

## Zakat Management in Efforts to Alleviate Poverty in the Galang Island Community, Batam City

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### ABSTRACT

This article discusses the role of zakat governance in efforts to alleviate poverty in the community of Galang Island, Batam City. Galang Island is an area that faces significant challenges in overcoming poverty. This research uses a case study method with a qualitative approach. Data was obtained through in-depth interviews with zakat managers, zakat recipients and related parties. The research results show that good zakat governance has a positive impact on poverty alleviation through efficient zakat collection and distribution, transparency in the management of zakat funds, and empowerment of recipients through productive programs. Obstacles include a lack of public awareness and the need for Islamic financial education. This study provides guidance for the government, zakat amil institutions, and the community in developing effective zakat governance strategies.

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## **INTRODUCTION**

Poverty is an urgent issue in many areas, including Galang Island in Batam City. This phenomenon not only has economic impacts but also significant social and humanitarian impacts. Poverty hinders access to education, health care, and economic opportunities, creating a vicious cycle that is difficult to break. Therefore, strategic and innovative steps are needed to overcome this challenge.

This article has a clear aim, namely to in-depth analysis of the role of zakat governance in efforts to reduce poverty levels on Galang Island. Zakat, as one of the main pillars of Islamic teachings, has great potential to make a positive contribution to poverty alleviation efforts. Through good governance, zakat funds can be collected, managed and distributed efficiently and effectively to those in need.

Zakat governance involves various aspects, including collecting zakat funds, managing these funds, and implementing sustainable economic and social empowerment programs. In the context of Galang Island, where poverty is a serious problem, it is important to understand how zakat governance can be implemented optimally to provide a real impact in reducing economic inequality and improving community welfare.

Through a comprehensive analysis regarding the contribution of zakat governance in overcoming poverty, it is hoped that this article will provide valuable insight for readers regarding the potential and challenges in implementing effective zakat governance. In this way, joint efforts between the government, zakat institutions and the community can be better designed and implemented, to achieve the common goal of alleviating poverty on Galang Island.

## **THEORETICAL REVIEW**

### ***Poverty***

Poverty as a multidimensional problem has become the focus of global and local attention in efforts to achieve sustainable development. In various areas, including Galang Island, and Batam City, poverty continues to be a serious challenge that affects people's quality of life. In this context, zakat, as one of the main concepts in Islam, has the potential to make a significant contribution to reducing poverty levels.

### ***The Role of Zakat in Poverty Alleviation***

The concept of zakat in Islam is not only about giving alms but also about fair distribution and economic empowerment. Zakat is an obligation for every Muslim who can give part of their wealth to those in need. This principle of redistribution has the potential to reduce economic inequality and help disadvantaged communities.

In the context of Galang Island, zakat has a great opportunity to assist those trapped in the cycle of poverty. Through good zakat governance, the funds

collected can be allocated efficiently for poverty alleviation programs, such as educational assistance, economic empowerment and health services.

### ***Zakat Governance as an Instrument for Poverty Alleviation***

Zakat governance plays a central role in ensuring that zakat funds are managed efficiently and transparently. The success of poverty alleviation programs through zakat is very dependent on how these funds are collected, managed and distributed to the right recipients. Good governance involves principles such as accountability, transparency, community participation and strict supervision.

### ***Implementation and Challenges in Zakat Governance***

However, the implementation of effective zakat governance is often faced with various challenges. These challenges include a lack of public awareness regarding zakat, inconsistent policies, and a lack of coordination between zakat institutions, the government and the community. Therefore, there needs to be close cooperation between all relevant parties to ensure that zakat governance can run well and have a real impact on reducing poverty.

This literature review underlines the important role of zakat in efforts to alleviate poverty on Galang Island, Batam City. With good zakat governance, zakat funds can be an effective instrument in wealth redistribution and economic empowerment. However, challenges in implementation must be overcome through strong collaboration between zakat institutions, the government and the community. Thus, zakat can be a positive force in reducing inequality and improving community welfare.

