

No ISBN: 978-602-1154-24-1



FACULTY OF ECONOMICS  
UNISSULA - SEMARANG



FACULTY OF ISLAMIC AND BUSINESS  
UIN SUNAN KALIJAGA - YOGYAKARTA



INSTITUTE OF ISLAMIC BANKING AND FINANCE  
IIUM - MALAYSIA

# ***PROCEEDING***

*3rd*  
**AICIF** 2015

***ASEAN International Conference on Islamic Finance***

---

**SEMARANG, NOVEMBER 18–19<sup>TH</sup> 2015**

---

**The Role of Zakah and  
Islamic Financial Institution  
into Poverty Alleviation and  
Economics Security**



WORLD CLASS ISLAMIC UNIVERSITY  
**UNISSULA**  
SULTAN AGUNG ISLAMIC UNIVERSITY

**No ISBN: 978-602-1154-24-1**



FACULTY OF ECONOMICS  
UNISSULA - SEMARANG



FACULTY OF ISLAMIC AND BUSINESS  
UIN SUNAN KALIJAGA - YOGYAKARTA



INSTITUTE OF ISLAMIC BANKING AND FINANCE  
IIUM - MALAYSIA

# 3rd **AICIF** 2015 *ASEAN International Conference on Islamic Finance*

---

**Editors:**

1. **Olivia Fachrunnisa, Ph.D** (UNISSULA, Semarang)
2. **Dr. Khaliq Ahmad bin Mohd Israil** (IIUM, Malaysia)
3. **Dr. Ibnu Qizam** (UIN, Yogyakarta)

---

**Layout:**

Harjanto

---

**Publisher:**

Faculty of Economics Unissula

---

**Printing by:**

Bintang Communication  
Jl. Tri Lomba Juang No.7 Semarang  
email: bintang.comm@gmail.com

---

**Editor Address**

Faculty of Economics Unissula  
Jl. Raya Kaligawe Km.4 Semarang Central Java  
phone: 024 6583584  
website: aicif2015.unissula.ac.id

---

## FOREWORD

*Assalamualaykum. Wr. Wb*

As a steering committee of 3rd ASEAN INTERNATIONAL CONFERENCE ON ISLAMIC FINANCE (AICIF-2015), firstly I would like to say “Thank You Very Much” to all parties for their enormous effort toward the detailed arrangement for hosting this conference.

The 3rd AICIF is organized by Faculty of Economics - Sultan Agung Islamic University (UNISSULA), Faculty of Islamic Economics and Business - State Islamic University Sunan Kalijaga Yogyakarta (UIN Yogyakarta), and Institute of Islamic Banking and Finance – International Islamic University Malaysia.

The conference is aimed to discuss “Role of Zakah and Islamic Financial Institution into Poverty Alleviation and Economics Security”. Islamic financial institution, such as Islamic banking, Islamic unit trust, Islamic insurance, etc.. has growth very fast for last decade. They become important part relating to the efforts improving the quality of life of the society as well as relieving the society from the riba trap. In the context of recent economy, the Islamic financial institutions as economy pillar continues to challenge effort of poverty alleviation.

Conference aims to bring together researchers, scientists, and practitioners to share their experiences, new ideas and research results in all aspects of the main conference topics.

Furthermore, I would like to extend my gratitude to authors who submitted their papers to AICIF 2015 conference and also reviewers for their contribution and effort to excellent conference proceeding.

Finally, for all of you, welcome to AICIF 2015. I hope you will enjoy the conference and have a nice time during your stay in Semarang Indonesia.

*Wassalamualaykum. Wr. Wb*

Regards,  
**Olivia Fachrunnisa, PhD**  
3rd AICIF 2015 Steering Committee ,  
Dean  
Faculty of Economics  
Sultan Agung Islamic University  
Indonesia.

## **TABLE OF CONTENT**

<b>EDITORS</b>	<b>i</b>
<b>FOREWORD</b>	<b>ii</b>
<b>TABLE OF CONTENT</b>	<b>iii</b>
<b>Key Factors Affecting Credit Risk In Indonesian Islamic Banking</b> Yono Haryono Noraini Mohd. Ariffin Mustapha Hamat	<b>1</b>
<b>Efficiency Of The Banking Sector In Malaysia</b> Fekri Ali Shawtari Mohamed Ariff	<b>2</b>
<b>The Role Of Relational Capital In Increasing The Collection And Distribution Of Zakah To Eradicate Poverty In Central Java</b> Heru Sulistyio	<b>3</b>
<b>Creating Sustainable Competitive Advantages And Improving Salesperson Performance Through Intelligence, Emotional, And Spiritual Quotients And Selling Ability Of Smes In Central Java Province</b> Asyhari Sri Hindah Pudjihastuti Dian Marhaeni Kurdaningsih	<b>4</b>
<b>Woman's Portrait in the Chain of Poverty: Looking at Early Marriage from Gender and Sexuality Perspectives</b> Inayah Rohmaniyah	<b>5</b>
<b>Angels: Islamic Bank Of Health</b> Maya Indriastuti Luluk Muhimatul Ifada	<b>6</b>
<b>Child Labor in Indonesia: Education and Health Consequences</b> Sunaryati	<b>7</b>
<b>Determinants Of The Factors That Cause Abandoned Housing Projects: A Study Of Home Buyers Of Islamic Home Financing In Malaysia</b> Dzuljastri Abdul Razak	<b>8</b>
<b>Corporate Governance And Capital Structure Analysis At Islamic Bank In Indonesia</b> Mutamimah	<b>9</b>

