Contextualization of Productive Zakat in the Modern Era to Reduce Poverty

Hapsari Wiji Utami
Universitas Islam Negeri Sunan Ampel, Surabaya, Indonesia
Email: hapsari.wiji@uinsby.ac.id

Abstract: This study aims to analyze empirically whether productive zakat has an impact on community economic development. Poverty is a social problem that has not been resolved and continues to emerge along with the times. Thus, the existence of productive zakat in the form of business capital can be a solution as a form of contextualization. To develop the economy, it is necessary to develop the distribution of zakat to micro, small and medium enterprises so that there is cooperation and synergy between individuals. Using a qualitative method by taking primary sources on productive zakat at the zakat institution al-Hidayah Sidoarjo on mustahiq income. The findings show that mustahiq's income is affected by the utilization of productive zakat with a large influence contribution of 41%. This can be seen from the development of income and meeting the needs of mustahiq after participating in the productive zakat empowerment program and the LAZ al-Hidayah Sidoarjo waqf can be used for business capital.

Keywords: productive zakat; economic development; zakat institutions

Introduction
Macroeconomic indicators are not only seen from economic growth, but also equity in the regions. Equality means how much goods and services that have been produced can be enjoyed by residents in an economic area, while economic growth means the entire range of goods and services produced in an economic area for one year.

Fair equality is not indicated by high economic growth, and vice versa, if equitable distribution is fair, it will not necessarily indicate high economic growth. One of the important Islamic social financial instruments in the growth and recovery of the national economy is zakat and waqf. In the macroeconomic context, zakat is an instrument to eliminate the economic gap between the lower class economic society and the upper class economic society. A large multiplier effect that can increase national income will occur, if zakat management is carried out...
systematically and well organized. Of course, in the economy of a country, there will also be an acceleration of money circulation.¹

Meanwhile, basically waqf is giving up something that is owned to be handed over to a person or entity to be used and handed over with the blessings of Allah. Waqf can also mean withholding property that can be benefited by remaining eternal Dzat treasure itself, and to put its expediency on the path of goodness with the aim of drawing closer to God. The person with the waqf is no longer entitled to the goods and objects he represents. According to that waqf is the property of a person or persons given to the public so that it can be used as long as the goods remain.²

The awareness of pay zakat, pay infaq and give alms is an interesting development in religious awareness among Muslims in Indonesia. This is shown by the large number of zakat management institutions that have sprung up, both managed by the government and managed by the community. This aims to serve zakat obligators in order to distribute their zakat easily. Indonesia is a country with a very large Muslim population, even the largest in the world. 87.2% of Indonesia’s total population is Muslim. Therefore, the potential for the development of zakat and waqf in Indonesia has great potential. The National Amil Zakat Agency (BAZNAS) estimates that Indonesia has a zakat potential of Rp. 327 trillion.³

The potential of waqf is also quite large, almost the same as zakat. In the last three years, if we look at data, a significant improvement in waqf management. Throughout the 2011-2018 period, the collection of waqf money reached Rp. 255 billion. However, in the last three years, namely 2018-2021, the figure has risen to Rp.855 billion, or an increase of 236 percent.⁴

This potential is inseparable from the contextualization of zakat that continues to develop its object. Zakat is no longer about agriculture and animal husbandry, but has developed following the changing times that are not the same as the classical era. Obye zakat consists of moving and immovable objects. Movable objects include professions, services, bonds, investments, shares and modern instruments that have value. Immovable objects include leasing, patent rights and so on. With this development, zakat has experienced contextualization of objects. However, these changes refer to a standard called "have a value", so whatever has value is subject to zakat.5

Therefore, this research seeks to study in depth about the contextualization of Zakat objects by taking effective samples in one of the zakat institutions in Surabaya. According to the search, previous research did not discuss the contextualization of zakat objects, mostly discussing the object of zakat in the modern era. For example, research that reveals that professional zakat is an asset of modern era zakat which is a great hope in the country, the profession is not only a state employee but also those who have a business. This study examines the professional zakat of the jurisprudence, not the economy.6 Then, about gathering zakat through sukuk bonds that only discuss the concept without being accompanied by applications.7 Likewise, research on zakat rights to rent, does not discuss the development of zakat through rent. Thus, the position of this study is more comprehensive to examine the contextualization of zakat objects.