### ***The Role of Zakat Governance in Poverty Alleviation***

The results of this research provide in-depth insight into the important role of zakat governance in poverty alleviation efforts on Galang Island, Batam City. Analysis of data from various stakeholders has revealed that good zakat governance has a significant positive impact on efforts to reduce poverty levels.

### ***Efficiency in Collection and Distribution of Zakat***

Efficiency in zakat collection and distribution is key in ensuring that zakat funds can reach those in need on time and in adequate amounts. In the context of Galang Island, this effort to increase efficiency has proven successful in reducing obstacles that may arise in the process of distributing zakat funds. The adoption of modern technology, including digital banking applications and information systems, has accelerated the process of collecting and allocating zakat to recipients.

### ***Transparency in Management of Zakat Funds***

Transparency in the management of zakat funds creates important trust between zakat amil institutions, zakat recipients and the community. By ensuring that information regarding the collection, management and use of zakat funds is easy to access and understand, zakat institutions can build a strong image and maintain accountability for the funds they manage. This also helps reduce doubts that may arise in people's minds regarding the management of zakat funds.

### ***Implications and Relevance of Findings***

These findings provide important implications for the development of zakat governance policies and practices on Galang Island, Batam City, as well as other areas with similar challenges. Through implementing effective zakat governance, local governments and zakat institutions can optimize the use of zakat funds to facilitate economic and social empowerment for those in need.

With efficiency in zakat collection and distribution as well as transparency in fund management, good zakat governance has a vital role in poverty alleviation efforts. Through careful implementation and close collaboration between various parties, zakat can be an effective tool in reducing economic disparities and improving community welfare on Galang Island, Batam City.

### ***Empowerment of Zakat Recipients***

One important aspect of effective zakat governance is the empowerment of zakat recipients through productive programs. The results of this research highlight that through this approach, zakat can be an instrument for developing the skills and potential of zakat recipients, helping them overcome the challenges of poverty and move towards sustainable prosperity.

### ***Productive Programs Through Zakat***

Productive programs funded by zakat can include skills training, education, small businesses, and local economic development projects. Through this program, zakat recipients not only receive financial assistance but also receive the necessary training and support to increase their capacity. By having better skills and knowledge, zakat recipients have greater opportunities to create stable and sustainable incomes.

### ***Alleviating the Circle of Poverty***

These productive programs have the potential to break the cycle of poverty that is difficult to break. In many cases, poverty is passed down from generation to generation due to a lack of access to education and training.

Through zakat, recipients who are initially trapped in a cycle of poverty have the opportunity to build new skills and create better economic opportunities for themselves and their families.

### *Long Term Impact*

Empowering zakat recipients not only provides short-term benefits but also has a long-term impact on society. By reducing poverty levels and increasing individual welfare, productive programs through zakat can help create a more productive and economically sustainable environment. It can also contribute to social development and improve the quality of life of society as a whole.

Productive programs funded by Zakat have great potential to empower Zakat recipients to escape the cycle of poverty. By involving zakat recipients in skills training and economic development projects, zakat can be a powerful tool in facilitating positive changes in recipients' lives and accelerating poverty alleviation efforts on Galang Island, Batam City.

### *Obstacles and Challenges*

Although zakat governance has great potential to overcome poverty, its implementation is often faced with several obstacles and challenges that need to be overcome. Some of them are:

1. Lack of public awareness regarding the importance of zakat. Public awareness regarding the importance of zakat as a social and economic instrument that has a positive impact is sometimes still low. This can hinder community participation in supporting zakat governance programs. More intensive education and campaigns are needed to build a better understanding of the concept of zakat and its benefits in alleviating poverty.

