

The Measurement of the Zakat Utilization Index in the Smartfarm Academy Group

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Abstract: *This research aims to measure the zakat utilization index and analyze the impact of zakat utilization in the Smartfarm Academy group assisted by the Indonesian Zakat Initiative Amil Zakat Institute (LAZ IZI). This research uses quantitative methods with a descriptive approach. Data collection was carried out through surveys using questionnaires and interviews. Sample selection was carried out by purposive sampling. Data was collected based on the results of questionnaire answers and interviews with respondents, namely members of the Smartfarm Academy. Next, the data is processed using the Multi-Stage Weighted Index. The research results show that the zakat utilization index value in the Smartfarm Academy program in Tangerang Regency is 0.70 or is in the strengthening phase category. It shows that productive zakat is running according to the objectives and is right on target. This program has had a good impact on Mustahiq and social indicators as well as cultural, economic, da'wah, and environmental indicators. LAZ IZI, as the builder of this program, can replicate the Smartfarm Academy program to other Mustahiq groups so that the benefits are even more significant.*

Introduction

According to several researchers, e.g., Afrimaigus & Renata (2022), Akbar & Zen (2022), Jaharuddin & Sadiq (2023), Khumaini et al. (2022), and Rosalina & Bahri (2022), poverty is a global issue faced by many countries in the world, including Indonesia. In the Sustainable Development Goals (SDGs), reducing poverty is an issue that receives serious attention (Ali & Sultan, 2023; Kementrian PPN/Bappenas, 2018). In 2020, according to data from the Central Statistics Agency (BPS), poverty in Indonesia reached 27.55 million people (BPS, 2021). Poverty indicates the inability of people to fulfil basic needs, which ultimately results in various problems (Ishartono & Raharjo, 2020).

In Islam, one instrument that can be a solution to the problem of poverty is zakat (Herianingrum et al., 2024; Khumaini et al., 2022; Mubarok et al., 2024; Rosalina & Bahri, 2022; Sarif et al., 2024). This is in line with the literature review of zakat research conducted by (Johari et al., 2014) in 2003-2013. (Hudaefi et al., 2022) Explains that during the unprecedented COVID-19 pandemic, zakat is an obligation. Religion plays a vital role in shaping the social and economic processes of Muslim communities. (Benthall, 2018) found that zakat is a charity activity of the Muslim Brotherhood.

(Qardhawi, 2005) explains that zakat is not just about giving enough money or rice to

support a mustahik for a few days or weeks but also about how a mustahik can support himself with his abilities. Distribution of zakat with a utilization scheme is related to the distribution of zakat to mustahik where the zakat is not used up once (consumptive) but is used to develop their business so that the recipients can earn income continuously without depending on other people with the zakat assets they receive. (Bahri et al., 2022). They hope to change from mustahik to muzaki (Afrimaigus & Renata, 2022; Bahri, Ariwibowo, et al., 2020; Hidayat & Haryadi, 2018).

LAZ IZI is one of the institutions that implement zakat utilization programs (Bahri, Aslam, et al., 2020; Husein & Widiastuti, 2020; Husna & Siregar, 2023; Musdalifah et al., 2022; Zakiyyah et al., 2021). Fitriani & Priantina (2016) identified three problems that cause low distribution of productive zakat: immature program planning, lack of reliable accompanying human resources, and lack of tools to measure program success. As an effort to resolve one of the problems in the distribution of productive zakat, the BAZNAS Center for Strategic Studies (Puskas) uses the Zakat Utilization Index (IPZ) to evaluate and assess the impact of a zakat utilization program on the welfare of Mustahik (BAZNAS, 2019).

Previous researchers have also carried out research related to the utilization of zakat. (Ruhiat, 2020) analyzed strategies for productive utilization of zakat carried out by LAZISMU. (Bahri, Ariwibowo, et al., 2020) discusses productive zakat from the perspective of sharia and regulations in Indonesia. (Widiastuti et al., 2021) Studied business growth as a mediating variable between the impact of the zakat empowerment program and the welfare of mustahiq (zakat recipients). (Anovani, 2021) researched the comparative impact of utilizing productive and consumptive zakat on Mustahik poverty levels. (Mursyidah, 2019) researched performance indicators in Zakat Community Development in the context of empowering productive mustahik. From several existing studies, research on zakat utilization in zakat utilization programs still needs to be completed. Therefore, this research measures the Zakat Utilization Index in the Smartfarm Academy Group, assisted by the National Zakat Amil Institute, Indonesian Zakat Initiative (LAZNAS IZI).

Method

The research uses quantitative methods with a descriptive approach. This research uses valid and measurable data using mathematical formulas created by experts who measured the OPZ Zakat Utilization Index. Apart from that, the use of descriptive analysis in this research aims to explain the results of the calculation of the OPZ Zakat Utilization Index value referring to the model that BAZNAS has prepared. This research uses primary and secondary data. The primary data in this research uses the results of respondents' answers to questionnaires and interviews submitted directly to the Smartfarm Academy LAZ IZI utilization group. Meanwhile, secondary data used in this research is the publication of public expose reports, LAZ IZI documentation, or data available on the LAZ IZI website and media.

The population in this study were all mustahik of the Smartfarm Academy Laznas IZI economic empowerment program, totalling 120 members (IZI, 2021). The selection of research objects is based on the majority of Smartfarm Academy members, and the implementation of the Smartfarm Academy program tends to be dominated by the Tangerang Regency area. The Smartfarm Academy in the Tangerang area is a pioneer of other Smartfarm Academy programs throughout Indonesia. Through the Purposive Sampling technique approach, there are several criteria for respondents in this research: Smartfarm Academy

members located in Tangerang Banten Regency, Members in the productive age range, namely 15-64 years, have received business coaching from LAZNAS IZI for at least six months, and are still active in agricultural business.

Based on the following criteria and conditions, the number of samples obtained was 40 samples. This is according to the provisions of the Zakat Utilization Index (IPZ), which requires that the number of research samples be carried out with a minimum of 30 people. The empowerment program has been going on for at least six months to evaluate the program's impact. The utilization of zakat is social, economic, da'wah, environmental, and cultural, as based on the Zakat Utilization Index (IPZ). The data collection technique in this research uses a collection method consisting of a questionnaire. In this research, the data analysis technique used is quantitative analysis. The analysis in this research focuses on the results of the zakat utilization index in the Smartfarm Academy utilization program at Laznas IZI, which researchers have measured, and the results will later be seen for their influence on the receipt of productive zakat funds.

