

LISTENING FROM THE BOTTOM A QUALITATIVE APPROACH EXAMINING ZAKAT RECIPIENTS' VOICES

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Abstract

Existing zakat research, reports little information about the living conditions of Indonesian zakat recipients. This study examined the perceptions of zakat recipients at Rumah Zakat, a charitable institution, in Yogyakarta. Semi-structured interviews solicited seven economic empowerment program respondents' narratives. This data collection method incorporating a phenomenological approach to data analysis revealed that respondents with more education and spousal support could better subsist after utilizing Rumah Zakat's interest-free loans, and compared to individual efforts or group support, spousal support helped significantly with business growth. These respondents typically earned incomes above the national standard of poverty. As their businesses grew, four respondents planned to employ the jobless. Respondents benefiting from the program reported significant impact on their home economies and social lives.

Keywords: Economic empowerment, Interest-free loans, Zakat

Abstrak

Sejumlah penelitian tentang zakat yang telah ada banya memberikan informasi yang sangat minim akan kondisi para penerima zakat. Pada penelitian ini akan mengungkap persepsi para penerima zakat di Rumah Zakat pada lembaga zakat yang berada di Yogyakarta. Sejumlah interview dilakukan kepada tujuh program pemberdayaan ekonomi untuk melibat sejarah para respondenya. Pendekatan yang dilakukan adalh dengan pendekatan fenomenologi dimana para responden dengan pendidikan lebih tinggi dan dukungan dari keluarga akan memiliki kehidupan lebih baik setelah memanfaatkan pinjaman tanpa bunga di Rumah Zakat jika dibandingkan dengan mereka yang banya mendapatkan dukungan dari individu atupun kelompok. Disini dukungan keluarga sangat berpengaruh terhadap pertumbuhan bisnis yang mereka jalankan. Para responden tersebut secara umum memiliki pendapatan di atas rata-rata upah minimum nasional. Dengan semakin berkembangnya usaha mereka maka ada empat responden yang merencanakan untuk mempekerjakan para pengangguran. Secara umum responden memperoleh keuntungan dalam ekonomi dan kehidupan sosial mereka.

Kata Kunci: Pemberdayaan ekonomi, Pinjaman tanpa bunga, Zakat

Background

Standing as the third of the five pillars of Islam, *zakat* is the obligatory religious donation that has been established in the Islamic law or *shari'ah* as the basis for Muslims to be considered faithful believers (Al-Qardawi, 1999). *Zakat* means “growth in purity of the soul through honest actions and dealings” (De Zayas, 2007). According to a *hadith* (sayings of the Prophet Muhammad), when assigning Mu'adh ibn Jabal to govern Yemen in the 7th century, the Prophet Muhammad ordered him to levy *zakat* on the rich among the community and to bestow proceeds upon the poor (Al-Bukhari, 1997; Al-Qardawi, 1999; Bonner, 1996; Mattson, 2011). By modern times, Al-Qardawi and Visser noted an extension of the purpose of *zakat*, which is now intended to solve social problems and be used to help the poor and the destitute (Al-Qardawi, 1999; Visser, 2009). Visser also maintained that another purpose of *zakat* was to improve Muslim society through education, manpower training, social welfare programs, and economic development projects (Visser, 2009).

Few studies have examined *zakat's* role from the *zakat* recipients' point of view because of limited access to recipients, and much of the existing research focuses on management and institutions. This limited access and narrow focus have left a gap in understanding the *zakat* system comprehensively. The initial research into *zakat* for the poor found that *zakat* researchers in Indonesia focused on anecdotal research, a sharing of experiences, rather than rigorous research; therefore, it was necessary to conduct qualitative inquiries to better understand the conditions of the impoverished (Lessy, 2011). To this end, research is needed to explore the personal experiences of this poor population who receive *zakat* funds and participate in Rumah Zakat's economic empowerment program. Additionally, interviewing this population to understand their situations of impoverishment is needed to suggest best *zakat* practices for the *zakat* system.

