

CHAPTER I

INTRODUCTION

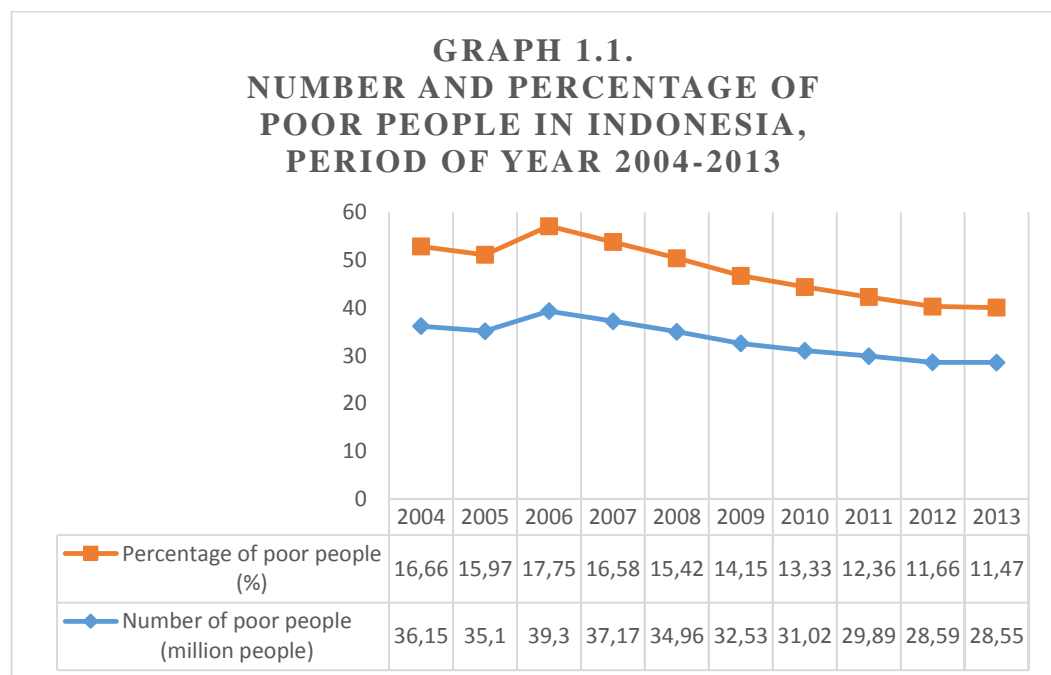
A. Background

Poverty is a major problem that is faced by developing countries around the world, including Indonesia which is the most Muslim-majority country in the world (Fitriatna, 2016). Indonesia as the largest Muslim country in the world is also experiencing problems in achieving the welfare of the society. However, according to HDI Report (UNDP 2006-2013) compared to other ASEAN countries, Indonesia's position is only better than Vietnam, Laos, Cambodia and Myanmar, which are included as poor countries in ASEAN. This shows that the quality of the prosperity of the people in Indonesia is still at an alarming level or in the cycle of poverty and it can be said that almost the majority of the Indonesian are still experiencing difficulties in meeting basic needs (Susanto, 2002). Various policies have been made by the Indonesian government by granting authority to local governments in their respective regions, in an effort to eradicate poverty (Fitriatna, 2016).

Based on the provisions of the Constitution of the State of the Republic Indonesia 1945, the state has a responsibility to promote the general welfare and intellectual life of the nation. The state is responsible for the care of the poor people to meet basic humanitarian needs. The President of the Republic of Indonesia and the Legislative Assembly of the Republic of Indonesia decided the Law of the

Republic of Indonesia Number 13 the year 2011 on the Handling of Poor People to implement the State's responsibility in order to make the national development policy in favor of the poor in a planned, directed and sustainable manner; so that the regulation of the handling of the poor people can be integrated and coordinated.

Although legislation has been established, the problem of poverty cannot be fully resolved. The number and percentage of poor people in Indonesia has not been significantly decreased (shown in graph 1.1.). This is also due to a number of economic crises, including global crisis in year 2008 which resulted in a decline in the quality of economic growth and development policies that affected in a trade off between growth and economic distribution (Beik, 2013).



