Volume 2, No. 3, September - December 2017 ISSN: 2503-4235 (p); 2503-4243 (e)

Shirkah

Journal of Economics and Business

Shirkah
Journal of Economics and Business
Vol. 2, No. 3, September-December 2017
ISSN: 2503-4235 (p); 2503-4243 (e)

Editor in Chief
Sri Walyoto

Editorial Boards
Abu Umar Faruq Ahmad,
UBD School of Business and Economics, Brunei Darussalam
Amelia Fauzia,
Asia Research Institute, National University of Singapore, Singapore
Cedomir Nestorovic,
ESSEC Business School Asia Pacific, Singapore
Dwi Condro Triono,
Faculty of Islamic Economics and Business, IAIN Surakarta, Indonesia
Fahmy Radhi,
Faculty of Economics and Business Universitas Gadjah Mada, Yogyakarta, Indonesia
Hasan Basri,
Syiah Kuala University, Aceh, Indonesia
Johan Fischer,
Department of Social Sciences and Business Roskilde University, Denmark
Masudul Alam Choudhury,
Postgraduate Program in Islamic Economics and Finance, Trisakti University, Jakarta, Indonesia and the College of Economics and Political Science (CEPS) in Sultan Qaboos University (SQU), Oman
M. Falik Isbah,
School of Humanities and Social Science, University of New South Wales, Australia
M. Ishaq Bhatti,
La Trobe Business School Department of Economics and Finance La Trobe University, Australia
Najib Kailani,
Pascasarjana, Universitas Islam Negeri (UIN) Sunan Kalijaga, Yogyakarta, Indonesia

Nunung Nurul Hidayah,
Aston Business School, Aston University, Birmingham, United Kingdom
Shaikh M Ghazanfar,
Departement of Economics, University of Idaho, Russian Federation

Managing Editors
Fitri Wulandari
Jasanta Perangin-angin

Assistant to Editor
M. Endy Saputro
M. Zainal Anwar
Supriyanto

Shirkah Journal of Economics and Business is a peer-reviewed journal published three times a year (January-April, May-August and September-December) by Faculty of Islamic Economics and Business, Institut Agama Islam Negeri (IAIN/ State Institute for Islamic Studies) Surakarta Central Java, Indonesia. The main objective of *Shirkah* is to offer an academic space of exchange ideas and initiate the increase number of qualified article produced by postgraduate students, practitioners and academicians.

Editorial Office
Ruang Jurnal Shirkah
Ground Floor, West Gate,
Faculty of Islamic Economics and Business
IAIN Surakarta
Jln. Pandawa No. 1, Kartasura, Sukoharjo, Jawa Tengah Kode Pos. 57168
Phone (+62271) 781516 Fax: (+62271)782336
E-mail: shirkahiainsurakarta@gmail.com
Website: http://shirkah.or.id/

Shirkah
Journal of Economics and Business
Vol. 2, No. 3, September-December 2017
ISSN: 2503-4235 (p); 2503-4243 (e)

Table of Contents

Articles

B.A Badejo
B.A. Okuneye
M.R Taiwo 255
Fraud Detection in the Banking System in Nigeria Challenges and Prospects

Abdul Qoyum
Milzamulhaq Mardiya
Muhammad Rizky Prima Sakti 283
Indonesian Capital Market Efficiency: Islamic *vis-a-vis* Conventional

Dita Andraeny
Dessy Diana Putri 317
Islamicity Financial Performance Index in Indonesian Islamic Banks

Muh. Rudi Nugroho 353
Flypaper Effect of Regional Expenditures in Yogyakarta

Agus Faisal
Irma Yuliani 375
Productive *Zakat* of Baznas Yogyakarta on the Growth of Micro Business

Rakhmawati 397
Sakofa Evaluating Zakat Microfinance Program

Shirkah
Journal of Economics and Business
ISSN: 2503-4235 (p); 2503-4243 (e)

Productive *Zakat* of Baznas Yogyakarta on the Growth of Micro Business

Agus Faisal
Faculty of Islamic Economics and Business
Universitas Islam Negeri Sunan Kalijaga Yogyakarta
agus.faisal28@yahoo.com

Irma Yuliani
Faculty of Islamic Economics and Business
Universitas Islam Negeri Sunan Kalijaga Yogyakarta
irmayuliani82@gmail.com

Abstract

This empirical study aims to determine the impact of the productive *zakat*, *infaq* and *sadaqah* (ZIS) on the growth of micro business and the welfare of *mustahiq* in Badan Amil Zakat Nasional (Baznas) branch of Daerah Istimewa Yogyakarta (DIY). Applying *structural equation modeling partial least square* (PLS SEM), it confidently aims to verify the factors that influence the *mustahiq* welfare. The data of the research had systematically gathered by distributing questionnaires to 50 respondents and analytically processed by Smart PLS 3.0. This paper found that the productivity of ZIS took significantly positive influence on the growth of micro business and the welfare of *mustahiq*. In other words, the financial capital given to *mustahiq* able to improve micro business through developing the employment.

Keywords: *zakat, infaq, sadaqah*, micro business, SmartPLS, Baznas, Yogyakarta

Introduction

Poverty is a great danger for humanity (Utami, 2014). One of the government's efforts to reduce the amount of poverty in Indonesia has been giving authority to the each regions for managing the potential *zakat*, *infaq* and *sadaqah* (ZIS). This role has been managed by the government

through the BAZ (*Badan Amil Zakat*) or a private institution known as LAZ (*Lembaga Amil Zakat*). According to the IDB *(*Islamic Development Bank), in 2010 estimating the proportion of *zakat* on each country's Gross Domestic Product, it is calculated that the potential *zakat* in the world approximately up to $600 billion. However, the act of accumulating *zakat* would be in minimum practice, due to *zakat* fund raising directly distributed to its beneficiaries. In addition, *zakat* funds are distributed in a short-term and immediate needs.