The initial research also found that *zakat* research in Indonesia is basic and practical. It is not generally embedded in any theoretical framework, such as phenomenology (Lessy, 2011). Therefore, conducting theory-based inquiries to investigate the

perspectives of *zakat* recipients at Rumah Zakat is necessary in understanding the life knowledge of the *zakat* recipients and in establishing the efficacy of empowerment programs to reduce the recipients' dependency on *zakat*. Such life knowledge often challenges standard preconceptions about the ways in which *zakat* institutions can provide assistance (Krumer-Nevo, 2005, 2008).

Exploring life knowledge of Rumah Zakat's recipients and learning to listen well to their stories and interpret them, as well as retell their narratives is necessary because, according to the Badan Pusat Statistik or BPS, the number of the Indonesian population living below the national poverty line is 33 million or 13% of the total population (246 million). Rumah Zakat's economic empowerment program is designed for these recipients. This program is comprised of training and micro-finance loans intended to help impoverished recipients economically and socially so that they can overcome disadvantages and be able to independently support themselves and their families (Dobias, 2002; Rumah Zakat, 2011).

Lack of narratives of *zakat* recipients as a guide for the Indonesian *zakat* system occurs due to the fact that Islamic philanthropy in the Muslim world--from the medieval era of Islam to the 20th century--has been characterized by a focus on givers but not an assessment of the needs of recipients. Kozlowski asserted that there is a need for reformation in the Muslim philanthropic system because, in this system, givers considered their donations as a vehicle to be closer to God; therefore, they paid little attention to the need to empower recipients (Kozlowski, 1998). The 20th century saw the rise of the influence of Western philanthropy, e.g., the establishment of the Ford and Rockefeller Foundations. Because of this establishment, since the 1980s, some Muslim scholars, such as Al-Qardawi and De Zayas, have interpreted the Qur'an texts with the intent of modernizing *zakat* systems in Muslim communities, laying the foundation of modern outlooks on Islamic philanthropy.

Zakat in Indonesia

In the Indonesian modern era, several *zakat* laws were enacted, but they were more responsive to the needs of rulers, donors, and institutional managers than to *zakat* recipients (Lessy, 2011).

This may reflect decision-makers' biases of overlooking the basic needs of recipients. Muhtada investigated the views of managers at Rumah Zakat on their service to *zakat* recipients and found that the managers based their discussions only on scriptural texts and not on the actual needs of the recipients (Muhtada, 2007). This resulted in *zakat* recipients being deprived of the assistance that would promote long term poverty eradication. Today, 33 million Indonesians continue to live in poverty (BPS, 2011); thus, more research is needed to investigate *zakat* recipients' needs in relation to *zakat* collections and distributions. Researchers should also examine what recipients actually receive and determine whether that support moves them from *zakat* reliant to becoming socially and financially independent.

This research objectively to document participants' personal background, including economic history before and while receiving *zakat*. Moreover it also examine how *zakat* was used, and for how long, in participants' families, and how Rumah Zakat has influenced their lives. On the other hand a review satisfaction levels of participants in Rumah Zakat programs with regard to fulfilling their basic needs and achieving their goals will be discussed. By March 2010, 13% or 33 million of 246 million Indonesians lived below the national poverty line; 36% lived in urban areas, and 64% lived in rural areas. Based on the current policy of the government, only an individual who earned less than Rp 5,000 (50 cents) per day could be categorized as poor or destitute (BPS, 2011).

Stampedes and the trampling of the poor seeking *zakat* alms, mainly women, have occurred during *zakat* distributions to the masses which resulted in hundreds of *zakat* recipients injured and 21 among them died (Boediwardhana, 2008). These incidents indicated that the traditional method of *zakat* distribution required review in order to prevent future incidents. The poor still come to seek *zakat* in LAZIS institutions or private donors' houses, and usually during Indonesian Muslim festivals of *Ied Fitr* and *Ied Adba* when *zakat* is favorably distributed. Because of the stampedes, the status of *zakat* alms seekers is unclear; therefore, establishing a fair and transparent determination of who should and should not receive *zakat* is challenging. The lack of a fair poverty measurement system

in LAZIS institutions may create further problems in distribution of *zakat*. Thus, more research is needed to understand how to distribute *zakat* in a safer manner.

