

The Impact of Productive Zakat on the Development of *Mustahiq* Businesses in the Tualang District of Indonesia

IQTISHADIA
16,1

49

Salsabila Marsa

IPB University, Bogor, Indonesia
salsabilamarsa21@gmail.com

Laily Dwi Arsyianti

IPB University, Bogor, Indonesia
arsyianti@apps.ipb.ac.id

Abstract

The COVID-19 pandemic had a significant impact on the development of microbusiness. The restrictions on social activities decrease sales, which has affected the capitalist economy. Productive zakat funds can be a solution to dealing with these problems. This research aims to determine the characteristics of *mustahiq* and their business. It also analyzes the factors affecting *mustahiq*'s total revenue after distributing productive zakat funds and its impact during the COVID-19 pandemic. The contribution of research related to the effect of productive zakat can be helpful for several parties, such as the government, zakat management organizations, especially the BAZNAS Office Branch of Siak Regency, and academics. This study employs a descriptive analysis, multiple linear regression analysis, and paired t-test method. The results showed a difference in the total revenue of business before and after productive zakat distribution during the COVID-19 pandemic. The factors that positively influence and significantly affect business total revenue of productive zakat funds during COVID-19 are capital, the number of zakat funds, model education, and dummy business type. On the other hand, the business longevity is a factor that negatively affects it. However, the age of respondents does not significantly affect business total revenue increments.

Keywords: *OLS, total revenue, COVID-19 pandemic, micro business, productive zakat.*



INTRODUCTION

The COVID-19 pandemic has wide-ranging implications for every aspect of human life, including the economies of many different countries. Based

IQTISHADIA
Vol. 16 (1) 2023
PP. 49-76
P-ISSN: 1979 - 0724
E-ISSN: 2502 - 3993
DOI : 10.21043/iqtishadia.v16i1.16130

on the Organization for Economic Co-operation and Development (OECD) report in 2020, production activities in multiple countries temporarily had to be stopped due to the impact of COVID-19, causing a significant economic crisis, one of which was Indonesia. Micro, Small, and Medium Enterprises (MSMEs) dominate Indonesia's economy, which is the focus of the national economy and is also affected by the COVID-19 pandemic. According to the Minister of Cooperatives and SMEs for Creative Economy Empowerment (Menkop UKM, *Menteri Koperasi dan Usaha Kecil Menengah*), 300,000 MSMEs reported being affected by the COVID-19 pandemic, which is generally a business at the micro-level, as of August 8, 2020 (Catriana, 2020).

MSMEs encounter a set of challenges within the ongoing pandemic, primarily characterized by a notable loss in sales. This decline may be attributed to the reduction in communal activities conducted beyond the confines of residential premises, coupled with a decrease in individuals' buying power. This challenge occurred because of the reduced income of the community, so they are more careful in managing their financial expenses. Second, the difficulty of capital turnover is due to decreased sales. Third, implementing the Large-Scale Social Restrictions (PSBB, *Pembatasan Sosial Berskala Besar*) policy creates barriers regarding product distribution to certain areas. Fourth, the difficulty of obtaining raw materials relies heavily on the supply of raw materials from other industrial sectors (Setiawan, 2020).

Based on the Ministry of Cooperatives and SMEs (Kemenkop UKM), there was an increasing number of MSMEs in 2019 by 1.98% or 1,271,440 units. In the year 2019, a significant proportion of business entities in Indonesia, namely 99.99% of them, were categorized as MSMEs. Among these MSMEs, a substantial majority of 98.67%, or a total of 64,601,352 units, were classified as micro-businesses (Kementerian Koperasi dan UKM, 2019). In addition, microbusinesses have a high labor absorption in the MSMEs sector, as many as 109,842,384 people. MSMEs also have an important role in Gross Domestic Product based on prevailing prices, contributing 60.51% nationally. In the year 2019, micro-businesses provided a monetary contribution of IDR55,913,246.7 billion, which accounts for 37.35% of the total. It represents the monetary contribution made by micro-businesses throughout 2019 (Kementerian Koperasi dan UKM, 2019).

In this regard, micro-businesses have high potential in labor absorption and an enormous contribution to the national Gross Domestic Product (GDP),

thus impacting Indonesia's economic development. However, this potential is still challenging by considering the ease of business actors obtaining capital because of the high risk of business, not having collateral, and assumed low ability of business actors in returning loans, high transaction costs, and everyday saving habits. This assumption impacts the low accessibility of micro-businesses to formal financial sources, so most of them rely on personal capital (Wulansari and Setiawan, 2014). Capital limitations make micro-businesses challenging to grow. Distributing zakat assistance to *mustahiq* can solve the capital limitation problem (Mursalina, 2015).

Zakat is one of the instruments to meet various shortcomings of the community's needs, minimize the economic gap, reduce social problems, and maintain people's purchasing power so that the economy can continue to run (Wulansari and Setiawan, 2014). According to Law No. 23 of 2011 on Zakat Management, one form of zakat management organization is the National Amil Zakat Agency (BAZNAS, *Badan Amil Zakat Nasional*). The management of zakat in each province, regency, or city involves the establishment of BAZNAS branches. One such branch is the BAZNAS Regional Branch of Siak Regency in Indonesia.

The 2020 National Zakat Index in four provinces of Sumatra Island shows that the BAZNAS Regional Branch of Siak Regency has a National Zakat Index (IZN, *Indeks Zakat Nasional*) value of 0.75, which belongs to the excellent category. It is ranked second out of 43 BAZNAS based on IZN 2020 and assesses the impact of zakat in four provinces of Sumatra Island. Meanwhile, at the Riau Province level, the IZN of the BAZNAS Regional Branch of Siak Regency was ranked first at the IZN of the BAZNAS Regional Branch of Siak Regency was ranked first at the Riau Province level. IZN is a measuring tool developed by the BAZNAS's Center for Strategic Studies to measure the performance of a zakat institution.

Funds that the BAZNAS Regional Branch of Siak Regency has collected are commencing to run various economic empowerment of productive business patterns or productive zakat. The BAZNAS Regional Branch of Siak Regency implements a program to provide help in business capital to micro-businesses situated in all sub-districts within Siak Regency.