The data analysis technique in this research used Microsoft Excel tools and calculations to create the Zakat Utilization Index (IPZ), which consists of five dimensions: l, cultural, economic, da'wah, and e, environmental. The IPZ calculation uses a multi-stage weighted index; each component has its value. The method used in collecting quantitative data is to calculate the value of the components of the zakat utilization index, namely social, cultural, economic, da'wah, and environmental indicators. The Zakat Utilization Index has components consisting of 5 indicators, namely social indicators, cultural indicators, economic indicators, da'wah indicators and environmental indicators. The Zakat Utilization Index consists of several variables that calculate the Zakat utilization index in the Mustahik utilization program. Each indicator and variable is explained in Table 1.

Table 1. Zakat Utilization Index

No	Variable	Indikacor
1	Social	Trust in the facilitator (group companion). How to make decisions in groups The spirit of mutual support between group members is the thread that connects and values each individual in the group. Groups can resolve internal problems that occur. Having a market information network (market demand, consumer needs, price competition, and distribution system) Group participation for communities experiencing disaster (helping sick people, death)/disaster (social/natural) Participate in community activities (cooperation, community service) Participate in community activities based on social institutions and/or specific goals (Posyandu, Tagana, DKM, PKK, Karang Taruna)
2	Culture	Explore the latest information related to business development. Attend business-related training Develop new skills related to business diversification. Sharing experiences in business-related groups (just informal discussions and/or intragroup comparative studies) Commitment to maintaining quantity and business continuity
3	Economy	Access to capital to financial institutions Access to markets

		Income level
		Ownership of savings
		Asset Increase
4	Da'wah	Religious Science
		Pray
		Fast
		Zakat, Infaq, Alms
		Behaviour
5	Environment	It has a place for waste disposal and processing
		It has a place for waste disposal and processing
		Have a source of clean water that is suitable for consumption. Know
		Disaster risk in the environment where business processes are carried out

Source: Puskas BAZNAS (2019)

Each indicator has assessment criteria based on Likert scale measurements. The Likert scale has a value range from 1 to 5. The value 5 represents the best answer, while the value 1 represents the least ideal answer. After the respondent has answered the questionnaire, the variable value is calculated (Puskas BAZNAS, 2019), which is obtained using the following formula:

$$\text{Indikator}_x = \frac{(\text{skor}_x - \text{skor}_{\min})}{(\text{skor}_{\max} - \text{skor}_{\min})}$$

Noted that:

Variable = Value of variable x

Score x = Score on indicator x (score obtained on the questionnaire)

Min score = 1 (smallest value)

Max score = 5 (largest value)

After getting the variable value, the value is multiplied by the variable weight to get the variable index value. The indicator weights are known, as in Table 2.

Table 2. Variable Weights in the Zakat Utilization Index

Variable Index Value = IPZ Variable Value x Variable Weight		
Variable Weights		
X1 = 0,12	X10 = 0,23	X19 = 0,16
X2 = 0,14	X11 = 0,23	X20 = 0,28
X3 = 0,17	X12 = 0,17	X21 = 0,17
X4 = 0,13	X13 = 0,19	X22 = 0,22
X5 = 0,09	X14 = 0,19	X23 = 0,17
X6 = 0,13	X15 = 0,28	X24 = 0,25
X7 = 0,12	X16 = 0,2	X25 = 0,22
X8 = 0,1	X17 = 0,18	X26 = 0,33
X9 = 0,18	X18 = 0,15	X27 = 0,20

Source: Puskas BAZNAS (2019)

Then, the variable index value is multiplied by the indicator weight to get the value of the indicator index. The value of the indicator index is the final result of the Zakat Utilization Index (IPZ). The IPZ calculation formula is $IPZ = 0.26X1 + 0.17X2 + 0.22X3 + 0.20X4 + 0.15X5$.

Information:

X1: Social Indicators

X2: Cultural Indicators

X3: Economic Indicators

X4: Da'wah Indicator

X5: Environmental Indicator

Furthermore, the interpretation of the IPZ measurement results can be seen in Table 3

Table 3. Interpretation of IPZ Measurement Results

Value Range	Interpretation
0,00-0,25	Not good
0,26-0,50	Not good
0,51-0,75	Pretty good
0,76-1,00	Good

Source: Puskas BAZNAS (2019)

Based on Table 3, the index produced by IPZ is in the value range of 0.00 to 1.00. If the value is close to 0.00, it can be interpreted that the development of Mustahiq in the utilization program indicates poor conditions. If the value is close to 1.00, it shows Mustahiq's progress in the utilization program is in good condition. This assessment relates to three stages in the empowerment program, namely the initiation phase, the strengthening phase and the independence phase. In the initiation phase, the index obtained reached a value of 0.25. In the strengthening phase, the index obtained reaches values between 0.26 and 0.75. In the independence phase, the index obtained reaches at least 0.90. If the results of the empowerment program show a phase of independence, then the Mustahiq empowerment program has succeeded in achieving its goals. However, suppose the results show an initiation phase or a strengthening phase. In that case, the Mustahiq utilization program must be evaluated further to ensure its sustainability and achieve Mustahiq independence. The following is an analysis of the independence phase in the Zakat utilization program based on the Zakat Utilization Index (IPZ).

Table 4. Analysis of the Independence Phase in the Zakat Utilization Program

No	Evaluation of the Zakat Program		Independence Phase of the Zakat Utilization Program
	Dimensions	Indicator	
1	Sosial	Trust in the facilitator (group companion).	All Mustahiq believe that the facilitator has helped them through the program as much as possible.
		How to make decisions in groups.	Group decisions began to be made jointly through voting and/or deliberation.
		The spirit of mutual support between group members.	All Mustahiq believed that fellow members would take responsibility for each other if problems arose, whether individual or group problems.
		Groups can resolve internal problems that occur.	The majority of Mustahiq believe that the group can solve the internal problems that occur.