Because of poverty and destitution, as well as economic gaps among the people and the problems in the distribution of *zakat*, this researcher believes that this study is needed; no research addresses the basic needs of the poor through *zakat*, nor does research measure standards of poverty that Rumah Zakat should follow. Therefore, *zakat* is only given to the poor and the destitute or those who are categorized as the entitled. Empirical studies are needed to better understand what standards are used by Rumah Zakat to fulfill the basic needs of the recipients through *zakat*.

Role of Zakat in Recipients' Lives

There has been no research that has revealed comprehensively the economic condition of *zakat* recipients. Some recent research has indicated that almost all *zakat* recipients live with an income below the national poverty line, and that the presence of *zakat* empowerment programs reduced the number of the poor (Indonesia Magnificence of Zakat (IMZ), 2011). Statistics have revealed the improvement of the living conditions of *zakat* recipients, e.g., 62% of the respondents, aged 30 to 31, were found to be productive. Almost all of these recipients had basic skills for generating income. Thus, the potential for poverty eradication would increase if *zakat* institutions targeted this population as recipients. IMZ reported that the majority of respondents were breadwinners with jobs, even entrepreneurs, at micro levels. This shows that the *zakat* empowerment programs reached those with such jobs (IMZ, 2011).

IMZ also revealed that most of the respondents (57%) were married heads of households with spouses present, and that the rest of these respondents were single parents, either unmarried or widowed. These respondents headed poor households and had the responsibility of raising children without adequate job support. Furthermore, IMZ reported that 59.3% of respondents had 4 to 6 persons in their families, and 29.2% of respondents had 1 to 3 persons in their families (IMZ, 2011). The households of the

majority of respondents, by consisting of 4 to 6 persons, mirrored the average Indonesian household size, which is 4.7 persons per family (BPS, 2011). Respondents receiving *zakat* had previously lived below the poverty line, and the presence of *zakat* was able to reduce the level of poverty among the poor (Suara Merdeka, 2012).

IMZ (2011) also reported that 41.5% of respondents had at least six years of elementary school education and worked in informal job sectors without long term guarantees. There was no respondent with education beyond twelve years or high school. Previous research on entrepreneurial respondents did not reveal educational backgrounds because the recruitment process for potential respondents was often not based on credentials pursued by respondents but was based on their ability to return the capital. With *zakat* increasingly being managed by modern institutions, such as LAZIS, there has been an effort to modernize management so that LAZIS can remain viable in order to sustain the social and economic survival of recipients.

Economic Empowerment

LAZIS are operating for charitable purposes in Indonesia, and LAZIS have several institutions which affiliate with community organizations in society. One of the biggest LAZIS is Dompot Dhuafa, which established its economic empowerment program to encompass two areas: micro-finance loans and small-scale enterprise development. Beik asserted that this economic empowerment program aims to motivate *zakat* recipients to start businesses and provides beginner entrepreneurs with modest capital. This program also trains recipients in automotive repair, sewing work, and plumbing skills (Beik, 2011). Furthermore, Dompot Dhuafa has established an Islamic Savings and Credit Cooperative called the *Bayt al-Maal wat Tamwil*, and in partnership with the Shari'a Credit of Bank Rakyat Indonesia, lends money to *zakat* recipients who want to start businesses. The economic empowerment program also provides interest-free loans to agricultural producers to ensure production continuity and price stability. In addition, working with partner organizations, Dompot Dhuafa provides seed capital and revolving funds (Beik, 2011).

Darut Tauhid, another LAZIS, has an economic program that provides financial and training support for farmers, so they can become independent. Darut Tauhid supports *zakat* recipients through financial aid to renovate their business shops because this assistance helps their gainful activities continue. The method used is to give a revolving loan every month primarily to those who lack a place of business. This economic program also gives micro-finance loans to poor farmers who want to breed sheep (Beik, 2011; Dobias, 2002).

Another LAZIS, Pos Keadilan Peduli Umat (PKPU), has an economic program that lends money to farmers, artisans, retailers, and fishermen who lack resources to start businesses (Dobias, 2002). One recent program, which is called community economic empowerment (PROSPEK), encourages community-based economic empowerment through partnerships. Over the last ten years, PKPU has developed the potential of *zakat* through these partnerships, such as cooperation with health care institutions to help poor families with no access to health care, and collaboration with educational institutions to help unfortunate children and youth. Therefore, they all may have access to health care services and education (Beik, 2011).