The total distribution of zakat funds in productive business patterns at the BAZNAS Regional Branch of Siak Regency in 2020 is IDR2,395,410,000

with the number of beneficiaries as many as 517 *mustahiq* (BAZNAS Kabupaten Siak, 2020). During the COVID-19 epidemic, a total of 61 individuals in the Tualang District, one of the districts in Siak, were identified as *mustahiq* and received productive zakat funds to support their productive economic endeavors. In January-June 2020, zakat funds for generative business patterns of the Tualang District aimed at the cassava plant group. From July to December 2020, the BAZNAS Regional Branch of Siak Regency allocated zakat funds towards supporting cassava plant categories and animal farming initiatives. The distribution of zakat funds to Tualang District for productive business patterns amounted to IDR443,130,000, which is ranked second from each distribution to sub-districts in Siak Regency. The distribution of zakat funds in productive business practices in Tualang District in 2020 is relatively high, supported by many zakat recipients.

Zakat assistance of this productive business pattern is a grant, which means that the recipients are not obliged to return the funds because it has become the recipient's right. This zakat fund can alleviate the capital problem of micro-businesses during the COVID-19 pandemic so that micro-businesses can continue to grow.

LITERATURE REVIEW

Productive zakat is the provision of zakat funds for the development of *mustahiq* businesses so that the basic needs of *mustahiq* are fulfilled sustainably through the business (Undang-Undang Republik Indonesia, 2011). Productive zakat is channeled in the form of business capital when it has fulfilled the basic needs of *mustahiq* (Ali et al., 2016). In addition, productive zakat can also foster *mustahiq* independence for a long time, release from poverty, and be able to change their position from *mustahiq* to *muzakki*. The distribution impact of productive zakat is the increment of *mustahiq*'s business income. Additional consequences include the independent fulfillment of the family's daily needs, the assurance of children's education, the attainment of family well-being, the provision of adequate housing, and the accumulation of savings as a form of insurance in challenging circumstances (Furqani et al., 2018)

Business development is an effort towards the business to develop

into a better and reach the point of success. According to Mursalina (2015) business development can be seen through 3 indicators: increased business turnover, assets, and profits. Chandra (2000, as cited in (Saparingga et al., 2015) defines business development as a state where sales turnover increases.

Sales turnover is the total sales of goods or services calculated in a certain period based on the money earned (Rizal et al., 2017). According to Sugiarto et al. (2005), turnover is known as total sales results written in the form of $TR = P \times Q \dots (1)$. TR is total revenue (sales or turnover), while P is the price (price), and Q is the quantity (the amount of output produced). The number of outputs produced from production activities will determine the small business turnover (Putra and Aswitari, 2020). Production activity is an activity that can convert multiple inputs into an output. In economics, the function of production is written in the form (Sugiarto et al., 2005):

$$Q = F(K, L, X, E) \dots (2)$$

Description: Q = *Output*

K. L. X; E = input (capital, labor, raw materials, entrepreneurial expertise).

The factor of capital production in this study comes from the number of zakat funds. The number of zakat funds can affect the turnover of business actors (Tunas et al., 2014) Small and Medium Enterprises (MSMEs). According to Sugiarto et al. (2005) labor input is comprehended by workers and is strongly influenced by the quality or characteristics of the workforce, such as age and education. Raw material input is personal capital used per month to carry out business activities. The contribution of entrepreneurial expertise is valued based on the length of time and the type of business operated. Variables such as business capital, age, business age, education (Gunawan, 2015), and business type (Karimah, 2015) can affect the turnover of business actors. Micro-business in Indonesia knows their total revenue better than their profits. This presumption is that household finances are not separating their business from household errands due to a lack of understanding of financial records (Siagian and Indra, 2019). In addition, the tools and materials used for business production activities are also not separated from household activities, such as the use of gas cylinders and others.

According to research done by Prahesti and Putri (2018) the role of productive zakat funds as capital toward increasing SME turnover shows a strong relationship with an influence of 44.7%. The allocation of SME aid in Rumah Zakat is mainly directed towards poor people, representing 91.26% of the total distribution. Tanjung (2019) showed that productive Zakat, Infaq, and Shadaqah (ZIS) significantly affect business growth, as seen from the daily turnover of *mustahiq*, who experienced an increase after distributing productive zakat funds by BAZNAS in Medan Timur. Wulansari and Setiawan (2014) stated that the average business capital of *mustahiq* increased by 42% after being assisted. However, turnover and profit do not experience a very high increase because situational and conditions factors influence the trading. After being assisted with zakat funds, the average sales turnover increased by 24%, and the average profit increased by 14%. Based on research by Khairani and Ekawaty (2017) both consumptive and productive, and the role of productive zakat to the development of micro-enterprise mustahik LAZ el-Zawa UIN Maliki, Malang. Descriptive and multiple regression analyzes were used against primary data collected by interviewing the LAZ board and distributing questionnaires to beneficiaries of zakat funds (mustahik, collected zakat funds are distributed for consumptive purposes (scholarships, zakat for the elderly, and conventional zakat) and productive purposes (business capital loans with *qard al-hasan* and *mudaraba* programs for supporting MSMEs). The business development in this study was positively and significantly influenced by the number of productive zakat, business lifespan, and gender of businesspeople. In contrast, the frequency of attendance in coaching or training and the age of businesspeople have no significant effects.

Some previous studies emphasized several differences, such as the location of the research and the conditions of the COVID-19 pandemic. This research discusses the impact of the distribution of productive zakat funds from the BAZNAS Regional Branch of Siak Regency on the development of *mustahiq* micro-businesses during the COVID-19 pandemic. Business development is perceived from the indicators of increased business turnover *mustahiq* after receiving productive zakat assistance.

Respondents to this study were *mustahiq* micro-businesses who received capital assistance through the distribution of productive zakat from the BAZNAS Regional Branch of Siak Regency during the COVID-19 pandemic. The sampling technique used is non-probability sampling, which is saturated sampling or census. That is, all members of the population are used as samples. The data used is primary data (questionnaire results and interviews of respondents) and secondary data (BAZNAS report data, Cooperative And MSME, as well as other literature studies).

The analysis used is descriptive, linear regression or Ordinary Least Square, and paired t-test using SPSS 22 and E-Views 10 software. The assistance of Microsoft Excel 2010 processes data. Descriptive analysis aims to identify the characteristics of respondents as business actors and the elements they run. Ordinary Least Square (OLS) aims to analyze the factors that affect the increase in *mustahiq* business turnover after productive zakat assistance during the COVID-19 pandemic.

