

## Zmart for Community Empowerment: A Case Study from Bojonegoro, East Java, Indonesia

**Sigit Priatmoko<sup>1</sup> & Rahayu Lestari Putri<sup>2</sup>**

<sup>1</sup>Universiti Islam Negeri Maulana Malik Ibrahim Malang

<sup>2</sup>Universiti Nahdlatul Ulama Sunan Giri Bojonegoro

### ABSTRACT

*This study aims to examine the implementation of the Zmart program and the extent of its role in improving the welfare of the zakat recipient community (mustahik) in Bojonegoro Regency. The researcher used a descriptive qualitative method and single case study design with the research locus of Bojonegoro Regency. Data obtained through interviews, observation, and documentation. Informants in this study were mustahik recipients of the Zmart program and the Head of BAZNAS in Bojonegoro Regency as the person in charge of implementing Zmart. The data analysis process uses an interactive model which includes data collection, data reduction, data presentation, and concluding. The results show that Zmart has recently been implemented in Bojonegoro Regency. The number of mustahik recipients is currently two people from two remote villages in Margomulyo and Ngraho sub-districts. The implementation of Zmart went well by the provisions. The existence of Zmart is considered mustahik enough to help improve social and economic welfare. Mustahik also started to have a strategy to develop a Zmart kiosk. However, it is not too significant because the business unit of Zmart has just started. In addition, Zmart has not been supported by a program to improve the quality of human resources, so the skills of mustahik in entrepreneurship are still low.*

*Keywords: Zmart, Community Empowerment, BAZNAS, Poverty*

### INTRODUCTION

Zakat is one of the pillars that reflects Islam's great concern for human welfare. Zakat does not only play a role as ritual worship that Muslims must perform but also as an effort to relieve Muslims from the chains of poverty and social injustice (Ayuniyah et al., 2020).

In general, poverty is measured in a monetary context, based on income or consumption per capita or household. In the view of Islam, poverty is an individual's failure to fulfill one of the five basic needs based on maqashid sharia, namely religion, soul, knowledge, dignity, and wealth (Farah Aida et al., 2012).

On a macro level, the trend of poverty in Indonesia for the March 2019-March 2020 period showed an increase,

from IDR 425,250.00 to IDR 454,652.00 per capita per month or 6.91 per cent. As of March 2020, the number of poor people was 26.42 million or equivalent to 9.78 per cent, up 0.37 per cent from the previous year, which was 25.14 million people (BPS, 2020).

The upward trend also occurred in East Java Province. In September 2020, the number of poor people reached 4,585.97 thousand people or 11.46 per cent, an increase of 166.9 thousand people compared to March 2020, which was 4,419.10 thousand people or 11.09 per cent (Badan Pusat Statistik, 2020).

Meanwhile, in Bojonegoro Regency, the number of poor people in 2019 was 154.64 thousand people or 12.38 per cent. This figure puts Bojonegoro Regency in tenth place with the highest

poverty rate in East Java Province. In terms of depth and severity of poverty, they will reach 1.72 and 0.35 in 2020, respectively (Badan Pusat Statistik Kabupaten Bojonegoro, 2019).

This condition is an opportunity for the National Amil Zakat Agency (BAZNAS) to participate in poverty alleviation through the productive distribution of Zakat, including at the district level, such as Bojonegoro Regency. Pratama (2015) thinks that Zakat can have a broader impact on mustahik if zakat management is directed to productive activities.

When viewed nationally, the potential for Zakat in Indonesia can be said to be significant. As reported by BAZNAS, in 2020, the potential for Zakat in Indonesia will reach Rp.233.84 trillion. The distribution of this figure includes corporate zakat upto Rp 6.71 trillion, agricultural zakat upto Rp 19.79 trillion, income zakat upto Rp 139.07 trillion, livestock zakat upto Rp 9.51 trillion, and cash zakat upto 58.76 trillion (PUSKAS BAZNAS, 2020). Meanwhile, Bojonegoro Regency has a zakat potential of Rp 10-12 billion (Safuan, 2018).