<b>The Effect Of Investment Decision, Funding Decision And Dividend Policy On Corporate Value</b>	<b>10</b>
Dista Amalia Arifah Siti Roifah	
<b>Mobile Payment System Framework Based On Gold As A Measurement Of Value</b>	<b>11</b>
Bedjo Santoso Ahamed Kameel Meera Salina Hj. Kasim Khaliq Ahmad	
<b>Corporate Financing Behaviour Of Shariah Compliant E50 Smes. A Panel Data Approach Of GMM</b>	<b>12</b>
Razali Haron	
<b>Crude Palm Oil Market Volatility: Pre And Post Crisis Periods Evidence From Garch</b>	<b>13</b>
Razali Haron Salami Mansurat Ayojimi	
<b>Legal And Regulatory Framework Of Islamic Banking In Libya - Regulatory Authority, Licensing Of Islamic Bank, Shariah Governance And Dispute Resolution</b>	<b>14</b>
Zainab Belal Rusni Hassan	
<b>Developing a Comprehensive Performance Measurement System for Waqf Institutions</b>	<b>15</b>
Nazrul Hazizi Noordin Siti Nurah Haron Salina Kassim	
<b>Improving Financial Education To The Poor At The Bottom - Of Pyramid: The Role Of Social Finance Vis A Vis Financial Institutions</b>	<b>16</b>
Laily Dwi Arsyianti Salina Kassim	
<b>Regulatory Framework Of Islamic Banking In Afghanistan: A Cursory Overview</b>	<b>17</b>
Mohsen Abduljamil Khan Rusni Hassan	

<b>Efektivitas Transmisi Kebijakan Moneter Syariah Jalur Pembiayaan</b> Rizqi Umar Muh. Ghafur Wibowo Abdul Qoyum	<b>18</b>
<b>The Environmental Development Model For Poverty Eradication Through Corporate Social Responsibility (CSR) Program</b> Abdul Hakim	<b>19</b>
<b>The Role of Bank as Waqf Institution to Promote Indonesian Agricultural Sector</b> Faaza Fakhrunnas	<b>20</b>
<b>The Analysis Of Profit Equalization Reserve (PER) In Income Smoothing Of Islamic Banking</b> Prima Shofiani Arief Bachtiar	<b>21</b>
<b>The Analysis Of Determinants Selected Corporate Governance Attributes And Company Attributes On Financial Reporting Timeliness In Indonesia (Evidence From Sharia Security List The Period Of 2009-2013)</b> Ifa Luthfiana Iwan Budiyo Nyata Nugraha	<b>22</b>
<b>The potential role of Social Impact Bond (SIB) as a financial tool that can help address the issues of poverty and socio-economic security</b> Syed Marwan Mujahid	<b>23</b>
<b>Zakat Productive: Transforming Mustahiq To Muzakki</b> Musviyanti Fibriyani Nur Khairin	<b>24</b>
<b>The Ways To Increase Shareholders Wealth In Indonesia Sharia Stock Index</b> Naqiyyah Nunung Ghoniyah	<b>25</b>
<b>Accountability Of Fund Management In Mosques, Kalimantan Timur, Indonesia</b> Yunita Fitria Ahmad Zamri Osman Zaini Zainol	<b>26</b>

<b>Intellectual Capital And Performance Of Islamic Banks</b>	<b>27</b>
Hendri Setyawan Tri Dewi Jayanthi	
<b>Risk Management And Management Accounting Parctice Of BPRS In East Java</b>	<b>28</b>
Ulfi Kartika Oktaviana	
<b>Using ZIS (Zakat Infaq Shodaqoh) Institution to Expand Access to Renewable Energy Services In Indonesia</b>	<b>29</b>
Aji Purba Trapsila	
<b>Collabrate Farmer Association Based Production House and Baitul Maal Wat Tamwil : Increasing Farmer Productivity Through Optimalization ZIS Funding and Sharia Finance Product by Farmer (Walfare Farmer) CardScheme</b>	<b>30</b>
Rifaldi Majid Evita Meilani	
<b>Workplace Spirituality and Employee Engagement for Islamic Financial Institution: A Conceptual Model</b>	<b>31</b>
Olivia Fachrunnisa	
<b>Transformation Of Charities By Islamic Social Movements In Yogyakarta, 1912-1931: A History Of Islamic Wealth Management</b>	<b>32</b>
Ghifari Yuristiadhi	
<b>Customer Interaction Management Capabilities And Market Intelligence Quality For New Product Performance</b>	<b>33</b>
Tatiek Nurhayati Hendar	
<b>Assessing The Appropriateness And Adequacy Of The Provision For Housing Under The Haddul-Kifayah For Asnaf Faqr And Asnaf Miskin</b>	<b>34</b>
Khairuddin Abdul Rashid Sharina Farihah Hasan Azila Ahmad Sarkawi	
<b>An Overview Of Corporate Governance Practices Of Selected Islamic Banks: Case Of Rhb Islamic Bank, Masraf Al Rayan And European Islamic Investment Bank</b>	<b>35</b>
Zainab Belal Lawhaishy Mustapha Hamat	

<b>Asnaf Of Zakat: A Comparison Between Zakat Regulations In Wilayah Persekutuan And Selangor Darul Ehsan</b>	<b>36</b>
Aznan Hasan Nurun Nadia Binti Mohamad	
<b>Review of the Theory and Practice of Islamic Banking in Indonesia</b>	<b>37</b>
Ibnu Haitam	
<b>Zakatable Items: A Comparison of Definition between Syeikh Yusuf al-Qardawi and States Enactments in Malaysia</b>	<b>38</b>
Aznan Hasan Raja Madihah Binti Raja Alias	
<b>Shariah Committee Composition In Malaysian Islamic Financial Institutions: Post Implementation of The Shariah Governance Framework 2010 And Islamic Financial Services Act 2013</b>	<b>39</b>
Muhammad Issyam b. Itam@Ismail Rusnibt. Hassan	
<b>Interpretation Of Integrated Zakat And Tax: Review Of Planned Behavior Theory</b>	<b>40</b>
Agus Setiaway Fibriyani Nur Khairin	
<b>Financial Consumer Protection: An Exploratory Study On Islamic Financial Services Act 2013 (IFSA), Bnm Regulations And Other Relevant Statutes</b>	<b>41</b>
Norzarina Nor azman Sabarina Abu Bakar Solara Hunud Abia Kadouf Rusnibt. Hassan Muhammdlssyam bin Itam@Ismail	
<b>Zakat Houses For Asnaf Faqr And Miskin: Are Houses Appropriate And Adequate?</b>	<b>42</b>
Khairuddin Abdul Rashid Azila Ahmad Sarkawi Sharina Farihah Hasan Srazali Aripin	
<b>[Re] Defining Mudharabah Financing</b>	<b>43</b>
Musviyanti Salmah Pattisahusiwa	