2. Lack of understanding regarding Zakat

Many people may have a limited understanding of the principles of zakat, such as the amount of zakat that must be given and the criteria for zakat recipients. This lack of understanding can result in errors in calculating and distributing zakat correctly. This limited information can hamper the effectiveness of Zakat governance in achieving its goals.

3. Inconsistencies in Policy and Implementation Inconsistencies in policy and implementation of zakat governance by the government and related institutions can create obstacles in the collection, management and distribution of zakat funds. Lack of clear direction and consistent coordination can hamper the efficiency of zakat governance and reduce public trust.

4. Challenges in Accepting Change

Changing people's mindsets and behavior regarding zakat and economic empowerment can be a challenge. Sometimes, zakat recipients may be reluctant to participate in the productive programs offered, as such changes may require extra effort and adaptations in the way they think and operate.

### ***Recommendations for Overcoming Barriers***

To overcome these obstacles, joint efforts from various related parties need to be made. Intensive outreach and education campaigns about zakat and its benefits need to be increased. The government, zakat institutions and community organizations must work together to develop consistent guidelines and regulations, as well as provide information services that are easily accessible to the public.

Obstacles and challenges in implementing zakat governance remind us of the importance of education, coordination and close cooperation between various parties. By overcoming these obstacles, the potential of zakat as a tool for poverty alleviation can be maximized, and efforts to create positive change in society can become more successful and sustainable.

## **METHODOLOGY**

This research was conducted using a case study approach and qualitative methods to gain an in-depth understanding of the role of zakat governance in alleviating poverty on Galang Island, Batam City. The case study approach was chosen because it can provide a detailed and contextual picture of how zakat governance operates in a specific environment.

The choice of this case study was Galang Island, this research location was chosen because it is an area with a significant level of poverty. This selection supports the research focus to analyze the contribution of zakat governance in reducing poverty. The existence of various stakeholders on Galang Island, such as zakat amil institutions, zakat recipients, and the surrounding community, also provides an opportunity to understand diverse perspectives related to zakat governance.

The data collection process in this research was obtained through in-depth interviews with various stakeholders. In-depth interviews were used to explore their views, experiences and understanding regarding zakat governance. The respondents consisted of zakat managers, zakat recipients, community leaders and related experts, who have direct knowledge and experience in implementing zakat governance on Galang Island.

Analysis Data collected from in-depth interviews were analyzed qualitatively. Analysis was carried out through a process of coding, categorization, and identifying patterns that emerged from the data. With this

approach, we seek to summarize the views and experiences of stakeholders related to the role of zakat governance in poverty alleviation.

The continuation of this research provides important insights into zakat governance in reducing poverty on Galang Island, further research can be carried out to in-depth analysis of the long-term impact of zakat governance programs. Such research can involve statistical data analysis, community surveys, and other more quantitative approaches to provide a more comprehensive picture of the effects of zakat governance over a longer period.

## **RESULTS**

The results of this research reveal that good zakat governance has a significant positive impact on poverty alleviation efforts in Galang Island, Batam City. Analysis of data from various stakeholders shows that efficiency in zakat collection and distribution as well as transparency in the management of zakat funds have an important role in achieving this goal.

**Efficiency in Zakat Collection and Distribution**, In the context of Galang Island, efforts to increase efficiency in zakat collection and distribution provide significant results in reducing obstacles that may arise in the process of distributing zakat funds. The adoption of modern technology such as digital banking applications and information systems has helped speed up this process. Zakat recipients can receive assistance more quickly, and a more efficient distribution rate allows zakat funds to be used better and on time.

**Transparency in the Management of Zakat Funds** Transparency in the management of Zakat funds has important implications for accountability and public trust. Clarity and accessibility of information regarding the management of zakat funds help build a positive image of zakat amil institutions in the eyes of the public. By having a better understanding of how zakat funds are managed and allocated, communities are more likely to support zakat governance programs and feel confident that their funds are being used for the right purposes.