Literature Review

The Concept of Productive Zakat

According to Darajat, zakat comes from "zakka" which means holy, blessing, growing and praiseworthy. Meanwhile, in terms of the term zakat, it is a certain amount of property that is required by Allah SWT which is handed over to the person who is entitled to receive it, in addition to meaning issuing a certain amount itself.8 Razak added that zakat comes from the word tazkiyah which means to sanctify. Therefore,
zakat means to purify property and personal self. Based on this understanding, zakat maal serves to clean property from the capable (rich) people.\(^9\)

According to Thoiin, zakat is a concept of worship taught by Islam by providing various benefits for both mustahik (zakat recipients) and muzakki (zakat givers). Thus both get enormous benefits. Meanwhile, the Ministry of Religious Affairs of the Republic of Indonesia explained that zakat is a property that must be set aside by a Muslim or a body owned by a Muslim in accordance with religious provisions to be given to those who are entitled to receive it. Based on the understanding of the Ministry of Religious Affairs of the Republic of Indonesia above, zakat does not only apply to individuals but also attaches its obligations to bodies/ institutions/ institutions.\(^10\) In addition, the Ulama must now begin to conceptualize and develop on the zakat of institutions or institutions.

Productive zakat is zakat that is managed in a productive way, which is done by providing business capital to the poor and poor as zakat recipients and then developed, to meet their living needs for the future.\(^11\) If zakat is managed properly, it can be ascertained that these zakats can become an economic force for Muslims.\(^12\) The fakirs have been able to live their lives better, as well as the poor, ibn sabil, and others who are entitled to receive zakat. The potential of zakat among Muslims in Indonesia is indeed very large, as we know that Indonesia is a country with a majority of Muslims.

In addition to zakat, waqf also has great potential for improving the economy of Muslims. Basically, waqf is giving up something that is owned to be handed over to a person or entity to be used and handed over with the blessings of Allah. We can see the buildings of mosques, hospitals, or educational buildings resulting from land that someone

---


represents for the common good that we can benefit now. Muslims can worship in mosques that have been endowed, as well as children can feel the level of education to improve human resources. The role of waqf itself is one of fostering religious people and improving the welfare of Muslims.

Waqf in particular can help the activities of the general public as a form of concern for the people, and future generations. Waqf, which is very popular among Muslims, is still limited to land and building issues, even though there are many other waqf that we need to know, There are cash waqf and also productive waqf whose potential is no less great than the waqf of land or buildings. There are several records for the use of waqf money, namely that it can be used to process assets in the form of vacant land, to be used productively through economic activities, and to be used as an alternative financing for educational institutions.\(^{13}\)

Waqf management today must be expanded in its benefits. Waqf management aimed at strengthening the economy can be done by utilizing various alternative programs whose funding comes from waqf. Productive zakat is clearly different from consumptive zakat, because the distribution of consumptive zakat is in the form of direct funding in the form of compensation as a form of fulfilling the recipient’s basic needs (mustahik) such as for food, clothing, tuition fees and others related to daily necessities. In other words, consumptive zakat is for consumable needs, while productive zakat will provide a multiplier effect due to the rotation that can produce and continue to rotate. Qadir (2001) stated that productive zakat is zakat given to mustahik as capital to carry out an economic activity, namely to develop the economic level and potential productivity of mustahik.\(^{14}\)

The existence of productive zakat is reinforced by El-Din (in Beik, 2009) who tries to analyze the function allocative and stabilizers of zakat in the economy. It is stated that the allocative function of zakat is expressed as a tool or instrument to combat poverty. However, in the distribution pattern, zakat should not only be given in the form of consumer goods but also in the form of production goods. This is done when mustahik has the capacity and ability to process and carry out

---


production activities. In addition, it is necessary to encourage the
distribution of zakat in the form of equity, which is expected to have a
wider impact on economic conditions.\(^\text{15}\)