Source: BPS (processed by the researcher), year 2004-2013.

Based on graph 1.1. it is known that the number of poor people in Indonesia from 2004 to 2005 decreased from 36.15 million people to 35.1 million people, but in 2005 to 2006 increased from 35.1 million people to 39.3 million people. Furthermore, the number of poor people in Indonesia showed a gradually decline during the period 2006 to 2013 from 39.3 million people to 28.55 million people (Fitriatna, 2016).

Although the poverty rate shows a declining trend, but if it is related to the Millennium Development Goals (MDGs) target, then the expectation of reducing the number of poor people to 7.5 percent of the total citizens is not achieved. This is because the percentage of poor people in Indonesia is still in the range of 11 percent of the total citizens as a whole. In addition, the global target of reducing poverty up to 50 percent on year 2015, as agreed at the UN Summit on September 8 year 2000, failed (Beik, 2015).

According to Ishaq in Beik (2015), one of the causes of the failure of international development agencies and developing country governments in reducing poverty is due to the neglect of development instruments in accordance with the religion, beliefs and culture of local communities. The policies of economic development and poverty alleviation have been based on conventional economic frameworks that often neglect religious-based economic instruments.

The development in Muslim countries, especially Indonesia, requires a thorough evaluation. Addressing development issues not only on how to accelerate the reduction of the number of poor people, but more importantly how to improve

the welfare of people who are below the poverty line to be above the poverty line. Three main objectives at the developing level for each individual human being is to be able to lead a healthy life, to get knowledge and have access to resources to meet a decent standard of living. While the social security system has been widely applied in many developed countries to reduce the poverty level to a minimum, but in developing countries the social security system is still less widespread. In Muslim countries there are zakat institutions as part of socio-economic that can play a role in minimizing poverty and completing it as a social security system as applied in developed countries (Nurzaman, 2015).

Therefore, a new approach is needed in the framework of national economic development in the form of economic policy based religiosity that is one of the way by developing an Islamic economic system in the form optimization of zakat system in poverty alleviation program. Beside optimizing the zakat system, it is also necessary to formulate a comprehensively better poverty standard, which includes not only the material aspects, but also the spiritual aspects. So far, the approach used is more focused on the material side of poverty. For example, the Central Bureau of Statistics (BPS) uses a basic physical needs fulfillment approach as the foundation for establishing poverty lines. This approach is based on meeting food needs and non-food needs (Beik, 2015). According to Fitriatna (2016), material aspects and spiritual aspects are equally important and must be balanced, should not ignore one of them. Thus, in general the material aspect here is based on the fulfillment of human basic needs in the form of food, cloth and shelter. While the spiritual aspects based on religious beliefs include having fulfilled the five

essential needs (*adh-dharuriyat al-khamsah*) namely faith (*ad-din*), life (*an-nafs*), intellectual (*al-'aql*), posterity (*an-nasl*) and wealth (*al-mal*) that must be maintained for the existence of human life in this world to achieve *maslahat* of humankind based on Quran 16:114. Islam is very concerned about the social and economic welfare shown by the attention of Islam to the problem of poverty described in the Quran 57:7, 70:24-25 and 107:1-7 (Doa, 2001).

Based on the background above, one of the solutions to tackle the problem of poverty is through the zakat system which has been described in the Quran 2:43, 2:110, 2:277 and applied by Muslims. The zakat system is the first law in economic action for the ummah welfare, because zakat system is an economic law commanded by God on earth. According to Halim (2001), the provision of zakat demands the balance of people's welfare is an economic condition that is done by every human being who is virtuous, noble and wise. There are two important aspects in the obligation to pay zakat namely a form of worship and social responsibility (Qutb, 2000).