In terms of building capabilities, PKPU emphasizes manpower training for recipients, so they can become independent socially and economically. Building skills is essential to help deprived recipients develop their entrepreneurial efforts. In certain cases, this help can be provided by PKPU through lending capital support, such as interest-free loans, or providing facilities, such as tents, cookware, and utensils, so recipients can run their businesses (Beik, 2011).

The final LAZIS, Bayt al-Maal Bank Rakyat Indonesia, has provided a program since 2009 called community economic empowerment, which operates through giving capital to recipients, including potential small entrepreneurs and agricultural and cattle farmers, who want to start businesses. The Bayt al-Maal Bank Rakyat Indonesia provides loans to individuals and to groups and builds partnerships with them. Capital loans are given priority to enable groups to enhance their income so that they are able to return the

loans. In addition, the Bayt al-Maal Bank Rakyat Indonesia helps them promote their products through exhibitions with the aim of increasing independence and competitiveness in the market (Beik, 2011).

There are 33 million of the Indonesian poor who are eligible for *zakat* (Beik, 2011). This number is equal to the number of Indonesian poor determined by the BPS (BPS, 2011). A survey by PIRAC from 2001 to 2002 reported that the proportion of *zakat* distribution was 53.3% of those eligible, and only 3.3% was distributed by BAZIS and LAZIS. The remaining *zakat* giving was initiated by individuals (PIRAC, 2004). However, Azra (cited in Beik) maintained that over the last ten years, the amount of *zakat* collection rose with a yearly average increase of 38.79% (Beik, 2011).

Observing *zakat* literature in Indonesia, this study did not find that LAZIS institutions had enough information to report the true conditions of their recipients, nor did *zakat* recipients have ways to reveal the money they received from *zakat* for survival or the struggle for participating in the institutional programs. Rather, much research focused on management and the nominal amounts of money LAZIS successfully collected but not on the stories of recipients about *zakat* and what the recipients experienced. Hence, these issues were the focus of this study.

Rumah Zakat

Founded in 1998, Rumah Zakat, one of the LAZIS institutions, has become the largest *zakat* collecting institution in Indonesia. As of 2009, Rumah Zakat had collected Rp 107.3 billion (\$10.73 million) from 54,000 donors (Lessy, 2011). With these funds, it has developed programs to address economic needs of impoverished communities and other programs, such as health care for the poor. Economic programs provide non-profit micro-credit and loans that enable poor households to start businesses and change their status from *zakat* recipients to *zakat* donors. Health care treats primarily family-based situations. Umar reported that Rumah Zakat developed two methods, namely to give *zakat* funds to the public for building an infrastructure which benefits the needy indirectly and

to establish *zakat* programs that benefit needy individuals directly, as in giving food, or clothes, or cash to spend for the other basic necessities (Umar, 2008). Muhtada's study found that Rumah Zakat has empowered the poor and has helped them solve some of their problems. However, it has not effectively changed their economic and social status in ways that can overcome human exploitation and injustice in poor Muslim societies (Muhtada, 2007).

The use of *zakat* funds by Rumah Zakat has focused on economic empowerment program. Analyses of LAZIS institutions concluded that this program seems to follow the trend of *zakat* programs in general, and that these institutions have overlapping programs, but those issues are not the focus of this study. Instead, this study starts from the lack of any evidence that recipients have been asked to discuss their perspectives about *zakat* programs. This study, therefore, investigated responses of *zakat* recipients at Rumah Zakat in order to gain important input for refining the system of Rumah Zakat in the future.

Population and Demographics

Qualitative interviews were arranged and conducted during the sixteen weeks from the second week of December 2011 through the fourth week of March 2012. The study respondents came from a population which was a defined subset of adults, 18 to 70 years old, who had received assistance in the form of services or direct *zakat* from Rumah Zakat's economic empowerment program. The population did not include adults with cognitive disabilities who needed assistance in self-expression, nor pregnant women whose status required particular protection. Also not included were non-Muslims, who comprised a minority of recipients. Although some non-Muslims, mainly those living in predominantly Muslim communities, may have received *zakat*, this researcher did not intend to study differences in perceptions that might arise from various religious backgrounds.

