

The Implementation Of Socio-Economic And Good Governance Models in Improving Zakat Compliance Behavior Among Entrepreneurs in Aceh Province, Indonesia

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ABSTRACT

The Aceh government issued an appeal letter No.180/11860 dated August 3 2022 regarding an appeal to Muslim employees and companies (businesses) to deposit their zakat to Baitul Mal. The compliance behavior of entrepreneurs paying zakat to Baitul Mal is an important concern in optimizing zakat receipts in Aceh. Socio-economic models and good governance are important factors in increasing zakat compliance among entrepreneurs. What are Baitul Mal Aceh's policies and strategies for optimizing these two models? This research was conducted using a qualitative descriptive approach. Data was collected using interview and documentation techniques. Data analysis uses data reduction techniques, data display and conclusion making. The research results show that Baitul Mal Aceh has strengthened zakat management regulations in Aceh and followed this with education and socialization. Apart from that, Baitul Mal also always displays information related to the collection and utilization of zakat funds. Management with good governance is carried out by prioritizing transparency and accountability in zakat management. It is hoped that optimizing zakat continues to prioritize socio-economic models and good governance and can increase the trust and interest of entrepreneurs so that in the end they give their zakat to Baitul Mal Aceh.

Keywords: entrepreneurs, good governance, socio-economic, optimizing zakat collection, zakat compliance behavior.

INTRODUCTION

The obligation to give zakat is an important pillar in Islamic teachings. Paying zakat is a means for a Muslim to purify his property and soul. The implementation of this zakat obligation is carried out by removing some of the assets that are owned to be distributed to certain groups in need. This obligation is imposed for an adult Muslim who is intelligent, independent, and has a certain amount of wealth with certain conditions (Qardhawi, 2011). Thus, the practice of zakat can have two dimensions, namely the monotheistic dimension and the social dimension (Riyaldi, 2017).

Zakat can be social security, because zakat assets are intended to help the lives of poor and needy people so that they can fulfill their basic needs (Azizah et al., 2022). In addition, the management of zakat together with other social funds such as infaq and alms can have a positive impact on increasing the welfare level of recipients. (Amalia, 2012; Muhajirin, 2017; Zaharullah, 2019). This is the basis and aim of utilizing zakat, infaq and alms carried out by zakat management institutions (bin Wan Yusoff, 2008).

In achieving the success of the aim of utilizing zakat, the role of zakat institutions is very important. Zakat institutions bear responsibility for zakat management, including

optimizing zakat collection, strengthening zakat amil (officers), distributing zakat and all synergies that need to be carried out in carrying out zakat management programs (Hafidhuddin, 2011). Therefore, the role of zakat management since the early days of the zakat command, the zakat management was carried out by Rasulullah SAW, and then carried out by the caliphs afterwards. This means that this is the basis for the government to be responsible in managing zakat and this can be done by establishing a zakat management institution (Suma, 2013).

In Indonesia there has also been a spirit of zakat management by the state which has been implemented by establishing the Zakat, Infaq and Alms Amil Agency (BAZIS) since 1968. In subsequent developments, Indonesia has a law related to zakat management, namely Law No. 38 of 1999. This law creates a strong spirit to strengthen zakat management in Indonesia. The spirit of zakat management continues, in 2011 Law no.38 of 1999 was revised with the birth of Law No.23 of 2011. This law mandates that the zakat management institution formed by the government (BAZNAS) and the Amil Zakat Institution (LAZ) formed by the community must be able to contribute to improving community welfare.

Optimization zakat as public funds for community welfare are also carried out by regional governments in Indonesia, including in Aceh. However, Aceh has its own uniqueness because Aceh is a region with special autonomy and the application of Islamic law which is guaranteed by law. Zakat management in Aceh is officially carried out by Baitul Mal and zakat becomes income for the Aceh region (Musa, 2016). The emergence of regulations regarding Baitul Mal began with Aceh Qanun Number 7 of 2004 concerning zakat management mechanisms, Qanun Number 10 of 2007 concerning Baitul Mal, and Aceh Qanun Number 10 of 2018 concerning Baitul Mal. However, this Qanun also underwent several changes so that Aceh Qanun Number 3 of 2021 was born regarding amendments to Aceh Qanun Number 10 of 2018 concerning Baitul Mal.