BAZNAS recently develop Zmart program to alleviate poverty. This program aims to alleviate poverty by increasing the competitiveness of stalls or grocery stores owned by mustahik. As a national program, BAZNAS in the Bojonegoro Regency also implemented the Zmart program. As a form of support for Zmart Merchants, BAZNAS launched the Zmart application. This application makes it easier for mustahik shop owners Zmart point, commonly called Zmart Merchant, to get merchandise from the Distribution Center (DC) of BAZNAS. In addition, Zmart Merchant can monitor merchandise inventory, sales turnover, and daily profit. The Zmart app can be downloaded via the Play Store. This application can also be used to serve payment transactions for buyers at Zmart stalls. Zmart merchants

will be provided with a thermal printer to print shopping receipts (LPEM BAZNAS, 2020).

However, based on interviews and observations in the field to recipients of Zmart assistance, Mustahik admitted that he was not technology literate and did not have a smartphone. In addition, mustahik has never studied business management and finance. In fact, according to Z. Heflin Frinces, there are three skills that an entrepreneur must possess, including technical skills, business management skills and personal entrepreneurial skills.

This is undoubtedly an important issue because it will impact the implementation of the Zmart program and its sustainability. This study aims to examine the implementation of the Zmart program and the extent of its role in improving the welfare of the zakat recipient community (mustahik) in Bojonegoro Regency. The results of this study are expected to be able to contribute empirical references that BAZNAS can consider in Bojonegoro Regency in implementing the Zmart program.

## LITERATURE REVIEW

### *Productive Zakat and Poverty Alleviation*

Linguistically, Zakat means to purify or cleanse. Zakat can also mean to grow, develop, or increase. Meanwhile, according to the term, Zakat is the worship of giving assets or staple food by the provisions of the Shari'a to certain people and carried out at a particular time at a certain level (Mulyana, 2020). Zakat is one of the main pillars or pillars of religion that Muslims must fulfill. Zakat is carried out every year in the month of Ramadan.

In line with this definition, Zakat has several purposes. First, as worship, the purpose of Zakat is to bring Muslims closer to God. Zakat is a way provided by God for Muslims to clean or purify

themselves and their wealth. Self-cleanliness and wealth brings Muslims closer to God (Ab Rahman et al., 2012).

The purpose of this purification can be seen, for example, in surah at-Taubah verses 103 and 60 and surah ar-Rum verse 38 (Mulyana, 2020). Another goal is to realize welfare and socio-economic justice. The occurrence of income inequality that causes injustice is a sunnatullah that cannot be avoided. However, to keep the gap from widening, Islamic law regulates it through Zakat.

According to Wahbah Zuhaili, one of the wisdom of obligating Zakat is bring help to the poor. Through Zakat, they can be encouraged to work harder to achieve a more decent life (Thoriquddin, 2014). Thus it can be said that the purpose of zakat worship has two dimensions, namely vertical and horizontal. The vertical dimension is the relationship between Muslims and Allah (*hablun min Allah*), while the horizontal dimension is the relationship between Muslims and each other (*hablun min an-nas*).

The magnitude of the potential of Zakat in improving the welfare of the people has become the basis for the Indonesian government to regulate it in Law Number 38 of 1999 concerning Zakat Management. Based on this regulation, Zakat management is under the authority of the Amil Zakat Agency (BAZ), which was formed by the government and the Amil Zakat Institution (LAZ) which was formed by the community and confirmed by the government (Aibak, 2015). According to the BAZNAS report, in 2020, the potential for Zakat in Indonesia reached 233.84 trillion (Puskas BAZNAS, 2020).

So far, the distribution of Zakat can be divided into two patterns, namely consumptive and productive. The consumptive pattern is carried out by giving zakat funds directly to mustahik without any targets for increasing social

and economic independence (empowerment). At the same time, the productive pattern is the opposite. The Zakat's distribution purpose is to change the recipients' original status as mustahik to muzaki (Thoriquddin, 2014).

The distribution of Zakat productively consists of two forms. First, by giving zakat funds directly to mustahik to be developed. The zakat funds become the entire property of the mustahik. This form of distribution is also commonly called the distribution of non-investment productive zakat. Distribution in this form consists of two models; (1) Zakat is given in the form of cash to be used as business capital, and (2) Zakat is given in the form of goods that can be developed or used as business tools (Zalikha, 2016). The second form of distribution of productive Zakat is by making it an investment. This form aims to rotate business capital, which not only belongs to one mustahik but belongs collectively. Another way is to build a workplace or increase the entrepreneurial competence of mustahik (Zalikha, 2016).

The presence of this productive zakat management model is expected to help people become empowered and get out of the trap of poverty. Mustahik must be responsible for the zakat funds received by using them to develop themselves and their businesses independently so that they can rise from poverty (Aminah, 2008).