		Having a market information network (market demand, consumer needs, price competition, and distribution system)	All Mustahiq have at least 3-4 market information.
		Group participation for communities experiencing disaster (helping sick people, death)/disaster (social/natural)	Most Mustahiq have shown concern for disasters in the surrounding environment and are actively helping residents affected by disasters.
		Participate in community activities (cooperation and community service.)	The majority of Mustahiq become initiators in community activities.
		Participate in community activities based on social institutions and/or specific goals (Posyandu, Tagana, DKM, PKK, Karang Taruna)	The majority of Mustahiq become initiators in community activities based on social institutions.
2	Culture	Explore the latest information related to business development.	Most Mustahiq are curious to get the latest information related to business development at least once a week.
		Attend business-related training	Most Mustahiq have attended training to improve their business at least once every three months.
		Develop new skills related to business diversification.	Most Mustahiq try to diversify their products at least once every 1-2 years.
		Sharing business-related experiences in groups (just informal discussions and/or intragroup comparative studies).	The majority of Mustahiq have carried out discussions and comparative studies regarding the efforts undertaken and have started to implement the results of these comparative studies.
		Commitment to maintaining quantity and business continuity	Most Mustahiq already knows their production capabilities, and their targets can be realized.
3	Ekonomy	Access to capital to financial institutions	Most Mustahiq have used conventional formal, formal sharia and non-formal financial access to fulfil their businesses.
		Access to markets	The majority of Mustahiq can sell their products and make a profit.
		Income level	The majority of Mustahiq have seen an increase in income of more than 10%
		Ownership of savings	Most Mustahiq have carried out savings activities even in conventional and sharia financial institutions.
		Asset Increase	The majority of Mustahiq have diversified their assets, acquiring 3-4 additional types as a result of their growing business.
4	Da'wah	Religious Science	The majority of Mustahiq regularly attend recitations at least once a week.

	Pray	The majority of Mustahiq regularly pray five times a day in the congregation.
	Fast	Most Mustahiq fasted during the entire month of Ramadan, and sunnah fasted.
	Zakat, Infaq, Alms	Most Mustahiq paid zakat fitrah, infaq, alms, and zakat maal.
	Behaviour	Most Mustahiq know that covering their private parts is an obligation and carry out/support the implementation of this obligation because they understand this rule.
5	Environment	It has a place for waste disposal and processing
		It has a place for waste disposal and processing
		Have a source of clean and suitable water for consumption.
		Know disaster risk in the environment where business processes are carried out.
		The majority of Mustahiq have waste disposal, sorting and processing facilities, and they are running effectively
		Most Mustahiq have waste disposal, sorting, and processing facilities that are running effectively.
		Most Mustahiq have a water source fit for consumption, regularly cleaned and maintained at a safe distance of more than 10 m from the septic tank, demonstrating their proactive approach to ensuring a safe water supply.
		Most Mustahiq know the risk of disasters in the environment where they carry out business processes and how to mitigate and implement these risks. Apart from that, Mustahiq also raises awareness of disaster risk among the people living in the environment.

Source: Puskas BAZNAS (2019)

The results of this research present the weighting values of the indicators and variables of the Zakat Utilization Index. It is described in Table 5.

Table 5. Weighting Values of Zakat Utilization Index Indicators and Variables

Indicator	Weight	Variable	Weight
Social	0,26	Trust in the facilitator (group companion).	0,12
		Step-by-step guide on how to make decisions in groups	0,14
		The spirit of mutual support between group members.	0,17
		Groups can resolve internal problems that occur.	0,13
		Having a market information network (market demand, consumer needs, price competition, and distribution system)	0,09
		Group participation for communities experiencing disaster (helping sick people, death)/disaster (social/natural)	0,13
		Participate in community activities (cooperation and community service)	0,12

		Participate in community activities based on social institutions and/or specific goals (Posyandu, Tagana, DKM, PKK, Karang Taruna)	0,10
Culture	0,17	Total Weight of Social Indicator Variables	1,00
		Explore the latest information related to business development.	0,18
		Attend business-related training	0,23
		Develop new skills related to business diversification.	0,23
		Sharing experiences in business-related groups (just informal discussions and/or intragroup comparative studies)	0,17
		Commitment to maintaining quantity and business continuity	0,19
Ekonomy	0,22	Total Weight of Cultural Indicator Variables	1,00
		Access to capital to financial institutions	0,19
		Access to markets	0,28
		Income level	0,20
		Ownership of savings	0,18
		Asset Increase	0,15
Da'wah	0,20	Total Weight of Economic Indicator Variables	1,00
		Religious Science	0,16
		Pray	0,28
		Fast	0,17
		Zakat, Infaq, Alms	0,22
		Behaviour	0,17
Environment	0,15	Total Weight of Da'wah Indicator Variables	1,00
		It has a place for waste disposal and processing	0,25
		It has a place for waste disposal and processing	0,22
		Have a source of clean and suitable water for consumption.	0,33
		Know disaster risk in the environment where business processes are carried out	0,20
		Total Weight of Environmental Indicator Variables	1,00
Total Indicator Weight	1,00		

Source: Puskas BAZNAS (2019)

This research presents data by displaying pictures and tables, which are analyzed descriptively. This is done to make it easier for authors to present data and draw conclusions from the available information. Finally, conclusions are drawn after the index measurement stage and data presentation. The next step is concluding. Conclusions must be made correctly using data obtained during the research process.

Result and Discussion

Profile of LAZ IZI

The Indonesian Zakat Initiative Foundation (IZI) was founded on November 10 2014, IZI with the vision of becoming a professional, trusted Zakat institution that inspires benevolent and empowering movements. Furthermore, LAZ IZI has value in carrying out each program, namely "Making it Easy and Making It Easy". LAZNAZ IZI has several programs which

are active in the field of economic empowerment of the people, including Student Scholarships, Student Scholarships, Smartfarm, Livestock Development, Blessing Stalls, Skills Training, Convertible Development Villages, Elderly Islamic Boarding Schools, and Da'wah Across the Country. Smartfarm Academy is an empowerment and development program for the agricultural sector through continuous education for farmers and/or prospective farmers. This program aims to empower prospective professional farmers to encourage farmers to live more independently and prosperously, grow and develop, and contribute to the nation and the Indonesian Muslim Ummah.

