

An Evaluation of Zakat Productive Program during the Pandemic

Nadia Putri¹, Muhammad Soleh Nurzaman²

¹²University of Indonesia : nadia.putri93@ui.ac.id

ABSTRACT. Having the access of technology and information are some of the requirements needed to live in the middle of pandemic. On the other side, poverty is one of the main challenges that Islamic countries like Indonesia has to encounter. Because of the same reason, not everyone able to have the privilege to access nor master technology and information. However Islam offers the solution in the form of zakat to distribute the wealth and minimizing the gap of one's economy and social status. This paper attempts to evaluate Sekolah Menengah Kejuruan Informatika Utama, program founded by Yayasan Baitul Maal PLN towards their students and alumni economy and social status. Using Social Return on Investment, this paper aims to provide a different perspective of zakat distribution run by Perusahaan Listrik Negara as Indonesia's Public Company. The result then shows that SROI provides a financial measure of this value, that for every Rp.1 spent on SMKI Utama there is social value of Rp. 2.25 created over 1 year period.

Keywords: Zakat, SROI, Pandemic

1. INTRODUCTION

The pandemic effects have made discussion of poverty reduction a bigger challenge for the government. In the other hand there are many factors related to the causes of poverty. Duflo in her research found that one of the ways to overcome poverty is through the education system. The government, in this case, has implemented a 12 years compulsory education program for underprivileged people so that they can easily access basic education. With the right education system, this research believes that it will be able to increase capabilities and improve the economic state of the poor.

To alleviate poverty through education, is not only the obligation of the Government. The community can also contribute to helping others in need. One of them is by promoting social generosity. With the potential for zakat collection in Indonesia to reach Rp. 330 trillion in 2020 (El Rahman, 2020), Indonesia as one of the countries with the largest Muslim community has wide opportunities to provide strong support for the government in its efforts to alleviate poverty through education.

One of the groups (*asnaf*) of zakat who is entitled to help are people who are carrying out religious orders or *fii sabilillah* (Sahroni et al, 2018), and among them are students. Especially if these students are also among the poor who need them, their rights to get assistance from zakat funds are stronger because they are also *asnaf* for the needy.

The distribution of zakat in the form of educational assistance is slightly different from the distribution of direct consumptive assistance. Educational assistance programs are long-term and require a large investment. Therefore, it is included in the productive category. This is because the impact is not only for the recipient but also for the family and society in a sustainable manner, so that people who were originally the receiver of zakat (*mustahik*), with the intervention of this education program, can increase their economic status to become the giver of zakat (*muzaki*).

Referring to Akmar & Nasri (2017) productive zakat is considered a transformation from managing zakat funds to a more effective direction with the ultimate goal of minimizing poverty. In terms of Islamic and Indonesian laws, productive management of zakat is also allowed (Bahri, Ariwibowo, & Robbani, 2020).

The next thing that needs attention is the creation of educational programs that support each other with existing programs and the government is implementing them. Apart from that, the assistance scheme must also be able to provide solutions to the problems currently facing the community. Several zakat institutions in Indonesia have implemented this kind of educational support program for a long time. Among them is the SMART Ekselensia school formed by Dompot Dhuafa which was established with the support of zakat and other social funds. This school carries out formal education for junior and senior high school levels.

However pandemic conditions have forced the education system to adjust quickly and responsively. The learning program that was originally carried out in a face-to-face school was forced to turn completely digital and carried out online.

The change in the education system has become a new problem for people who are below the poverty line. Increased spending on obtaining internet access, limited communication tools and difficulty operating technology are daily realities faced by most people (CNN Indonesia, 2020). The absence of opportunities for the poor to improve their ability to adapt to technology in the midst of a pandemic requires a solution. One philanthropic institution that already has a track record of technology-based education and communication programs is the Yayasan Baitul Maal PLN (YBM PLN). YBM PLN is an institution engaged in the non-profit sector and is tasked with managing the zakat funds of PT PLN (Persero) employees. One of the education programs funded by YBM PLN is SMKI Utama which was established in 2007 by using zakat funds to support the operational costs of the program, it is currently interesting for more in-depth research, whether the distribution of zakat with the program is effective and provides a big impact for the poor.