Currently, BAZNAS develop one form of productive zakat distribution namely Zmart. Zmart's main objectives are (1) increasing the capacity of mustahik's business units (warung or grocery stores) amid modern retail competition, (2) increasing revenue targets through capital assistance, improving governance, and strengthening promotions, (3) improving work ethic and mustahik skills, and (4) alleviating poverty (Srinovita et al., 2019).

### *Fintech and Digital Zakat during the Covid-19 Pandemic*

Technological developments have made the number of e-commerce users in Indonesia experience a significant increase. The emergence of e-commerce that provides features to pay Zakat online also supports this situation. Paying Zakat through e-commerce is effective and efficient because it can be done anywhere and anytime. According to the Group Head of the Payment System Policy Department of Bank Indonesia, digital donations and Zakat will continue to increase because Indonesian people are used to sharing. The Indonesian people were ranked as the most generous country according to the World Giving Index (WGI) research in 2018 (Evandio, 2021).

The strategy of BAZNAS in responding to these technological advances is collaborating with e-commerce for zakat collection. Through this strategy, zakat collection services can be made through open donations online, either through social media such as Facebook, Instagram, and websites. In addition, muzakki also get services via WhatsApp (Risma Ayu Kinanti, et al, 2021).

The majority of the Indonesian population is Muslim (Soekapdjo et al., 2018). These numbers indicate that the potential for zakat collection in Indonesia is enormous (Romdhoni, 2017). However, there is a need for financial technology (FinTech) to improve the zakat fund management system correctly. In response to this, BAZNAS Indonesia created a management system called SIMBA, released in November 2011. The existence of FinTech makes zakat fund services cheaper, faster and precise. The use of FinTech will help BAZNAS optimize the welfare of the community (Soeharjoto, 2019).

In the future, BAZNAS plans to develop Zmart into a marketplace or

marketing board that can be used by mustahik to market its products. Various Zmart points will be formed by increasing the scale of mustahik's micro and small businesses in its implementation. BAZNAS will also build Zmart Wholesale to supply goods at lower and competitive prices to Zmart Point (LPEM BAZNAS, 2019).

In line with this, to deal with the situation and conditions of the Covid-19 pandemic, BAZNAS carried out various innovations in collecting, such as massive zakat campaigns or invitation, payment services, and opening donation channels. These innovations had a significant impact on increasing ZIS (Zakat, Infak, and Alms) fundraising. BAZNAS utilizes digital media such as Whatsapp, Facebook, and Twitter. From January to May 2020, the collected ZIS and DSKL funds reached Rp. 211,864,061,530 or an increase of 70 per cent compared to the same period in 2019 (HUMAS BAZNAS, 2020). Another innovation made by BAZNAS during the pandemic was collaborating with Gopay to provide digital zakat payment services through applications. BAZNAS frames his collaboration in the Zakat Love Movement program (Ramdhani, 2021).

The natural form of ZIS's role during the pandemic can be seen from the BAZNAS report in May 2020. BAZNAS distributes ZIS funds into three schemes: Health Emergency, Socio-Economic Emergency, and Security of Existing Programs. The total funds issued by BAZNAS for these three schemes are Rp. 7,578,461,063. In addition, BAZNAS and the Ministry of Religion also assisted preachers affected by the Covid-19 virus. The aid fund comes from the zakat income of the Ministry of Religion ASN, operated by BAZNAS (Amanda et al., 2021). Hudaefi et al. (2021) shows the same findings that zakat plays significant role during pandemic.

*Zakat and SDGs: A Case Study of BAZNAS, Indonesia*

Sustainable Development Goals (SDGs) are sustainable development programs designed to alleviate poverty (Aedy, 2015). Zakat and SDGs are two interrelated elements. One of the goals of SDGs 'no poverty' is in line with Islamic teachings, namely no more poverty and improving people's welfare. This relation is also in line with the objectives of Law Number 23 of 2001 concerning Zakat Management. One of BAZNAS's steps to support the achievement of SDGs is to collaborate with Central BAZNAS, the United Nations and UNDP (United Nations for Development), namely BAZNAS Jember Regency (Iswanaji, 2021).

