



## **The Collaborative Governance to Improve Social Welfare; Management of Zakat Fund in Yogyakarta City**

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### **Abstract**

The main task of the government in many countries, provinces or cities are to improve Reviews their citizen's social welfare. Certainly, the government cannot work alone in making this happen, it requires collaboration performances from various parties. Zakat is a special rule for Moslem, and it is consider that Indonesia as the most-populated Moslem country. It has an essential role and it is a potential instrument for the government to manage it to empower civil society still in not welfare condition. This study will examine how the ideas of collaborative governance are practiced in Zakat fund management, which case study in Yogyakarta City, Indonesia. In the conclusion find that collaborative governance is an important value in managing Zakat fund, in the effort to improve social welfare in Yogyakarta City.

**Keywords:** collaborative governance, management, charity, social welfare



## INTRODUCTION

The Islamic teachings to the Moslem require giving practices. Generally, translated into English translation as "Islamic Alms", Zakat Mentioned in 30 occasions in the Qur'an as same as Salat (prayer) is Mentioned. The theoretical background of the which is ordained by Allah (SWT) Might be understood in the Qur'an Surah (73:20):

*"..... So Recite what is easy from it and establish prayer and give Zakah and loan Allah a goodly loan. And whatever good you put forward for yourselves - you will find it with Allah. It is better and greater in reward. And seek forgiveness of Allah. Indeed, God is forgiving and Merciful"*

Furthermore, the Qur'an 49:10 Mentioned that brotherhood in Islam is highly enjoined. The various condition of Moslem, there are the rich, the poor, the needy, the single parent, is the reality in the Moslem community. Prophet Mohammad SAW Also revealed in his hadith that all Moslem must help one another. Moreover, Islamic teachings are the first teaching the which lay down general principles for the economic welfare of the common people (Mohammad Alias, 2011), As an Indonesian context, Indonesia is the biggest of Muslim community in the world. The Government of Republic Indonesia has been set about the plan, implementation, coordination, collection, distribution, and empowerment of zakat. According to Law No. 23 of 2011, "Zakat is a compulsory treasure that should be given by a Moslem or a business entity to another person who entitled to received depends on the Islamic Shari'ah".

Considered the Indonesian Government that Zakat has a potential role in the social aspect, especially to help improve people standard of living. The studies about zakat have been Widely Discussed by many scholars. Even though, the implementation of zakat sometimes does not effective and monotonously in that management. Need consistently, and innovation of Zakat management Whether indeed at the national level, the provincial level, and Also a city or regional level.

Zakat management in Indonesia held by BAZNAS (Central Board of Zakat) in national level, provincial level in the PROVINCES BAZNAS, and BAZNAS CITY / REGION in city or region level. This institution authorized to collect, manage, and distribute zakat as law order. In every level, has different BAZNAS doing field in Reviews their task, and the scoop as well. Indeed, the system has a different managerial and organizational process. Furthermore, the Zakat regulation in Law No. 23 of 2011 also allowed the society to establish an organization that managed Zakat in society. They are formed as the Non-Governmental Organization (NGO), and also audited by Government. The examples such as LAZIS Muhammadiyah, Nahdlatul Ulama LAZIS, Rumah Zakat, Dompot Dhuafa, etc in various levels in various areas.

Especially in Yogyakarta City, the charity movement has an important role. The majority of Yogyakarta people as a Moslem consequence the holistic management and coordination among various organizations of charity. Potential zakat in the city of Yogyakarta is very large, about 1 billion to 1.5 billion per month, but to-date revenues only 20 percent of its potential. This condition can only exist in an environment Zakat bureaucrats, not to mention alms from the public, institutions, industries or companies that exist in the city of Yogyakarta.

It is certainly a dilemma, on one side, a large zakat potential, but on the other hand, there is poverty, inequality experienced by the people of Yogyakarta, especially for Muslims. For example, teachers/cleric in the mosque, the students or the children who learn the Koran in mosques, the community of widows, orphans and even the orphans and the poor. The community



group is, of course, a special concern for the Municipality and BAZNAS Yogyakarta that can be distributed Zakat fund management is effective by Islamic law, to help reduce poverty. It is also based on the theory Qaradawi, Zakat as an instrument for poverty reduction, eliminate unemployment, and freeing injustice in income distribution (Qaradawi, 2007).