<b>Analysis Influence Of Difference Perception Between Shari'a Banking With Consumer Perception Towards Customer's Purchase Intension Shari'a Banking in Semarang</b>	<b>44</b>
Sri Rahayu Tri Astuti	
<b>Marketing at the Bottom of Pyramid: Cultural Ethnic Linkage to Islamic Microfinance Sales Promotion Scheme</b>	<b>45</b>
Permata Wulandari Salina Hj. Kassim Liyu Adikasari Sulung Niken Iwani Surya Putri	
<b>Zakat As Social Function Of Shariah Banking Related To SMEs Empowerment For Poverty Alleviation</b>	<b>46</b>
Mispiyanti Junaidi	
<b>Holistic View On Malaysian Islamic Interbank Money Market: A Critical Assessment</b>	<b>47</b>
Buerhan Saiti	
<b>The Role Of Islamic Work Ethic, Spiritual Leadership And Organizational Culture Toward Attitude On Change With Organizational Commitment And Job Involvement As Mediator On Bank Pembiayaan Rakyat Syari'ah (BPRS) Indonesia</b>	<b>48</b>
Haerudin Bedjo Santoso	
<b>Implementation of Good Corporate Governance In Indonesian Islamic Banking</b>	<b>49</b>
Ro'fah Setyowati Bedjo Santoso	
<b>Ascertaining Transparency And Accountability In The Practice Of Assessment Of Claims For Loss And Damage In Contractor's All Risks (CAR) Takaful</b>	<b>50</b>
Puteri Nur Farah Naadia Bt Mohd Fauzi Khairuddin Abd. Rashid	
<b>Market Reaction Toward Default Notice Of Islamic Bonds In Indonesia</b>	<b>51</b>
Wuryanti Kuntjoro Happy Sista Devy	
<b>The Role Of Religiosity And Manifest Needs To Increase The Productivity Of Human Resources</b>	<b>52</b>
Arizqi Heru Sulistyono	

<b>Islamic View On The Gold As Money</b>	<b>53</b>
Bedjo Santoso Salina Hj. Kasim Mustofa Omar	
<b>The Prospects Of Islamic Banking In Higher Distance Education</b>	<b>54</b>
In Baskara Rini Febrianti Nadia Sri Damajanti	
<b>Entrusting Zakah (Alms) Administration To The Government: A Review Of Historical Study And Shari'ah Perspective</b>	<b>55</b>
Abdulsoma Thoarlim Mursalin Maggangka Mohamamed Muneer'deen Olodo al Shafi'i	
<b>Protecting Zakat And Waqaf Assets Through Takaful</b>	<b>56</b>
Puteri Nur Farah Naadia Mohd Fauzi Khairuddin Abd. Rashid Azila Ahmad Sharkawi Sharina Farihah Hasan Srazali Aripin	
<b>Cooperative Takaful as a New Operational Model: A Conceptual Study</b>	<b>57</b>
Azman bin Mohd Noor Olorogun, L.A	
<b>Perceived Fairness in Islamic Home Financing: Selection between BBA and MM</b>	<b>58</b>
Mohamed Imtiyaz Salina Kassim	
<b>Ict Creative Industry Development : Sinergized Approach</b>	<b>59</b>
Mutamimah Mustaghfirin Mustafa	
<b>The Effect Of Inflation Rate, Liquidity Ratio, And Interest Rate On Investors Reaction With Share Investment Risk As Intervening Variable (Empirical Studies On The Jakarta Islamic Index)</b>	<b>60</b>
Yonimah Nurul Husna Imam Setijawan	

<b>Analyzing The Effect Of Debt Level And Book Tax Differences On Persistent Earnings (Empirical Study on Manufacturing Company listed on the Indonesia Stock Exchange in the period of 2011-2013)</b>	<b>61</b>
Guntur Prasetya Lulu M. Ifada	
<b>The Effect Of Soundness Of Banks Use Risk Based Banking Rating Method On The Financial Performance Of Islamic Banks</b>	<b>62</b>
Shintya Dewi Adi Putri	
<b>Organizing Optimization Of Social Insurance Agency (BPJS) Based On Public Satisfaction In Central Java</b>	<b>63</b>
Alifah Ratnawati Yusriyati Nur Farid Noor Kholis	
<b>Effect Of Green Supply Chain Management Practices On Supply Chain Performance And Competitive Advantage</b>	<b>64</b>
Osmad Muthaher Sri Dewi Wahyundaru	
<b>Testing The Effect Of TQM On The Islamic Microfinance Institutions Performance Using Partial Least Squares Approach</b>	<b>65</b>
Hamzah Abdul Rahman Abdo Ali Homaid Mohd Sobri Mina	
<b>The Perception And Interest Of Teachers On Islamic Bank</b>	<b>66</b>
Any Meilani Isnina Wahyuning Sapta Utami	
<b>Implementing Corporate Social Responsibility (CSR) Program Through Zakat Model</b>	<b>67</b>
Damanhur Umarudin Usman	
<b>Improving Competitive Advantage Of Small And Medium Enterprises Through Green Competence And Green Image</b>	<b>68</b>
Sri Ayuni Abdul Hakim Agus Wachyutomo Heru Sulistyono	
<b>Allocation Fiscal Balance Transfers Local Government From The Central Government To The Prosperity For Ummah</b>	<b>69</b>
Khoirul Fuad	

