dropping out and supports their daily needs. Efficient management of scholarship funds ensures the program effectively empowers recipients, aligning with its intended goals.

The educational scholarship program's positive impacts extend beyond academics. By enhancing access to education, it improves individuals' and families' quality of life. Recipients gain knowledge and skills for better job prospects, while the program instills hope and determination, positively affecting overall well-being. Tangible benefits include higher school attendance and better academic performance, alongside fostering community empowerment. Addressing the educational needs of disadvantaged members, the program promotes a more inclusive and equitable society, enabling all to thrive and contribute to community growth. Baznas DKI Jakarta's successful implementation of the program aligns with sustainable human development goals. Continuous evaluation and improvement are essential to ensure the program meets the community's evolving needs and maintains its significant impact on recipients' lives.

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