The model used is as follows:

$$\text{Ln } Y = \beta_0 + \beta_1 \text{Ln } X_1 + \beta_2 \text{Ln } X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 D_1 + \beta_6 D_2 + e_i \dots (2)$$

Description:

Y = Ln *mustahiq* business turnover after productive zakat funds during the COVID-19 pandemic

X_1 = Ln Capital

X_2 = Ln Number of zakat funds

X_3 = Business duration

X_4 = Age

D_1 = Educational dummy (1 = ≥ 12 years; 0 = other)

D_2 = Dummy business type (1=household processing industry; 0 =other)

e_i = Residual model

The paired t-test aims to compare the turnover of micro-businesses before and after obtaining productive zakat funding during the COVID-19 pandemic. The paired t-test requires a normal data distribution (Ismail, 2018). If this study does not meet these conditions, the Wilcoxon Signed Rank Test will be used.

Table 1. Operational Definitions

Variable	Definition	Symbol
Business turnover	The average amount of <i>mustahiq</i> gross income per month after obtaining productive zakat funds during the COVID-19 pandemic (rupiah)	Y
Capital	A number of funds used for short-term business operations every month (rupiah)	X ₁
Number of zakat funds	A large amount of financial assistance was provided by the BAZNAS Regional Branch of Siak Regency to <i>mustahiq</i> in 2020 (rupiah)	X ₂
Business duration	The period <i>mustahiq</i> in carrying out his business (year).	X ₃
Age	The length of time that <i>mustahiq</i> has taken from birth to the present time (year).	X ₄
Educational dummy	The level of formal education that has been taken by <i>mustahiq</i> . Compulsory study in Indonesia is 12 years, so dummy 1 = ≥12 years; dummy 0 = other.	D ₁
Dummy business type	The business carried out by <i>mustahiq</i> , is divided into two groups, namely household processing industry businesses and other businesses, such as services, trade, agriculture, and fisheries with dummy 1=household processing industry; and dummy 0=other types of businesses.	D ₂

General Characteristics of Respondents

Table 2. General Characteristics of Respondents

Characteristics	Classification	Number of Respondents (people)	Proporstion(%)
Gender	Woman	24	83
	Man	5	17
Age	20–30	2	7
	31–40	8	28
	41–50	5	17
	51–60	10	34
Education	61–70	4	14
	Last not school/ not finished SD	6	21
	SD	10	34
	SMP	7	24
	SMA/SMK	5	17
	S1	1	3
	Household Income per Month	< 1.500.000	5
	1.500.000– 2.500.000	11	38
	2.500.001– 3.500.000	7	24
	> 3.500.000	6	21

Household Expenses per Month	0–1.250.000	2	7
	1.250.001–2.500.000	13	45
	2.500.001–3.750.000	9	31
	3.750.001–5.000.000	5	17
Number of Family Member	≤ 4 people	17	59
	5–6 people	9	31
	≥ 7 people	3	10

Based on Table 2, most respondents were women, aged between 51 and 60, above the average productive age, attained elementary education level, and earned income at IDR1,5 - 2 million, which is below the *nishab* poverty line (the minimum amount that a Muslim must have before being obliged to zakat). The figures depict that most respondents did not fulfill the current target of twelve years of primary education requirement. The majority of respondents' monthly household spending ranges from IDR1,250,000 to IDR2,500,000. This includes expenses related to food, clothes, healthcare, education, transportation, social activities, power, water, and telephone services. Seventeen respondents dominate the number of family members under five people.

Business Characteristics of Respondents

Business Type

The majority of respondents' business types are trading businesses such as daily needs stalls, school children's snacks, vegetables, fruits, accessories, and kitchen spices, as many as 13 people (45%).

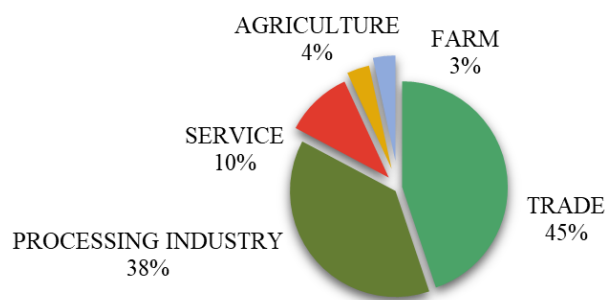


Figure 1. Respondent's business type

Food and beverage processing industry businesses, such as those that produce fried street foods, *miso*, chips, chicken noodles, *lotek*, rice stalls, breakfast, drinks and coffee shops, and instant noodles, are run by 11 people (38%). Then, service businesses such as sewing and washing motorcycles have as many as three people (10%), and businesses in agriculture and livestock, each one person.

Business status

Based on Figure 2., 69% of *mustahiq* say that their sales are the primary source of income to meet their household needs. In comparison, nine other people (31%) run their business as a side income because their primary source of revenue comes from the husband's income.

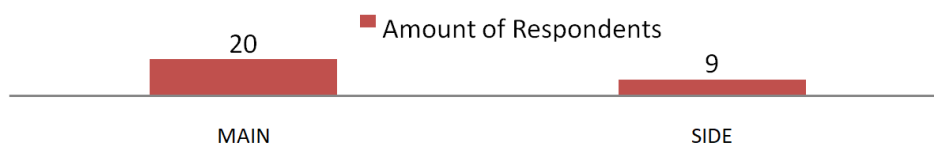


Figure 2. Respondent's business status

Business Location

A total of 19 people (66%) use a private home as the business location because of limited funds to rent a place of business. A total of 3 people (10%)

choose the market as their business location, five people (17%) select business locations such as on the roadside and near schools, and two other (7%) market products by trading around.