<b>Grand Theory Model Of Strategic Quality: Strategic Asset Approach</b>	<b>70</b>
Widodo	
<b>Customer Loyalty Based On Islamic Service Quality</b>	<b>71</b>
Moch. Zulfa Agus Sobari	
<b>A Study on The Human Resource and Knowledge Management of Islamic Banking in Indonesia</b>	<b>72</b>
Tri Wikaningrum Mutamimah	
<b>Islamic Bank Laboratory Strengthening Toward Islamic Rural Banking</b>	<b>73</b>
Idah Zuhroh Dwi Susilowati Nazaruddin Malik Eris Tri Kurniawati	
<b>The Influence Of Corporate Social Responsibility Toward Financial Performance</b>	<b>74</b>
Oktavia Indriyani ProvitaWijayanti	
<b>The Influence Of Islamic Leadership Style, Role Conflict, Role Ambiguity Of Auditors Turnover Intention With Organization Commitment As An Intervening Variable</b>	<b>75</b>
Devi Permatasari	
<b>Determinant Of Quality Audit For The Corruption's Prevention On The Government Audit Institute In Central Java, Indonesia</b>	<b>76</b>
Provita Wijayanti Rustam Hanafi	
<b>Coopetition, Cluster Externalities, and Company Performances: Formation forCompetitiveness of Wood and Rattan Furniture Industry</b>	<b>77</b>
Sri Hartono Agus Sobari	
<b>The Determinants Of Wakif Preferences Toward Money-Cash Waqf</b>	<b>78</b>
Jauhar Faradis	
<b>Default risk on Islamic Banking and Conventional Banking in Indonesia</b>	<b>79</b>
Ibnu Qizam Aris Munandar Abdul Qoyum	

<b>Strategic Human Resources Management In Indonesian Islamic Banking</b>	<b>80</b>
Ruspita Rani Pertiwi	
<b>Effect Of Sukuk Price, Rating Sukuk, Sukuk Yield, Bank Indonesia Certificates Sharia and Gross Domestic Product Against The Demand Of Corporate Sukuk On Capital Market In Indonesia</b>	<b>81</b>
Sunarsih Akhmad Syaifudin	
<b>The Model of Poverty Alleviation by Development ZISWAF Funds Through Community-Based</b>	<b>82</b>
Lailatis Syarifah Rudi	
<b>The Management of Incorporated Wealth of Divorced Couple in Indonesia and Malaysia</b>	<b>83</b>
Ahmad Bunyan Sahib	
<b>Zakah Fund Distribution Model Trough Takaful Institution for The Welfare of The Poor Farmer</b>	<b>84</b>
Misnen Ardiansyah Intan Puspitasari Neneng Ela Fauziyyah Annisa Nur Salam	
<b>Persistent Analysis for Conventional and Sharia Mutual Funds in a Capital Market</b>	<b>85</b>
M. Kurnia Rahman Abadi	

# THE ROLE OF RELATIONAL CAPITAL IN INCREASING THE COLLECTION AND DISTRIBUTION OF ZAKAH TO ERADICATE POVERTY IN CENTRAL JAVA

**Heru Sulisty**

*Dept. of Management, Faculty of Economics, Universitas Islam Sultan Agung (SEMARANG),  
Indonesia*

Email: [heru@unissula.ac.id](mailto:heru@unissula.ac.id)

## Abstract

Zakat has a strategic role in the welfare of the community through the distribution of income from the rich to the poor. The existence of charities, institutions are essential to support the achievement of the people's welfare. The potential of zakat in Indonesia reached Rp 213.7 trillion, while amyl Agency and national zakat (BAZNAS) recently able to collect zakat amounting to Rp 2.2 trillion. On the other hand the number of poor people in Indonesia about 30 million people. This low level of collectivity that needs to be improved through a variety of strategies to collect zakat., One of which is to optimize the relational capital (relational capital). The aim of this study to find a model to optimize the collection and distribution of zakat through relational capital. Respondents in this study were muzakki (57) and manager BAZNAS of Jepara and Semarang as many as six people. Methods of data collection is done by using questionnaires and interviews. The result showed that the zakat collection methods that exist today have not been carried out professionally and proactively. To improve the collection and distribution of zakat needed a good relational capital between BAZNAS city / county with all stakeholders such as government agencies, private businesses, muzakki, religious organizations and Islamic universities.

Keywords: Zakat, relational capital, collaboration, poverty, BAZNAS

## INTRODUCTION

Several studies about the role of *zakah* to foster the welfare of society have been carried out by many researchers, such as Ammani, Abba, and Dandago, (2014); Saad Aziz, & Sawandi, (2014); Tanvir Mahmud, Kabir Hassan, Ferdous Alam, Sohag, and Rafiq, (2014); Samad & Glenn, (2010). There are three categories related to *zakah* term, they are fiqh *zakah* (Qaradawi, 1997; Mahmud and Haneef, 2008); *zakah* management (Kahf, 1999; Islahi, 2005; Azharudiddin, 1988; Faridi, 1993, 1995; Ajeel, 1995; Abdul Wahab, 1995; Khan, 1993; Jamjom, 1995; Mohammad, 1995; Balogun, 1999); and economic *zakah* including the impact of *zakah* to the economic aggregate, production, consumption and investment. *Zakah* is deemed to be one of the instruments which are important for the Islamic State to alleviate poverty through the distribution of income from the rich to the poor, especially in Indonesia. *Zakah* generally reduces poverty because it is the transfer of wealth from those with a lower marginal propensity to consume for those with a higher one (Karwai et al., 2012). In this case, *zakah* will increase consumption, production, and distribution pattern of Islamic countries; eliminate the inequality of income and increase social cohesion. The study conducted by Khatimah (2004) which elaborates the impact of *zakah* (charity) to improve the welfare of *mustahik* through productive financing concludes that most of partner program members earn significant revenues through the financing model of *zakah*. Factors related to gender, education level, total *zakah* received and the type of business affect the income levels significantly. Moreover, the study conducted by Sina (2005) also concludes that *zakah* influences *mustahik*'s income. Susanto (2002), on his study about *zakah* as an alternative policy which is anti-discrimination and anti-poverty, concludes that *zakah* as one of charities is effective to eradicate

poverty in Indonesia. In addition, Beik (2009) evokes that any activity in the form of charity play important role in the assets redistribution, capacity and wealth creation policies.