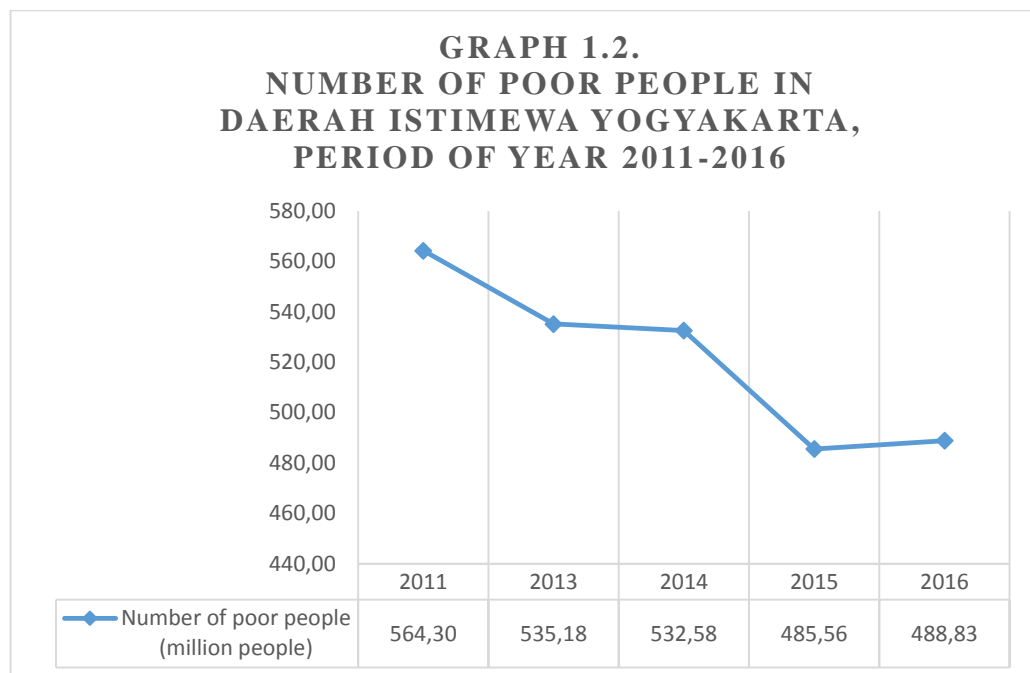
Actually the system of zakat can give positive impact in life of the society through the safeguarding of human life and economy of the society where the programs of zakat distribution in accordance with *maqasid al-Sharia* approach is protection of faith (*hifdzu ad-din*), protection of self/life (*hifdzu an-nafs*), protection of intellectual (*hifdzu al-'aql*), protection of posterity (*hifdzu an-nasl*) and protection of wealth (*hifdzu al-mal*). Furthermore, it has positive impact on the awareness of society by implementing the Islamic principles of helping each other (*ta'awun*), brotherhood (*ukhuwah*), justice (*al-'adl*), insurance (*takaful*) and human

welfare (*jalb al-maslahah*) by itself which can facilitate to achieve the real well-being of human in life (*al-falah*) and blessing for humankind.

These are two aspects (dimensions) of economic security based on Islamic concepts, namely the Divinity (*Tawheed*) and human dimension, which will not be found in other economic security concepts. It shows that Islam is very concerned with economic security and Islam has regulated the economic security system based on Divine guidance. Our task is to apply this system in our lives, which is then used to measure the achievement of its implementation and facilitate the evaluation process that may be useful for further improvement and can help the people in the future (Widiyanto, 2014).

Based on the provisions of the Law of the Republic of Indonesia Number 23 the year 2011 on the management of zakat considering that the state guarantees the independence of each citizen to embrace his or her own religion and to worship according to his or her religion and belief. The fulfillment of zakat is an obligation for Muslims who are able to comply with Sharia and zakat is a religious institution that aims to improve the justice and welfare of society and in order to improve the efficiency and effectiveness, zakat must be managed in an institutional according to Sharia. Furthermore, the National Board of Zakat called BAZNAS is an institution that conducts zakat management nationally. National Board of Zakat is the authority that manages the collection of zakat and distribution of zakat in Indonesia.