Therefore, this study tries to examine how patterns of management of the Government of Yogyakarta City along BAZNAS Yogyakarta by referring to the concept of Collaborative Governance. In this study, the author tries to give an analysis based on a variety of existing sources, supported by a wide range of collaborative governance theory to assess the pattern of zakat fund management in the city of Yogyakarta. Zakat management is done by the method and pattern of proper management by taking into account the values of collaborative governance among stakeholders, will make management policies are made transparent and targeted.

## THEORETICAL FRAMEWORK

### Zakat in Islam: An Overview

The legal basis of zakat in Islam has been clearly stated in the Qur'an, the holy book of Muslims. Various verses in the Koran says that charity is an important pillar element in Islam. Which are described in *Surah Al Muzammil* paragraph 20 and *Al Bayinnah* paragraph 5. In the second paragraph explained that every Muslim charity is encouraged to do good to others who need help. Moreover, reinforced in *QS Al Baqarah* verse 43 and *Al Maidah* verse 12 that ordered Muslims to give alms as an absolute obligation. Described in the verses that how zakat accomplished, set the receiver and set the timing of zakat.

A Muslim scholar Al-Mawardi express the concept of charity is charity, charity is charity. With the same name but in fact has a different essence (Jilani 2006), Furthermore, he explained that zakat is wealth taken from the treasure shown to play and develop, taken from the principal amount of the asset and the results of the velocity of the assets, as a means of cleaning the property of the owner of the property, and as an aid to recipients that , While Yusuf Al Qurdhawi explained in terms of jurisprudence, charity is a particular treasure that has had *nisab* (terms) are obliged to clean up their property to give it to the person entitled (Qaradawi, 2007),

What's more, as interpreted by the Maliki school of Wahbah Zuhayli explained that zakat is issued as part of a special treasure that has reached the *Nisab* (minimum quantity boundary conditions) to be given to the person entitled (Noviana, 2016), While the Islamic economic thinkers in ancient times, defines charity as a treasure that has been set by the government or an authorized officer, to the general public or individuals which are binding and final, without expecting certain benefits by the government in accordance with the ability of the owner of the property, which allocated to meet the eight groups specified in the Qur'an as well as to meet the political demands for Islamic finance (Gazi, 2003),

### Management theory

The concept of stewardship/management in Islamic sciences commonly called sharia management ie everything related to many variables within and outside the organization, along with the activity of all individuals within the organization that (Ibrahim, 2008), Some sharia management characteristics can be explained as follows:

- 1) In theory closely related to Muslim social philosophy and social ethics in dealing with the public



- 2) Concern about the economic variables and motives of material, working to meet the physiological needs of individuals
- 3) Paying attention to human values, spiritual and glorified humanity in management activities
- 4) Concern about the system and determine responsibility and authority, respect for authority and organization, demanding obedience to the good.

In addition, related how Zakat funds are managed, when seen from the theory of financial management in general, management is one of the functional areas of management in a company or institution that studies on the use of funds, received funding and disbursement of funds (Weston, 1992), Further, according to GR Terry explained that management is a typical process, which consists of measures for planning, organizing, and controlling performed to achieve the goals that have been established through the use of human resources and other sources (Hasibuan, 2001).

### **Theory of Collaborative Governance**

Theory of collaborative governance in social science and politics, by Ansell and Gash said that collaborative governance is a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberative and aims to the make or implement public policy or program or managing public assets (Ansell, 2008), In other theories Thompson and Perry (2006) Examined the process of collaboration, they found that antecedents of collaboration include the high level of interdependence, the need for resources and risk sharing, resource scarcity, a previous history of Efforts to collaborate, a situation in which each partner has the resources that the other partners need, and complex issues (Thompson, 2006),