Since the issuance of the regulations governing zakat management, the Aceh government, especially Baitul Mal, has continued to socialize the importance of paying zakat to residents who have income that reaches the zakat nishab (muzakki).

Table 1. Zakat Collection Data in Aceh Province 2017-2021

Year	Amount of Zakat (rupiah)	Growth (percent)
2017	190.137.842.941	-
2018	212.857.783.316	11.94
2019	218.267.797.415	2.54
2020	207.269.574.323	-5.03
2021	194,572,755,005	-6.12

Source: Baitul Mal Aceh (2021)

Table 1 shows data on zakat collection in Aceh in the last five years showing that zakat collection in 2017 was IDR 190 billion, then there was an increase from 2018 to 2019. However, in line with the economic conditions due to the pandemic in 2020 the amount of zakat decreased to IDR 207 billion and in 2021 there will also be a decrease to IDR 194 billion. Most of these zakat funds come from state civil servants, police, military and employees of State-Owned Enterprises (BUMN) in Aceh, while zakat from business actors is still relatively low. Therefore, in order to optimize zakat collection, the Aceh government has issued an appeal letter No.180/11860 dated 3 August 2022 regarding the appeal to deposit zakat to Baitul Mal. This appeal is mainly aimed at Muslim employees and companies (businesses) to deposit their zakat to Baitul Mal (Aceh Government, 2022).

The phenomenon of still not optimal compliance by Muslim business people in handing over their zakat to the zakat institutions or through formal channels is an interesting thing to study. The problem of small account of zakat collection can be caused by external and internal factors of zakat management institutions. The main external problems are the low level of zakat literacy, the behavior of zakat payers who hand over zakat directly to mustahik, and the lack of government support. Meanwhile, internal problems are related to zakat management and governance, the low quality of zakat governance causes the low credibility of zakat institutions in the perception of muzakki (Ascarya & Yumanita, 2018).

Bin-Nashwan et al. (2020) highlights the socio-economic model that can influence the behavior of paying zakat compliance among entrepreneurs. The results found that zakat compliance behavior among entrepreneurs is significantly influenced by the fairness of the zakat system, zakat morals and peer influence. Meanwhile, efforts to overcome internal problems in zakat institutions can be done by improving the quality of zakat governance. This aims to build public trust, especially business actors (*Tsalas et al.*, 2019; Amalia, 2012). Therefore, Sawmar & Mohammed (2021) raising the importance of building zakat compliance through the implementation of good governance. This article highlights Baitul Mal Aceh's strategy in implementing socio-economic and good governance models to increase zakat compliance among entrepreneur in Aceh Province.

LITERATURE REVIEW

Strategy for optimizing zakat collection

The role of zakat is very important in the economic development of society. If carried out with good management, zakat can be a source of funds to realize community welfare. One of the conditions for realizing good zakat management is the existence of a trustworthy zakat institution or manager (Bastomi, 2018). Optimizing zakat management means efforts to carry out the collection and distribution of zakat skillfully and professionally. Therefore, ideally the zakat management institution is under the government so that the collection and distribution of zakat can be carried out effectively and efficiently (Hafidhuddin, 2011).

According to Law No.23 of 2011, Indonesia generally carries out zakat management belowbodies formed directly by the government (BAZ) and institutions formed independently by a group of people who receive a mandate from the government (LAZ). One of the important tasks of BAZ and LAZ is to make efforts to increase public awareness in the payment and service of zakat.

Various strategies can be implemented in optimizing zakat collection. Rohmania and Cokrohadisumarto (2021) explained that optimization can be carried out from 2 sides, internal and external to the zakat institution. The internal side includes strengthening the organizational structure and improving the managerial system, while the external side includes collaborating with various parties and using online and offline marketing strategies. The same thing was also conveyed by Antonio et al. (2020) who discovered the importance of promoting and transparency in zakat management as well as improving the quality of services for zakat management institutions.