Strengthening the above statement Permono (1992: 41) describes the
productive use of zakat as a matter of the requirements for assets that
must be subject to zakat including containing the following elements: \(\text{al-maliyat or al-iqtisadiyat (economic element), al-nama’ or al-istinma’ (productive or producible element), al-milk al-tam (perfectly owned), al-kharij’an al hajah al-astiqyah (outside primary needs), tamam Al Nisab (perfect one nisab), al-Salamah Min Al-Dain (Survivor of Debt), haulan al haul au tamam al hasad (reaching a year or dry harvest).}\(^\text{16}\)

### The Relevance of Waqf to Zakat

Waqf in terms of language comes from the Arabic word "Waqf" which means "al-Habs". The word is a word in the form of masdar (infinitive noun) which basically means to stand or stop. When the word is associated with property, such as land, animals and so the word means freezing of property rights for certain benefits.\(^\text{17}\) In Malay waqf is defined as something given for the benefit of the crowd (as a charity) or for purposes related to the Islamic religion. Waqf also means a place to stop for a while.

Hanafiah defines waqf as freezing the real condition of objects (al-Ain) over the wakif’s property and endowing or endowing its benefits to anyone expected for the purpose of virtue. In other words, the wakif is still the owner of the property that is represented, while the representation only occurs on the benefits of the property, not including the assets of the property. This is because the power of ownership of the assets of the property that is represented is still in the property of the wakif.

Meanwhile, Malikiyah argues that waqf is making the benefit of a property owned (although its ownership by way of lease) to be given to persons entitled to one contract (shighat) in the term a certain time

---


according to the wishes of the wakif. The definition of the waqf only determines the granting of waqf to the person or place of entitlement. Among people The rightful are the poor, the orphans, the parents who it’s been a rent that no one bears his living expenses. While the place that deserves waqf is a place of worship (mosque or musola), educational institution, health centers, beach upbringing and other places that allowed syara'.

The Shafi’iyah group defines waqf by withholding treasures that can benefit and eternify their objects (al-Ain) by deciding on the management rights that the wakif has for given to the allowable place (al-Sharbini, tt: 376). This group requires that the property being represented must be a property which is eternal in intent, undamaged property and can be benefited continuously from the soil, houses, animals and furnishings.

Meanwhile, Hanabilah defines waqf by withholding the origin of property in the form of land and almsgiving the resulting benefits (Ibn Qudamah, 1972: 185). Meaning of waqf this is in accordance with the definition conveyed by the Messenger of Allah SAW who found in the hadith of Abdullah bin Umar which is a postulate the necessity of the Khairi waqf (virtue). The meaning of the hadith is: "It has been narrated that Umar had acquired land in Khaibar, then he asked the Prophet saying: O Messenger of Allah,"

The definition of waqf according to the hadith mentioned above not only explains the concept of waqf, but is broader and has implications for the property and also the distribution of the waqf property (Syed Othman, 1987: 23). Based on the intention of the waqf, it clearly shows that Isam attaches great importance to the equalization of his people in enjoying the continuous results by distributing some of the property owned to others. From some of the definitions of waqf mentioned above, the waqf teaching has implications for the expansion of the right to use and benefit by the original owner to the relevant property for the benefit of the party receiving the waqf.

Thus the original owner is no longer entitled to any use of the property being represented. In addition, according to the Shafi’i madzhab, the practice of waqf also involves freezing the original property rights to

---

the property itself. Waqf does not involve the transfer of property to anyone but makes the property returned to the original owner, Allah Almighty. In the language of waqf property management is returned to state property.20

I have acquired land in Khaibar which is of high value and no once I obtained a higher value than the land. What do you command me? Rasulullah SAW said: If you want, hold the point and alms the result. Then Umar endowing it, the property cannot be sold, gifted, or inherited. Umar gave alms to the poor, the family, freeing slaves, belligerents, travelers and the guest. After all, the yield of such land can be used well by the party who manages it, whether it eats or feeds comrades without making it a source of treasure.” (HR. Muslim).