As the third pillar of Islam, *zakat* is believed to reduce social problems, such as alleviating poverty and reducing the income gap of society (Wulansari, 2014). Many of the Muslim economists argue that the islamic economic system is built on two important elements namely the loss of *usury* system and actualization of the potential of *zakat* (Hafidhuddin, 2007). The various forms of distribution of *zakat* at this time is still dominated by consuming *zakat*. The benefits of *zakat* can only be felt in a short time when the *zakat* is received. Therefore, the distribution of *zakat* in the form of consumption should be considered again and replaced by productive *zakat* (Utami, 2014).

The distribution of productive *zakat* in the form of business capital is expected to support the growth of micro business community. The development of micro-business with capital derived from *zakat* absorb the labor (Sartika, 2008: 77). The absorption of labor will reduce unemployment, it can be an indicator of an increase in economic development. Law No. 23, 2011 on *zakat* management section 25 explains that *zakat* must be distributed to *mustahiq* in accordance with Islamic value. In addition, the section 26 explains the distribution of *zakat* is performed based on priority scale by considering the principle of equity, justice, and obligation. Furthermore, the section 27 explains that *zakat* can be utilized for productive efforts in order to empower the poor and improve the quality of the people.

Baznas branch Yogyakarta has been considered as an *amil*, which continuously operating less than 11 years to distributing the productive *zakat*. Since 2013 until two years later, the number recipients of productive *mustahiq* has been reaching around 200 members scattered throughout the districts of Yogyakarta. The distribution of *zakat* made by Baznas of Yogyakarta has been implemented the model called BQB (*Baitul Qiradh Baznas*), it's a kind of the distribution of productive *zakat* by providing capital assistance to *mustahiq* in accordance with the business management. The purpose of this empirical study is to test whether the variable of the productive ZIS able to influence the growth of micro business, employment and *mustahiq* welfare.

Situating *Zakat*, *Infaq* and *Sadaqah*

Zakat, *infaq* and *sadaqah* (ZIS) in Islamic economic can be interpreted as an act of transfer of income (transfer of wealth) from the rich (*agniya* / the have) to a class of have-not. While the productive ZIS and social funds are given to *mustahiq* not for financial spending only but developed and used for working capital, hopefully they spend it for fulfilling the necessaries continuously (Asnaini, 2008: 64; Othman and Noor, 2017). Giving the productive *zakat* is expected to discontinue the cycle of poverty, increase the level of welfare and generate positive added value. Qardhawi's concept of poverty alleviation is emerged of his apprehension for the reality of Muslim civilization that has always been wrapped up in poverty throughout his life. All facilities, offered Qardhawi, can be translated into six means of poverty alleviation; including work, collateral relatives, charity, guarantees the *baitul maal*, obligations beyond charity, voluntary charity and generosity of individuals (Qardhawi, 1995: 51).

One of the arguments used to be a base to productive *zakat* is the hadith narrated by Muslim that when the prophet Muhammad gives *zakat*

of money to Umar bin Al-Khattab who acted as *amil,* while he said, "Take it once, then have it (make it useful) and give it to others and what comes to you from this treasure while you do not need it and not you ask, then take it. And whatever is not so do not obey your wishes" (Hadith narrated by Muslim). Ibn Qodamah's perspective as quoted by Qardhawi (1997: 69-70) highlights, "The real purpose of *zakat* is to provide sufficient alms to the poor." It is also quoted by Zuhdi who delivered the opinion ash-Shafi'i, an-Nawawi, Ahmad bin Hanbal and al-Qasim bin Salam, arguing that the poor should be given sufficient funds from *zakat*, in doing so she escape from poverty and to fulfill the needs of himself and her family independently (Zuhdi, 1997: 246)

According to the regulation of the Minister of Religious Affairs No. 52, 2014, section 32 elucidates that *zakat* can be utilized for productive business in the handling of the poor and improving the quality of the people. The types of activities utilization of *zakat* has been divided into two things, among which: (a) empowerment-based social and (b) empowerment-based economic development. Furthermore, the empowerment that is productive in economic development divided into two kinds, among which: (a) the traditional and productive and (b) creative productive. Distributing traditional productive *zakat* has usually been given in the form of productive goods such as goats, cows, razors and so forth. Giving the *zakat* in this form will be able to create a business that create jobs for the community. While the creative productive distribution of *zakat* is realized in the form of capital both to build a social project and to increase the capital of the micro-business (Mufraini, 2006: 88).

It is clear justified that economic growth has been an economic development that causes goods and products of community, and then accompanied by an increasing of the prosperity of its people (Naf'an, 2014: 235). Adam Smith (1776) said that the theory of national development

based on: a) the laws of nature; b) the division of labor; c) the process of capital accumulation and growth. John Stuart Mill (1848) mentions that economic development is influenced by: a) the rate of capital economy; b) the rate of profit; c) stationary state; d) the role of government. In addition, Schumpeter (1939) believes that economic development is mainly created by the initiative of a group of innovative entrepreneurs groups, which organize community groups to produce goods needed. They are a community group that creates innovation or invention in the economics (Adisasmita, 2013).

The term of economic development in Islam is the process of reducing poverty and creating tranquility, comfort and ethics in life. In this sense, the economic development according to Islamic multidimensional model get involves both in quantitative and qualitative aspects. The goal is not only the material aspects in the world, but also the welfare of the beyond. Mannan (1997) considered that the concept of islamic development has an advantage compared to the modern concept of development. The advantages lies in the motivation of islamic economic development, not only arising from economic problems but also from the divine purposes listed in the Qur'an and Hadith. On the other side, the growth of micro business caused by capital accumulation through productive ZIS would be one of the characteristics of Islamic economic growth and development. Not only aiming to the continuous growth of micro-business, it will also take affect the growth of the factor of production (cf. Muller, 2017). In turn, the growth of these factors of production can be a positive signal of increasing economic growth. Finally, it may contribute to the welfare of society, especially the *mustahiq* for whom have received business capital through the productive ZIS.