Tangerang Regency is the center of the Smartfarm Academy program with the largest number of beneficiaries. Since 2019, Muhammad Obo, one of the program beneficiaries, has succeeded in producing achievements by winning an award as Outstanding Farmer at the Banten Province level. He received awards for his achievements in increasing horticultural productivity, alleviating poverty, and empowering youth and unemployed people in his area.

Results of IPZ Measurement

Measurement of Social IPZ Values

In the social indicators in the Zakat Utilization Index (IPZ) there are main variables which include (1) Trust in the facilitator, (2) Method of decision making, (3) Spirit of mutual support between members, (4) The group can resolve problems that occur, (5)) Having a market information network, (6) Participating in communities experiencing disasters, (7) Participating in community activities, (8) Participating in community activities based on social institutions. These variables are used to measure the beneficiaries' internal and external social relationships and to support the survival of Smartfarm Mustahiq. In IPZ, social indicators are the most significant in measuring and determining values, namely 0.26. This indicator value is obtained by multiplying the index value of each variable with the weight of each variable, which can be seen in Table 4.

Table 6. Social IPZ Measurement

Variable	Variable Weights	Variable Index	Interpretation
Trust in the facilitator (group companion)	0.12	0.94	Baik
How to make decisions in groups	0.14	1.00	Baik
The spirit of mutual support between group members.	0.17	0.78	Baik
Groups can resolve internal problems that occur	0.13	0.74	Cukup Baik
Has a market information network	0.09	0.64	Cukup Baik
Group participation for communities experiencing disaster	0.13	0.77	Baik
Participate in community activities	0.12	0.67	Cukup Baik
Participating in community activities based on social institutions and/or specific goals	0.10	0.66	Cukup Baik

Sumber: Data Diolah (2024)

The following is the IPZ calculation formula:

$$IPZ = 0.12(X1) + 0.14(X2) + 0.17(X3) + 0.13(X4) + 0.09(X5) + 0.13(X6) + 0.12(X7) + 0.10(X8)$$

$$IPZ = 0.12(0.94) + 0.14(1.00) + 0.17(0.78) + 0.13(0.74) + 0.09(0.64) + 0.13(0.77) + 0.12(0.67) + 0.10(0.66)$$

$$IPZ = 0.78$$

Table 4 shows that the social indicator values are in the sound and quite good categories. Variables that are classified as good are: (1) Trust in the facilitator (group companion) with a value of 0.94, (2) How to make decisions in the group with a value of 1.00, (3) Spirit of mutual support between group members with a value of 0.78, (4) Group participation for communities experiencing disaster with a value of 0.77. Meanwhile, the variables in the relatively good category are: (1) The group can resolve internal problems that occur with a value of 0.74, (2) Has a market information network with a value of 0.64, (3) Participates in community activities with a value of 0.63, and (4) Follows community activities based on social institutions and/or specific goals with a value of 0.66.

Measurement of Cultural IPZ Values

In the social indicators in the Zakat Utilization Index (IPZ), there are main variables which include (1) Exploring the latest information related to business development, (2) Participating in business training, (3) Developing new skills, (4) Sharing experiences related to business, (5) Commitment to maintaining quantity and business continuity. These variables measure the knowledge and cultural development possessed by Smartfarm group members. The cultural indicator contributes to measuring and determining the value of 0.17 in the zakat utilisation index. This indicator value is obtained by multiplying the index value of each variable by the weight of each variable, which can be seen in Table 5.

Table 7. Measurement of Cultural IPZ

Variable	Variable Weights	Variable Index	Interpretation
Explore the latest information related to business development.	0.18	0.59	Pretty good
Attend business-related training	0.23	0.81	Good
Develop new skills related to business diversification	0.23	0.92	Good
Share experiences in business-related groups	0.17	0.55	Pretty good
Commitment to maintaining quantity and business continuity	0.19	0.44	Not good

Source: Processed (2024)

Here is the calculation formula:

$$IPZ = 0.18(X1) + 0.23(X2) + 0.23(X3) + 0.17(X4) + 0.19(X5)$$

$$IPZ = 0.18(0.59) + 0.23(0.81) + 0.23(0.92) + 0.17(0.55) + 0.19(0.44)$$

$$IPZ = 0.68$$

Table 5 shows that the cultural indicators are in the excellent category, where supporting variables include (1) Attending business-related training with a value of 0.81 and (2) Developing new skills related to business diversification with a value of 0.92. Meanwhile, variables in the quite good category include: (1) Exploring the latest information related to business development with a value of 0.59 and (2) Sharing experiences in groups related to business with a value of 0.55. Apart from that, there are still variables in the poor category: (1) Commitment to maintaining business quantity and continuity.

Measurement of Economic IPZ Value

In the economic indicators in the Zakat Utilization Index (IPZ), there are main variables which include (1) Access to capital to financial institutions, (2) Access to markets, (3) Income level, (4) Ownership of savings, (5) Increase in assets. These variables measure the impact of

utilizing zakat regarding material and non-material economics of Smartfarm members' Mustahiq. Economic indicators contribute to measuring and determining the value of 0.22 in the zakat utilization index. This indicator value is obtained by multiplying the index value of each variable by the weight of each variable, which can be seen in Table 6.

Table 8. Measurement of Economic IPZ

Variable	Variable Weights	Variable Index	Interpretation
Access to capital to financial institutions	0.19	0.26	Not good
Access to markets	0.28	0.99	Good
Income level	0.20	0.48	Not good
Ownership of savings	0.18	0.28	Not good
Asset Increase	0.15	0.47	Not good

Source: Processed (2024)

Here is the calculation formula:

$$IPZ = 0.19(X1) + 0.28(X2) + 0.20(X3) + 0.18(X4) + 0.15(X5)$$

$$IPZ = 0.19(0.26) + 0.28(0.99) + 0.20(0.48) + 0.18(0.28) + 0.15(0.47)$$

$$IPZ = 0.54$$

Based on Table 6, all variables are in the poor category, namely: (1) Access to markets with a value of 0.99, while other variables are in the poor category, namely (1) Access to capital to financial institutions with a value of 0.26, (2) Income level with a value of 0.48, (3) Ownership of savings with a value of 0.28, (4) Increase in Assets with a value of 0.47.