The analytical tool in this study applies Social Return on Investment (SROI) which, according to some previous research, is the right tool to measure the impact of ongoing social programs. This research is expected to contribute in the form of proving whether zakat funds used for technology-

based educational programs can be an effective program and present solutions, especially to support the prevention of the wider impact of the pandemic as society faces today.

2. LITERATURE REVIEW

A. Evaluation

According to the American Evaluation Association, evaluation is a process that involves an assessment of the strengths and weaknesses of a program, regulation, product, and organization to increase the effectiveness of the object of evaluation.

There are two types of evaluation quoting from My Environmental Education Evaluation Resource Assistant, namely formative and summative. Formative evaluation is divided into basic assessments aimed at ongoing programs and process evaluations for new programs. While the summative evaluation is divided into an evaluation of results that are intended for programs that are stable and impact evaluations for programs that have been running for a long time and have produced certain impacts.

In addition, the Organization for Economic Co-operation and Development (OECD) describes impact evaluation as an assessment of how an intervention carried out by an individual/organization affects the outcome and has an impact, whether intentional or not. Impact evaluation can be carried out on a program, regulation, or other work such as capacity building and policy advocacy (Unicef-irc.org). It can be concluded that evaluation is an activity that aims to see the strengths and weaknesses of a program as a whole and increase the effectiveness of the program. In this study, the impact evaluation process was carried out on the productive zakat program in SMKI Utama.

B. Productive Zakat

The idea of productive zakat originated from the attention given to mustahik. Mustahik, the party who is entitled to receive zakat, is not in a condition of limited physical strength generally. Some of them are physically capable and only need guidance to develop their skills. By helping mustahik to develop their skills, it is hoped that it will improve the economic level of mustahik and they will no longer depend on consumptive zakat funds. The cessation of mustahik's dependence on zakat funds is likely to result in the transformation of mustahik into a muzzaki or a person who is obliged to pay zakat (Shidiq, 2017).

Several types of productive zakat distribution can be in the form of providing business capital, increasing training by holding courses, providing access to free education, and others. One example of the distribution of productive zakat with the type of distribution of business capital provision is

carried out by BAZNAS Jogja, which is one of the amil zakat institutions that has distributed productive zakat for more than 10 years. Since 2013 more than 200 mustahik have received productive zakat with the implementation of Baitul Qiradh BAZNAS which provides capital and business assistance to mustahik. The results of research on the distribution of productive zakat in BAZNAS Jogja show the significance of the development of MSMEs (Micro, Small, and Medium Enterprises), a decrease in the unemployment rate, and an increase in the welfare of mustahik (Nurlaela & Zulkarnain, 2019).

Another type of productive zakat distribution in the education program is the one performed by LAZ Inisiatif Zakat Indonesia East Java branch which provides scholarships sourced from productive zakat funds to students and students in Surabaya. The study states that productive zakat funds play a role in improving the quality of education received by mustahik in terms of educational assessment standards, educational process standards and educational infrastructure standards (Putra & Widiastuti, 2019).

This research belongs to the type of productive zakat distribution in education as the object of the study is SMKI Utama.

C. Social Return on Investment

According to NEF Consulting, SROI is an outcomes-based measurement tool that can help to quantify the social, environmental, and economic value created by a program running in a specific organization. There are merits and limits in SROI as a measurement tool explained by Maier et.al (2015). One of the merits of SROI is that it is impact-oriented, which can then affect positive changes in a program. Some institutions also need more than just the results of the calculation of the SROI ratio, not infrequently the process to get the calculation results are more useful for the institutions; such as capital requirements, risks, program limitations which can then be used for transparent and accountable decision making.