Moreover, collaboration also occurs when it is mandatory as well as when it is emergent or voluntary. States vary in collaboration mandating community regarding Efforts to serve children and families. (Page, 2008), Various kind of collaborative governance may Differ in structure, context, and design on a number of dimensions, Including jurisdictional boundaries, organizational boundaries, homogeneous or disperse partners, shared or different goals, voluntary or mandatory settings, legal mandates, the use of professional facilitators or neutrals, and the use of public participation or engagement (Bingham, 2008)

In another research conducted by Talavera (2013), her analyse have shown that collaboration is related to trust. She explained that collaboration requires transparency of information and equal participation in the decision-making process. Therefore, suggests that the participants in the collaboration must be in a good relationship so that decision making and information are properly handled. Meanwhile, trust also shows two relevant dimensions namely, "organizational perspective" and "risk perspective". Might be concluded that the former concerns Reviews their close association with Reviews their organization and other stakeholders Involved, while the latter offer section with the degree of risks that the stakeholders are willing to commit in the process(Talavera, 2013),

Finally, this study chooses the concept from Thomson and Perry's *Antecedent-Process-Outcome Framework* (2006) the which presents the collaborative governance process in five dimensions: governance, administration, organizational autonomy, mutuality, and norms of trust and reciprocity.

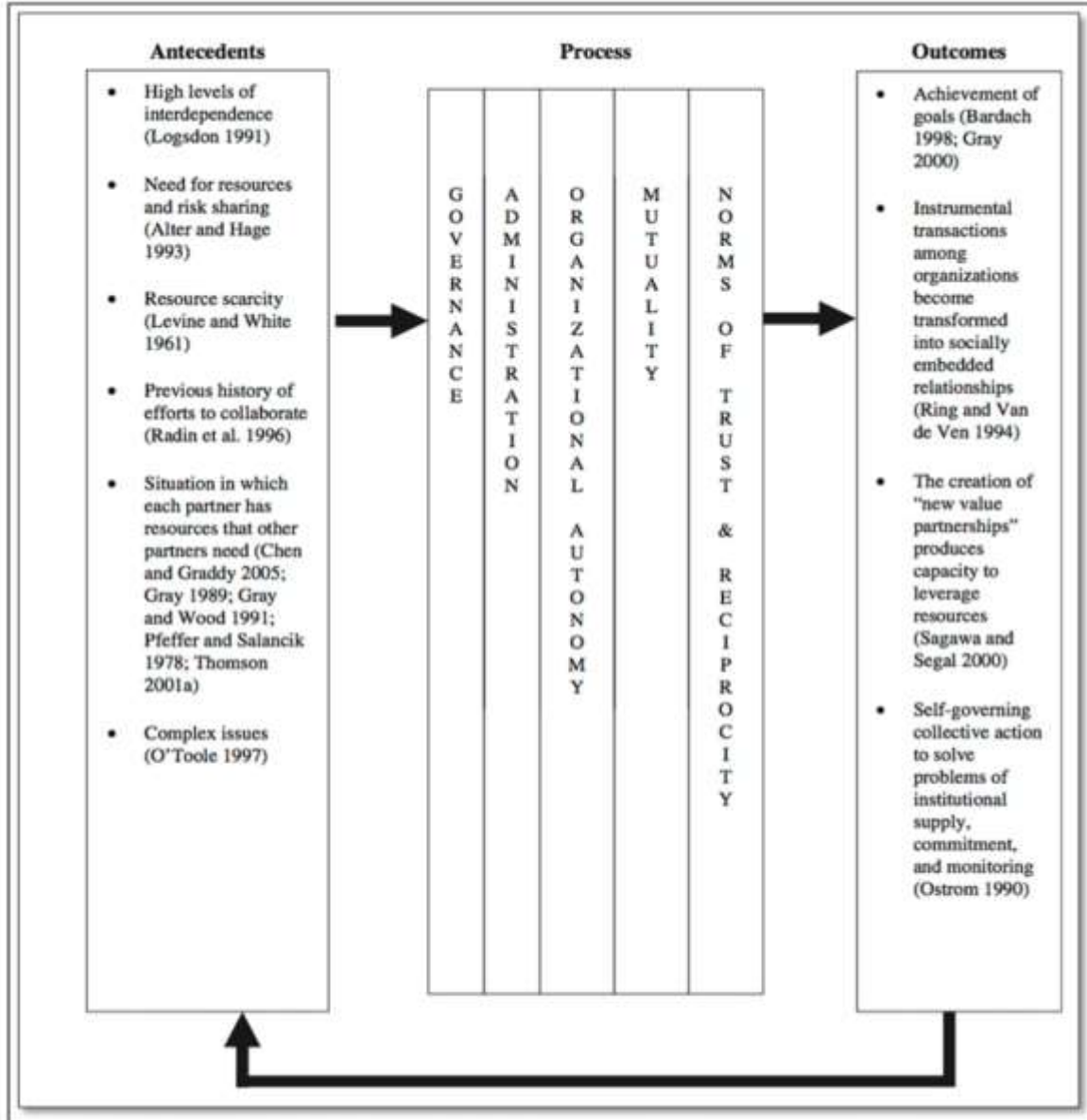


Figure 1. Antecedent-Process-Outcome Framework (Thomson, A.M. & Perry, J.L., 2006)

The process comes after the antecedents. It is based on the five key dimensions of collaboration items, namely governance, administration, organizational autonomy, mutuality, and norms of trust and reciprocity. As Discussed by Thomson, Perry, and Miller, governance Refers to the accepted rules and mandates that will manage the collaboration (2009). This includes the division of labor among the participants. For effective collaboration to take place, the participants need to have a clear and comprehensive, knowledge about the process. In line with governance is the administration which places great emphasis on the roles of each participant or stakeholder.