Measuring the Value of Da'wah IPZ

In the economic indicators in the Zakat Utilization Index (IPZ), there are main variables, which include (1) Religious knowledge, (2) Prayer, (3) Fasting, (4) ZIS, and (5) Behavior. These variables measure the development process of Smartfarm Academy's Mustahiq spiritualism. The da'wah indicator contributes to measuring and determining a value of 0.20 in the zakat utilisation index. This indicator value is obtained by multiplying the index value of each variable by the weight of each variable, which can be seen in Table 7.

Table 9. Measurement of IPZ Da'wah Indicators

Variable	Variable Weights	Variable Index	Interpretation
Religious Science	0.16	0.73	Good
Salat	0.28	0.68	Pretty good
Fast	0.17	0.63	Pretty good
ZIS	0.22	0.75	Good
Behavior	0.17	0.88	Good

Source: Processed (2024)

Here is the calculation formula:

$$IPZ = 0.16(X1) + 0.28(X2) + 0.17(X3) + 0.22(X4) + 0.17(X5)$$

$$IPZ = 0.16(0.73) + 0.28(0.68) + 0.17(0.63) + 0.22(0.75) + 0.17(0.88)$$

$$IPZ = 0.73$$

Based on Table 4.4, the variables in the good category are (1) Religious knowledge

with a value of 0.73, (2) Behavior with a value of 0.88 and (3) ZIS with a value of 0.75. Meanwhile, the variables in the relatively good category are (1) Prayer, with a value of 0.68, and (2) Fasting, with a value of 0.63.

Measurement of Environmental IPZ Values

In the environmental indicators in the Zakat Utilization Index (IPZ), there are main variables which include (1) Having a waste disposal and processing place, (2) Having a waste disposal and processing place, (3) Having a source of clean and suitable water for consumption, (4) Knowing disaster risk in the environment where business is conducted. This variable measures Smartfarm Academy's awareness process regarding the environment, which is a resource for carrying out business processes. In the zakat utilization index, environmental indicators contribute to measurement and determine the smallest value compared to other variables, namely 0.15. This indicator value is obtained by multiplying the index value of each variable by the weight of each variable, which can be seen in Table 8.

Table 10. Measurement of Da'wah IPZ

Variable	Variable Weights	Variable Index	Interpretation
Has a place for waste disposal and processing.	0.25	0.86	Good
Has a place for waste disposal and processing.	0.22	0.86	Good
Have a source of clean and suitable water for consumption.	0.33	0.71	Pretty good
Know the disaster risk in the environment where business processes are carried out.	0.20	0.52	Pretty good

Source: Processed (2024)

Here is the calculation formula:

$$IPZ = 0.25(X1) + 0.22(X2) + 0.33(X3) + 0.20(X4)$$

$$IPZ = 0.25(0.86) + 0.22(0.86) + 0.33(0.71) + 0.20(0.52)$$

$$IPZ = 0.74$$

Table 8 shows variables in the good and quite good categories of environmental indicators. Variables in the good category are (1) Having a waste disposal and processing place with a value of 0.86, (2) Having a waste disposal and processing place with a value of 0.86. Meanwhile, the variables in the quite good category are (1) Having a source of clean water suitable for consumption with a value of 0.71 and (2) Knowing the risk of disaster in the environment where business processes are carried out with a value of 0.52.

Measurement of Overall IPZ Value

The Zakat Utilization Index consists of five indicators, namely: (1) Social Indicators, (2) Cultural Indicators, (3) Economic Indicators, (4) Da'wah Indicators, and (5) Environmental Indicators. The IPZ value is obtained by multiplying the index of each indicator by its respective weight, which can be seen in Table 4.6 below.

Table 11. Overall IPZ Measurements

Variable	Variable Weights	Variable Index	Interpretation
Social	0.26	0.78	Good
Culture	0.17	0.68	Pretty good
Economy	0.22	0.54	Pretty good

Da'wah	0.2	0.73	Pretty good
Environment	0.15	0.74	Pretty good

Source: Processed (2024)

The IPZ calculation formula is as follows:

$$IPZ = 0.26(X1) + 0.17(X2) + 0.22(X3) + 0.20(X4) + 0.15(X5)$$

$$IPZ = 0.26(0.78) + 0.17(0.68) + 0.22(0.54) + 0.20(0.73) + 0.15(0.74)$$

$$IPZ = 0.70$$

Table 9 shows that the index value of each indicator is in the good and quite good categories. Indicators in the good category are social indicators with a value of 0.78. Meanwhile, indicators in the quite good category are (1) Cultural indicators, with a value of 0.68; (2) Economic indicators, with a value of 0.54; (3) Da'wah indicators, with a value of 0.73; and (4) Environmental indicators, with a value of 0.74.

Discussion

IPZ Discussion on Social Indicators

The detailed results of IPZ measurements on Social Indicators can be seen in Figure 1.

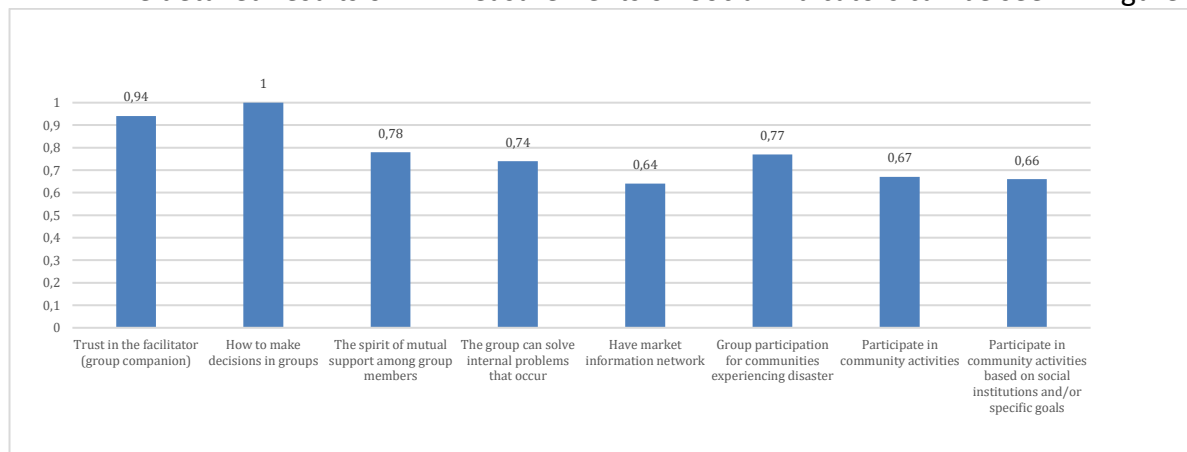


Figure 1. IPZ Social Indicator Measurement Results

Source: Processed (2024)

