

The Impact of BAZNAS Empowerment Program on MSMEs in South Kalimantan Province

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Abstract. The policy of empowering the Micro, Small and Medium Enterprises (MSMEs) sector is directed to support efforts to reduce poverty and inequality and to create job opportunities. This program is also included in the Distribution and Utilization Division which is engaged in economic empowerment, namely the Zmart Program. This program is a program from BAZNAS to empower the mustahik economy in the form of developing their business in the form of a small grocery shop into a Mini Market. The purpose of the Zmart Program is to reduce poverty and improve the welfare of the people in South Kalimantan Province. The type of research used is field research with qualitative descriptive methods. Data collection techniques are using interviews, observation, and documentation. The informants consisted of BAZNAS staff and 10 business owners who received the Zmart program assistance. The results of the study show that the principles of good management (planning, organizing, implementing, and supervising) have been applied in the program Zmart implemented by BAZNAS, South Kalimantan Province. In addition, the Zmart program has also proven to be able to have an impact on MSME business owners as measured by 3 indicators, namely increased income, increased access and ease of obtaining educational services, and increased access and ease of obtaining health services.

Keywords: Empowerment Program, Micro, Small and Medium Enterprises (MSME), BAZNAS.

1 Introduction

South Kalimantan is one of the provinces on the island of Borneo with an area of 38,744 square kilometers (km) with a population density of 106 people/sq km. Administratively, South Kalimantan is divided into 11 regencies and 2 cities with 153 sub-districts, 1,864 villages, and 144 families. The Department of Population and Civil Registration Ministry of Interior of South Kalimantan noted that the population of South Kalimantan was 4.1 million people in June 2021. Of that number, 3.98 million people or 97.02% of the population of South Kalimantan are Muslim. South Kalimantan's economy as measured by the amount of GRDP ADHB is Rp. 192.58 trillion in 2021. The mining and quarrying sector is still the biggest supporter of the South Kalimantan economy, contributing 19.37% to GRDP last year.

Followed by the processing industry with a contribution of 13.95%, and the agricultural sector with 13.93%. Based on data released by the South Kalimantan BPS in August 2021, the labor force population in this province reached 2,219,395 people. Furthermore, the 2019 national zakat publication shows that the Zakat Management Institution in Indonesia consists of 1 RI BAZNAS, 34 Provincial BAZNAS, 456 Regency/City BAZNAS, 26 national-scale LAZs, 18 provincial-scale LAZs and 37 district/city-scale LAZs. The National Zakat Index for South Kalimantan Province has a value of 0.46 with a fairly good category [1]. Judging from the data above, it can be seen that the Zakat Index in South Kalimantan is considered quite good.

There are two models carried out in zakat, namely distribution and empowerment. The distribution of zakat is only used for temporary use but in the empowerment of zakat is allocated in productive programs such as business capital to overcome poverty that occurs [2], [3]. Because the important thing in empowering the ideal zakat fund is to increase business competitiveness [4], and economic independence [5],

The empowerment of zakat funds has been carried out in several regions in Indonesia, one of which is carried out by LAZ in Ponorogo, with the "Kampung UMKM which is free of loan sharks" program. A program that aims to free the community to be free from the entanglement of loan shark debt. This activity has been realized by providing business capital for 300 people who are entangled with loan sharks [6].

In another study, it was stated that zakat empowerment programs have an influence on mustahik conditions such as increasing income and reducing the increase in loan sharks, fostering sharing attitudes and practices and fostering togetherness attitudes and practices in Bandung [7]

Therefore, this study focuses on seeing how the impact of the BAZNAS Empowerment Program for MSMEs in South Kalimantan Province is.

2 Literature Review

The problems that are often faced by business actors in general are lack of capital, lack of partnerships, not finding business opportunities. This can be an obstacle to the growth and development of a business. Therefore, sufficient funds are needed to achieve business success. One alternative source of capital is through financing that aims to expand or develop the business owned. This capital has a major role in the establishment and development of businesses. Lack of capital will not be able to build a business for traders and will not be able to develop their business, because capital is a combination of long-term sources of funds used by companies. micro small business development run by small entrepreneurs. This will also have an impact on the income earned.

Revenue is the amount of money received by the company from the operational activities of selling products or services to customers. revenue sources are classified into operating and non-operating income. Operating income is income derived from the company's main activities. Meanwhile, non-operating income is income earned from the company's main activities. Factors that affect revenue are costs that arise from the acquisition of processing

products, and selling prices that affect sales volume and the amount of sales volume affects production volume. Because of that, the government continues to strive to equalize the welfare of the community through funding assistance to business actors who need additional capital and also provide assistance so that the business can run well and also the business can be developed.

According to the Central Statistics Agency, the indicators used to determine the level of welfare are:

- a. Income - A person's condition can be measured using the concept of income which shows the total amount of money received by a person or household within a certain period of time.
- b. Education - Education is also a measure in institutions that are responsible for setting goals, education, content, systems, and educational organizations. If a family has children who are generally educated, understand reading and writing, the family is said to be prosperous.
- c. Improved health quality - Health services that are easily accessible by the community and of good quality and are not limited by distance and time. It is a non-negotiable obligation of the government. Because this is a measure of the success of the government in the welfare of its people.