Rumah Zakat program recipients at locations outside Yogyakarta Province were excluded. Yogyakarta Province provided a large base of recipients accessible for interviews because Rumah

Zakat is one of the largest LAZIS institutions in the area. Rumah Zakat has external auditors who count income and expenditures of *zakat* funds in order for its operations to be transparent to the public. Therefore, abundant and accurate data were available for this study (Rumah Zakat, 2011).

This study examined two categories of *zakat* recipients, the poor (*faqir*) and the destitute (*miskin*) (Qur'an Karim, 1992), and it focused on seven *zakat* recipients who were involved in the economic empowerment program. Of the seven respondents, three were recruited from Yogyakarta City, and four were recruited from Bantul Regency. In addition, of the seven respondents in this study, three were females, and four were males. One of these three females had six years of education, and the other two had twelve years. One of these four males had six years of education; two of them had nine years; the other one had twelve years.

Table 1
Education Levels of Respondents

Economic Empowerment	
Gender Education	N=7
Females Six years	1
Nine years	-
Twelve years	2
Males Six years	1
Nine years	2
Twelve years	1

6 years: elementary school; 9 years: junior high school; 12 years: senior high school

Source: data is processed

Prior to the recruitment process, this researcher gathered 10 names of Rumah Zakat program recipients with their contact information. From this list, six respondents were successfully solicited through convenience sampling, whereby the researcher chose respondents from particular sites (Padgett, 2008). One more

respondent was solicited through snow-ball sampling, namely by recruiting a recipient who was identified by another interviewee (Engel & Schutt, 2005).

To recruit the seven respondents successfully, this researcher submitted letters of permission to the administrative officers of Rumah Zakat to give them the opportunity to understand the intent of this research. After obtaining Rumah Zakat's agreement, the researcher chose respondents and further made contact with them through mail and telephone. Only those who had previously agreed to the researcher's invitation were recruited.

Table 2
Demographic Information of Respondents (Pseudonyms)

No	Name	Gender	Age	Current Job	Spouse's Job	Children
1.	Warno	Male	45	Repairman	Laborer	2
2.	Rodiyah Ulya	Female	42	Food seller	Homemaker	3
3.	Raha Basuki	Male	44	Food seller	Homemaker	1
4.	Waluyo Utomo	Male	42	Tailor	Homemaker	3
5.	Istiqomah	Female	53	Food seller	Homemaker	2
6.	Ahmad Soleh	Male	32	Food seller	Homemaker	2
7.	Sri Umiyati	Female	59	Food seller	Passed away	4
Average 45.3 2.4						

Source: data is processed

Definition of Phenomenology

The term *phenomenon* originates from the Greek *phaenesthai*, which means "to let what shows itself be seen from itself, just as it shows itself from itself," (Krell, 1977: 82) or "to let things become manifest as what they are, without forcing our own categories on them" (Palmer, 1980: 128). Phenomenology is "an epistemology that inextricably links [the] subjective and [the] objective insofar as the primary focus is on the way individuals subjectively assign meaning to the objects of their consciousness" (Daly, 2007: 94); similarly, it is the explanation of objects as phenomena which present themselves to humans' consciousness (Van Manen, 1990).

Phenomenology is thus a research method for capturing the lived experience or existential meanings and accounts of people. It is concerned with the study of human experience and the way in which things present themselves to human minds, whether they are seen or thought (Hesse-Biber & Leavy, 2005). The objects are empirically measured through description by humans because they touch the humans' interests, and because the objects "are subjectively felt" (Russell, 2006).

As the father of phenomenology, Edmund Husserl (1859-1938) claimed that objects in the universe are mutually exclusive, and that information about them is reliable. Hence, researchers can become certain about how these objects appear in, or present themselves to, their consciousness. In reaching for such information, the objects outside the lived experience of humans should be denied. In this way, the universe is reduced into the contents of personal experiences (Groenewald, 2004).