Figure 1 shows that all Mustahiq believe that the facilitator has helped and guided them in carrying out the program as well as possible. Furthermore, decisions on Smartfarm Academy beneficiary groups are made by deliberation. Then, Mustahiq believed that if problems occurred, individually or in groups, fellow members would take responsibility for each other. Some Mustahiq also believe that if there are internal problems within the group, they can be resolved well. Then, some Mustahiq have at least two pieces of market information. From the participation indicator, most Mustahiq are concerned about the disaster that befell the surrounding environment and are actively helping. Furthermore, the indicator of community activity participation shows that most Mustahiq care about community activities and invite residents to participate.

IPZ Discussion on Cultural Indicators

The results of IPZ measurements on the IPZ Culture Indicator in detail can be seen in Figure 2.

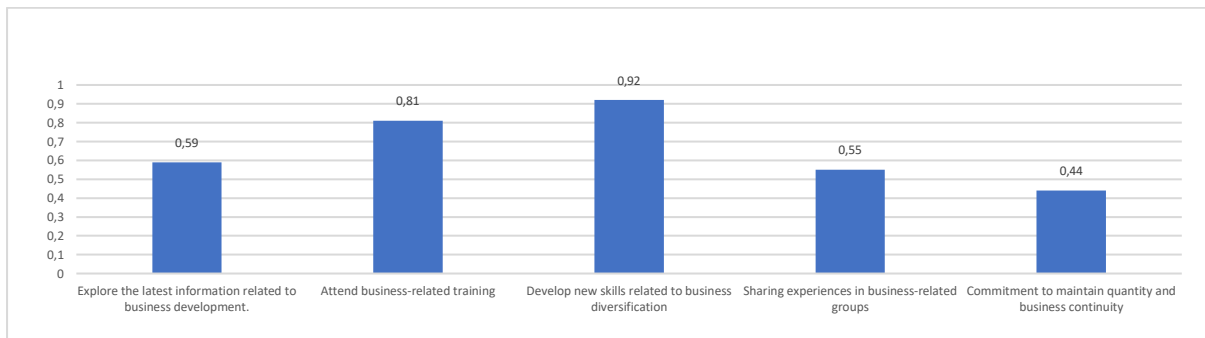


Figure 2. Cultural IPZ Index

Source: Processed (2024)

Figure 2 shows that most Mustahiq are curious about the latest information regarding business development at least once a month. Furthermore, most Mustahiq have attended training at least once every 1 to 3 months. Most Mustahiq also tries to diversify its products at least once a year. The majority of group members have carried out active discussions with other members. Most farmers can estimate and identify production capacity based on seed counts, land area, and environmental conditions.

IPZ Discussion on Economic Indicators

The detailed results of IPZ measurements on Economic Indicators can be seen in Figure 3.

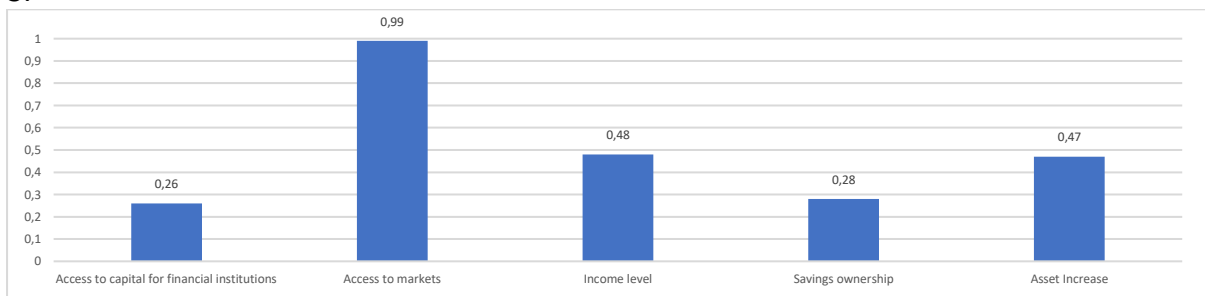


Figure 3. Economic IPZ Index

Source: Processed (2024)

Figure 3 reveals the diverse income sources of Mustahiq, with the majority not utilizing financial access from either conventional or sharia institutions. This is due to their ability to sell their products and make a profit, leading to an income increase for some in the range of 5-10%. The majority of Mustahiq needs formal savings in financial institutions. Instead, they save informally through piggy banks, social gatherings, and other means. It's interesting to note that most Mustahiq also has at least 2 additional types of assets resulting from growing businesses.

Discussion of IPZ Da'wah Indicators

The detailed results of IPZ measurements on Economic Indicators can be seen in Figure 4.