Administration Refers to an 'administrative structure' that mainly focuses on the 'implementation' and 'management' of the program (Thompson, 2006), Administration is concerned with how the collaboration will Operate. The roles and responsibilities must be laid out Cleary. Boundaries and limitations also to the project must be included. Although the participants have different tasks, it is still essential to have an administration that will coordinate all of the stakeholders involved.

The organizational autonomy offer section with the individual and collective interests. According to Thomson and Perry, this is the process wherein the 'potential Dynamism' and 'frustration' shows (2006). The organization, for instance, that is assigned to the overall evaluation of the program failed to Evaluate one of the crucial parts of the project. It may seek to protect its identity, or it may admit its flaws. It is, therefore, a challenge for the stakeholders to Consolidate Reviews their ideas through Reviews their willingness to share information. Meanwhile, the mutuality Refers to the shared benefits that the parties receive (Thomson & Perry, 2006). It is also related to the organizational autonomy since the of participants are concerned with what the other stakeholders are doing. The failure of a stakeholder to do its task may Decrease the commitment of the companies of participants. Furthermore, Thomson and Perry agree with Wood and Gray that the collaboration is fueled by the benefits that the stakeholders acquire in the process.

Finally, the norm of trust and reciprocity pertains to the "I will if you will" or "tit-for-tat" mentality (Thomson & Perry, 2006). The authors add that reciprocity is one of the elements that determine the success of the collaboration. It shows that stakeholders are motivated when all of the participants are committed to the process. The framework ends with the outcomes that came from the process. The outcome would show whether the collaboration was successful or not.

## **RESEARCH METHOD**

This study is theoretical research by a qualitative study. The authors analyse the information the data and the data from the primary and secondary data. For the primary data, the authors conducting field observation, and enacting several interviews between BAZNAS towards important actors Yogyakarta, Yogyakarta City or Government. Meanwhile, for the secondary data by obtaining and addressing the relevant literature through library research. To get the secondary data, the authors gathered through reliable and relevant kinds of literature in zakat fund management policies. The books, journals, reports, government policy, and law, as well as documents from website documented by authors in this article, are refers to in the bibliography. The validity of the data in this research also becomes the concern of the authors.