While some of the limits described are expensive and complex processes to conduct SROI analysis, as well as criticism from a fundamental point of view. SROI relies on utilitarianism; appropriate actions are actions that maximize use. Some of the criticisms that were conveyed were from the perspective that explained the initial intention of a program where the results were not always the endpoint but also the motives carried during a process. In addition, it is not uncommon for the SROI monetization process to involve things that are often difficult to cash out, such as nature, health, and human life.

In this research, SROI is used as the measurement tool to see the impact created by SMKI Utama as one of the educational programs funded by productive zakat collected by YBM PLN. The impact measurement has never been done before by the organization, so this would be the first paper conducted.

3. RESEARCH METHODOLOGY

This type of research is included in qualitative research. While the research data used in this study are primary data and secondary data. In this research, the primary data is in the form of interviews and observations while the secondary data referred to in this research is in the form of documentation obtained from documents owned by SMKI Utama.

This research took place at SMKI Utama under the guidance of YBM PLN, which is located in Gandul, West Java. Meanwhile, the time of this research was started from October 2020 to February 2020, with a data collection period of three months.

This study uses the Social Return on Investment (SROI) method of productive zakat management carried out by YBM PLN with its technology-based educational programs, namely SMKI Utama. SROI is an indicator that can be used to determine the number of benefits resulting from an investment program. The calculation to obtain these results, namely

$$SROI = \frac{\text{Net Present Value of Benefit}}{\text{Net Present Value of Investment}}$$

Net Present Value of Benefit describes the impact resulting from a project or program from an economic, social, and environmental perspective. Meanwhile, the Net Present Value of Investment is the total investment issued for the running of a project or program.

The data analysis technique refers to the SROI analysis stage which consists of determining the scope of the program, mapping, proving the existence of an impact and assessing the impact, conducting impact analysis, calculating the SROI ratio, and reporting, using, and implementing evaluation results obtained from the analysis. This research also used impact map format which can be downloaded from The SROI Network website.

4. RESULT AND DISCUSSION

SMKI Utama was established in 2007 as a continuation of its Junior High which had previously been established since 2003. Based on the concern

The Stage of Analysis	Explanation	Application in Research
Stage 1: Establishing scope	All necessary information related to	This study uses SMKI Utama as the object to be

<p>and identifying stakeholders</p>	<p>investment programs or projects needs to be determined from the start as the scope of research. Identification of the involvement of stakeholders who are involved in the analysis and discussion of program activities, sources of funding, objectives and purposes of the analysis, analysis period, and evaluation are the main focus of determining the scope of the program.</p>	<p>studied and determines the key stakeholders who are directly affected by the program. In this case, the stakeholders in question are the general chairman, the head of the dormitory, students, alumni, and the surrounding of community.</p>
<p>Stage 2: Mapping Outcomes</p>	<p>After determining the scope, the next stage is to create an impact map that can provide an overview of changes from the given impacts.</p>	<p>In SROI, investment refers to the amount of funds and time earmarked for the running of a program.</p> <p>Output is an activity carried out routinely as part of the SMKI Utama program.</p> <p>While the outcome is the result of the activities carried out and the changes can only be felt in the long term</p>
<p>Stage 3: Evidencing outcomes and giving them a value</p>	<p>Evidence in SROI analysis is referred to as an indicator, namely conditions or facts in the field that can be used as a basis for</p>	<p>Furthermore, namely developing outcome indicators and conducting assessments using financial proxies.</p>

	SROI analysis users to show changes.	
Stage 4: Establishing Impact	The next stage is related to the fifth principle of SROI, namely not to overdo it in determining the impact. Consideration of the contribution of other parties and the circumstances before the program is something that must be considered in order to get the results of the analysis that reflect the true value.	The impact is then analyzed further by including several considerations, including deadweight, displacement, attribution, and drop-off.
Stage 5: Calculating the SROI	Calculating the SROI ratio with the help of an impact map spreadsheet (impact map)	The SROI calculation is carried out based on calculations from the availability of outcome data over the range of beneficiaries. By dividing the present value by the value invested (value of inputs).
Stage 6: Reporting, using, and embedding	The final stage is reporting, use, and application where the analyst must be able to ensure that all stages have been communicated with stakeholders.	The final step is to report the results of the evaluation to stakeholders for further use and implementation to increase program effectiveness

about the high dropout rate experienced by poor families, it was decided to build a high school with the ultimate goal of transforming *mustahik* to *muzzaki*. As explained before, there are 6 stages to complete for SROI analysis.