Moran asserted that the phenomenological approach provides the audience with narratives which match the proximity of objects to the experience itself, and he claimed that phenomenology is the "world of action [that] represents the highest sphere of human engagement, especially when it emerges in joint co-operative undertakings and in discussion" (Moran, 2000: 312). Palmer further explicated Moran's ideas by asserting that phenomenology itself is a vehicle of "being led by the phenomenon through a way of access genuinely belonging to it" (Palmer, 1980: 128).

Phenomenology is examined purely in the study of philosophy, but this researcher follows Van Manen, who claimed that phenomenology can be used to study essences so that it can examine objects of research as they show their meanings to researchers. Van Manen also asserted that the essences of a phenomenon are inclusive, and thus they can be described through a study of the structure that governs the occurrences or particular evidences of that phenomenon (Van Manen, 1990). Focusing on the essences, phenomenology seeks to systematically explain the internal meaning of structures and lived experience. Using phenomenology as an approach for data collection and analysis

in research, these definitions imply a shift in the researchers' role from verifying the object to allowing the object to reveal itself.

Zakat recipients in this study had undergone a four-year economic empowerment program. Their experiences, therefore, are considered as phenomena which can be reflected through their consciousness. Phenomenological reflection is thus retrospective, backdated, or after the fact. According to Van Manen, "reflection on lived experience is always re-collective; it is reflection on experience that is already passed or lived through" (Van Manen, 2007: 10). Because the phenomenological approach was used to study the lived experience of *zakat* recipients, it required the researcher's exposure to phenomena as part of the respondents' lives. Therefore, the phenomena were studied, investigated, and approached in ways that contrast to the old view about phenomena as objects or facts that researchers could identify, conceptualize, categorize, and reflect on without engaging in the fieldwork (Russell, 2006).

To better understand the respondents' lived experiences, this researcher used in-depth interviews that explored *zakat* recipients' narratives to know the contexts, processes, and interactions of the recipients and their environments. Semi-structured questions were used in face-to-face interviews to solicit respondents' feelings, experiences, and knowledge about challenges of becoming *zakat* recipients and about the obstacles they encountered. Semi-structured questions, namely probe-mixed questions in addition to the fixed written questions, were applied to explore additional details and the context-specific elements of answers. Semi-structured questions extracted various respondents' interpretations that otherwise might not be fully revealed by the structured questions alone. The flexibility of semi-structured questions allowed respondents to respond to the particular dynamics of each interaction and, as a result, helped to fully represent their individual perspectives (Mason, 1996). The use of semi-structured questions also facilitated a common understanding between the researcher and respondents and ensured that respondents had "the opportunities to report on their own thoughts and feelings" (Holloway, 1997: 95).

Prior to the start of the interview phase, the respondents' acceptances of the researcher's invitation were made through mail or telephone contact. When they had confirmed the time and place of the interview for each first meeting, the respondents were encouraged to read the informed consent so that they understood the objectives of the interview. At the end, they each signed their informed consent.

Better Education Leading to Better Jobs

An educational degree is a significant factor in determining the success of respondents' businesses. Economic empowerment program respondents with minimal education tended to pursue low-level jobs that did not require skills. One respondent, with a job that was suitable to his education, was currently working as a motorcycle repairman. This respondent was optimistic about the benefit of the loans because his education supported his business career. Furthermore, one spouse with a university degree had a significant influence in developing her husband's sewing business. The majority of respondents had better education that supported their business, but some had no correlation between their education and business.

Roles of Integrative Community Development (ICD) and Rumah Zakat Officers

Four of the seven economic empowerment program respondents claimed that they had learned about interest-free loans offered by Rumah Zakat through the ICD programs facilitated by the neighborhood government (*kelurahan*). This research found one respondent who was related by blood to a recipient, who was not interviewed. The other three respondents learned about the interest-free loans from Rumah Zakat officers. Two of these three respondents have been active in their communities and facilitated Rumah Zakat to introduce its programs to the communities. They learned about the interest-free loans from one neighbor, who previously was an officer of Rumah Zakat. The other respondent learned about the interest-free loans from her customer, who was a Rumah Zakat officer. No respondent stated that he or she learned

about the interest-free loans through advertisement or by soliciting information directly from Rumah Zakat offices.