## **RESULT AND FINDINGS**

### **Application of antecedent - Process - Outcome Framework in the Implementation of the Zakat Fund Management in Yogyakarta City**

In the application of antecedent - Process - Outcome Framework in zakat fund management in Yogyakarta city will be present in the figure below:

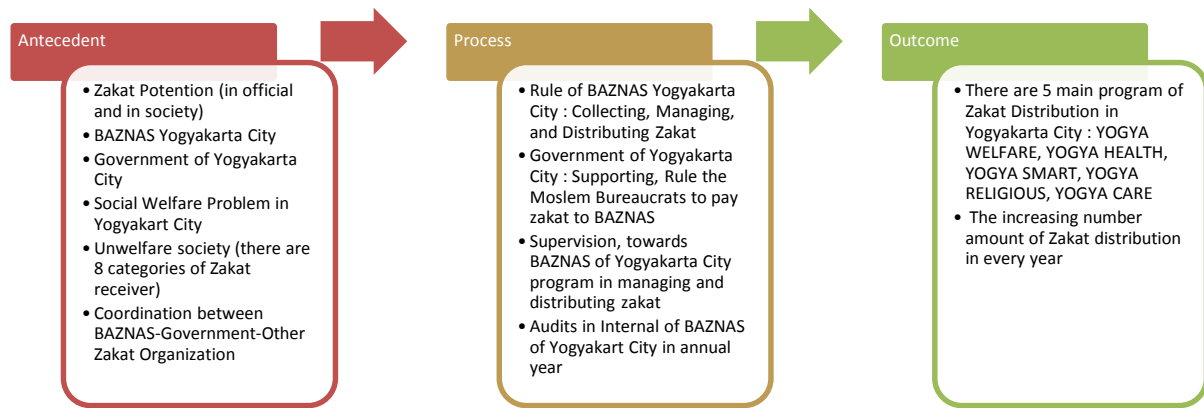
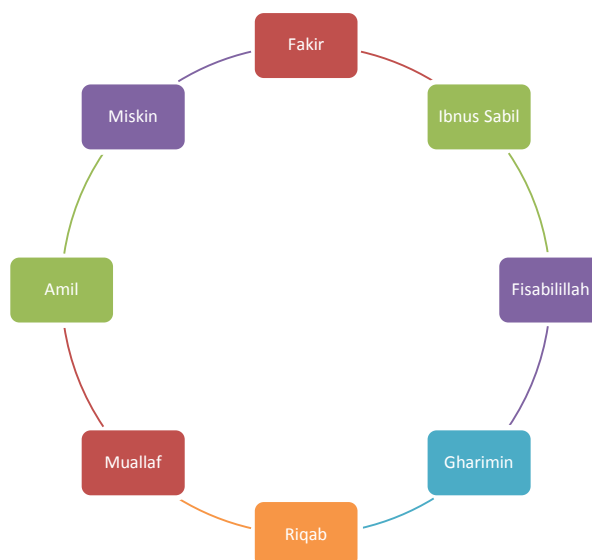


Figure 2: Collaborative Governance of Zakat Fund Management in Yogyakarta City

The antecedent stage of the collaborative governance identified by inventing potential aspects of Zakat in Indonesia, especially in Yogyakarta City. According to the Head of Distribution of BAZNAS Yogyakarta City Mr. Adi Soeprapto that examines the potential amount of zakat in Yogyakarta City is 1 Billion to 1.5 Billion rupees per month, so in a year, the potential is 150 Billion Rupiah. This potential becoming dilemma that in the BAZNAS Yogyakarta City just currently collect only 5.3 Billion per year. (Nursalikah, 2019), The role of BAZNAS collecting zakat is to collect the Moslem's bureaucrat charity by coordinating with the bureaucrat's salary office to "cut" the bureaucrats salary every month by automatically. It is supported by the Major policy by enacting an instruction towards reviews their bureaucrats. The nominal amount of zakat by every person is depending on the salary and the level. The bureaucrats also can declare how much they would be given for alms every month and every year. Moreover, BAZNAS Might Also collect the tithe from the society outside the bureaucrats. The society has the freedom to choose which organization or institution to trust in managing reviews their zakat. The trust is very important how things zakat can be managed well, transparently and suitable with how Islamic rule zakat on it.

Another important aspect Also in this stage how the zakat empowered the poor, the non-welfare society in Yogyakarta, especially towards the Moslem society. There are eight categories of *mustahik* or zakat receivers. It might be analyse on these diagrams.