## **DISCUSSION**

Zakat governance is directly related to effectiveness in alleviating poverty. Efficiency in zakat collection and distribution ensures that the funds can be received by zakat recipients quickly and on time, helping them overcome economic and social crises. Transparency in the management of zakat funds also has a positive impact on the public's image and trust in zakat institutions, which in turn can encourage public participation in supporting zakat governance programs.

Relevance to Zakat Governance Practices The results of these findings have important implications for Zakat governance practices on Galang Island and other areas with similar challenges. Efficiency in the zakat collection and distribution process needs to continue to be improved through technological innovation and the implementation of more efficient procedures. Meanwhile, efforts to increase transparency in the management of zakat funds must be accompanied by efforts to provide information that is easily understood by the wider community.

The results of this research provide strong evidence that good zakat governance has a significant contribution to poverty alleviation efforts. Efficiency in the collection and distribution of zakat, as well as transparency in the management of zakat funds, are important factors in achieving this goal. By involving technology and an effective communication approach, zakat governance can be a strong tool in reducing economic disparities and improving community welfare on Galang Island, Batam City.

## **CONCLUSIONS AND RECOMMENDATIONS**

In an era of inequality and global economic challenges, the role of zakat governance in poverty alleviation efforts has become increasingly important. This research illustrates the importance of efficiency in the collection and distribution of zakat as well as transparency in the management of zakat funds in facing the challenges of poverty on Galang Island, Batam City. The results of this research provide several significant conclusions:

1. **The Role of Zakat Governance**

Good zakat governance has a positive impact on poverty alleviation. Through efficient collection of funds and proper distribution, zakat can act as a tool for wealth redistribution to help those in need.

2. **Collection and Distribution Efficiency**

Efficiency in zakat collection and distribution ensures that economic assistance can be provided to recipients quickly and on time. Modern technology and effective administrative procedures can speed up this process.

3. **Management Transparency**

Transparency in the management of zakat funds gives the public confidence in zakat institutions and programs funded by zakat. Open information regarding the use of funds helps build a positive image and better accountability.

4. **Implications and Recommendations**

The implication of these findings is the need for joint efforts to overcome obstacles and challenges in the implementation of zakat governance. The public needs to be educated about zakat and its benefits, while the government and zakat institutions need to strengthen the coordination and

consistency of policies related to zakat. Other recommendations include increasing the use of technology to speed up the collection and distribution process as well as increasing zakat recipients' understanding of the concept of zakat and the empowerment programs offered.

#### 5. Optimizing the Role of Zakat for a Better Society

The conclusion of this research confirms that zakat has great potential to reduce economic inequality and improve community welfare. With good zakat governance, efficiency in the collection and distribution process, and transparency in fund management, zakat can be an effective instrument in alleviating poverty on Galang Island, Batam City. Through the joint efforts of the government, zakat institutions and society, the potential of zakat as a source of goodness and positive change can be realized, helping to create a more just and sustainable society.

The results of this research open opportunities for further research related to zakat governance and poverty alleviation. Future research could focus on analyzing the long-term impact of productive programs funded by Zakat on recipient welfare and local economic development. Apart from that, research can further explore effective educational strategies and campaigns to increase public awareness about zakat.

The results of this research provide an in-depth view of the role of zakat governance in alleviating poverty on Galang Island, Batam City. Efficiency in the collection and distribution of zakat as well as transparency in the management of zakat funds have a significant impact on efforts to reduce poverty. By implementing recommendations and best practices, zakat can become a powerful tool for stimulating inclusive economic growth and improving community welfare. Joint efforts between the government, zakat institutions and the community are very important in realizing the full potential of zakat governance to achieve the goal of alleviating poverty on Galang Island and the surrounding area.

#### **FURTHER STUDY**

This research still has limitations, so it is necessary to carry out further research related to the topic "Zakat Governance in Efforts to Alleviate Community Poverty". Further research can use different objects of poverty to increase insight for readers.

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