Zakat is an instrument of human development. Beik (2010) states that the concept of Zakat consists of a personal spiritual dimension, a social dimension and an economic dimension. The Covid-19 pandemic has had a tremendous impact, especially in the economic field. From September 2019 to September 2020, poverty in Indonesia increased by 10.34%, equivalent to 28.05 million peoples (Yunita, 2021). Following up on this, of course, the community should not just sit idly by asking for government assistance, but there must be cooperation from all parties, both from the government, the community, and social organizations. In this case, the organization is a Zakat management institution (Kadir et al., 2020)

Zakat occupies an important position, especially in the current pandemic era. If the collection and distribution are right on target and maximally, it helps the community realize prosperity in sustainable development, especially in productive distribution (Amalia, 2012). In order to realize comprehensive economic development, things that need to be improved are providing training to the community and providing business capital (Todaro, 1994).

In addition, people are more comfortable paying zakat through official institutions such as BAZNAS (Hudaefi et al., 2021).

## EMPIRICAL STUDIES

Many researchers conduct studies on the use of Zakat for poverty alleviation and improvement of community welfare. The results of these studies show that Zakat plays a significant role in poverty alleviation. Therefore, it is important to continue to develop the efforts to manage zakat funds professionally. The results also show that Amil Zakat Agency (BAZ) has developed various productive Zakat management programs in various regions in Indonesia.

For example, LAZ (Lembaga Amil Zakat) in Cirebon City has developed empowerment programs covering education, economy, health, and social sectors. Empowerment in the economic field is carried out by increasing the capacity of human resources to be superior according to their respective fields and producing young, productive entrepreneurs. This empowerment model has succeeded in changing the status of the community from mustahik to muzaki (M. Ridwan, 2019).

Mulyana (2020) found that one of the efforts to manage productive Zakat is to provide revolving capital assistance and business guidance to mustahik. Through this mechanism, mustahik can develop their businesses and earn a steady income to standing against the poverty trap. In addition to capital loans, distribution can also be in the form of business training.

In contrast to Mulyana, Nopiardo (2016) found a division or clustering in the management of productive Zakat. The BAZ as the person in charge, divides the distribution program into 4 (four) levels. First, providing capital assistance to start or continue a business. Second, providing continued capital assistance for mustahik

whose business is growing. Third, *qardhul hasan* or interest-free capital loan for mustahik who successfully develop their business and have a future business plan. In addition to the three levels, the distribution is also in training and providing capital for unemployed mustahik.

According to Widiastuti & Rosyidi (2015), to carry out productive zakat, the zakat management institution requires cooperation with business groups in the community. BAZ cooperates with KSM (Non-Governmental Organization) and KUB (Joint Business Group). The main goal is to increase the income of the mustahik.

The findings of Prahesti & Putri (2018) specifically illustrate this impact. The capital assistance provided by Rumah Zakat UKM has a close relationship with increasing mustahik's turnover. The amount of capital given shows a positive effect on increasing mustahik's turnover.

Furqani et al. (2018) presented more comprehensive findings. In his study of Baitul Mal Aceh and BAZNAS Indonesia, there are 3 (three) productive zakat management models that have been carried out in practice, namely Zakat for Social Finance Assistance, Zakat for Life Skills Improvement, and Zakat for Community Development (ZCD). Through this scheme, mustahik get an average 27% increase in income, namely from IDR. 2.660.770/month to IDR. 3,231,438/month.

The study of Abdul Rasool et al. (2020) in Malaysia also shows the vital role of Zakat in strengthening the welfare of married life. Using a wealth perspective, Abdul Rasool et al. (2020) show that the distribution of Zakat plays a vital role in improving the welfare of household life.

The studies above have described how the management of productive Zakat for poverty alleviation in general can be

made more effective. The findings presented are still general, have not focused and explored the impact of the effective zakat management program on welfare from the mustahik's perspective. This study intends to fill this gap by focusing on describing the process of managing the Zmart program as a form of productive zakat management and its impact on the welfare of mustahik.

## METHODOLOGY

This research uses a descriptive qualitative method with a case study design. The research locus is in Bojonegoro Regency. The informants in this study consisted of 2 (two) mustahik recipients of the Zmart program and the Head of BAZNAS Bojonegoro Regency, who organized the Zmart program. The researcher divides the data in this study into two groups, namely primary data and secondary data.

Primary data in the form of words and actions of informants and the results of observations at the research site. The secondary data are in poverty statistics, zakat mustahik, and the strategic program of BAZNAS in Bojonegoro Regency and scientific articles and books that are the references for this research. The researcher obtained these data through interviews, observation, and documentation.