The definitions: a. **Fakir** is the one who has neither material possessions nor means of Livelihood.

b, **Poor**, Is one of the insufficient means of livelihood to meet basic needs

c, **Amil**, Who is the appointed person to collect and manage zakat

d. **muallaf**, Is the person who converts to Islam

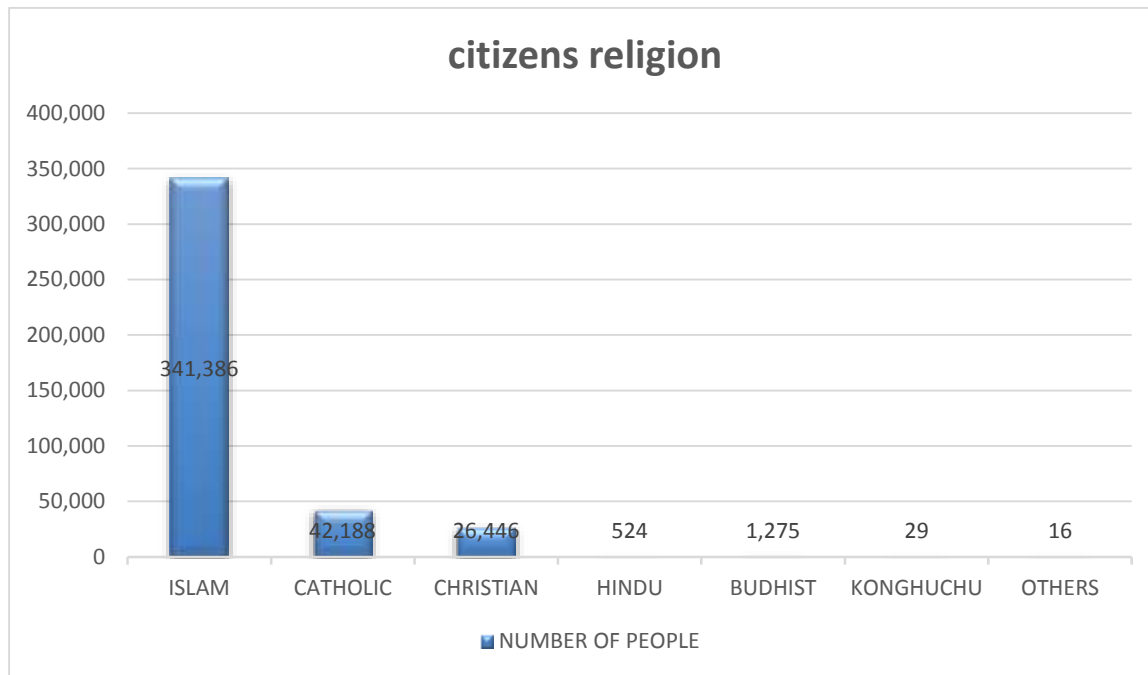
e. **Riqab**, one who wants to free himself from the bondage of the shackles in slavery.

f. **gharimin**, one who is in debt (money borrowed to meet basic, halal expenditure).

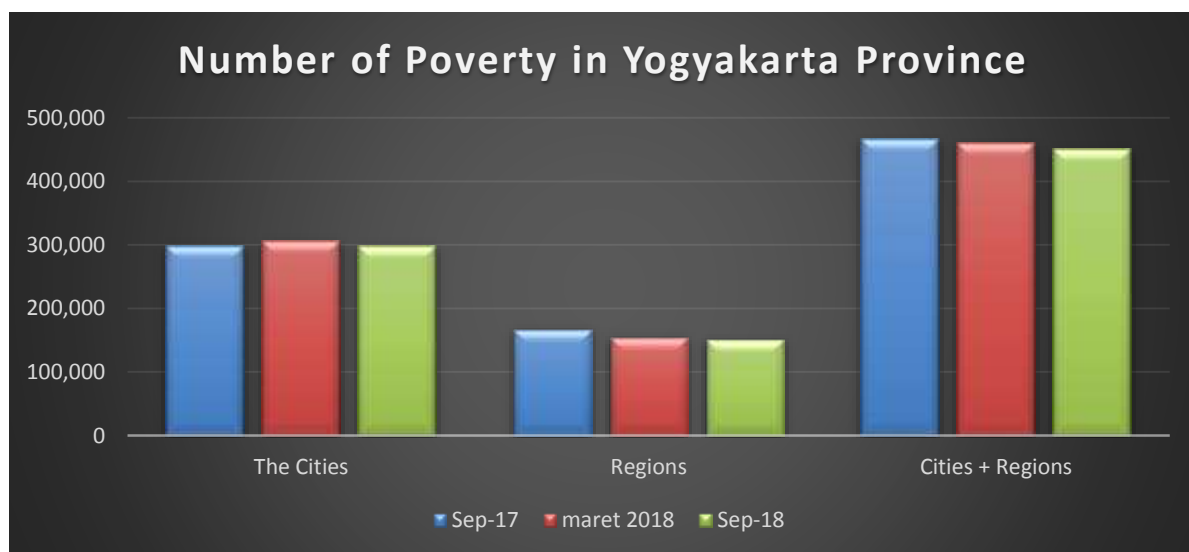
g. **Fisabilillah** is who fight for the cause of Allah.