Spousal Support

Supported by their husbands or wives, five of the seven economic empowerment program respondents from rural and urban communities were small entrepreneurial workers selling food and services, from which they earned income for survival. The other two couples were different. In one pair, the husband was a mechanic while his wife was a manufacturing plant laborer. In the other pair, the woman was a food seller and her husband had passed away. The exception among these respondents was that only one of the three rural respondents had agricultural land, but it did not give him sufficient rice to provide adequate income. Therefore, this rural respondent continued working as a mechanic. Rumah Zakat supported them through the interest-free loans of between Rp 750,000 (\$75) and Rp 7,000,000 (\$700). The majority of these economic empowerment program respondents claimed that they received spousal support with regard to making and marketing their products.

Creating Jobs

Five of the seven economic empowerment program respondents believed in the future prospects of their businesses. In order to generate better income, Rumah Zakat helped them with the interest-free loans to revitalize their places of business and stimulate local economies. Rumah Zakat also provided them with equipment, such as compressors, rolling carts, utensils, crockery, sewing machinery, fabric, and leathers. Of the seven economic empowerment program respondents, four of them wanted to create job opportunities for unemployed people and help them seek better lives.

Income above the BPS Standard

Before the 2006 earthquake, the average income of the economic empowerment program respondents was stable because they worked either as service vendors or as small business retailers. Some of them were manufacturing plant workers. Five of these

seven respondents had worked multiple jobs in the past before they received the interest-free loans. Through the help of the economic empowerment program, five of the seven respondents earned incomes of Rp 20,000 (\$2) per day. However, after this amount was divided among 2.4 persons (Table 2) in the family, this money approximately equaled Rp 8,000 (80 cents), above the standard of poverty established by BPS, which is Rp 5000 (50 cents) per individual. However, their average income was below the United Nations' standard of poverty of \$2 (Rp 20,000) per individual for daily consumption.

The other two respondents had an unstable income because their businesses were struggling. One of the two respondents opted not to take the second loan because she waited for a better business climate; the other did not take the third loan because she did not feel she could return the money. Despite this, the majority of respondents were mobile because they had motorcycles to facilitate their work.

Self-Satisfaction

One respondent stated that the interest-free loans enabled him to earn sufficient profit for him and his family members to live their lives. The second respondent stated the loans she used for business were a blessing and that she could fulfill the needs of her family. The third respondent stated that his business was promising and that the needs of his family were economically and socially met. The fourth respondent asserted that he was economically satisfied and claimed that his business was growing, although it needed much attention from him and his wife. These four respondents claimed that their social needs and their children's educational needs were met. The fifth respondent claimed that he was satisfied with the loans and stated that Rumah Zakat's support was helpful to revitalize his business. The last two respondents were economically satisfied enough, but they needed more support because one respondent had experienced business bankruptcy, and the other was a single female parent.

Basic Needs Fulfilled

The majority of respondents stated that their program goals were achieved, such as fulfilling basic needs like food and electricity. Some of these respondents asserted that they donated some of their money from the profits of their businesses at raffles (*arisan*) and wakes (*takziyah*) to help needy families in their neighborhoods. For example, one respondent stated that his objective of using the interest-free loans was met; therefore, he felt that he was financially independent. He now has skills he can rely on if one day Rumah Zakat can no longer support him. However, two respondents stated that although their businesses did not grow, it did not prevent them from being active in their communities. Their needs were not limited only to material goods but also their social needs, such as attending wakes (*takziyah*) and gatherings in their neighborhoods. In addition, Rumah Zakat facilitated monthly member gatherings, in which the economic empowerment program respondents were encouraged to participate. At these gatherings, these respondents not only learned about entrepreneurship and life management but also shared their experiences about their businesses. The meetings were beneficial because they facilitated collaborative learning and member interactions.

In the form of loans, the economic empowerment program was given to most of the earthquake survivor respondents, so they could become self-employed and would, in turn, employ the jobless poor. Respondents with better education or business experiences benefited from the loans because they had the potential to increase profits and were able to gradually repay loans. With their incomes, they also could enhance their lives by fulfilling their daily basic needs. Most importantly, they could fulfill their own social needs and their children's education needs.