Interviews were conducted in a structured format concerning the guidelines that had been prepared previously. The informants in the interview were mustahik recipients of Zmart and the Head of BAZNAS, Bojonegoro Regency. Interviews were conducted offline and online according to the time availability of the informants. The first informant becomes a source of data in terms of the implementation of the Zmart program and its impact on improving economic welfare from the perspective of the zakat recipients. In contrast, the second informant became a source of data on the

implementation of the Zmart program from the perspective of policymakers and implementers. To support the data from interviews, the researchers also made direct observations of the research location, namely two mustahiq stalls/shops that became the means of implementing Zmart.

Data analysis uses the spiral model popularized by Creswell. The analysis steps taken include, data collection including primary and secondary data, and data in text and images. Second, reading data and making notes as a reflection of several answers to research questions. Third, describe the recorded data, classify, and interpret all data based on context and categories. Finally, perform representations and visualizations by making conclusions that can be made in matrices, tree diagrams and then compiling propositions from the research results.

## RESULT AND DISCUSSION

### *Zmart Implementation in Bojonegoro Regency*

As the spearhead, the manager of the Amil zakat agency in the region must contribute to the success of the implementation of the programs launched by BAZNAS, including BAZNAS in Bojonegoro Regency. Recently, the Bojonegoro Regency BAZNAS launched the Zmart assistance program. This program included in the Productive Bojonegoro program family, one of the five flagship programs of BAZNAS in Bojonegoro Regency (Religious Bojonegoro, Productive Bojonegoro, Genius Bojonegoro, Energetic Bojonegoro, and Philanthropic Bojonegoro) (BAZNAS Bojonegoro, 2019).

Zmart is a mustahik economic empowerment program that aims to strengthen micro-retail businesses existence and capacity to increase business scale. This program will form a movement

to shop at micro grocery stalls so that the mustahik turnover of shop owners will continue to increase (Gatra.com, 2020).

Zmart's main objectives are (1) increasing the capacity of mustahik's business units (warung or grocery stores) amid modern retail competition, (2) increasing revenue targets through capital assistance, improving governance, and strengthening promotions, (3) improving work ethic and mustahik skills, and (4) alleviating poverty (Srinovita et al., 2019). As stated by the NH informant as the Head of BAZNAS of Bojonegoro Regency, Zmart intended for mustahik who are still of productive age. Through Zmart, BAZNAS expect that productive mustahik can become productive and energetic traders.

Bojonegoro Regency has 1,324,336 inhabitants spread over 28 sub-districts. A total of 163,940 people, or about 12% of them belong to the disadvantaged population group. In addition to the poor population, Bojonegoro Regency also has 248,022 souls or 18% of the population, who fall into the disadvantaged population group, vulnerable group (PUSKAS BAZNAS, 2020).

Referring to BPS data on the number of poor people in Bojonegoro Regency in 2019 figures, among the 28 sub-districts, there are five sub-districts with the highest poverty rate. The five sub-districts are Kedungadem (13,404), Ngraho (9,777), Ngasem (9,464), Tambakrejo (9,364) and Dander (9,155) subdistricts. The sub-districts with the highest number of vulnerable poor people are in the Kedungadem area of 20,278 people, followed by Ngraho (14,791), Ngasem (14,319), Tambakrejo (14,167) and Dander District (13,850) people (Badan Pusat Statistik Kabupaten Bojonegoro, 2019b).

In 2020, the collection of Zakat, Infaq, and Alms (ZIS) fund carried out by the Bojonegoro Regency BAZNAS

reached Rp1,924,319,448. An increase of 25% from 2019, which was Rp. 1,488,272,999. This large fund has the potential to be used in poverty alleviation. In Islam, poverty is seen not only from the material dimension alone, but includes the spiritual and psychological dimensions (Guner, 2005; Peerzade, 1997; A. M. Ridwan, 2011). Therefore, alleviating poverty must be carried out using a multidisciplinary approach.

Utilizing zakat funds through productive Zakat is a natural solution to the Islamic economic system in alleviating poverty. It is in this context that Zmart plays an important role. According to Thoriquddin's study (2014), the management of productive Zakat is the maqsud (goal) of the prescribed Zakat because, in productive Zakat, there is benefit in general although the benefit, in particular, is delayed, namely the provision of consumptive Zakat.