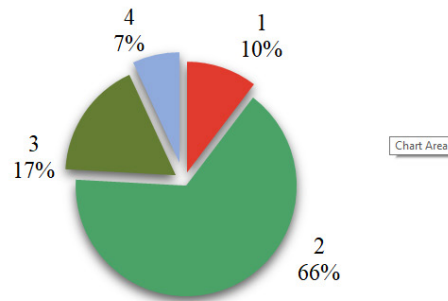


Figure 3. Respondent's business location

Business Duration

Most respondents' business duration is 1-2 years, which is as many as 13 people (45%). In addition, respondents with a business longevity of greater than 15 years were led by six individuals; those with a business longevity of 3-5 years were led by four individuals; those with a business longevity of 6-10 years were led by three individuals; and those with a business longevity of 11-15 years were led by two individuals. Currently, they are relatively in the peak-to-stable stage.

Table 3. Number and proportion of respondents based on business duration

Business longevity(years)	Number of Respondent (people)	Proportion(%)
< 1	1	3
1-2	13	45
3-5	4	14
6-10	3	10
11-15	2	7
>15	6	21
Total	29	100

Business Capital

Most respondents had initial capital at the interval of IDR0 –1 million. The majority of micro-businesses use low enough capital to start their business. Currently, the monthly capital respondents have is mostly above IDR5 million, which is as many as 13 people (45%).

Table 4. Number and proportion of respondents based on business capital

Capital	Beginning		Now	
	Number of Respondents (people)	Proportion (%)	Number of Respondents (people)	Proportion (%)
0–1.000.0000	14	48	4	14
> 1.000.000– 5.000.000	9	31	12	41
> 5.000.0000	6	21	13	45
Total	29	100	29	100

Factors Affecting the Increment of Mustahiq Business Turnover after the Distribution of BAZNAS Productive Zakat Assistance during the COVID-19 Pandemic

Multiple regression analysis estimates using the Ordinary Least Square method with the help of Eviews 10 software for the significance test. In order to get the estimated coefficients of the independent variables that are considered to be the Best Linear Unbiased Estimators (BLUE), the model must satisfy the classical assumptions. These assumptions include:

Normality Test

The normality test is done to determine if the data obtained is normally distributed, and if the probability value > significant level of 5%, the data obtained is normal. From the results of this test, Jarque Bera's probability value of 0.61 means that residuals in the model are normal distribution and meet the assumption of normality.

Heteroscedasticity Test

The heteroscedasticity test looks for whether the residuals in the model have the same variant or not. If the probability value is > significant level of 5%, then the model has no heteroscedasticity problem. This heteroscedasticity

problem can be tested using the Breusch-Pagan Godfrey, resulting in a Chi-Square probability value in Obs*R-Square of 0.08. It can be concluded that the regression model is safe from the problem of heteroscedasticity.

Multicollinearity Test

Multicollinearity tests determine whether or not there is a linear relationship between independent variables in the model. There is no multicollinearity if the VIF value obtained does not exceed 10. Based on the test results, Centered VIF values for all independent variables are <2. Therefore, this model can be safe from the multicollinearity problem between independent variables.

Multiple Linear Regression Results

Table 5. Estimated results of factors that affect business turnover

Variable	Coefficient	t-Statistics	Probability
Constant	-2.073114	-0.715190	0.4820
Ln Capital	0.737877	9.940792	0.0000*
Ln Number of Zakat Funds	0.384053	2.038589	0.0537**
Business longevity	-0.015139	-2.105389	0.0469*
Age	0.010087	1.202100	0.2421
<i>Dummy</i> Education	0.397815	1.838339	0.0796**
<i>Dummy</i> Business Type	0.345478	1.865709	0.0755**
R-Squared			0.881194
Adjusted R-Squared			0.848793
Prob F-statistic)			0.000000

Based on estimation results and multiple linear regression significance tests, F statistical probability value < significance level of 5% means that all independent variables have a significant effect on the dependent variables. The probability value of the F-statistic is 0.000000, meaning that between independent variables together affect the dependent variable, i.e., *mustahiq* business turnover. The Adjusted R-squared value obtained is 0.84, meaning

that the diversity that all the factors can explain in the model is 84%, while other variables outside the model describe the rest.

Effect of Capital on Business Turnover

The capital variable has a positive and significant influence at a significance level of 5% with a coefficient of 0.7378. This figure means that with a capital increase of 1%, business turnover will also increase by 0.7378%, *ceteris paribus*. The research findings demonstrate a positive correlation between capital expenditure and turnover. This relationship may be attributed to the increased availability of goods and raw materials for manufacturing activities, resulting in higher sales volumes and, thus, a greater monthly turnover. These results comply with the hypothesis and are in line with the results studies of Wibowo et al. (2021), Gunawan (2015), Khairunnisa et al. (2020), and Utari and Dewi (2014).

The Effect of the Number of Zakat Funds on Business Turnover

The variable number of zakat funds has a positive and significant influence at the significance level of 10% with a coefficient of 0.3840. This figure means that every 1% increase in zakat funds can increase 0.3840% in turnover, *ceteris paribus*. The greater the number of zakat funds obtained, the more the business turnover received. The condition shows that zakat funds are optimized for business, and the funds are used as additional capital to increase business productivity activities so that business turnover also increases. These results are supported by research from Tunas et al. (2014) Small and Medium Enterprises (MSMEs, Tanjung (2019), Assafriani and Fitri (2020), and Prayoga (2015).

The Effect of Business Longevity on Business Turnover

The business longevity variable has a negative and significant influence at the significance level of 5%, meaning that if the business longevity of respondents increases by one year, the turnover obtained will reduce by 0.015%, *ceteris paribus*. According to Rakhma (2014), individuals classified as *mustahiq* often engage in business activities for a period of 30 years, consistently operating the same business venture from its inception to the present day. Consequently, it may be inferred that the primary objective of

these individuals' businesses is not centered on generating profits. However, based on the fulfillment of daily needs.

Research from Gunawan (2015) also shows similar results that turnover and business age have a negative and significant relationship. Based on the survey in the field, respondents are less adaptive to the social media that should be used as a medium for the production of products online. The Digital 2021: Indonesia report states that most social media users in Indonesia are aged 25–34 years, with 19.3% of men and 14.8% of women. The majority of individuals in this research who met the criteria for *mustahiq* were between the ages of 51 and 60.