Implementation of socio-economic aspects

The implementation of socio-economic aspects is used in the study of zakat compliance among business actors. This is motivated by the problem of the Muslim business community's low level of compliance in fulfilling their obligation to pay zakat on their income (Khamis & Kamarudin, 2013). This approach combines economics where

individuals are considered to always act rationally by comparing the costs and benefits of each chosen activity. In Islam, rational behavior is very dependent on a person's faith. Islam views that rational behavior is not only based on physical satisfaction in the world, but also concerns goodness in the afterlife. In relation to zakat, a Muslim businessman decides to comply with the obligation to pay zakat by distributing part of his wealth to the poor and needy among his community, which is based on rational principles to achieve the highest satisfaction, both in this world and in the hereafter (Bin-Nashwan et al, 2020).

Implementation of good governance

The principles of good governance are very important to implement in a public institution or organization, including zakat management institutions. Zakat management by implementing good governance can build public trust in zakat management institutions (Amalia, 2019). People who are classified as zakat payers tend to assess the commitment of a zakat institution in implementing good governance and public accountability. If this goes well, their trust will arise and then they will hand over their zakat to the zakat institution (Wahyudi et al., 2021).

Previous research highlights the implementation of good governance in zakat institutions which can be done in various ways. Abdurahim et al. (2018) states that implementation can be carried out by building synergy between zakat institutions and various stakeholders and implementing advances in information technology. Sawmar & Mohammed (2021) in more detail stating that compliance with zakat is built by implementing good governance through mechanisms that include board and leadership attributes, transparency and disclosure practices, stakeholder management practices, and procedural fairness.

RESEARCH METHOD

A qualitative approach with descriptive analysis methods was used in this research. Interviews and searches for related documents were used in collecting data for further analysis so that they could answer research problems. Interviews with informants consisted of commissioner member (Rani), service manager (Ramli) and Bobby as professional staff of Baitul Mal Aceh in the field of zakat collection who understand the ins and outs of efforts to optimize zakat receipts. Apart from that, interviews were also conducted with entrepreneurs in Banda Aceh. Data from interviews is combined with data obtained from documents as secondary data. Data analysis techniques consist of data reduction, data presentation and verification, as well as data triangulation to draw conclusions (Miles et al., 2011; Sugiono, 2012)

RESULTS

Optimizing Zakat Compliance

Baitul Mal Aceh is a special institution for the Aceh government and district/city governments which in carrying out its duties is independent and has the authority to safeguard, maintain, manage and develop zakat, infaq, waqf assets and other religious assets and supervise guardianship based on Islamic law (Baitulmalaceh, 2021).

Based on the results of interviews with Rani (commissioner member of Baitul Mal Aceh) found that one of Baitul Mal's main challenges in optimizing the collection of zakat funds in Aceh is compliance with zakat among the community, especially among entrepreneurs. They prefer to pay zakat themselves directly to recipients, rather than handing over zakat to Baitul Mal. The attitude of paying zakat itself takes its form such as handing it over directly to the construction of mosques, places of study and there are

also those who give it directly to family or closest relatives who are deemed worthy of receiving zakat.

Apart from that, based on the results of interviews with Ramli (service and collection manager of Baitul Mal Aceh) found that there are still vertical government agencies that have not fully handed over zakat to Baitul Mal Aceh. Therefore, Baitul Mal has made various efforts, such as: visiting these vertical agencies, socializing and educating these agencies. This effort aims to ensure that people are willing to comply with the regulations that zakat is collected and managed by Baitul Mal Aceh, and then distributed appropriately to recipient groups (asnaf).

Proper distribution of zakat and having an impact on improving welfare is the hope of zakat payers (muzaki). One of the business actors who was the informant for this research stated: "I believe in Baitul Mal, but zakat funds should be distributed to recipients who have been determined by sharia, for example, given in the form of educational assistance to Islamic boarding school students, or students who are studying religion."

The second informant who is also an entrepreneur stated that: "Baitul Mal should empower the productive economy more, so that every year the number of poor people can be reduced. Apart from that, zakat funds should be distributed in shifts and evenly, not focused on an area where the officers are in Baitul Mall. "We recommend that coordination with the village head be carried out so that the data on zakat recipients is valid."

The entrepreneurs' explanations show the importance of socio-economic models and good governance that can be implemented by Baitul Mal Aceh in managing zakat. Thus, entrepreneurs have confidence that Baitul Mal Aceh is able to manage zakat to achieve increased welfare of zakat recipients.