h. **Ibnu Sabil**, who is stranded in the journey.

The eight of categories could be represented as how the Moslems condition is variation. The Moslem community is the majority in Yogyakarta. It could be analyse from the data on Department of Religion Affairs of Yogyakarta City in the website [yogyakartakota.kemenag.go.id](http://yogyakartakota.kemenag.go.id):



Data from: [yogyakarta.kemenag.go.id](http://yogyakarta.kemenag.go.id)



Data from the Statistics Bureau of Yogyakarta City

Both the data above explain that the number of poverty in Yogyakarta City is high adequate, and Might Be combine with the Moslem society is the majority of Yogyakarta people. So conclude that the number of Moslem poverty is still high in Yogyakarta. The Moslem community number always increasing by year to year, it would have to be Anticipate that the number of Moslem poverty will increase is too.



The next stage is the process stage. In the process stage, the BAZNAS Also with the Government of Yogyakarta City doing communication to collect, manage and distributing zakat towards the society. In the national level, BAZNAS of Republic Indonesia held the National Zakat Index (IZN), which is a new measurement tool that assesses performance zakat management in the Republic of Indonesia conducted by the Centre for Strategic Studies (PUSKAS) the BAZNAS Republic of Indonesia. From the study process that has been Carried out, Obtained IZN forming components are divided into macro and micro dimensions. The macro dimension Reflects how the role of government and society in the aggregate in contributing to building zakat institutions. This dimension has three indicators items, namely regulation, government budget support, and a database of charity institutions and then reduced to three variables items, namely the number of official zakat institutions, individual muzakki, and muzakki business entities. The next dimension is the micro dimension, the which is a part arranged in the institutional perspective of charity and the beneficiaries of zakat or mustahik.

While the indicators of the impact of zakat are five variables that look at economically, spiritually, education, health, and independence. Each component's weight Also has a contribution that has been determined through the FGD mechanism and expert judgment categories. The calculation estimation technique is done in Obtaining the value of IZN using a method called the Multi-Stage Weighted Index. This method combines Several stages of the weighting process that has been given to each component of the index compiler so that the weighting given to each component must be done in stages and be procedural. The weighting process is done after an index is calculated for each variable. The index of the resulting value will be in the range of 0:00 to 1:00. this means that the lower the index value Obtained, the worse the performance of national adultery and the greater the index value Obtained means the better the condition of adultery. A value of 0:00 means that the national charity Obtained index is the Lowest ie "zero". While the value of 1:00 means the highest index value, which is "perfect".