Table 6. Cross tabulation results between business longevity and age

		AGE (years)					Total
		20-30	31-40	41-50	51-60	61-70	
BUSINESS <1 DURATION (years)	Count	0	0	1	0	0	1
	% within BUSINESS LONGEVITY	0.0%	0.0%	100%	0.0%	0.0%	100%
	% within AGE	0.0%	0.0%	20%	0.0%	0.0%	3.4%
	% of Total	0.0%	0.0%	3.4%	0.0%	0.0%	3.4%
1-2	Count	1	6	2	2	2	13
	% within BUSINESS LONGEVITY	7.7%	46.2%	15.4%	15.4%	15.4%	100%
	% within AGE	50%	75.0%	40.0%	20.0%	50.0%	44.8%
	% of Total	3.4%	20.7%	6.9%	6.9%	6.9%	44.8%
3-5	Count	1	0	1	2	0	4
	% within BUSINESS DURATION	25%	0.0%	25.0%	50.0%	0.0%	100%
	% within AGE	50%	0.0%	20%	20%	0.0%	13.8%
	% of Total	3.4%	0.0%	3.4%	6.9%	0.0%	13.8%
6-10	Count	0	1	0	2	0	3
	% within BUSINESS LONGEVITY	0.0%	33.3%	0.0%	66.7%	0.0%	100%
	% within AGE	0.0%	12.5%	0.0%	20.0%	0.0%	10.3%
	% of Total	0.0%	3.4%	0.0%	6.9%	0.0%	10.3%

11-15	Count	0	1	0	1	0	2
	% within BUSINESS DURATION	0.0%	50.0%	0.0%	50.0%	0.0%	100%
	% within AGE	0.0%	12.5%	0.0%	10.0%	0.0%	6.9%
	% of Total	0.0%	3.4%	0.0%	3.4%	0.0%	6.9%
>15	Count	0	0	1	3	2	6
	% within BUSINESS LONGEVITY	0.0%	0.0%	16.7%	50.0%	33.3%	100%
	% within AGE	0.0%	0.0%	20.0%	30.0%	50.0%	20.7%
	% of Total	0.0%	0.0%	3.4%	10.3%	6.9%	20.7%
Total	Count	2	8	5	10	4	29
	% within BUSINESS LONGEVITY	6.9%	27.6%	17.2%	34.5%	13.8%	100%
	% within AGE	100%	100%	100%	100%	100%	100%
	% of Total	6.9%	27.6%	17.2%	34.5%	13.8%	100%

Based on the results of the crosstabulation between business longevity and age in all ages, the majority of respondents run a business for 1-2 years. However, respondents who have run a business for 1-2 years are mainly at 31-40 years. Based on the results of multiple linear estimations, business longevity has a negative and significant influence on business turnover. The less experienced the business, the higher the turnover. Businesspeople who are just starting their business use WhatsApp to promote products by getting around to increase the turnover. At the same time, other respondents have a place to sell settled conventional marketing methods (face-to-face transactions) so that the turnover obtained is decreasing.

The marketing system conducted by respondents in this study consists of online, around, and sedentary (conventional) marketing. Based on the results of crosstabulation between the business longevity and the marketing system, most respondents use traditional marketing systems. Three respondents only use online marketing systems such as WhatsApp with 0-2 years of business duration. Meanwhile, the marketing that uses the going around housing complex method is conducted by two respondents with a business longevity of 1-2 years.

Table 7. Cross tabulation results between business longevity and marketing system

		Online	MARKETING SYSTEM			Total
			Around	Sedentary		
BUSINESS DURATION (years)	< 1	Count	1	0	0	1
		% within BUSINESS LONGEVITY	100.0%	0.0%	0.0%	100.0%
		% within MARKETING SYSTEM	33.3%	0.0%	0.0%	3.4%
		% of Total	3.4%	0.0%	0.0%	3.4%
	1-2	Count	2	2	9	13
		% within BUSINESS LONGEVITY	15.4%	15.4%	69.2%	100.0%
		% within MARKETING SYSTEM	66.7%	100.0%	37.5%	44.8%
		% of Total	6.9%	6.9%	31.0%	44.8%
	3-5	Count	0	0	4	4
		% within BUSINESS LONGEVITY	0.0%	0.0%	100.0%	100.0%
		% within MARKETING SYSTEM	0.0%	0.0%	16.7%	13.8%
		% of Total	0.0%	0.0%	13.8%	13.8%
	6-10	Count	0	0	3	3
		% within BUSINESS LONGEVITY	0.0%	100.0%	100.0%	
		% within MARKETING SYSTEM	0.0%	12.5%	10.3%	
		% of Total	0.0%	10.3%	10.3%	
		0.0%				
		0.0%				
		0.0%				
11-15	Count	0	0	2	2	
	% with BUSINESS LONGEVITY	0.0%	0.0%	100.0%	100.0%	
	% within MARKETING SYSTEM	0.0%	0.0%	8.3%	6.9%	
	% of Total	0.0%	0.0%	6.9%	6.9%	
> 15	Count	0	0	6	6	
	% within BUSINESS LONGEVITY	0.0%	0.0%	100.0%	100.0%	
	% within MARKETING SYSTEM	0.0%	0.0%	25.0%	20.7%	
	% of Total	0.0%	0.0%	20.7%	20.7%	

Total	Count	3	2	24	29
	% within BUSINESS LONGEVITY	10.3%	6.9%	82.8%	100.0%
	% within SISTEM PEMASARAN	100.0%	100.0%	100.0%	100.0%
	% of Total	10.3%	6.9%	82.8%	100.0%

The Effect of Age on Business Turnover

From the results of multiple linear regression estimates, the age variable is not significant to business turnover. Thus, the addition of age does not affect the small number of the *mustahiq* business turnover. According to (Suprpti, 2018), traders of the productive or unproductive period still trade well, so the age variable does not affect the traders' income. The results are hypotheses and in line with the studies of Gunawan (2015), Miranda (2018), and Khairani and Ekawaty (2017) both consumptive and productive, and the role of productive zakat to the development of micro-enterprise *mustahik* LAZ el-Zawa UIN Maliki, Malang. Descriptive and multiple regression analyzes were used against primary data collected by interviewing the LAZ board and distributing questionnaires to beneficiaries of zakat funds (*mustahik*).

The Effect of Education on Business Turnover

Critical study in Indonesia since 2015 requires 12 years of educational attainment. This compulsory learning program is a sustainability program of a 9-year mandatory study program. This program is to maintain the continuity of the successful implementation of the mandatory 9-year study program, prepare Indonesia's golden generation 2045, and improve the nation's growth and competitiveness. In addition, this program is also a strategy to deal with the increasing population of productive age in Indonesia.