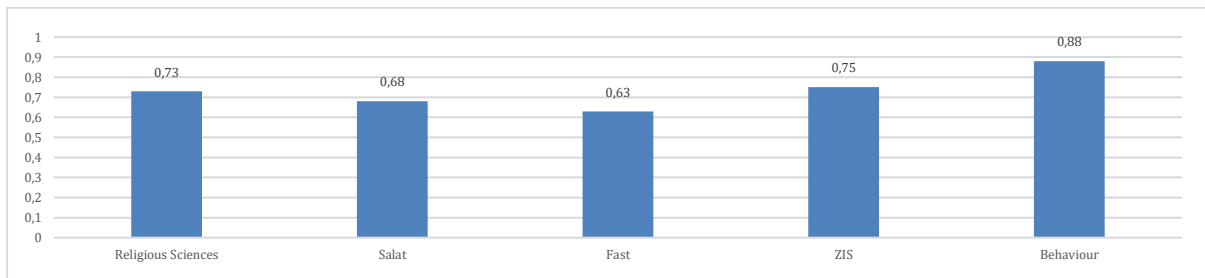


Figure 4. Da'wah IPZ indicator

Source: Processed (2024)

Figure 4 shows that most Mustahiq regularly attend recitation at least once a week. The majority of Mustahiq regularly perform the five daily prayers in the congregation. The majority of Mustahiq have fasted the entire month of Ramadan. Most Mustahiq have also fulfilled their obligation to carry out zakat fitrah. Most Mustahiq know that covering their private parts is an obligation and carry out/support the implementation of this obligation.

IPZ Discussion on Environmental Indicators

The detailed results of IPZ measurements on Environmental Indicators can be seen in Figure 5.

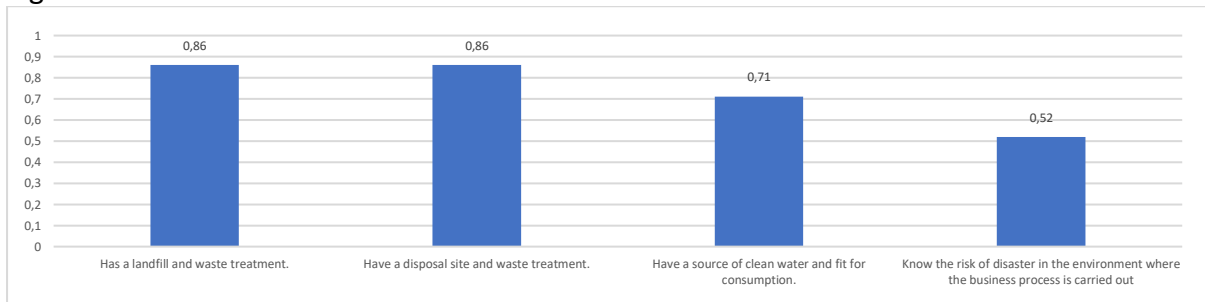


Figure 5. Environmental IPZ Index

Source: Processed (2024)

Figure 5 shows that most Mustahiq have waste disposal and sorting facilities. The majority of Mustahiq has business waste disposal and processing facilities. Most Mustahiq have a water source suitable for consumption; the distance between the water and the septic tank is approximately 10 m. Some Mustahiq already know the risk of disasters in their business environment and how to mitigate and implement these risks.

Overall IPZ Discussion

Based on the measurements and calculations that have been carried out previously, it can be depicted with the following graph:

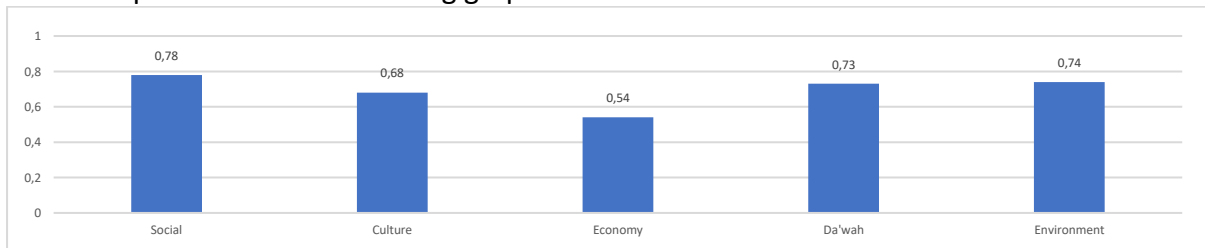


Figure 6. Overall IPZ Index

Source: Processed (2024)

Based on Figure 6, social indicators are ranked first with an indicator index of 0.78. Second place is environmental indicators, with an indicator index value of 0.74. Next, the third rank is the da'wah indicator, with an indicator index value of 0.73. Fourth place is the cultural indicator, with an indicator index of 0.68. The last ranking is an economic indicator with an index value of 0.54. Thus, the Smartfarm Academy program under LAZ IZI is in a good category with an index value of 0.70.

The social indicator obtained an index value of 0.78, meaning that the condition of social relations, both internal (group) and external, can support the survival of Mustahiq in good condition. It is characterized by a high level of mustahik's trust in group companions, decision-making in the group is carried out through deliberation, there is a sense of mutual responsibility between members when there are problems, both individual and group, the group also has a market information network regarding consumer needs, market demand, distribution, and price competition. Apart from that, this value also shows each member's level of participation in community activities in institutions and non-institutions. This number also shows the high level of group participation in helping communities affected by disasters so that the social life of the Mustahiq is classified as good.

This was reinforced by the results of an interview delivered by one of the members, namely Muhammad Obo, who stated, "Alhamdulillah, I feel very helped by having a group companion. Yesterday, I assisted in the registration and implementation process for the competition. Finally, I became a great farmer at the provincial level. Now I am in the process of becoming a Banten delegate at the national level great farmer competition." On the other hand, one of the beneficiaries, Mrs Siti Julaeha, also said that by forming and nurturing this group, they could feel the spirit of mutual support between members, encouraging and embracing each other even in difficult circumstances.

The cultural indicator obtained an index value of 0.68, meaning that the condition of knowledge and the development of entrepreneurial culture, both internally and externally, are in fairly good condition. Mustahiq's activeness characterizes this in seeking the latest information regarding their business and providing the latest information to other members of their community. Members also often receive training regarding entrepreneurship both from related agencies and other institutions. Apart from that, members can also diversify their business periodically by adding products every year. Even so, several things still need to be addressed, especially regarding the agenda for sharing experiences in business-related groups, because this only happens informally and has yet to be definitively scheduled. In addition, there is a need for more intensive assistance regarding the identification and realization of production targets for Mustahiq. This is conveyed by Mr. Poniman and Mr. Ali Imran, who say that the Mustahiq always feel clear about marketing-related things because they already have their markets. This is also reinforced by the fact that Mr Obo, who was previously a Mustahiq, has now developed into one of the community leaders in the agricultural sector, where he can not only himself but also the residents and farmers around him.