The result of research about IZN roommates doing by Yunita Hermawati Princess (2017) concluded that the number of IZN in BAZNAS Yogyakarta is that the results of the IZN on BAZNAS Yogyakarta city show the number 0.4338 Obtained from the accumulation of calculations for each IZN constituent variables, The value of 0.4338 Explains that the performance of the BAZNAS in the city of Yogyakarta is already quite good. (Yunita, 2017)

The last stage is the outcome. The outcome of the which is the program of zakat distribution in Yogyakarta City. There are 5 programs in BAZNAS of Yogyakarta City:

- a. YOGYA HEALTH: Implementing health assistance program for Muslims in the city of Yogyakarta, providing health subsidy to *mustahik* charity.
- b. YOGYA SMART: Holding a subsidy program for educational assistance to Student for primary and secondary education
- c. YOGYA RELIGIOUS: Providing subsidies for religious teachers and students who are less able, increasing the faith of the Muslim community in the city of Yogyakarta.
- d. YOGYA CARE: Collect aid to disaster, both in Yogyakarta and outside.
- e. YOGYA WELFARE: Improving the welfare *mustahik* in Yogyakarta through the help of creative economic empowerment, employment, and others.



## ANALYSIS AND DISCUSSION

### Collaborative Governance in Zakat Fund Management of BAZNAS Yogyakarta City

Collaborative governance occurs can be observed by various indicators :

#### **1. Forging Agreements**

BAZNAS agreement between the city of Yogyakarta and the Government which is issuing Yogyakarta Mayor Instruction No. 2016 concerning Muslim employee payroll deductions in Yogyakarta for alms distributed through BAZNAS Yogyakarta. In this regulation can be understood that the bureaucrats in Yogyakarta city government set aside 2.5 Peren of their earnings every month for the benefit of charity. Thus, the charity run by BAZNAS Yogyakarta mostly from bureaucrats. However, the employees are given the discretion whether that salary design reduced for zakat or not.

#### **2. Building leadership**

In this section, it is understood that the need for both formal and informal leadership committee or manager of such cooperation. In cooperation BAZNAS Yogyakarta and the Government, in the process of establishment of the organization, managers and staff BAZNAS selected and appointed by the Mayor of Yogyakarta via Mayoral Decree Number 578 the Year 2018 about the amendment Appointment of Chairman and Managing BAZNAS Yogyakarta Year 2015-2020. Of these regulations can be seen that the Zakat appointed and dismissed by the Mayor. Leadership in BAZNAS is formally the delegation of official institutions in the city of Yogyakarta.

#### **3. Building Legitimacy**

In this section, it can be explained that the importance of the legitimacy of the structures, processes, and strategies that are relevant to the situation. When viewed from the website [www.baznas.jogjakota.go.id](http://www.baznas.jogjakota.go.id). It can be seen that the zakat management strategies and processes carried out by the principle of trustful-Professional-Transparent-Accountable. In its application, BAZNAS make some services for people who need information on how the payment of zakat, zakat payment nominal, and the types of zakat. Also, the ease of zakat services can be accessed by the public via an application program Jogja Smart Service, which is an application for all public services in the city of Yogyakarta.

#### **4. Building Trust**

Aspects of trust is an aspect in which the building of trust between the stakeholders requiring that BAZNAS and Government. No confidence boost that BAZNAS always trying to make a report blunting, and distribution of zakat every month or even years. Besides, the report also carefully audited by a public accountant auditor and the internal auditor of the government. Also, from the Government side, always supporting programs that do BAZNAS, and still run the Mayor's instruction the bureaucrats BAZNAS distribute alms to the city of Yogyakarta.

#### **5. Managing Conflicts**

In this case, the conflict between the Government BAZNAS and relatively few conflicts in the communication process, and supervision policies zakat can be resolved either way. Besides, transactions are carried out regular meetings between BAZNAS and Yogyakarta City Government every year.

#### **6. Planning**

In terms of planning, is a culmination of communication and collaboration. Implementation is how BAZNAS plans to increase zakat from year to year, supported by the vision, mission and program objectives are on target. The success that occurred between BAZNAS and the



Government can be seen from socialization to people who continue massif, hold big events, but it also can be seen from amount *mustahik* who have received assistance during this charity.

## CONCLUSION

This study found that collaborative governance conducted by BAZNAS Yogyakarta along with the City Government of Yogyakarta went quite well, in coordinating the collection, management, and distribution of zakat to 8 *asnaf* (*group of mustahik*) or zakat recipients. Need consistency and innovation related to this collaboration in the future so that the potential of zakat in Yogyakarta to be maximized, it is also expected the distribution of zakat to reduce poverty, especially for the Muslim community in the city of Yogyakarta.

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