Firstly, the scope is limited to SMKI utama in the period of February 2020 to February 2021. While the stakeholders are students, alumni, parents, teachers and staff, neighbors, and local government. Mapping, evidencing and giving value to the outcomes also included after having interviewed and giving out a questionnaire to some of the key stakeholders such as teachers, staff, students, and also alumni of SMKI Utama.

Key Stakeholders	Outcome	Monetizing Outcome
Students: the main party who receives benefits the existence of SMKI Utama	50 students receive Higher Education	Education expenses such as curriculum and general expense for 3 years
Alumni: parties who have fully benefited from SMKI Utama and have received the continuity of the impact	14 alumni become scholarship awardees and 20 alumni have a stable income	The total of scholarship funds received by the alumni and alumni monthly income
Teachers and Staffs: parties who contribute directly and are responsible for the running of all activities	20 teachers and staff employed by SMKI Utama and receive educational support for their children	Employment expenses and the amount of education support received
Parents: parties who benefit through the impacts generated by the alumni of SMKI Utama	12 parents of alumni received economic support from their children	Electricity bill, monthly expenses, and education support for siblings paid by alumni of SMKI Utama
Neighbors (<i>Mustahik</i>): parties who benefit through the impacts generated by the alumni of SMKI Utama	6 alumni who pay zakat to their neighbors identified as <i>mustahik</i>	Amount of zakat given by alumni
Local Government: parties who benefit through the impacts generated by the students of SMKI Utama	Reduction in Local Government Budget for the Education of Poor Families	Education expenses for high school students in Depok

Establishing Impact is the stage where the deadweight, attribution, and drop off calculated. The percentage of deadweight, attribution, and drop off are applied in this research. Firstly, the 0% deadweight is used for all

impacts on the basis that no impact will occur without SMKI Utama. In this study, attribution is used at 25% for all impacts except for the impact of children's education allowances and the payment of zakat funds made by alumni every month. 25% is obtained from the percentage estimation guide described by Purwohedi (2016) which indicates that the impact remains a small part even without SMKI Utama. While the drop off was used at 25% for the first impact, namely getting a higher education. This is due to the possibility of students who did not complete their education at SMKI Utama and did not achieve graduation.

The next stage is calculating the SROI with the help of excel provided by the SROI network. After every stage is completed, it is important to report everything to the management of SMKI Utama to re-check every outcome produced by the program, further use and implementation in order to increase program effectiveness.

The initial SROI for SMKI Utama is 2.25 while SROI after 5 years is 12.45, with Rp. 2.006.974.100 as Net Present Value of Benefit or the total input used for the curriculum and general cost of SMKI Utama and Rp. 4.525.292.306,02 as Net Present Value of Investment or the outcome produce by the input.

$$2.25 = \frac{2.006.974.100}{4.525.292.306,02}$$

This indicate the fact that YBM PLN is succeeds to create the impact through SMKI Utama as IT based education program. It also shows that SMKI Utama can be the benchmark for IT based education specialized for the need in order to alleviate poverty through education.

5. CONCLUSION

This study found that SMKI Utama is valued by its students, alumni, parents, teachers and staff, neighbors, and also local government. The SROI provides a financial measure of this value, that for every Rp.1 spent on SMKI Utama there is a social value of Rp. 2.25 created over 1 year period. SMKI Utama prove that there are a lot of positive changes that happened in the pandemic such as higher education for their 50 students in their senior year; 14 alumni become scholarship awardee in the university; 20 alumni have stable income; 12 alumni contribute to their family's economy; 20 teachers and staff employed by SMKI Utama and receive a benefit such as education support for their children; neighbors of alumni who received zakat each month; and reduction in the local government budget for the education of poor families.

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