The Zmart program implemented by BAZNAS in Bojonegoro Regency occurs in one of the five sub-districts, namely Ngraho. In addition, BAZNAS distribute Zmart to mustahik from Margomulyo District. In this regard, NH stated that the realization of Zmart, for now, still focuses on poor people of productive age who live in remote villages. NH further says:

“We took places in remote villages because many villagers if they want to shop have to look for shops that are far away, so if there is a stall (Z-Mart) we hope it will make it easier for village people to shop for their daily needs.”

Based on the results of interviews with NH, the mechanism for distributing Zmart in Bojonegoro Regency begins with the submission of assistance by mustahik according to the procedure. The requirements are (1) a letter of application for assistance and a statement of having a small business (from the village head); (2)

Letter of Recommendation from the Camat or Sub-district UPZ; (3) Photocopy of KTP and KK of the person in charge of the business; (4) Photos of the house/business place (front, back and side views); and (5) Photocopy of certificate or business license (if any).

The submission file must go through a recommendation from the local Zakat Collecting Unit (UPZ). UPZ is an extension of BAZNAS, whose job is to help collect Zakat. This condition follows the Government Regulation of the Republic of Indonesia Number 14 concerning the Implementation of Law Number 23 of 2011 concerning Zakat Management.

The next stage is the leader giving the disposition. If the application passes the administrative selection, the survey team will survey the mustahik's house. The purpose of this stage is to validate the data. After passing the field verification stage, the Distribution and Utilization Division coordinates the construction of stalls with mustahik and spending groceries.

The BAZNAS leadership and several community elements, such as UPZ, the local village head and the sub-district head, inaugurated the ready Z-Mart. After being inaugurated, mustahik can start selling. BAZNAS also provides selling price guidelines to mustahik so that mustahik are not confused about managing sales. Every month BAZNAS monitors mustahik. The goal is to see whether or not there are developments in the Z-Mart.

Informant Y, one of the mustahik recipients of Zmart assistance in Ngarho District, said that he adjusted the management of Zmart according to the guidelines provided by BAZNAS, Bojonegoro Regency. In terms of monitoring, the interviewee also said that every month there is a BAZNAS team in Bojonegoro Regency that monitors whether the Zmart that he owns is still



operating or not. However, there has been no intense assistance from BAZNAS to develop their skills in entrepreneurship. Regarding this, the interviewee said:

“There is always monitoring from BAZNAS usually once a month. It is to determine whether the business is still running or not if there is no intensive assistance. We are being monitored by BAZNAS.”

In running Zmart, the interviewee tries to implement administrative orders. He records transactions every day. However, the notes were still in small notebooks, so they were inadequate. In addition, he still experienced an obstacle, namely not being able to shop for his merchandise because he does not have a vehicle.

Another obstacle experienced by him is the incompatibility of merchandise with the interests of consumer needs. For example, large packs of laundry soap do not sell well because people prefer small packs of laundry soap or sachets. As stated by NH, this has been recorded in the evaluation of BAZNAS in the Bojonegoro Regency.

#### *Zmart's Impact on Welfare of Mustahik*

The productive age poor group can be classified into four categories; (1) those who cannot work due to permanent factors such as insanity, serious illness, or disability, (2) those who cannot work due to temporal factors such as injury, illness, or the age of children, (3) those who do not have entrepreneurial skills to generate income, and (4) those who do not have the capital to start a business (Furqani et al., 2018). The third and fourth categories are the target recipients of productive Zakat.

According to Al-Qaradhawi (2000), productive Zakat reflects the spirit of Zakat. In his view, the role of Zakat is not only limited to alleviating poverty through meeting the needs of mustahik, but also to prevent the causes of poverty.

Zmart is one of the BAZNAS programs that can make this happen.

As seen in the implementation of the Zmart program in Bojonegoro Regency, informant Y became the program's target. Y is a farmer. While her husband is a driver since the Covid-19 pandemic, he was forced to stop. The presence of Zmart is a means for Y and her family to increase their income apart from agriculture. Y said:

“Alhamdulillah, there is an increase, even if it is a little. Yes, because with Z-Mart, we can fulfill our daily needs to a better extent than before, even if difference is little.”