Of the seven economic empowerment program respondents, five of them claimed that they were satisfied with the micro-loans that they utilized for their businesses. One respondent stated that the loans were a blessing. She compared her current business, using the interest-free loans, was more successful than her previous businesses. Two respondents stated that they were satisfied because

the interest-free loans allowed them to make a profit. They could not afford an interest loan from the bank because of their faith does not permit it. In addition to Rumah Zakat's aid meeting their expectations, the majority of the respondents were satisfied because they could fulfill their basic needs, such as food, clothes, education of their children, health care, and electricity. However, this satisfaction excluded the need of housing. This researcher's observation indicated that some respondents' houses needed renovation due to the earthquake.

Spousal support exerted an important effect on economic empowerment program respondents' businesses because either the wife or husband took responsibility to manage the loans for making or marketing a product. By contrast, respondents who worked without spousal support found it difficult to generate profit. However, one respondent, because of his vocational education, was more successful than other respondents without spousal support. Similarly, giving loans to a group of respondents for running a business was not effective due to each individual's divergent expectations and the lack of collaboration. Therefore, compared to individual efforts or group support, spousal support significantly promoted the growing of respondents' businesses.

The micro-loan program of Rumah Zakat has not yet reached a wider population. This study found that the roles of Rumah Zakat officers were vital in recruiting and making determination about which respondents to select. No evidence indicated that respondents found information about this program from social media or street banners. This showed that the outreach programs of Rumah Zakat were limited to certain populations and were carried out by its officers, neighborhood governments (*kelurahan*), and ex-recipients, including respondents' relatives and acquaintances, who were once involved in that program. Although information of Rumah Zakat has been available on the internet, the typical respondent stated that he or she learned about the program from the above three sources.

To reach more of the population, regardless of faith, gender and age, as well as social and cultural backgrounds, Rumah Zakat should use effective tools to reach the poor, such as the radio, the

newspapers, or banners in local communities. These media will result in finding potential recipients with no homes, motorcycles, cars, or jobs, but who may have competency to manage loans, and in eliminating the practice of favoritism among Rumah Zakat officers (Clark, 2001). If the use of these media is applied, Rumah Zakat will achieve its objective to find truly poor recipients and then empower them to become donors or job providers. This study found the loans had been well invested because respondents, in turn, contributed some of their profits as *zakat fitr*, donated at wakes (*takziyah*) and raffles (*arisan*), provided tuition for their children's education, and spent some for community activities.

Conclusions

Supported by education and spouses, five of the seven economic empowerment program respondents were moderately successful in their businesses. The involvement of five respondents in this program was completed through the Integrative Community Development (ICD) initiative, and the other two respondents were recruited into this program through a referral from Rumah Zakat officers. Only those who were categorized as poor individuals with positive entrepreneurial motivation were selected. Four respondents intended to extend their businesses and employ the jobless poor. Since the second loan, the average income they earned was higher than the BPS standard of poverty; therefore, their basic needs, such as food, education of their children, and electricity were met.

Most of the economic empowerment program respondents had experienced enormous hardship--layoffs, job insecurity, even the 2006 earthquake--before they were qualified for interest-free loans. These loans helped them fulfill their basic needs and those of their family members. Notably, some respondents' education was significant in helping increase their businesses' profits as was spousal support. The majority of respondents lived under the poverty line based on the BPS standard before receiving the interest-free loans. However, after utilizing the loans, they earned incomes above the BPS standard, enabling them to increase their standard of living and to, in turn, make *zakat* contributions themselves.

The interest-free loans had significant impact on elevating the economic empowerment program respondents' incomes. In addition, officers from Rumah Zakat monitored the development of their businesses, and if necessary, the officers would help them solve their problems. The loans were used to renovate respondents' places of business and provide infrastructure that helped them make a living for them and their families. By lending them money drawn from *zakat*, Rumah Zakat elevated most of the respondents' confidence. As a result, they believed that they would eventually employ the jobless. The average respondent had received a second loan over the last four years, and respondents could apply for another. The majority of respondents felt satisfied with the interest-free loans because the money helped them improve their lives after experiencing the economic crisis and the earthquake. They could subsist with money they earned.

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