Research Design

This research is an exploratory research that aims to combine several theories into one model (cf. Abd. Wahab, Zainol, Abu Bakar, 2017). This type of research is a field research, while the data gathered from distributing questionnaires and doing interviews to the recipients of productive ZIS given by Baznas Yogyakarta. While, the secondary data resulted from various institutions, namely: Bank Indonesia, Baznas of Yogyakarta, relevant documents and relate literatures to the topics of the research. The population of this research is all *mustahiq* of Baznas of Yogyakarta who had received business capital of productive ZIS. The *sampling method* used is by considering the statistical power and effect size took 50 samples from the 200 *mustahiq*. Data analysis tools and hypothesis testing was performed by using *Structural Equation Modeling Partial Least Square* (PLS SEM) engaged with SmartPLS Software 3.0. SEM-PLS model is being believed to be able to test the research model simultaneously and be able to analyze the variables that can not be measured directly and calculate the error.

This research uses two main variables are latent variables and the observed variables, as described in the table below:

Table. 1
Distribution of Variables

Variables Latent	Observed Variables	Number Indicator
Productive ZIS	1. Productive ZIS is better than consumptive ZIS 2. Productive ZIS as an empowerment of economic 3. Productive ZIS can create an economic independence to the recipient 4. Adequacy of capital sourced from Productive ZIS	4

Growth of micro business	1. Stimulant business capital that adequate 2. Business that developed 3. Increasing of business scale 4. Fulfillment the needs of businesses well	4
Absorption of employment	1. *Mustahiq* transformation of which do not has a business into owning a business 2. Job creation 3. Increasing the quantity of workers 4. Unemployed Reduce	4
Age	1. Less than 17 years (1), 17-27 years (2), 28-38 years (3), 39-49 years (4), more than 49 years (5).	1
Mustahiq's Welfare	1. Alleviate *mustahiq* of poverty 2. Changing conditions *mustahiq* to be *muzakki* 3. Providing welfare of both spiritual and material 4. Fulfillment of the basic needs	4

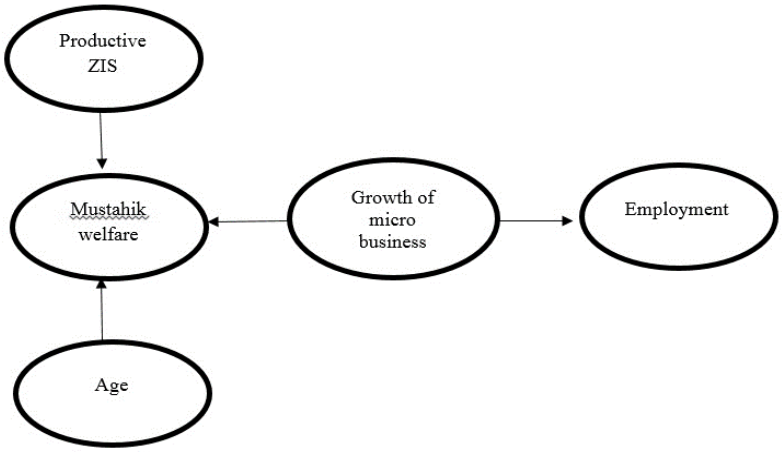
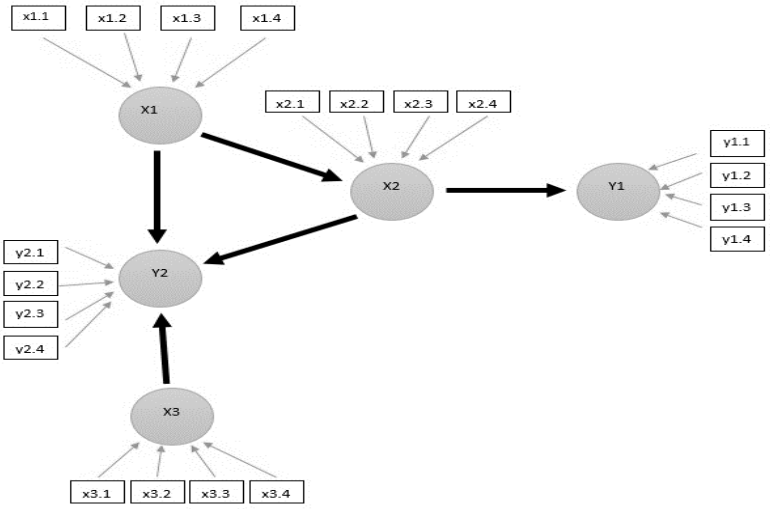


Image 1. SEM-PLS Model Ilustration



Description:

X1:	Productive *zakat*	(exogenous)
X2:	The growth of micro business	(endogenous)
X3:	Age	(exogenous)
Y1:	Absorption of employment	(endogenous)
Y2:	*Mustahiq*'s welfare	(endogenous)

Image 2. SEM-PLS Analysis Model

There are five working arguments to be tested in this research: (1) productive ZIS Baznas of Yogyakarta has a positively significant effect on the growth of micro business; (2) the growth of micro businesses has a positively significant effect on employment; (3) the growth of micro businesses has a positively significant effect on *mustahiq*'s welfare; (4) age has a negatively significant effect on the *mustahiq* welfare; (5) productive ZIS has a positively significant effect on *mustahiq's*. Technical analysis of SEM-PLS has been applied by evaluating the structural model, then continued by testing the mediation effect. Furthermore, the evaluation of structural model applied in purposing to determine the value of *R-Square* and the significance tests. Besides the mediation effect test as a purpose

to determine the mediation effect of the model, the relationship between exogenous and endogenous constructed through the connecting variables.

Distributing the Productive ZIS

One of the main goals of Zakah is to distribute wealth among human beings so that there is a balance between people who have more funds with people who lack funds. The welfare would be realized if the economic empowerment is managed professionally and sustainably. Malthus in his book, *the principles of political economy* explains the concept of development, in which the accumulation of capital is one of the most important factors for economic development. Malthus said, "The increase in steady and continuous prosperity is impossible without additional capital on an ongoing basis (Jhingan, 2007: 98).