The economic indicator obtained an index value of 0.54; this value is quite small, although it is still included in the relatively good category. The use of zakat has impacted material and non-material Mustahiq, marked by an increase in income to meet daily needs and other needs, and farmers have succeeded in having additional assets. Apart from that, farmers feel free to market their products because they can sell products according to price

and quality and earn income.

However, what then becomes an evaluation is related to Mustahiq's access to conventional formal financial institutions, especially Sharia. There is also a need for further education regarding savings ownership so that a small amount of income can be allocated to savings for Mustahik. This can be done by saving in cooperatives or other financial institutions. This was also conveyed by the president of Smartfarm Academy, Mr. Riyadno, who stated, "Here, from an institutional perspective, it is still not optimal, such as capital funding institutions, banks and others. Farmers often rely on assets as a medium for their savings and are unfamiliar with financial institutions, especially Sharia. Sometimes after harvest, they immediately buy sacks of fertilizer, their savings medium, or they save it individually."

The da'wah indicator obtained an index value of 0.73, meaning Mustahiq's spiritual condition is developing quite well. This is characterized by the routine holding of activities such as recital studies every week for fathers and mothers in the surrounding area and attended by members at least once a week. The members also regularly perform the five daily prayers in the congregation and individually. Members also fulfil their obligation to fast during Ramadhan, and at least carry out sunnah fasts on major holidays, such as in Muharram. In terms of zakat, infaq and alms, members have at least carried out their obligation to pay zakat fitrah and have made it a habit to set aside some of their assets for Friday alms and participate in donating to the construction of nearby mosques. Members have also implemented and supported the obligation to cover their private parts. One of the Mustahiq, namely Mr Syahbuddin, chairman of the Taklim assembly who is also chairman of the Smartfarm Academy group in the Kronjo area, stated, "Apart from being based on community kinship in the area which is still strong, the existence of the Smartfarm Academy is a positive thing because of the assessment from the facilitators and also regular controlling related to the spirituality of the participants".

The environmental indicator obtained an index value of 0.74, meaning that awareness of the environment, a resource in conducting business, is in fairly good condition. This is characterized by the availability of adequate water sources for Mustahiq to support their need for drinking and daily activities. Apart from that, the Mustahiq, primarily farmers, have also processed and turned their business waste into valuable things that can be reused. Members also know the risk of disasters in the environment where business processes are carried out and know and implement mitigation processes for these disasters. However, several evaluations still exist, including areas that need water help, so they use drilled wells. Apart from that, there are also several risks of natural disasters and unpredictable circumstances.

The Zakat Utilization Index (IPZ) in the Smartfarm Academy program in Tangerang Regency is 0.70, a value that falls within the 'quite good' category. This success is a clear indication of the effectiveness of the program. The dominance of scores in the 'quite good' category, and one in the 'good' category, further reinforces this, indicating that the zakat utilization through the LAZ IZI Smartfarm Academy program has been effective and on target, as shown in table 10.

Table 12. Phase Categories in IPZ

Value Range	Interpretation
0.00 - 0.25	Not good

0.26 - 0.50	Not good
0.51 - 0.75	Pretty good
0.75 - 1.00	Good

Source: Puskas BAZNAS (2019)

In empowerment, three phases must be carried out: initiation, strengthening, and independence. The values contained in IPZ are also related to these three phases. In the initiation phase, the target of the IPZ value is to reach a value of 0.25. Furthermore, the target IPZ value obtained in the strengthening phase was 0.26-0.75. In the independence phase, the target IPZ value is to reach 0.76. Finally, the program is phasing out when the IPZ value has touched at least 0.90. Based on this, the Smartfarm Academy program is in the strengthening phase, as stated in the table above. This can be said to be quite good since the program was founded in 2019. Several evaluations and improvements need to be carried out so the program can continue developing and progressing towards the independence phase. These results align with research conducted by Nashiir (2018) using the Village Zakat Index method in Sindangsari Village, which had a good impact.

Based on the Zakat impact assessment index, the welfare of Mustahiq in Sindangsari and Tamiang Villages has increased. The independence index score is good. Therefore, the Zakat utilization program effectively increases Mustahiq's level of welfare and independence. Apart from that, Anovani (2021) also stated that in the productive zakat utilization program, there was a significant change in the level of poverty and welfare of Mustahiq. The research results show a decrease in the poverty level of Mustahiq and an increase in the welfare of Mustahiq. This is because the productive zakat program is a business empowerment program, so the potential for developing the zakat funds provided can be more efficient because funds are circulated in Mustahiq-owned businesses.

Based on this explanation, the results of measuring the zakat utilization index and analyzing the impact of utilization on the Smartfarm Academy program are in line with the theory of social change, which states that social change is a change in the interaction between individuals, organizations or communities which is related to social structure or patterns of values and norms. In this case, social change contains changes in three dimensions: structural, cultural and interactional. Structural changes occur in economic indicators where there is a change in the standard of living of the Mustahiq in meeting their needs. Cultural changes include changes in a culture where the Mustahiq have new cultures, including exploring their knowledge and insight regarding business. Apart from that, cultural changes occurred in the da'wah indicators where the assistance and control of the program indirectly increased the faith and spirituality of the Mustahiq.

Conclusion

This research measured the zakat utilization index and analyzed the impact of zakat utilization on the Smartfarm Academy group assisted by LAZ IZI. The research was conducted using quantitative methods with a descriptive approach. The research results found that the zakat utilization index value in the Smartfarm Academy program in Tangerang Regency was 0.70 or was in the strengthening phase category. Thus, the utilization of productive zakat has gone according to purpose and is on target. It has also significantly impacted Mustahiq's social, cultural, economic, da'wah, and environmental indicators. LAZ IZI, as the supervisor of

this program, can replicate the Smartfarm Academy program to other Mustahiq groups so that the benefits are even more significant. Future researchers are expected to conduct more in-depth research on the impact of productive zakat utilization by measuring the zakat utilization index (IPZ) at Smartfarm Academy and other utilization groups.

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