2.1 The Role of BAZNAS

The National Amil Zakat Agency (BAZNAS) is the official and only body established by the government based on the Decree of the President of the Republic of Indonesia No. 8 of 2001 which has the task and function of collecting and distributing zakat, infaq, and alms (ZIS) at the national level. The enactment of Law Number 23 of 2011 concerning Zakat Management further strengthens the role of BAZNAS as an institution authorized to manage zakat nationally. In the law, BAZNAS is declared as a non-structural government institution that is independent and responsible to the President through the Minister of Religion [8]. BAZNAS is fully responsible for the management, distribution and use of zakat funds in order to achieve the goals of the vision and mission [9]. Thus, BAZNAS together with the Government are responsible for overseeing the management of zakat based on: Islamic law, trustworthiness, expediency, justice, legal certainty, integration and accountability.

BAZNAS has a function to collect funds from the community in the form of Zakat, Infaq, alms and waqf which will also be distributed/distributed to people who are entitled to receive it. The principles of zakat include [10]:

- a. Principles of Religious Belief (*faith*) - This principle means that people who issue zakat are a manifestation of their religious wealth, so people who have not issued zakat feel that they are not perfect in carrying out their worship.
- b. Principles of Equity and Fairness - In this principle it is very clear that zakat provides justice for the wealth that Allah SWT has given to every human being.

- c. Principles of Productivity and Maturity - This principle emphasizes that zakat must be paid. Because of these funds can produce a product that has a use value that is owned by someone.
- d. Principle of Reason - According to human reasoning that the assets issued will be reduced, but in Islam the assets issued in the form of zakat will be stored and will increase with Allah SWT.
- e. Principle of Freedom - This principle implies that zakat is paid by people who are free and physically and mentally healthy and have a great responsibility to pay zakat.
- f. Principles of Ethics and Fairness - This principle states that zakat contains an ethical attitude and pays attention to the causes and effects of calculating the zakat payments issued.

Zakat empowerment is considered capable of being one of the solutions for the welfare of underprivileged communities with the program made by BAZNAS. Welfare is not only limited to activities related to the economy, but also becomes the self-development of the mustahik itself. Because in distributing zakat BAZNAS is not limited to providing capital, but mustahik is equipped with entrepreneurial knowledge with a workshop program [11]. Knowledge debriefing improves the quality of resources aimed at mental development and mustahik skills in entrepreneurship [12].

The handover of a certain amount of capital and the provision of knowledge for business activities will improve the quality and quantity of business so that business actors can prosper themselves from the slump of poverty. This statement is reinforced from the results of previous research, which stated that on the positive influence of zakat empowerment and community welfare [13][15].

2.2 The BAZNAS Program

One of the ways to use zakat is in the economic sector in the form of assistance with the aim of alleviating poverty, increasing work productivity. Includes granting access to resources, capital and market access. The Zmart program is one of the programs from BAZNAS to improve the welfare of the community in the economic field. The Zmart program is a program in empowering mustahik for micro shop or shop entrepreneurs.

The Zmart program is carried out as a form of poverty alleviation, especially in urban areas by empowering micro retail stalls. Zmart is also a center for branding, marketing, altering, and developing. In its implementation, various Zmart points will be formed with strategies to increase the scale of the shop or micro shop business. To supply goods at a cheaper and more economical price, Zmart was built. wholesaler that will fulfill the goods to be distributed at Zmart points.

3 Method

The type of research used is field research (field research) with qualitative descriptive methods, data collection techniques with interviews, observation and documentation. The informants consisted of staff from the Distribution and Empowerment Division of South Kalimantan BAZNAS and 10 business actors who received the Zmart program assistance.

4 Results and Discussions

The Zmart program issued by the BAZNAS of South Kalimantan province has a significant impact on the development of MSME businesses where the provision of this assistance can help the economy and business development of MSME actors. So that it can improve the welfare of society. The provision of this program is also given training to business actors who receive the program such as simple bookkeeping training such as recording debt, receivables, cash books, inventory management. In addition, it is also equipped with a marketing strategy. After that, BAZNAS conducts monitoring by providing assistance every 6 months to the beneficiaries. The Zmart program that will be issued by BAZNAS previously went through a careful planning process by selecting prospective beneficiaries whether they deserved it or not.

From the presentation of the Staff for Distribution and Empowerment of the South Kalimantan BAZNAS, the organizational system carried out by BAZNAS is well organized where this institution has a chairman, vice chairman, secretary treasurer, and areas that work together in the management and distribution of the Zmart program so that it can run smoothly and on target. The implementation and supervision of the implemented programs have also carried out monitoring efforts that must be carried out to determine the quality improvement of the beneficiaries. In monitoring or monitoring, BAZNAS of South Kalimantan Province provides intensive assistance to *mustahik* once a month. The assistance provided is in the form of skills improvement activities in developing businesses run by the beneficiaries and also evaluation by analyzing the obstacles that occur during running the business. After receiving the benefits, the next step taken by BAZNAS is to provide assistance and monitoring every 6 months to the beneficiaries.

The impact of the program is quite large for 10 beneficiaries of the Zmart Program such as: (1) Experiencing an increase in income from before because they receive various trainings that are very useful and can be applied in the field such as financial records and appropriate marketing strategies in marketing. the products they sell, (2) non-formal education such as this training is also carried out to add insight in doing business, (3) get health; the beneficiaries are also considered to have physical and mental health so that they are able to take this Zmart program seriously and responsibly.

5 Conclusions

In the application of the management principles of the Zmart program carried out by the South Kalimantan Province BAZNAS, it has been carried out in accordance with well-programmed

planning, organization, implementation and supervision, and has a large enough impact for business actors who get the Zmart Program with three indicators in the form of increasing income, easy access to education and easy access to health. The Zmart program should always be run every year and the number of beneficiaries can be increased, so that the benefits can be felt by many people.

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