The distribution of productive *zakat* in the form of business capital is one of the programs carried out Baznas of Yogyakarta. It has been operated since 2013 until 2015 reaching the number of recipients around 200 *mustahiq* throughout the district of Yogyakarta. The distribution of *zakat* that has been organized by Baznas of Yogyakarta is a model called BQB (*Baitul Qiradh Baznas*), which is a form of distributing productive Zakah by providing business capital to recipients in accordance with managed business. The number of business capital given on average amounts to 3.6 million for each recipients every year. In this case, recipient who receives the *zakat* given the authority to manage these funds in accordance with their business needs.

However, in addition to provide the business capital, Baznas of Yogyakarta also appeals recipient to set aside part of its business in a way of saving their money, in relation with of requirement of refunding it to Baznas which should be done within ten months. Once the restore process has been completed, the *mustahiq*'s money has been accommodated by

Baznas as savings which are then donated back to mustahiq. Annually, Baznas of Yogyakarta in cooperation with Desperindagkop initially provides business assistance through a program PLUT (integrated business service centers). The purpose of the PLUT is to provide socialization and training to improve the quality recipient in managing their businesses.

Structural Model Evaluation

Evaluation structural models will begin of seeing the value of R-Square for each endogenous variable as the predictive power of the structural model. Based on statistical calculation was resulted as follows:

Table. 2
Values of R-Squares

Variable Kriterion	Variables Predictors of	R-Square	Description (0.75, 0:50, 0:25 = strong, moderate, weak)
Mustahiq's Welfare	Productive ZIS Growth of micro-business, Age	0.688	Moderate
Absorption of employment	Growth of micro business,	0.127	Low
Growth of Micro Business	Productive ZIS	0.222	Low

Source: primary data has been processed (2016)

Based on the table above, value *R-square* of the variable *mustahiq* welfare is 0.688. It means that the variant of mustahiq welfare variables able to be explained by the variables in the model is 0688 (68.8%) is a growth factor micro, productive ZIS, and age, the rest influenced by other factors. Furthermore, the value *R-square* of the variable employment is 0.127 and the growth of micro-business is 0.222, they are classified in the low value.

The following will be displayed output PLS algorithm and *bootstrapping* SEM using Smart PLS 3.0:

Image. 3
Output PLS algorithm

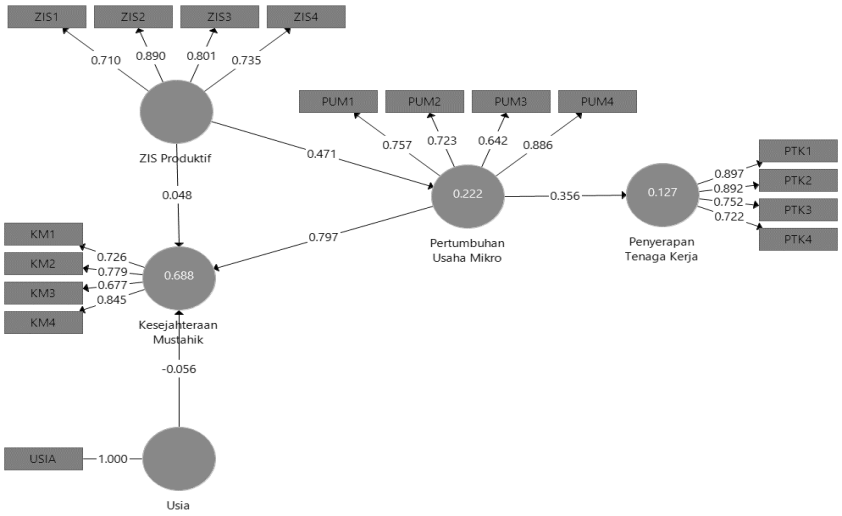
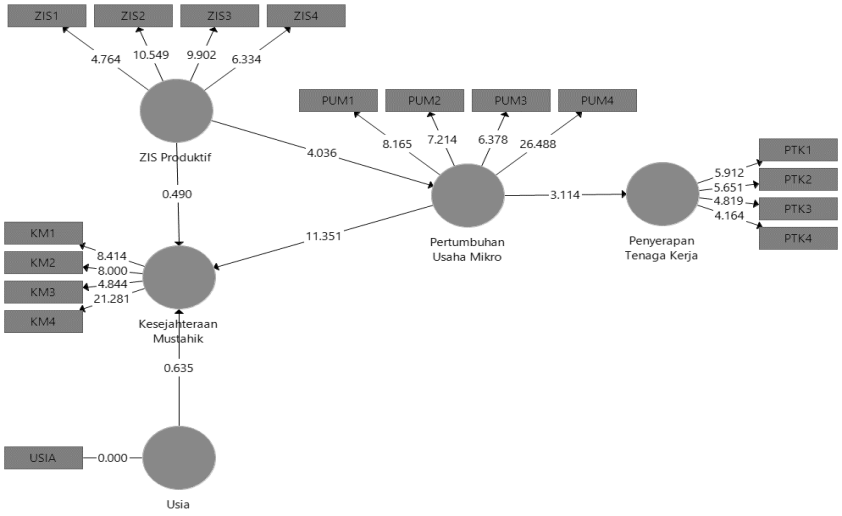


Image. 4
Output PLS Bootstrapping



The image can be detected of path coefficients and t-statistics values count. *First*, the influenced of productive ZIS on the growth of micro business is 0.471 with 0.000 *p-value* stated that first hypothesis is accepted. *Second,* the influenced of the micro-business growths on the employment is 0.356 with 0.002 *p-value* stated that second hypothesis is accepted. *Third,* the influenced of micro-business growths on *mustahiq* welfare is 0.797 with 0.000 *p-value* then the third hypothesis is accepted. *Fourth,* the influence of age on the mustahiq welfare with -0056 path coefficien values and 0.526 *p-value* then the hypothesis is rejected. *Fifth,* the influence of productive ZIS on the mustahiq welfare, especially for this hypothesis, path coefficient value and p-value is not derived from outpot Encryption and bootstrapping above, but using variable values without mediation. Here are the results of statistical tests without involving the mediating variables:

Image. 5
Output PLS algorithm

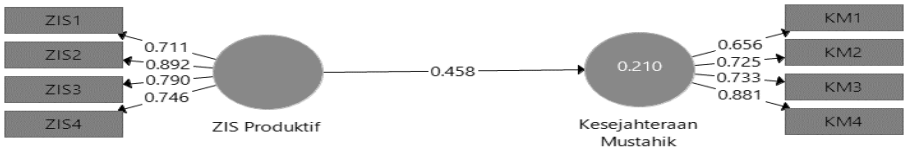
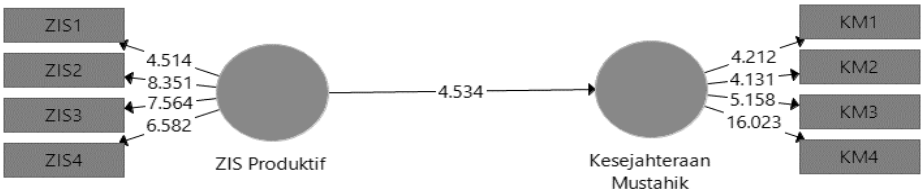


Image. 6
Output PLS bootstrapping



The mediating variable in this study is the growth of micro business. In the testing of mediation effect used Smart PLS 3.0 program that the procedure developed by Baron and Kenny. According to Baron and Kenny are three stages of the model to examine the mediating effect of (Ghozali, 2015):

a. The first model to test the effect of exogenous variables (X) to the endogenous variable (Y) and should be significant at *p-value* of 5%; as it has been proven in the five hypothesis ($Ha_{5)}$, with 0.000 P-value that a smaller value of 5% and the path coefficient is 0.458 (Image 5), stated that has been qualified.
b. The second model examines the effect of exogenous variables (X) to the mediating variables (M) and should be significant at 5% *p-value*. In this model, the mediation is micro-business growth variable; as has been verified in the first hypothesis with 0.000 *P-value* and the path coefficient is 0.471 (Image 3), stated that has been qualified.
c. The third model to test the influence of exogenous variables (X) to the mediating variables (M) against endogenous variable (Y) simultaneously. In the final of testing is expected to influence the exogenous variables (X) of the endogenous variable (Y) is insignificant, while the influence of mediating variables (M) to the endogenous variable (Y) is significant at the *P-value* of 5%. For the third requirement *P-value* used is the value contained in the table *f-squared* because the values in this table are the values that are already using mediating variables.

Based on the image 3, the value were obtained on the effect of exogenous variables (X) to the endogenous variable (Y) through the mediating variables (M) is 0.624 (> 0.05) and value of the path coefficient is 0.048 (Figure 3). It can be concluded that the growth of micro business

have relationship between the productive ZIS to the *mustahiq* welfare. The last stage is to see the value and significance of the influence coefficient between variables using mediating variables (M). This can be seen through the *indirect effect* coefficient and *p-value* significant at <5% available in 3.0 Smart PLS program.

Table. 3
Indirect Effect Values

	Original Sample	t-statistics (O / Sterr /)	P-value
ZIS productive > *mustahiq* welfare	0376	3804	0000

Source: primary data has been processed (2016)

Based on the above table it can be seen that the *p-value* for 0000 and 0376 amounted path coefficients. This means that the mediation model ZIS productive influence on the welfare of mustahiq acceptable (cf. Abdullah, 2017).

Finding the ZIS Impact

Productive ZIS has a positive and significant effect on the growth of micro business. The more distributed productive of ZIS, the fast the growth of micro business. Haneef (2002) revealed that *zakat* as an instrument of redistribution has purpose for preventing the wealth concentrated in the hands of a few community. Therefore, the system of collection and distribution of *zakat* is an attempt to redistribute assets and wealth so that economic growth in this country really can be utilized by all of community levels; due to one purpose of *zakat* is to minimize the economic inequality in community (Susanto, 2002: 96). Distributing the productive *zakat* means opening one chance to create business independently. The ability of society to create employment independently will strengthen the economic joints.

People who were initially economically weak, will gradually strengthen through economic empowerment. And we know that UKM is sector that has an important role in economic development (Partono: 2002)

Micro business growth variabels has a positive and significant effect on the employment. It indicates if there is an increase in the growth of micro business so the absorption of the labor will be increased. Schumpeter's macro-economic theory explains the meaning of development, "An entrepreneurs are a central of economic development" (Jhingan, 2007). Increasing the number of micro-business growth impact on the availibility of employment which make it able to absorp the labor. Therefore, the development of micro business with capital derived from *zakat* will absorp the labor (Sartika, 2008: 77). Micro business can absorb low educated labor and living in a small business, such as domestic industry (Faiz: 2002). In additional, their employment will reduce unemployment, so that it can be used as an indicator in incresing of economic development.

Micro business growth variable is also has a positive and significant effect on the *mustahiq* welfare. it means that if there is a growth of the *mustahiq*'s business then the welfare increased. These results are consistent with Malthus's theory on the principles of political economics. He clarify the roles of production and distribution, considering that the production and distribution as "the two main elements of well-being". If both are combined in the right proportions, he will be able to improve the welfare of the state in a short time (Jhingan, 2007: 98). Similarly, in the perspective of Islamic economics, Mahrusy explained that the continuous growth of production factors are really able to contribute to the *mustahiq* welfare. Increasing in the factors of production are not regarded as economic growth if the production of goods for example incorporate proven a bad effect and harm humans (Mahrusy, 2009). This views has been similar to the concept of economic development in terms of Islam, it explained that

economic development defined as the process of alleviating poverty and provision of ease, comfort and decency in life (Mahrusy, 2009).

The Age variable does not affect to the *mustahiq* welfare. It is based on *p-value* count, that is 0.526 (> 0.05) and -0.056 path coefficient. This indicates no matter how a person's age, it can affect to the productivity has been she made. The most *mustahiq* work hard despite his age. The many necessary demanded them to be sufficient and always work hard.