Implementation of the Socio-economic Model in Baitul Mal Aceh

The implementation of the socio-economic model can be seen from Baitul Mal Aceh's efforts to increase the impact of zakat both from an economic and social perspective. This has become the focus of zakat institutions to bring satisfaction to zakat payers. Baitul Mal Aceh itself has implemented a socio-economic model with the following actions:

1. Strengthening zakat management regulations

The Aceh provincial government has not been able to take further action against people who do not pay zakat at the Baitul Mal institution, such as people who do not pay taxes, even though the Aceh Qanun law contains sanctions against people who do not pay zakat at Baitul Mal (the results of interviews with Ramli). Therefore, Baitul Mal encourages the government, both provincial and district/city levels in Aceh to issue letters of appeal for entrepreneurs to hand over their zakat to Baitul Mal. The Aceh government issued an appeal letter No.180/11860 dated August 3 2022 regarding an appeal to Muslim employees and companies (businesses) to deposit their zakat to Baitul Mal. This is reinforced by the research Mubaraq et al. (2022) which found that strengthening regulations was carried out by the BMA in optimizing zakat collection in Aceh.

2. Optimizing zakat socialization and education

Baitul Mal Aceh carries out a zakat campaign strategy with persuasive steps and wisdom as a campaign method for someone whose heart is soft and they have good knowledge about zakat. However, for rich people whose hearts have not yet entered into the urgent

values of zakat and social charity, the BMA amil does this by prioritizing the words and hadith of the prophet related to the threat of mortal sin for people who do not pay zakat (the results of interviews with Rani).

Socialization is an effort to disseminate information related to zakat collection. Baitul Mal carries out intensive zakat outreach to disseminate information about zakat payments to Baitul Mal. Apart from that, education also continues to be carried out so that people realize the importance of paying zakat. This was done by Baitul Mal Aceh by creating an educational program by circulating reading material about zakat to the public (Suriani et al., 2020).

The results of interviews with Ramli explained that Baitul Mal Aceh also uses digital technology in education and outreach such as making short videos containing an invitation to pay zakat at Baitul Mal as well as programs that can be viewed/accessed via the website and social media such as: YouTube, Instagram, Facebook and Baitul Mal Twitter.

Implementation of Good Governance in Baitul Mal Aceh

Optimizing zakat collection continues to be carried out by improving zakat governance. This was done by Baitul Mal Aceh by improving services in paying zakat. To facilitate zakat payments, Baitul Mal has also implemented payments using QRIS. Baitul Mal Aceh itself has been using the QRIS application since 2016. QRIS present thanks to collaboration between the payment system industry and Bank Indonesia, where transactions using QR Codes will be easier, faster and safer (the result of interview with Bobby as professional staff of Baitul Mal Aceh). This is proof that Baitul Mal Aceh has utilized advances in information technology to optimize zakat receipts.

Besides that, Baitul Mal Aceh convey zakat management programs to the public about the collecting of zakat funds and zakat utilization programs. In this way, zakat payers can clearly know the allocation and recipients of zakat so that transparency in zakat management can be created in Baitul Mal Aceh (the result of interview with Bobby). In research Yusra & Riyaldi (2020) it was found that the level of transparency and accountability in zakat management in Baitul Mal Aceh was good. Muzaki, as one of Baitul Mal Aceh's stakeholders, believes that Baitul Mal Aceh has implemented good governance, especially the principles of transparency and accountability in zakat management.

CONCLUSION

Entrepreneurs in Aceh expect tha zakat management in Aceh to be carried out optimally so that it can improve the welfare of zakat recipients. This is important in order to maintain their trust in Baitul Mal Aceh. Thus, it is very important for Baitul Mal Aceh to implement a socio-economic model and good governance.

In implementing the socio-economic model, Baitul Mal Aceh carries out a strategy of strengthening regulations, in addition to education and socialization of zakat to the public. It is hoped that this will raise the awareness of entrepreneurs to be willing to comply with the obligation to submit zakat to Baitul Mal Aceh. Implementation of zakat governance by prioritizing transparency and accountability is also carried out in order to optimize muzaki's trust in Baitul Mal Aceh.

It is hoped that optimizing zakat continues to prioritize socio-economic models and good governance and can increase the trust and interest of entrepreneurs so that in the end they give their zakat to Baitul Mal Aceh.

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