The dummy education variable has a positive and significant influence at the significance level of 10%. That is, respondents who have studied until high school (≥ 12 years) can increase their business turnover compared to respondents who have an education under 12 years, *ceteris paribus*. It will form a better frame of mind to affect decision-making in their business when respondents take a more extended educational attainment period. The results are directly proportional to the research of Mursalina (2015), Hidayati et al. (2014), and Utari and Dewi (2014).

The Effect of Business Type on Business Turnover

Dummy business types positively and significantly influence turnover at the level of 10% significance. That is, respondents whose business activities include the kind of processing industry business can increase their business turnover compared to respondents who run non-processing businesses. This result is the same as research by Mursalina (2015), which states that the turnaround of a processing business is faster than that of a non-processing business, and therefore, the acquisition of turnover will also be more than non-processing.

Impact of Productive Zakat on the Development of Mustahiq Business during the COVID-19 Pandemic

Based on Table 8., the amount of productive zakat funds distributed by the BAZNAS Regional Branch of Siak Regency is very diverse because the provision of funds is based on the needs of the *mustahiq* business. The majority of zakat funds received amounted to IDR3 million and IDR5 million. The smallest number of funds is IDR2 million, and the most significant is IDR12 million.

Table 8. Number and proportion of respondents based on the number of zakat funds

Number of Zakat Funds (IDR)	Number of Respondents (people)	Proportion (%)
2 000 000	2	7
2 500 000	4	14
3 000 000	7	24
4 000 000	2	7
4 500 000	4	14
5 000 000	7	24
10 000 000	2	7
12 000 000	1	3
Total	29	100

The distribution of productive zakat by the BAZNAS Regional Branch of Siak Regency during the COVID-19 pandemic was aimed at easing

the burden of business actors in terms of capital. This productive zakat is expected to develop the *mustahiq* business and improve its economic well-being (Table 9). It proves the average difference between turnover before and after getting productive zakat from the BAZNAS Regional Branch of Siak Regency during the COVID-19 pandemic, approximately IDR2.9 million. This situation demonstrates that the average turnover after getting productive zakat assistance is more remarkable than before getting productive zakat assistance. The Wilcoxon ranks test is used to find out these results because the paired t-test is not met. Thus, residual data is not usually distributed.

The Wilcoxon ranks test obtained a Z value of -3.516 with a significant value (2 tailed) of 0.000 (< 0.05), meaning the Wilcoxon ranks test is significant. The average business turnover of respondents before receiving productive zakat assistance is IDR4,806,897/month, then after receiving productive zakat assistance, the average turnover obtained by the respondents is IDR7,721,172/month. From Table 9., it is known that there was an increase of 61% in the average turnover after receiving productive zakat assistance during the COVID-19 pandemic.

Table 9. Descriptive statistical results and statistical test Wilcoxon ranks

Period	Average Business Turnover (Rp/month)			
	Average	Minimum	Maximum	Standard Deviation
Before productive zakat assistance	4 806 897	0	24 000 000	5 081 667
After productive zakat assistance	7 721 172	300 000	30 000 000	6 723 215
Different value	2 914 276	300 000	6 000 000	1 641 548
Percentage increase	61%			
Z value	-3.516*			
Asymp. Sig. (2-tailed)	0.000			

According to the results of the Wilcoxon ranks test in Table 10., negative ranks are the negative difference between the average turnover value after and the average turnover before obtained by respondents, meaning that four respondents experienced a decrease from turnover before to turnover after receiving productive zakat assistance during the COVID-19 pandemic. The mean rank (average rank decline) is 10.75, while the sum of ranks (decreased ratings) is worth 43.00. Positive ranks are a positive difference between the average turnover value after and the average turnover obtained by respondents, meaning that 23 respondents experienced an increase from turnover before to turnover after receiving productive zakat assistance during the COVID-19 pandemic. The mean rank is 14.57, while the sum of ranks (increased rankings) is 335.00. Ties is an equality between the average turnover after and the average turnover obtained by the respondent, meaning that two respondents did not experience an increase or even a decrease in turnover from turnover before turnover after receiving zakat during the COVID-19 pandemic.

Table 10. Wilcoxon signed ranks test results

		N	Mean Rank	Sum of Ranks
After Turnover – Before Turnover	Negative Ranks	4	10.75	43.00
	Positive Ranks	23	14.57	335.00
	Ties	2		
	Total	29		

Table 11 shows that the average turnover of all business sectors increased after getting productive zakat assistance from the BAZNAS Regional Branch of Siak Regency. In the non-processing industry, the average acquisition of *mustahiq* business turnover per month before getting help amounted to IDR8,639,744 and increased to IDR14,646,231 were the development of IDR6,006,487 *mustahiq*, in this sector, conducts business in the fields of trade, services, agriculture, and fisheries. Production, the field of agricultural business, is a watermelon field, while fishery businesses are catfish cultivation. The land used by *mustahiq*, who runs a farming business, is owned by others who are free of charge, but *mustahiq* only gives a small reward to the landowner. At the same time, the land for *mustahiq*, who runs the catfish cultivation business, is an asset owned by the local village.

The selling price of products offered by non-processing businesses is higher than that of the processing business because the capital incurred is more significant, so the product's selling price must be increased to cover the capital's costs. However, the processing sector has a higher percentage of business turnover development than the non-processing sector, 80%. This situation occurred because there are differences in marketing systems carried out by each respondent, including selling on the roadside, traveling around peddling products, leaving products at stalls, and even selling online to widen the reach of product marketing. The surrounding environment significantly affects the sales, including the community's financial conditions, purchasing power, and population density in the place of business.

Table 11. Impact of productive zakat funds on *mustahiq* business turnover during the COVID-19 pandemic

Business Sector	Average Business Turnover (IDR/month)		Development Business Turnover	
	Before productive zakat assistance	After zakat assistance	Number (IDR)	Percentage (%)
Processing	6 000 000	10 827 273	4 827 273	80
Non-processing	8 639 744	14 646 231	6 006 487	70
Average	7 319 872	12 736 752	5 416 880	75

Based on respondents' perceptions regarding the impact of productive zakat distribution on business development during the COVID-19 pandemic, 79% of respondents stated that their business experienced growth after getting productive zakat assistance from the BAZNAS Regional Branch of Siak Regency. A total of 69% of respondents indicated additional capital assists to develop their business due to the service provided, so business turnover also increases. The expansion of business capital leads to a corresponding growth in the range of goods supplied by business entities. For example, initially, the business establishment only catered to selling snacks for kids; then, it has recently expanded its offerings to include a wider range of grocery items.