From some of the definitions of waqf mentioned above, the teachings waqf has implications for the expansion of the right to use and taking advantage by the original owner upon the relevant property for the benefit of the party receiving the waqf. With Thus the original owner is no longer entitled to anything for usefulness Treasures Represented In addition, according to the Shafi‘i madzhab, waqf practice also involves freezing the property rights of origin and above the treasure itself. Waqf does not involve the transfer of property to anyone but to make the property returned to the original owner of the essential origin that is Allah Almighty. In the language of management of waqf property returned belongs to the State.21

The Effect of Zakat on the Economy

Zakat and waqf can be used as a form of capital for small businesses. Thus, zakat and waqf have a very large influence in various matters of people’s lives, among which is the influence in the economic sphere. Another influence of zakat waqf is the fair distribution of income to the Islamic community. In other words, professional and productive management of zakat and waqf can help the economy of weak people and help the government in improving the country’s economy, namely the empowerment of the people’s economy in accordance with the missions it carries. Among these missions are according to Muhammad and Ridwan Mas’ud (2005): a) an economic and business development mission that is

guided by prevalent and universal economic and business measures, b) the mission of implementing business ethics and law; c) the mission of building economic strength for Islam, so as to become a source of funds to support Islamic proselytizing.22

Methods

This type of research is field quantitative research using a survey approach where the research instrument used is a questionnaire. Respondents from this study was 50 mustahiq recipients of the LAZ Al-Hidayah Sidoarjo productive zakat program, with the type of sample used was a population sample. The variables used in this study are variables of utilizing zakat and productive waqf as independent variables. The data obtained are then analyzed using a simple linear regression analysis technique, with the analysis prerequisite test first carried out, namely the normality and linearity test of the data.

Research Result

Based on the results of a simple regression analysis, it shows that the productive utilization of zakat and waqf at LAZ Al-Hidayah Sidoarjo has a significant effect on increasing the income of mustahik program recipients. Through a simple regression analysis, it was found that the utilization of zakat and productive waqf and the addition of mustahik income have a moderate correlation value, namely with a pearson correlation value of 0.67. In addition, it is known that the utilization of productive zakat has a positive effect on increasing mustahiq income in terms of the results of a simple linear relationship obtained, namely $Y = 9.59 + 0.60X$.

The effect of the contribution value of productive zakat utilization on the increase in mustahik income is 41.00% while the rest is influenced by other variables that are not discussed in this study. This is evidenced by hypothesis testing (t test) or partial test. Based on the hypothesis test (t test) a calculated t value for variable X (productive zakat utilization) was obtained of 4.85 with the result The significance is 0.001 and as for t the table with degree of freedom = N-2, a value of 3.06 is obtained so that the

calculated t value (3.768) > t table (2.042). From this explanation, it can be interpreted that the increase in mustahik income will increase if the utilization of zakat and productive waqf is also increased, or the utilization of zakat and productive waqf significantly has a positive effect on increasing mustahiq income.

The results of the hypothesis test (t test) can be strengthened from the results of interviews with the empowerment section of the productive zakat program LAZ Al-Hidayah Sidoarjo regarding the optimism of empowerment programs through the use of productive zakat in order to increase mustahiq income based on the following: 1) with the productive zakat program of LAZ Al-Hidayah Sidoarjo, it is mandatory that program recipients can get additional income; 2) with this program, program recipients must be able to do business independently from the income received. Where the opinion or result of the interview is also justified by one of the mustahiq recipients of the program who says that they can earn additional income for productive capital.

Yusuf Al-Qardhawi explained five reasons Islam handed over the authority to the state to manage zakat. First, many people die their souls, blind the eyes of their hearts, are not aware of their responsibilities towards the poor who have property rights tucked in their property. Second, in order to maintain good relations between muzakki and mustahiq, maintain the honor and dignity of the mustahiq. By taking their rights from the government, they avoid painful words from the giver. Third, so that the distribution is not chaotic, and wrong. It could be that a person or group of poor people will receive abundant rations, while others who may suffer more, do not get zakat rations at all. Fourth, so that there is equity in its distribution, not only limited to poor people and those who are on the way, but to other parties who are closely related to general benefit. Fifth, zakat is the most important and permanent source of funds that can help the government in carrying out its functions in protecting and bringing their people in the prosperity and civilization. Therefore there is a need for regulations that require zakat payments to the company. In addition to the internal regulations of the company, regulations related to company zakat must also be formulated in government regulations as a basis for the compulsory reference of the company’s zakat.23