The last hypothesis testing shows that the productive ZIS directly has a positive and significant effect on the mustahiq welfare. It is based on the vaues count of p-value and path-coefficient, there are 0.000 (> 0.05) p-value and 0.458 path coefficient. The statistical test results are similar to the views of Yusuf Qardhawi (1995) on *zakat*. He revealed that *zakat* is one of medium for reducing poverty. According to him, *zakat* has an important position in realizing the *mustahiq* welfare and releasing them of the poverty. According to the Malaysian sharia economists, Aslam Haneef, in the macroeconomic sharia perspective, the concept of income distribution and wealth can be viewed from three aspects; *first,* pre-production distribution; *second,* postproduction distribution and *third,* economic redistribution. Then the third component is devided into three instruments, positive instruments (*zakat*), voluntary instruments (*infaq*, *sadaqah* and *waqf*) and forbidden intruments (interest and speculation). Therefore, encouraging in developing of *zakat*, *infaq* and *sadaqah* is essentially an attempt to redistribute assets and wealth so that economic growth in this country can truly be utilized all of community levels (Susanto, 2002: 96; Bhuiyan, Siwar, Ismail, Omar, 2017).

From the interview to the respondents, the most *mustahiq* when asked about the ZIS distribution system of the Baznas, they revealed that the distribution of ZIS productive is good enough; in doing so it fosters the *mustahiq* spirit to manage the business earnestly. In additional, the

system of productive ZIS with returns it in the first 10 months, enforcing the *mustahiq* to manage the business conscientiously. As a consequence, Baznas of Yogyakarta also provides training to the *mustahiq* to improve their softskill in managing the business.

The impact of *zakat* management has been empowered Baznas of Yogyakarta could increase the *mustahiq*'s business. The *mustahiq* was laborers previously; they could create their business independently, such as T-shirt printing industry, home industry of *lumpia*, tofu production and others. The business has developed and continuously absorbed the employment of their family and neighbors. The material welfare can be seen from *mustahiq* ability to meet the daily needs included basic needs, education, and health. While the spiritual welfare can be seen from *mustahiq* ability to meet the needs of religion, soul, and psychological ones. Nevertheless, most of mustahiq still working at the agency and work on others (interviews with respondents in October 2016).

Conclusion

In general, productive ZIS is distributed to the *mustahiq* has a significant effect on the growth of micro-business, employment and the *mustahiq* welfare. Most of the micro business has been managed the *mustahiq* has experienced significant growth. It is realized from their employment in business management. Micro businesses are managed in addition to generating sufficient turnover was also able to meet the needs of the *mustahiq* both materially and spiritually. Age doesn't has a significant effect on the *mustahiq* welfare. This shows that no matter how old *mustahiq*'s age. Through aforementioned survey, most of *mustahiq* still had to work hard to meet their needs.

It may recommend that due to the productive *zakat* has a significant effect on the micro-business growth, employment, and mustahiq welfare,

Baznas of Yogyakarta should give more attention to the distribution management of productive *zakat* included monitoring and surveillance. Baznas of Yogyakarta should observe *mustahiq*'s condition before distribute the productive *zakat* comprehensively, so that distribution of *zakat* would be not misused personal gain but get on target. For the next research, it is expected to conduct more comprehensive research related to the productive ZIS, especially in the use of variables as well as the modeling and analysis of data, so that data is processed more real to describe the result of research.

References

Abd. Wahab, N., Zainol, Z., Abu Bakar, M. (2017). Towards Developing Service Quality Index for Zakat Institutions. *Journal of Islamic Accounting and Business Research* 8(3), 326-333.

Abdullah, N. (2017). The Application of Zakat Index (Zein) to Measure the Effectiveness of Zakat in Alleviating Malaysia's Poverty. *International Journal of Economic Research* 14(15), 1-11.

Abu Faris, M Abdul Qadir. (1983). *Kajian Kritis Pendayagunaan Zakah.* Semarang: Dimas.

Adisasmita, Raharjo. (2013). *Teori-teori Pembangunan Ekonomi : Pertumbuhan ekonomi dan pertumbuhan wilayah.* Yogyakarta: Graha.

Asnaini. (2008). *Zakat Produktif dalam Perspektif Hukum Islam.* Yogyakarta: Pustaka Pelajar.

Bhuiyan, A.B., Siwar, C., Ismail, A.G., Omar, N. (2017). The Islamic Microfinancing Contributions on Sustainable Livelihood of the Borrowers in Bangladesh. *International Journal of Business and Society* 18(S1), 79-96.

Djuanda, Gustian. (2006). *Pelaporan Zakat Pengurangan Pajak.* Jakarta: Raja Grafindo.

Fakih, Mansour. (1987). *Analisis Gender dan Transformasi Sosial*. Yogyakarta: Pustaka Pelajar.

Fathullah, Haikal Luthfi. (2015). Pengaruh Bantuan Zakah Produktif Oleh Lembaga Amil Zakah Terhadap Pendapatan Mustahiq (Studi pada LAZIS Sabilillah dan LAZ EL Zawa Malang), *Jurnal Ilmiah Mahasiswa Universitas Brawijaya* Vol. 4, No 1.

Febianto, Irawan., Ashany, Arimbi Mardila. (2012). The Impact Of Qardhul Hasan Financing Using Zakah Funds On Economic Empowerment (Case Study of Dompet Dhuafa, West Java, Indonesia). *Asia Business Review.* Vol. 1, Issu 1, September, 15-20.

Ghozali, Imam. (2015). *Partial Least Squares: Konsep, Teknik dan Aplikasi Menggunakan Program SmartPLS 3.0.* Semarang: Badan Penerbit Undip.

Hafidhuddin, Didin. (2007). *Agar Harta Berkah dan Bertambah*. Jakarta: Gema Insani.

Hafidhuddin, Didin. (2008). *The Power Of Zakah: Studi Perbandingan Pengelolaan Zakah Asia Tenggara.* Malang: UIN-Malang-Press.

Hikmat dan Hidayat. (2008). *Panduan Pintar Zakah*. Jakarta: Qultummedia. 2008.

http://ekonomi.tvone.co.id/berita/view/42945/2010/08/20/Zakah_potensi_atasi_kemiskinan_di_dunia/. retrieved 26 Desember 2016.

http://Zakah.or.id/undang-undang-pengelolaan-Zakah-di-indonesia. retrieved 10 September 2016.