Many studies have proven the importance of *zakah* to improve the welfare of the poor, however, the management of *zakah* carried out by institutional charities that exists today is still not optimal, both from the aspect of collection and distribution of *zakah* funds. National *Zakah* Agency (BAZNAS) has been given the authority by the government in the planning, executing, controlling, reporting and providing accountability for the collection, distribution and utilization of *zakah* based on Law No. 23 of 2011. In fact, in 2015, they are only able to collect *zakah* amounting to 3.4 trillion rupiahs of potential national *zakah* amounting to 213.7 trillion rupiahs (*zakah* collection ratio is still around 1.59%). The low ratio of *zakah* collection is caused by several factors, such as public awareness to pay *zakah* is still low, the socialization of the importance of paying *zakah* is still limited, the management of *zakah* are not professional and limited resources owned by *zakah* management institutions. Results of study conducted by Heru et al. (2013) on the *muzakki* and BAZNAS managers in Central Java areas figure out that the public interest in the payment of *zakah* is still low and not optimal. The collection of *zakah*, *infaq* and sadaqah (ZIS) is still dominated by the civil servants, enterprises, state-owned enterprises and other government agencies that have possessed a charity collector unit (UPZ). Although the target of ZIS collection by Bazda increases each year, yet, if compared with the potential *muzakki* in each area, the Bazda target is still relatively low. The results also suggest the need to reform the existing administration structure to the newest one which is in accordance with the laws and regulation; and enhance operational employees to attract potential *zakah* and distribute it to *mustahik* properly. Socialization and Strategy of collecting *zakah*, *infaq* and *shadaqah* have been done by all Bazda through printed and electronic media, but due to limited funds and human resources, the potential target has not been fully achieved by ZIS. Socialization system in ZIS collection involves the commitment of all parties both Bazda board and district/city governments. In Bazda level, precisely, it needs to optimize the role of *zakah* collection unit (UPZ) at village, district, regency/city, enterprises, and private companies. In other words, the ability to establish relationships (*relational capital*) with stakeholders of *zakah* will become a major success factor in improving the collection and distribution of *zakah* funds. The study conducted by Kamaluddin and Rahman (2010) concludes that there is significant correlation between *relational capital* and *culture traits mission* on the effectiveness of organization. Therefore, this study aims to determine the role of relational capital to increase the collection and distribution of *zakah* in reducing poverty.

## LITERATURE REVIEW

### *Zakah*

Terminologically, *Zakah* means to issue some properties with certain requirements to be given to certain groups (*mustahiq*) with certain requirements. Meanwhile, *Infaq* and *Shadaqah* mean to issue some properties for the purposes commanded by Allah outside *zakah*. Sadaqah is sometimes used for something immaterial. *Zakah*, *Infaq* and *Shadaqah* are the embodiment of love and compassion to fellow mankind. *Muzakki*'s love will eliminate envy and jealousy among *Mustahik*. Qaradawi (1988) explains that 'zaka' means grace, grow, clean, good, and reliable. Terminologically, *zakah* means some specific properties which are required by God to be given to those who deserve (Qaradawi, 1988). It means that *zakah* is a blessing, purity, kindness, and progress on the property after payment at a certain level and distributed to eligible recipients. According to Qaradawi (1997) poverty alleviation is the purpose of *zakah*. Chapra (2000) states that *zakah* is a religious instrument to help the poor and the needy to live on.

There are many reasons explaining that *zakah* is an effective instrument to alleviate poverty (Nurzaman (2010). First, the allocation of *zakah* has been determined for 8 *ashnaf* according to QS.

At Tawbah: 60 (*fuqara, Masakin, Amilin alaiha, muallafat ul qulub, fir riqab, gharimin, fi sabilillah, ibn us sabil*). Second, *zakah* is directed to broader basis and covers many economic activities, such as agricultural products, animals, gold and silver; commercial activity, minerals as well as physical assets and financial, including professional/skills of employees, so that, it has a huge potential to reduce poverty. Third, *zakah* is a spiritual tax paid by every Moslem under any circumstances.

The implementation of *zakah, infaq* and *sadaqah* is the manifestation of faith and belief in God on the truth of His teaching (Qur'an, 9: 5, QS, 9:11); gratitude, especially on properties (QS. 93:11, QS. 14: 7), and reduction of greedy, materialistic, egoistic and selfish nature of self. Rasulullah Saw said that : "*Envy can spend kindness as fire burns wood; shadaqah can eliminate sins as water extinguishes fire; the prayer is the light for those who believe, fasting is a shield from the torment of hell fire* "(HR. Ibn Majah). In addition, *zakah* is able to cleanse, purify and create peacefulness of *Muzakki* (Surah 70: 19-25). Properties issued to *zakah, infaq* and *shadaqah* will develop and bring a blessing and luck to its owner. *Zakah* is one source of infrastructure development funds that must be possessed by Muslims as a means of education, health, economic institutions, and so on (Surah 9: 71). It is one of instruments of income distribution. Good management of *zakah* will boost economic growth (Qur'an 59: 7).