In addition, 10% of respondents stated that the distribution of productive zakat during the COVID-19 pandemic could expand the business's market

reach. The business expansion offers products by going around and selling online. In contrast, some other respondents stated that the distribution of productive zakat during the pandemic had no impact on their business development. The lack of buyers due to the COVID-19 pandemic caused the problem, and assistance is cast off for other things. The COVID-19 pandemic has affected people's income to be more careful in managing finances and reducing their consumption. In addition, the closure of schools due to the COVID-19 pandemic has had a significant effect on other sectors, including the school food industry and the sewing company primarily producing school uniforms and teacher attire. A total of 7% of the participants used the provided assistance for other objectives, such as acquiring medication for health-related reasons or settling outstanding business obligations, hence resulting in the ownership of such firm being attributed to the responder.

Table 12. Impact of productive zakat on the development of *mustahiq* business during the COVID-19 pandemic

Category	Reasons	Percentage (%)
Growing Business	Increase capital and business turnover	69
	Expand the market reach	10
<u>Number of businesses growing</u>		<u>79</u>
Business Doesn't Grow or Stay Lack	Lack of buyers due to COVID-19	14
	Assistance is used for anything else	7
Number of Undeveloped of Fixed Business		21

CONCLUSION

Based on the results and discussion, this study concludes some points. Productive zakat assistance provided by the BAZNAS Regional Branch of Siak Regency has a positive and significant effect on the development of *mustahiq* business, as seen from the increase in *mustahiq* turnover per month. Several influential and positive factors contribute to the growth in company turnover after receiving the benefit of productive zakat assistance. These elements include capital, the quantity of zakat funding, model education, and dummy business models. Business longevity significantly and negatively affects business turnover, while age is insignificant in increasing turnover.

This research has an impact on the government, zakat management

organizations, and further research. The government urges to set a policy related to micro-business development, especially for their administrative supervision or coaching. The BAZNAS Regional Branch of Siak Regency may provide assistance to zakat management organizations in the formulation of program development and budgeting programs aimed at enhancing the socio-economic empowerment of the community in a more efficient manner. Subsequently, other researchers may use this study as a point of reference to broaden the scope of the study and include additional variables that have not been accounted for, such as the frequency of training or coaching.

REFERENCES

- Ali, K.M., Amalia, N.N. and Ayyubi, S. El, 2016. Perbandingan Zakat Produktif dan Zakat Konsumtif dalam Meningkatkan Kesejahteraan Mustahik (The Comparative Study Between Productive and Consumptive Based Zakat). *Jurnal Al-Muzara'ah*, 4(1), pp.19–32.
- Assafriani and Fitri, M., 2020. Pengaruh Jumlah Zakat Produktif, Umur Produktif, Jumlah Tanggungan, dan Pengawasan Terhadap Produktivitas Usaha (Survey Pada Mustahik Kabupaten Pidie). *Jurnal Ilmiah Mahasiswa Ekonomi Akuntansi (JIMEKA)*, 5(2), pp.288–296. <https://doi.org/doi:10.24815/jimeka.v5i2.15593>.
- BAZNAS Kabupaten Siak, 2020. *Laporan Pengelolaan ZIS BAZNAS Kabupaten Siak Tahun 2020*.
- Catriana, E., 2020. Kemenkop Terima 300.000 Laporan UMKM Terpukul Pandemic Covid-19. *Kompas.com*. [online] Available at: <<https://money.kompas.com/read/2020/08/12/050707126/kemenkop-terima-300.000-laporan-umkm-terpukul-pandemi-covid-19>>.
- Furqani, H., Mulyany, R. and Yunus, F., 2018. Zakat for Economic Empowerment of The Poor in Indonesia: Models and Implications. *Iqtishadia*, 11(2), p.391. <https://doi.org/10.21043/iqtishadia.v11i2.3973>.
- Gunawan, R., 2015. Analisis Faktor-Faktor Yang Mempengaruhi Kinerja Anggota Kelompok Usaha Kecil dan Mikro (UKM) Binaan UP3HP di Kota Bengkulu. *Jurnal Ilmiah Ekonomi dan Bisnis*, 3(1), pp.46–58. <https://doi.org/https://doi.org/10.37676/ekombis.v3i1.96>.

- Hidayati, N., Widyastutik and Wiliasih, R., 2014. Faktor-faktor yang Memengaruhi Realisasi Pembiayaan Mikro Syariah dan Dampaknya terhadap Omzet Usaha Nasabah: Studi Kasus KJKS BMT UGT Sidogiri Cabang Koja Jakarta. *Jurnal Al-Muzara'ah*, 2(1), pp.54–74. <https://doi.org/10.29244/jam.2.1.54-74>.
- Ismail, F., 2018. *Statistika untuk Penelitian Pendidikan dan Ilmu-Ilmu Sosial*. Prenadamedia Group.
- Karimah, S., 2015. *Dampak Pembiayaan Qardhul Hasan terhadap Perkembangan Usaha Mikro (Studi Kasus BMT Al Husnayain Jakarta)*. Institut Pertanian Bogor.
- Kementerian Koperasi dan UKM, 2019. *Perkembangan Data Usaha Mikro, Kecil, Menengah (UMKM) dan Usaha Besar (UB) Tahun 2018-2019*.
- Khairani, M. and Ekawaty, M., 2017. Zakat Produktif dan Perannya Terhadap Perkembangan UMKM (Studi pada LAZ el-Zawa UIN Maulana Malik Ibrahim, Malang). *Jurnal Ilmiah Akuntansi dan Bisnis*, [online] 2(1), pp.1–16. Available at: <<https://scholar.google.co.id/schhp?hl=id>>.
- Khairunnisa, H., Lubis, D. and Hasanah, Q., 2020. Kenaikan Omzet UMKM Makanan dan Minuman di Kota Bogor Pasca Sertifikasi Halal. *Jurnal Al-Muzara'Ah*, 8(2), pp.109–127. <https://doi.org/10.29244/jam.8.2.109-127>.
- Miranda, G.E., 2018. *Analisis Pengaruh Pendayagunaan Zakat Produktif terhadap Perkembangan Usaha Mikro Mustahik (Studi kasus BAZNAS)*. [online] Universitas Islam Negeri Syarif Hidayatullah. Available at: <<http://repository.uinjkt.ac.id/dspace/handle/123456789/37442>>.
- Mursalina, S., 2015. *Dampak Pendayagunaan Zakat Produktif Terhadap Perkembangan Usaha Mikro Mustahik Kasus : Usaha Mikro Binaan BAZNAS di Kabupaten Bogor*. [online] Institut Pertanian Bogor. Available at: <<https://repository.ipb.ac.id/handle/123456789/80743>>.
- Prahesti, D.D. and Putri, P.P., 2018. Pemberdayaan Usaha Kecil dan Mikro melalui Dana Zakat Produktif. *Ilmu Dakwah: Academic Journal for Homiletic Studies*, 12(1), pp.141–160. <https://doi.org/10.15575/idajhs.v12i1.1905>.
- Prayoga, R.R., 2015. *Analisis Dampak Pembiayaan Mikro Syariah terhadap Omset Usaha Mikro Sektor Perdagangan (Studi Kasus BKMT Wihdatul Ummah Kota Bogor)*. Institut Pertanian Bogor.