Ibrahim Patmawati, Ghazali Ruziah. (2014). Zakah as an Islamic Micro-Financing Mecanism to Productive Zakah Recipients. *Asian Economic and Financial Review* (411), 117-125.

Inayah, Gazi. (2003). *Teori Komprehensip Tentang Zakat dan Pajak.* (Transl) Yogyakarta: Tiara Wacana.

Jalaluddin. (2012). Pengaruh Zakah Infaq dan Sadaqah Produktif terhadap Pertumbuhan Usaha Mikro dan Penyerapan Tenaga Kerja Serta Kesejahteraan Mustahiq. *Majalah Ekonomi* Tahun XXII. No. 3. Desember, 270-277.

Mannan, M.A. (1997). *Teori dan Praktik Ekonomi Islam*. Yogyakarta: Dana Bhakti Wakaf.

Mufraini, M. Arif. (2006). *Akuntansi dan Manajemen Zakah: Mengomunikasikan Kesadaran dan Membangun Jaringan*. Jakarta: Kencana.

Müller, D.M. (2017). From Consultancy to Critique: The 'Success Story' of Globalized Zakat Management in Malaysia and Its Normative Ambiguities. *Globalizations* 14(1), 81-98.

Mutia, Agustina., Zahara, Anzu Elvia. (2009). Analisis Faktor-Faktor yang Mempengaruhi Kesejahteraan Ekonomi Mustahiq Melalui Pemberdayaan Zakah. *Jurnal Kontekstualita,* Vol. 25, No. 1, Juli, 1-12.

Naf'an. (2014). *Ekonomi Makro (Tinjauan Ekonomi Syariah).* Yogyakarta: Graha Ilmu.

Othman, A., Noor, A.H.M. (2017). Identifying Determinants of Subjective Poverty among Zakat Applicants. *Advanced Science Letters* 23(8), 7710-7713.

Pailis, Armas, dkk. (2016). The Influence of Maqashid Syariah toward Mustahik's Empowerment and Welfare (Study of Productive Zakat Recipients on Baznas Riau). *American Journal of Economics.*6(2), 96-106.

Peraturan Menteri Agama (PMA) Republik Indonesia Nomor 52 Tahun 2014 tentang *Syarat dan Tata Cara Perhitungan Zakah Mal dan Zakah Fitrah serta Pendayagunaan Zakah untuk Usaha Produktif.* 2014.

Qadir, Abdurrachman. (1998) *Zakah (Dalam Dimensi Mahdhah dan Sosial).* Jakarta: Raja Grafindo Persada.

Qardawi, M Yusuf. (1987). *Hukum Zakat, Studi Komparatif Mengenai Status dan Filsafat Zakah Berdasarkan Qur'an dan Hadits.* (Transl. Salman Harun) Jakarta: Litera Antar Nusa.

Qardawi, Yusuf. (1973). *Fiqhuz-Zakah* (Transl). Jakarta: Litera Antar Nusa.

Qardawi, Yusuf. (1996). *Konsepsi Islam dalam Pengentasan Kemiskinan.* Surabaya: Bina Ilmu. 1996.

Rusli, Abu Bakar Hamzah., Sofyan Syahnur. (2013). Analisis Dampak Pemberian Modal Zakah Produktif terhadap Pengentasan Kemiskinan di Kabupaten Aceh Utara. *Jurnal Ilmu Ekonomi Pascasarjana Universitas Syiah Kuala.* Vol. 1, No. 1, Februari 2013, 56-63.

Sartika, Mila. (2008). Pengaruh Pendayagunaan Zakah Produktif terhadap Pemberdayaan Mustahiq pada LAZ Yayasan Solo Peduli Surakarta. *Jurnal Ekonomi Islam La Riba.* Vol. II, No. 1, Juli 2008, 75-89.

Sholihin, Mahfud. (2013). *Analisis SEM-PLS dengan Warp PLS 3.0.* Yogyakarta: Penerbit Andi.

Tamin, Imron Hadi. (2011). Peran Filantropi dalam Pengentasan Kemiskinan di dalam Komunitas Lokal. *Jurnal Sosiologi Islam.* Vol. 1, No. 1, April 2011, 35-58.

Undang-Undang Republik Indonesia Nomor 23 Tahun 2011 tentang *Pengelolaan Zakah.* 2011.

Utami, Siti Halida. (2014). Pengaruh Pendayagunaan Zakah Produktif Terhadap Pemberdayaan Mustahiq di Kota Medan. *Jurnal Ekonomi dan Keuangan.* Vol. 2, No. 6, 353-366.

Wan Sulaiman bin Wan Yusoff. (2008). Modern Approach of Zakah as an Economic and Social Instrument for Proverty Alleviation and Stability of Ummah. *Jurnal Ekonomi dan Studi Pembangunan* Vol. 9, No. 1, 105-118.

Widiastuti, Tika. (2015). Model Pendayagunaan Zakah Produktif Oleh Lembaga Amil Zakah dalam Meningkatkan Pendapatan Mustahiq.

JEBIS. Vol. I, No. 1, Januari-Juni, 89-102.

Wulansari, Sintha Dwi. (2014). Analisis Peranan Dana Zakah Produktif terhadap Perkembangan Usaha Mikro Mustahiq (Studi Kasus Rumah Zakah Kota Semarang). *Diponegoro Journal of Economics.* Vol. 3, Nomor 1, Tahun 2014, 1-15.