According to law number 23 of 2011 on the management of *zakah, zakah* consists of *zakah mal* and *zakah fitrah*. *Zakah mal* can be in the form of gold, silver, and other precious metals; money and other securities; commerce, agriculture, plantation, forestry, animal husbandry and fisheries, mining, industry, income and Rikaz service. The management of *zakah* at nationwide is run by Amil *Zakah* (BAZNAS) as those in charge of planning, executing, controlling the collection, distribution, and utilization of *zakah* as well as reporting and accountability of *zakah* management. The *zakah* membership at national, provincial and regency level consists of 8 community elements (scholars, professionals and community leaders) and 3 people from government. According to its membership structure, BAZNAS should be able to optimize the collection and distribution of *zakah*. However, the realization is still under expectation because BAZNAS has not been able to utilize relational capital effectively to improve *zakah* collection. The study by Heru et al (2013) shows that *zakah* socialization which is currently implemented through printed and electronic media; brochures, meetings, or through the offices carried out by the manager of BAZNAS, according to *muzakki's* perception, is still not optimal. There must be cooperation with other agencies in order to achieve the best results in the collection and distribution of *zakah* in accordance with the Islamic Sharia (Saad et al., 2014).

The Management of *Zakah* is important to facilitate the Muslims to perform the third pillar of Islam and establish its main function as a means to reduce poverty (Abdul Quddus, 2009). Ram Al Jaffri et al. (2010) carries out a study to determine the determinants of compliance behavior of *zakah*. He states that factors such as attitudes, subjective norms, and perceived behavioral control are important factors in shaping the enterprisers to pay *zakah*. According to Saad et al., (2014) accountability in the management of *zakah* funds which is managed by an Islamic foundation cannot be separated from Islam. From economic standpoint, *zakah* generally reduces poverty because it is the transfer of wealth from those with a lower marginal propensity to consume for those with a higher one (Ammani et al., 2014). The distribution of *Zakah* funds in accordance with the Qur'an instruction aims to ensure equity and transfer of wealth from the rich to the poor. The most significant impact of *zakah* can be seen in its ability to increase the money supply, which means an increase in demand for goods and services. Thereby, *zakah* management institutions need to raise trust from *muzakki* through transparency in the use and distribution of *zakah* funds. If the trust is developed well, it will facilitate *zakah* management institutions to raise funds optimally through a variety of approaches for both relational and external social capital.



## **Relational Capital**

Nahapiet and Ghosal (1998) divides social capital of organization into three dimensions, namely: structural, relational and cognitive dimension. Structural dimension is a non-personal relationship among individuals or units within the organization, which shows the pattern of relationship and interaction among people in the organization to learn, share and exchange information, ideas and knowledge. The relational dimension is interpersonal relationships between individuals within organizations that focus on specific relationships such as respect and friendship that influence employee behavior and trust; to help others in need, to share problems and respect.

While Cognitive dimensions indicate the sources that provide interpretation and concepts shared among individuals within the same social network. This dimension shows how much employees have a clear understanding and perception of the values and goals of the organization and how much they receive and commit to organizational goals. According to Putnam (2000), social capital has two types, namely internal and external social capital. Internal social capital is an internalization process of activities within the organization that is built internally within the organization itself through a variety of resources owned by the company in the form of human resources, a growing organization in a corporate social complexity and social capacity. External social capital is built up through the company's ability to develop a variety of social networks and the environment; to build trust, adherence to norms, and social cohesion in the community. In the context of the *zakah* management, the ability of managers to build social networks with stakeholders of *zakah*, such as entrepreneurs, employees of companies, government officials, business associations and the community is very important. Up to now, the method of *zakah* collection is based solely on the information available on brochures, leaflets, WEB and socialization for civil servants, while the various associations, cooperation with religious organizations and the involvement of high education institution have not been done. The establishment of social network will also facilitate the *zakah* to create social cohesion, trust and awareness to pay *zakah*.

Relational capital is an association with customer, supplier, brand and trade name (value is only based on customer relationship), licenses and franchises. Youndt et al (2004) define *the relational capital* as a resource that is associated with the company's external relationships with customers, suppliers, government and industry associations. Nahapiet & Ghosal (1998); Subramaniam & Youndt (2005) state that social capital with customers, partners and suppliers are important part of the *relational capital*. The study conducted by Mucelli and Marinoni (2011) on the role of relational capital and innovation concludes that the company is fully success because they carry out *relational capital* that makes them innovate in systematic production process. Rodrigues (2011) exclaims that the company's automotive sector in Galicia Portugal can improve process and product innovation through knowledge derived from the *network of collaboration (relational capital)*. Moreover, the study by Kamaluddin and Rahman (2010) in Malaysia concludes that there is significant interaction between *relational capital* and *culture traits mission* on the effectiveness of the organization. The study conducted by Ahmadi et.al (2011) about the correlation between *intellectual capital (human capital, structural capital, relational capital)* and the performance of the organization concludes that *human, structural, and relational capital* affect directly or indirectly on the performance of the organization. *Human capital* has a significant effect on organizational performance through *structural* and *relational capital*. *Structural capital* significantly influences organizational performance through *relational capital*.

## **RESEARCH METHODS**

This study uses a descriptive analytical approach to explain the characteristics of variables studied. The variables studied include the collection and distribution of *zakah* through relational capital. The focus and locus of this study is an attempt to assess the optimization of *zakah, infaq* and sadaqah (ZIS) managed by Bazda in contributing to poverty alleviation and public welfare in

Semarang. The optimization program is started both from ZIS collection methods in achieving the ZIS potential which is still quite large; and methods of distribution and utilization of *zakah* (through productive ventures) in order to be able to change *mustahik* to be *muzakki* so as to reduce the level of poverty in Semarang and improve people's welfare. ZIS collection methods are associated with ZIS socialization, networking and perceptions of *muzakki* on Bazda. ZIS distribution through productive ventures either in the form of *community development* or *Baitul Qirad*, is expected to be able to make *mustahik* becomes *muzakki*.