- Putra, I.K.S. Di and Aswitari, L.P., 2020. Pengaruh Modal, Tingkat Pendidikan, Dan Pemanfaatan E-Commerce Terhadap Produksi Dan Omzet Penjualan IKM Di Denpasar. *E-Jurnal Ekonomi Pembangunan Universitas Udayana*, [online] 9(2), pp.2618–2851. Available at: <<https://ojs.unud.ac.id/index.php/eep/article/view/64172>>.
- Rakhma, A.N., 2014. Analisis Faktor-Faktor Yang Mempengaruhi Kesejahteraan Mustahik Penerima ZIS Produktif (Studi pada Lagzis Baitul Ummah Malang). *Jurnal ilmiah Mahasiswa Universitas Brawijaya*, [online] 2(2), pp.1–19. Available at: <<https://jimfeb.ub.ac.id/index.php/jimfeb/article/view/1308>>.
- Rizal, R., Romidon, H. and Handika, I., 2017. Analisis Bauran Pemasaran terhadap Omzet Penjualan pada PT. Gaudi Dwi Laras Cabang Palembang. *Jurnal Adminika*, 3(2), pp.78–94.
- Saparingga, W., Nurhasanah, N. and Nurhayati, N., 2015. Prosiding Keuangan dan Perbankan Syariah ISSN: 2460-2159. In: *Analisis Perbandingan Tingkat Perkembangan Usaha Mikro*. [online] agustus 2015. pp.314–321. Available at: <http://karyailmiah.unisba.ac.id/index.php/hukum_ekonomi_syariah/article/view/1148>.
- Setiawan, S.R.D., 2020. Sebanyak 37.000 UMKM terdampak virus corona. *Kompas.com*. [online] 17 Apr. Available at: <<https://money.kompas.com/read/2020/04/17/051200426/sebanyak-37.000-umkm-terdampak-virus-corona>>.
- Siagian, A.O. and Indra, N., 2019. Pengetahuan Akuntansi Pelaku Usaha Mikro Kecil dan Menengah (UMKM) terhadap Laporan Keuangan. *Jurnal Ilmiah Indonesia*, 4(6), pp.17–35. <https://doi.org/http://dx.doi.org/10.36418/syntax-literate.v4i12.825>.
- Sugiarto, Herlambang, T., Brastoro, Sudjana, R. and Kelana, S., 2005. *Ekonomi Mikro: Sebuah Kajian Komprehensif*. Jakarta: PT Gramedia Pustaka Utama.
- Suprpti, E., 2018. Pengaruh Modal, Umur, Jam Kerja, dan Pendidikan Terhadap Pendapatan Pedagang Perempuan Pasar Barongan Bantul. *Jurnal Pendidikan dan Ekonomi*, [online] 7(2), pp.175–183. Available at: <<https://doaj.org/article/f820bd6e28cf44988e96d72e946a06ff>>.
- Tanjung, D.S., 2019. Pengaruh zakat produktif BAZNAS Kota Medan terhadap Pertumbuhan Usaha dan Kesejahteraan Mustahik di Kecamatan Medan Timur. *At-Tawassuth: Jurnal Ekonomi Islam*, IV(2), pp.1–27.

- Tunas, A.P., Anggraeni, L. and Lubis, D., 2014. Analisis Pengaruh Pembiayaan Syariah terhadap Perkembangan Usaha Mikro Kecil Menengah di Kota Depok. *Al-Muzara'ah*, 2(1), pp.1–16. <https://doi.org/10.29244/jam.2.1.1-16>.
- Undang-Undang Republik Indonesia, 2011. *Undang-undang Republik Indonesia Nomor 23 Tahun 2011 Tentang Pengelolaan Zakat*.
- Utari, T. and Dewi, P.M., 2014. Pengaruh Modal, Tingkat Pendidikan Dan Teknologi Terhadap Pendapatan Usaha Mikro Kecil Dan Menengah (UMKM) Di Kawasan Imam Bonjol Denpasar Barat. *E-Jurnal Ekonomi Pembangunan Universitas Udayana*, 3(12), pp.576–585.
- Wibowo, A.F.F., Kaukab, M.E. and Putranto, A., 2021. Pendapatan Pedagang Kaki Lima dan Faktor yang Mempengaruhi. *Journal of Economic, Business and Engineering (JEBE)*, 2(2), pp.206–216.
- Wulansari, S. dwi and Setiawan, A.H., 2014. Analisis Peranan Dana Zakat Produktif Terhadap Perkembangan Usaha Mikro Mustahik (Penerima Zakat) (Studi Kasus Rumah Zakat Kota Semarang). *Diponegoro Journal of Economics*, [online] 3(1), pp.1–15. Available at: <<https://ejournal-s1.undip.ac.id/index.php/jme>>.