In line with Y's statement, NH also stated that the presence of Zmart is quite helpful because mustahik can generate additional income every day. In addition to the financial impact, Y's entrepreneurial skills are also developing. Although there are still problems with transportation for the wholesalers of merchandise, Y stated that she wanted to develop her kiosk by selling friends' merchandise and sharing the profits (profit sharing).

As part of efforts to distribute Zakat productively, Zmart has reflected the contemporary development of poverty alleviation efforts. In general, the progress of poverty alleviation can be grouped into four phases. First, in the 1950-1960s, poverty alleviation focused on increasing the Gross Domestic Product (GDP). The increase in GDP was expected to be able to help the poor to rise from adversity.

Second, in the 1970s, the focus on poverty alleviation shifted to providing people's basic needs, such as food, shelter, and health. Third, between the 1980s and 1990s, the focus of poverty alleviation shifted to efforts to procure labour-intensive projects. Fourth, starting in the 2000s, poverty alleviation focused on introducing opportunities, facilitating empowerment, and increasing security (Salleh, 2017). Therefore, the Zmart

program must be strengthened by increasing the skills of entrepreneurship among mustahik.

As is well known, the concept of poverty in Islam is not only about wealth. When referring to the Maqashid Sharia, five basic needs must be met so that a person does not belong to the poor group, namely, religion, physical self, intellect or knowledge, lineage, and wealth. The Islamic approach to poverty alleviation ideally involves a holistic approach including a series of anti-poverty measures: (a) increasing income levels with pro-poor programs, (b) achieving a fair distribution of income and (c) providing equal opportunities for all segments of society (Ahmad et al., 2010).

According to the programs launched by BAZNAS in Bojonegoro Regency, especially in the Productive Bojonegoro program, there is no visible strategy that leads to increasing the entrepreneurial skills of mustahik. However, assistance in the form of working tools and business capital has been implemented. To achieve this, the Bojonegoro Regency BAZNAS can cooperate with third parties such as professionals, the trade office, the agriculture office, the tourism office, and universities to provide training for mustahik.

Assistance in the form of training or development of Human Resources (HR) by utilizing zakat funds as carried out by BAZNAS in Cirebon City as described by M. Ridwan (2019) is worth trying by BAZNAS Bojonegoro Regency. Mustahik is given training in the field of business he is engaged. For example, for Zmart merchants, training can improve kiosk management skills, promotions, and how to collaborate with other parties. Thus, mustahik becomes more competitive and productive.

## CONCLUSION

The implementation of Zmart by BAZNAS in Bojonegoro Regency has been going well. The benefits of the presence of Zmart have also been felt by mustahik. However, some obstacles such as the understanding and skills of mustahik in entrepreneurship are still low. Limited means of transportation and the suitability of merchandise with the needs of the local community are other obstacles. In addition, the distribution of Zmart has not been strengthened by improving the quality of Human Resources (HR), which includes improving FinTech literacy. Improving the quality of human resources is essential. Improving the quality of human resources aims to improve the mental capacity and skills of mustahik in entrepreneurship. BAZNAS Bojonegoro Regency can cooperate with third parties such as professionals and related government agencies to make this happen. Another weakness of Zmart is that it cannot be competitive with modern supermarkets such as Indomaret and Alfamart. This situation occurs because the price of wholesale goods is not directly from the distributor.

Based on these notes, some of the efforts recommended by researchers to BAZNAS and related stakeholders are; first, regional BAZNAS needs to have authority to conduct tamwil on infaq/alms by establishing a business entity owned by BAZNAS. Tamwil infaq following sharia rules, a hadith states that Rasulullah SAW ordered Umar's friend to do tamwil infaq/alms he received. A Holding Company and a distributor for all Zmart is one of the empowerment steps by protecting the continuity of mustahik's business. Without protection from BAZNAS, mustahik will find it difficult to compete.

Second, there is a need for more intense and sustainable assistance to mustahik recipients of the Zmart program,

including improving entrepreneurship skills and mastery of digital financial literacy or FinTech. Improving entrepreneurial skills can facilitate mustahik to develop their businesses more creatively. As for digital financial literacy, it can help mustahik keep up with the latest developments in the digital business world.

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**Sigit Priatmoko**

Universiti Islam Negeri Maulana Malik Ibrahim Malang  
sigitpriatmoko@uin-malang.ac.id

**Rahayu Lestari Putri**

Universiti Nahdlatul Ulama Sunan Giri Bojonegoro  
rahayulestari124@gmail.com