The scope of the research involves BAZNAS in Central Java province by taking samples from BAZNAS Semarang, Semarang regency, and Jepara. The respondents consist of 57 *muzakki* and 6 BAZNAS managers. The sampling technique used is *purposive sampling* and the data are collected through primary and secondary data. The primary data are obtained through questionnaires distributed to the muzaki who are already paid *zakah* through BAZNAS, *mustahik* which has gained support from BAZNAS, especially those that have a productive business, and BAZNAS manager. The questionnaire is accompanied by interviews. Meanwhile, the secondary data are obtained through various sources such as BAZNAS and related institutions, including the number of *mustahik* and *muzakki*, the data distribution of *zakah*, as well as management reports of *Zakah*. To analyze the data, descriptive analysis by analyzing the answers of respondents is applied.

## FINDINGS AND DISCUSSION

### BAZNAS Profile

The management of BAZNAS Semarang consists of bureaucracy, entrepreneur, academician and board member. While those who are in charge of ZIS submission consist of 7 personnel (50% bureaucracy), distribution section consists of 6 people (50% bureaucracy), utilization section consists of 6 people (50% bureaucracy) and development section consists of 6 personnel (30% bureaucracy). The system of *zakah* submission is conducted through *zakah* shuttle service, and bank transfer (Bank Jateng, Mandiri Islamic Bank, Niaga Islamic Bank, Bank Rakyat Indonesia and Bank Tabungan Negara Syariah). The method of ZIS distribution is conducted through empowering productive economy, educational support, health purpose, social support (disaster), and improving faith and God-fear. Some of the programs are empowering productive economy in Islamic boarding, fostering independent partners, centers of livestock, productive scholarships to students of the city of Semarang, scholarship for Islamic student and potential students in MA/SMA/SMK Islam in Semarang city, educational support for students of MI/SD, MTs/SMP, MA/SMA. Besides, it is also conducted social help distribution for *fakir*, poor people, *ibnu sabil*, *muallaf*, and training of HP service for orphaned children and *dhuafa*, and entrepreneurship training for children's orphanage.

BAZNAS of Jepara Regency makes a policy that to give *zakah* is not something that must be forced but through appreciation and awareness, therefore socialization and appreciation should be done continuously. Another policy is by optimizing PNS (civil servant), BUMN (state-owned enterprise), BUMD (regional-owned enterprise) in order to become sponsor and volunteer in conducting *zakah*. BAZNAS as an institution which gives help for people prosperity must be leading, trustworthy, and have professional management. BAZNAS of Jepara regency annually has arranged work plan, either related to *zakah* socialization, submission, or distribution program. Socialization activity has been conducted through various methods such as publishing 7000 sheets of leaflet to publish to the people, providing the website of BAZ ([www.bazjepara.com](http://www.bazjepara.com)), socializing through R-Lisa radio and newspaper. Beside utilizing media, the socialization is also conducted in 16 sub-districts throughout Jepara, at all of local government unit in Jepara regency, government institution, Regional enterprises (BUMD) and *muzakkis* (those who pay for *zakah*) in 9 sub-districts. The operational activity of BAZNAS Jepara regency is supported by the existence of *zakah*

management unit (UPZ) of sub-district which actively conducts socialization, submission and distribution of *zakah*. All gathered *zakah* by UPZ of sub-district will be distributed in each sub-district (either *zakah mal* or *zakah fitrah*) by providing report of use to BAZNAS of Jepara regency. Seeing the composition of *zakah* acquisition, *zakah* is mostly dominated by institution rather than individual. While from the side of the institution who has distributed *zakah* in general, it is still dominated by civil servants (PNS) and BUMD.

**Table 1**  
**General Information of ZIS**

<b>Remark</b>	<b>Total</b>	<b>Percentage</b>
Information media for ZIS payment	The Internet = 27	67.5
	Newspaper / Magazine = 2	5.0
	Brochure/billboard = 8	20.0
	Learning forum = 3	7.5
Total of ZIS in a year	<100 Millions = 12	30.0
	100 Millions - < 300 Millions = 8	20.0
	500 Millions - <800 Millions = 1	2.5
	800 Millions - <1 Billions = 6	15.0
	More than 1 Billions = 13	32.5
Zakah Payment System	Pay to BAZDA office = 30	75.0
	Give directly to <i>mustahik</i> = 3	7.5
	Office Salary Deduction = 7	17.5
Reasons not paying ZIS	Not Practical = 2	8.0
	More effective to give directly to poor people = 10	40.0
	Less transparent of <i>zakah</i> allocation = 2	8.0
	Management is not yet trustworthy and well-grounded = 1	4.0
ZIS Socialization	Through electronic and printed media = 40	50.0
	ZIS presentation in offices = 40	50.0
Most <i>Muzzaki</i>	PNS Employees = 40	100
Most <i>Mustahik</i>	<i>Fakir</i> = 31	77.5
	Poor = 8	20.0
	<i>Amil</i> of <i>zakah</i> = 1	2.5
Most ZIS Distribution	Traditionally consumed = 21	52.5
	Creatively consumed = 11	27.5
	Conventional productive = 1	2.5
	Creative productive = 7	17.5

**Source: Analyzed Primary Data**

Based on the table 1 above, the method of *zakah* collection is more utilizing the internet and printed media, while the approach of social capital and relational capital through various activities of socialization and meeting forums is still relatively low. Indeed, it is recognized that the use of the

internet, printed and electronic media is easier to reach the *zakah* mandatory, can provide complete information and can be accessed more easily and quickly. However, the weakness is that there is no interaction with the *zakah* management when it is needed complete explanation about the *zakah*. Besides, the effort to ensure for *zakah* obligatory (*muzakki*) will be more effective when they meet and interact directly to the *zakah* management. This is in correlation with *zakah* obligatory as an obligation for every Muslim and as a command in the Al Qur'an for those who have reached *nishab* (calculation with specific criterion). Through various explanation of *zakah* in solving poverty problem, religious speech, sustainable socialization, and the effectiveness of *zakah* payment through *zakah* management institution rather than directly to the *mustahik*, so *muzakki* will be more interested to give the *zakah* fund the *zakah* management. Spiritual touch and religiousness is very needed by *muzakki*. This finding shows that the majority of *muzakki* still give the *zakah* fund through the *zakah* management institution (BAZNAS), especially the *zakah* fund which is submitted through government institution (government employees). While people in general tend to give directly to the *mustahik*. According to *muzakki*'s point of view, giving *zakah* directly to the *mustahik* is more effective, soon-conveyed, and can be used directly.