Based on the background description above, the researcher is interested to conduct research in one province in Indonesia, that is Daerah Istimewa Yogyakarta which has poverty showing decreasing tendency, (shown in graph 1.2.). Based on the Central Bureau of Statistics of the Province of Daerah Istimewa Yogyakarta, the percentage of poor people of the whole citizens in Daerah Istimewa Yogyakarta in March 2015 was 14.91 percent, when compared to March 2014 the amount of 15.00 percent means that there was a decrease of 0.09 points during the period of one year one of due to the active role of zakat community that is managed by the zakat institution in the local area.



Source: BPS (processed by the researcher), year 2011-2016.

Based on the graph 1.2. is known that the number of poor people in Daerah Istimewa Yogyakarta on year 2011 to 2015 decreased significantly from 564,300 people to 485,560 people, but on year 2015 to 2016 experienced a slight increase with the amount of 3,270 people from the number earlier. It is expected that the

number of poor people in Daerah Istimewa Yogyakarta will decreasing in year 2017 and the following year with the program of collection and distribution of zakat which is managed by zakat institution in Daerah Istimewa Yogyakarta.

The research was conducted to analyze the programs distributing zakat in BAZNAS DIY with maqasid al-Sharia approach, so that this thesis entitled "**A Preliminary Research on Zakat Distribution in BAZNAS Daerah Istimewa Yogyakarta: A Maqasid al-Sharia Approach.**" The result of this zakat research can be used as one component to conduct further research on the Islamic economic security as a solution to the problem of poverty and the welfare of society both materially and spiritually in accordance with maqasid al-Sharia approach. Writing about the research of this thesis consists of five parts, the first chapter is the introduction, the second chapter is the literature review of zakat and maqasid al-Sharia, the third chapter is the research methodology, the fourth chapter is the research findings, the fifth chapter is the conclusion and suggestion.

B. Scope of Research

These study's scope are:

1. This research will be conducted in Daerah Istimewa Yogyakarta by using primary data and secondary data.
2. The information needed in this research is to know that the distribution programs of zakat in BAZNAS Daerah Istimewa Yogyakarta based on maqasid al-Sharia approach.

C. Research Question

In general, based on the backgrounds presented above, there is an identified problem:

1. How the implementation of zakat distribution programs in BAZNAS Daerah Istimewa Yogyakarta in accordance with maqasid al-Sharia approach?

D. Research Objectives

This study aims to evaluate and analyze the importance of zakat distribution programs, especially those related to the maqasid al-Sharia approach. Based on the background above, the purpose of this research can be described as follows:

1. To evaluate by classifying the zakat distribution programs in BAZNAS DIY based on maqasid al-Sharia approach.
2. To study the suitability of the zakat distribution programs in BAZNAS DIY based on maqasid al-Sharia approach.

E. Research Benefits

The expected benefits of the result of this research include two things, they are theoretical and practical fields. Benefits in the development of science in the theoretical field, as follows:

1. For Science

Adding reference in related Islamic economics about the concept of sustainable Islamic economic development in the zakat sector by using the maqasid al-Sharia approach to give one of solutions to the problem of poverty and social problems.

2. For Further Research

This research can be a reference for further research by developing the concept of zakat system in accordance with maqasid al-Sharia approach.

Benefits in the development of science in the field of practice, as follows:

1. For the Government

- a. This research can be a policy-making suggestion for the government in responding to the problem of poverty with the zakat program as an effort to overcome poverty alleviation.
- b. This research can be used as a consideration of local governments to develop Islamic economic system, especially with the system of zakat.

- c. An establishment of zakat institutions by the government is expected to be an alternative to achieve the welfare of society when applied in other developing areas that have similar cases.

2. For the Institution

This research can be used to measure the performance that has been done by zakat management institution in the distribution of zakat with maqasid al-Sharia approach.

3. For the Community

The people may know that zakat with maqasid al-Sharia approach can give one solution to the problem of poverty and other social problems which can help prosperity of the people.