---

23 Novitasari Putri Ramadhani, Resi Ariyasa Qadri, dan Agus Kurniawan, “THE BRICOLAGE OF FINANCIAL TECHNOLOGY, ACCOUNTABILITY, AND ZAKAT MANAGEMENT IN
The regulation is the Regulation of the Regulation Regulation Regarding the Management of Zakat in Indonesia has been set in the Law of the Republic of Indonesia Number 23 of 2011 instead of Law Number 38 of 1999 and Regulation of the Minister of Religion in general, Law Number 23 of 2011 Regulate zakat management from planning, implementing and coordinating activities in the collection, distribution and utilization of zakat. In Law No.23 of 2011 Article 4 states that (1) zakat includes zakat malls and zakat fitrah; (2) zakat mall as referred to in paragraph (1) includes: gold, silver, other precious metals; money and other securities; commerce; agriculture, plantations and forestry; Animal Husbandry and Fisheries; mining; industry; income and services; and Rikaz; (3) Zakat Mal as referred to in paragraph (2) is a property owned by an individual muzaki or a business entity.24

Regulation of the Minister of Religion for the implementation of Law No.23 of 2011 Article 4 paragraph (1), (2), and (3), the government launched the Minister of Religion of the Republic of Indonesia Number 52 of 2014 concerning Terms and Procedures for the calculation of zakat malls and zakat fitrah as well as Utilization of zakat for productive businesses. In the Minister of Religion of the Republic of Indonesia Number 52 of 2014 Article 1 Point 4 states that Muzaki is a Muslim or business entity owned by Muslims who are obliged to fulfill zakat. In this point clarified that Muzaki is an individual (individual) or a business entity owned by Muslims.

From a sharia perspective, the company zakat is heated to trade zakat with 85 grams of gold issued 2.5% per year, business entities/ that is having a dzimmah (the nature inherent in humans), in the sense that business entities have the same rights and obligations with human nature. It’s just limited to Maaliyah’s affairs and which is still related to Maaliyah. If it is associated with zakat which is basically mandatory for inals because individuals have their own, the company as explained earlier has a dzimmah that requires it to issue zakat in terms of aspects of rights, obligations and activities.25


From the perspective of Law No.23 of 2011, zakat companies/business entities can be sourced from agriculture, animal husbandry or fisheries. But generally in Indonesia, the source of zakat is fulfilled individually/individuals. What is more detailed and specific regarding zakat malls in the form of zakat presented by companies in Indonesia is regional zakat and zakat of industry, although it does not be an exception that zakat business entities can also be sourced from muzaki that moves from other fields. In the Minister of Religion of the Republic of Indonesia (PMA) Number 52 of 2014 concerning Terms and Procedures for calculating zakat malls and zakat fitrah as well as the utilization of zakat for productive efforts, all sources of zakat malls listed in Law No. 23 of 2011 Article 2 is regulated in this PMA, including regional zakat and industry.\(^\text{26}\)

**Conclusion**

There is a positive influence between the utilization of the productive zakat program of LAZ Al-Hidayah Sidoarjo on mustahiq income. That mustahiq income is influenced by the productive use of zakat with the amount of influence donation is 30.5%. This can be seen from the development of income and the fulfillment of mustahiq needs after participating in the productive zakat utilization program of LAZ Al-Hidayah Sidoarjo which can also be used for business capital. Based on the results of the study, the limitations of this study are incomplete in the assessment for the number of samples and from the muzaki side, so that with the addition of zakat and waqf funds will naturally increase.

For LAZ Al-Hidayah Sidoarjo as a zakat management institution, it should be able to optimize the productive utilization of zakat and waqf in the future with management assistance or training and directions related to the productive use of zakat.

\(^{26}\) Indri Yuliafitri dan Asma Nur Khoiriyah, “PENGARUH KEPUASAN MUZAKKI, TRANSPARANSI DAN AKUNTABILITAS PADA LEMBAGA AMIL ZAKAT TERHADAP LOYALITAS MUZAKKI (Studi Persepsi Pada LAZ Rumah Zakat),” ISLAMICONOMIC: Jurnal Ekonomi Islam 7, no. 2 (28 Oktober 2016), https://doi.org/10.32678/ijei.v7i2.41.
Bibliography