Shirkah Author Guidelines

Shirkah currently offers two routes to submit manuscripts. We highly recommend to submit the articles which are made using OJS (Open Journal System). Feel free register as author soon through visiting http://shirkah.or.id/index.php/home/user/register. The authors may directly send their manuscripts, along with their resume, to shirkahiainsurakarta@gmail.com. Please prepare your manuscripts, using following guidelines:

1. Manuscript must be written in English. Submitted articles should not have been published or be under review for publication with another journal.
2. Manuscript's length is about 15 – 20 pages, typed in one-half spaced on A4-paper size.
3. Manuscript must include an 150 – 200 word abstract and keywords.
4. Manuscript must be arranged as follows: Title, Name of Author, E-mail address, Abstract, Keywords, Introduction (including method if any), Discussion, Conclusion, References.
5. Manuscript's titles not more than ten words.
6. Manuscript must be submitted in Microsoft Word or RTF.
7. Arabic words should be transliterated according to the style of *International Journal of Middle Eastern Studies.*
8. Manuscript references are preferably derived from the up-to-date references.
9. The author's resume should be submitted separately, consisting of at least full name, institutional address, phone number, areas of studies, and recent publications (if any).
10. ***Shirkah*** use APA Style 6th edition (2010) as reference format writing. We suggest the use of a reference manager software such as Mendeley, Zotero, and Endnote at templating the citation style. APA Style to be used is as follows:

Book with single author

Swann, G. M. Peter. (2014). *The Economics of Innovation an Introduction*. Cheltenhum & Northampton: Edward Elgar.

in-text citation: (Swann, 2014)

Articles in reference books

Alatas, S. F. (2006). Islam and the Science of Economics in Abu Rabi', I.M. *The Blackwell Companion to Contemporary Islamic Thought*. USA: Willey-Blackwell (pp. 587-606).

in text citation: (Alatas, 2006)

E-Book

Hackett, Rosalind (2007). "Religous Dimentions of War and Peace: Introduction." Dalam Gerrie ter Haar dan Yoshio Tsuruoka (Ed.), *Religion and Society: An Agenda for the 21st Century* (h. 3-6). Retrieved from http://brill.nl.

in text citation: (Hackett, 2006)

Master's thesis, from a commercial database

McNieI, D. S. (2006). Meaning through narrative: A personal narrative discussing growing up with an alcoholic mother (Master's thesis). Available from ProQuest Dissertations and Theses database. (UMI No. 1434728)

in text citation: (Mc Niel, 2006)

Doctoral dissertation, from an institutional database

Adams, R. J. (1973). Building a foundation for evaluation of instruction in higher education and continuing education (Doctoral dissertation). Retrieved from http://www.ohiolink.edu/etd/

in text citation: (Adams, 1973)

Doctoral dissertation, from the web

Bruckman, A. (1997). MOOSE Crossing: Construction, community, and learning in a networked virtual world for kids (Doctoral dissertation, Massachusetts Institute of Technology). Retrieved from http://www-static.cc.gatech.edu/--asb/thesis/

in text citation: (Bruckman, 1997)

Journal article with No DOI

Bourkhis, K., and Nabi, M. S. (2013). Islamic and conventional banks' soundness during the 2007-2008 financial crisis. *Journal Metrics*, 22(2), 68-77.

in-text citation: (Bourkhis & Nabi, 2013).

Journal article with DOI

Ichwan, M. (2012). The Local Politics Of Orthodoxy: The Majelis Ulama Indonesia in the Post-New Order Banten. *Journal Of Indonesian Islam*, 6(1), 166-194. doi:http://dx.doi.org/10.15642/JIIS.2012.6.1.166-194

In text citation : (Ichwan, 2012)

Abstract as citation

Hasan, N. (2012). Islamist Party, Electoral Politics And Da'wah Mobilization Among Youth : The Prosperous Justice Party (PKS) in Indonesia. *Journal of Indonesian Islam*, *6*(1), 17-47. Abstract from http://jiis.uinsby.ac.id/index.php/jiis/article/view/97

in text citation : (Hasan, 2012)

Mass media article

Sahal, Akhmad (2014, March 2). Kiai Sahal dan Realisme Fikih. *Tempo Magazine*, p. 120.

in text citation : (Sahal, 2014)

Research report

Fisher, B. S., Cullen, F. T., & Turner, M. G. (2000). The Sexual Victimization of College Women. Research Report.

in text citation : (Fisher, Cullen, Turner, 2000)

Monograph

Routray, Bibhu Prasad (2013), *National Security Decision-Making in India* (RSIS Monograph No. 27). Singapura: Rajaratnam School of International Studies.

in text citation : (Routray, 2013)

Proceeding article

Sudibyakto, Hizbaron, D.R., & Jati, R (Ed.) (2009), *Proceeding International Seminar Disaster Theory, Research and Policy.* International seminar held by Sekolah Pascasarjana, Universitas Gajahmada, Yogyakarta, 8-9 Desember 2009.

in text citation : (sudibyakto and Jati, 2009)

Paper conference/seminar/symposium

Janutama, Herman Sinung (2011). "Kraton dan Hubungan Antar Agama." Paper presented in *Seminar Kraton dan Panatagama* held by Center for the Study of Islam and Social Transformation (CISForm), Yogyakarta, 17 November.

in text citation :(Janutama, 2011)

Online article in web

Shiva, (2006, February). Bioethics: A Third World Issue. *Native-web*. Diperoleh dari http://www.nativeweb.org/ pages/legal/shiva.html

in text citation : (Shiva, 2006)

Online research report

Kessy, S. S. A., & Urio, F M. (2006). The contribution of microfinance institutions to poverty reduction in Tanzania (Research Report No. 06.3). Retrieved from Research on Poverty Alleviation website: http://www.repoa.or.tz /documents_storage/Publications/Reports/06.3_Kessy_and_Urio.pcif

in text citation : (kessy and urion, 2006)

Holy book

Qur an, 2 (25)

In text citation : (Q. al-Baqarah 2:25).

Encyclopaedia

Graycar, Adam (1992). Social Welfare Policy. Dalam Mary Hawkesworth dan Maurice Kogan (Ed.), *Encyclopedia of Government and Politics* (Vol. 1). London: Routledge.

in text citation : (Graycar, 1992)

Interview

Sultan Hamengkubuwono X (interview, 2011, April 19)

in text citation : (Hamengkubuwono, 2011)

Documentary film

Steijlen, Fridus (2008). *A Day in the Life of* Indonesia [documentary film, 58 minutes]. Leiden: KITLV Press.

in text citation : (Steijlen, 2008)

Vol. 2 No. No. 3, September - December 2017