Seeing from its contribution, it still focuses on the poor people. They use it for traditional and creative consumption more than productive activity that empower *mustahiq* in order to change them to be *muzakki*. Regional BAZNAS has limited personnel and estimation to do the duty. That is why the roles of social and relational capital are urgent.

### **The Roles of Social and Relational Capital**

Social capital is actual and potential resources that make employment network that appreciates and trusts each other; obligates to social rules and norms; and has spirit for growing together by developing useful information. External social capital is developed through company capacity on developing various social and environment network, employment network outside organization, developing trust, obligation on norms, and social cohesion with society. One of the urgent dimensions for social capital is relational dimension (relational capital). Relational capital is indicated by trustworthy, integrity, appreciation, and sharing useful things. This condition is implemented on the relationship between *muzakki*, *mustahiq*, regional government, institution/private enterprise, entrepreneurs/association, social organization of religion, and universities.

The relation with regional government is carried out by developing intensive communication with executive I or legislative leaders concerning on the estimate of *zakah* management (APBD Budget), continuous socialization to moslem employees in order to be aware of paying *zakah*. Nowadays, the sources of *zakah* are still from state employees through *zakah* collectors (UPZ) in each committee compared to individual and entrepreneurs. *Amil* with regional government consider making map and data collection of *muzakki* or *mustahiq* in order to be focused on its submission and distribution. With the data, *amil* can conduct routine meeting and socialization with *muzakki* about relational capital.

The relation with private institution or company conducted by make an agreement to build *zakah* collector unit (UPZ) in each company. Up to now, so rarely does *amil* collect *zakah* in each private company whereas it has big potential. Besides, it is needed to conduct continuous routine meeting forum of the enterprises with spiritual touches.

The relation with religious organization is done by doing continuous socialization about *zakah*. This method allows the organization members to pay *zakah* to *amil*. Besides that, it can have corporation with religious organization on *zakah* distribution including productive business guidance.

The relation with universities is done by doing various activities of socialization for building awareness to pay *zakah* and universities' involvement on distribution and allocation which

are oriented to productive business empowerment, management, and entrepreneurship. *Zakah* distribution to *mustahiq* is done through Islamic law. It emphasizes on priority scale and even distribution, justice, and areas. The use of *zakah* is suitable with article 27 of law no. 23 year 2011, it can be used for productive business to handle poverty and to improve people quality if basic needs of *mustahiq* have been fulfilled.

## CONCLUSION

The effectiveness of *zakah* submission and distribution which is conducted by *amil* can be successful not only by using various printing and electronic media but also the implementation of social capital which contains relational capital toward the whole stakeholders of *zakah*. Many factors can affect low amount of *zakah* collected by *amil* but social and relational capital with trust worthy and support to decrease poverty level will increase *zakah* submission. Good relation with all stake holders will develop various *zakah* usage for *mustahiq* so that work quality of *amil* will have improvement. The more *zakah* collected, the more budget distributed to the poor whereas consumptive needs or productive business for decreasing poverty numbers.

## REFERENCE

- AbdulQuddus,S.(2009).ContributionofzakatinthesocialdevelopmentofPakistan.*PakistanJournalofSocialSciences*,29(2),313-334.
- Ammani, S. A., Abba, S. A., & Dandago, K. I. (2014). Zakah on Employment Income in Muslims Majority States of Nigeria: Any Cause for Alarm? *Procedia - Social and Behavioral Sciences*, 164(August), 305–314. <http://doi.org/10.1016/j.sbspro.2014.11.081>
- Capello Roberta & Alessandra Faggian (2005), Collective Learning and Relational Capital in Local Innovation Processes, *Regional Studies*, Vol. 39, 1, pp. 75-87.
- Chapra, M. Umer (2000), *The Future of Economics: An Islamic Perspektif*, Leicester, UK: The Islamic Foundation.
- Qardhawi, Y. (1997), *Fiqh az Zakat*, 24th ed. Beirut: Mu'assasat al-Risalah, 37-38.
- Saad, R. A. J., Aziz, N. M. A., & Sawandi, N. (2014). Islamic Accountability Framework in the Zakat Funds Management. *Procedia - Social and Behavioral Sciences*, 164(August), 508–515. <http://doi.org/10.1016/j.sbspro.2014.11.139>
- Samad, A., & Glenn, L. M. (2010). Development of <IT>Zakah</IT> and <IT>Zakah</IT> coverage in monotheistic faiths. *International Journal of Social Economics*, 37(4), 302–315. <http://doi.org/10.1108/03068291011025264>
- Sulistyo Heru, Budhi Cahyono. (2014),The Effectiveness Of Zakah, Infaq, Sadaqah (Zis) Management By Bazda To Improve The Welfare Of Society In Central Java, *Global Review of Islamic Economic and Business*, Vol. 2, No. 2
- Tanvir Mahmud, K., Kabir Hassan, M., Ferdous Alam, M., Sohag, K., & Rafiq, F. (2014). Opinion of the zakat recipients on their food security: a case study on Bangladesh. *International Journal of Islamic and Middle Eastern Finance and Management*, 7(3), 333–345. <http://doi.org/10.1108/IMEFM-08-2012-0079>
- UU Nomor 23 Tahun 2011, “Pengelolaan Zakat”

