

**THE PRODUCTIVE ZAKAT UTILIZATION MODEL BY
MAGELANG CITY BAZNAS ZAKAT INSTITUTION
IN INCREASING MUSTAHIQ INCOME**

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Abstract

The purpose of this study was to determine the optimization of the strategy and utilization of productive zakat by the Magelang city BAZNAS zakat institution in increasing Mustahiq income in the city of Magelang. The research methodology used is a qualitative approach, with a case study strategy. Data collection was carried out by interviewing the head of the human resources sector from Baznas of Magelang City, amil zakat, and three mustahiq recipients of productive zakat funds. The analysis technique used is descriptive analysis. Based on the research results, it was found that productive utilization of zakat funds by BAZNAS zakat institutions in this case was channeled through seven superior programs. One of the programs in order to empower the community to improve their economy is the Capital Assistance program. This Capital Assistance Program, in which there is also a skill and skills training program, this program is a productive zakat utilization model by BAZNAS in increasing mustahiq income which according to researchers is already optimal. This is evidenced by an increase in mustahiq income, and the ability of mustahiq to become muzakki.

Keywords: Mustahiq, Productive Zakat, Utilization

1. INTRODUCTION

According to the Worldmatters report, Indonesia's population in 2020 is 27,9 million people. According to the September 2020 Population Census (SP2020), the population is 270,20 million. SP2020's population increased by 32,56 million compared to 2010. Indonesia covers an area of 1,9 million square kilometers and has a population density of 141 people per square kilometer.

Indonesia, the world's fourth most populous and Muslim-majority country, must be the path to addressing today's poverty. With such a large number, it should be able to show the enormous potential of Indonesian Muslims from various perspectives, both in terms of human resources and politics or the economy. From an economic perspective, Indonesia has great value. This is supported by Indonesia's rich natural resource potential.

Indonesia has great potential, so it must be able to overcome economic problems such as poverty and ignorance, one of which is by applying Islamic teachings in everyday life, including paying zakat. One of the sources of government income during the reign of Rasulullah SAW was zakat and *ushr* (zakat of agricultural products and fruits) which were the two most important and main income (Ilham, 2020).

Zakat is the third pillar of Islam. Zakat is a form of worship in the form of a servant's obedience to Allah SWT, zakat worship includes two dimensions, namely the vertical dimension (*hablumminAllah*) and the horizontal dimension (*hablumminannas*). Indeed, Al-Quran mentions the obligation to pay zakat to all Muslims, which shows that zakat

plays an important role in human life. Wibawanthi et al. (2020) stated that zakat functions to form piety in social systems such as eradicating poverty, fostering a sense of concern and love for weaker groups. In Indonesia, the management of zakat is regulated by the government through the Zakat Management Law, Law No. 23 of 2011. The government agency authorized to carry out the processing and distribution of zakat is the National Zakat Agency (hereinafter referred to as BAZNAS). BAZNAS is one of the few non-structural institutions that contributes to the state in the field of community welfare development and poverty alleviation through the management of zakat funds. BAZNAS acts as a provider of social security assistance for the poor in the country. The presence of this institution sustains the state's task of improving the welfare of society, so that it should naturally be supported by the government. Based on the background described above, this study aims to analyze the optimization of productive zakat utilization in increasing *mustahiq* income at Baznas of Magelang City.

2. LITERATURE REVIEW

2.1. Zakat Concept

According to Anshari (2018) “zakat in terms of language has several meanings, namely blessing (*al-barakatu*), growth and development (*al-namaa*), holiness (*ath-thaharatu*)”. Zakat in terms is part of the assets of the property with certain conditions, which Allah SWT obliges to the owner, to be handed over to the owner, to be handed over to those who are entitled to receive it, with certain conditions.

Zakat has several purposes. According to Masfiah (2019), the objectives of zakat include:

- a. Raising the degree of the poor and helping him get out of life's difficulties and suffering.
- b. Help solve the problems faced by the *mustahiq*.
- c. Bridging the gap between the rich and the poor in a society.
- d. Develop a sense of social responsibility to oneself, especially to those who have wealth.
- e. Educating people to be disciplined in fulfilling obligations and surrendering the rights of other people to them.
- f. As a means of equal distribution of income to achieve social justice

2.2. Zakat Institution Concept

Amalia et al. (2021) in the Qurtub Imam's letter states that “Al-Amil is a person appointed by (ulama/government) who takes, writes, calculates and records the zakat he takes from *muzak* and then gives it to people who are entitled to it”. The role of Amil is currently carried out by the Amil Zakat Agency or the Amil Zakat Institution. According to Fathony (2018), Amil Zakat means an institution formed independently by the community, which is tasked with assisting in the collection, distribution, based on the definition of the institution and the prevailing definition of amil zakat, and the use of zakat. Allah SWT ordered the amil organization to collect zakat from muzaki and distribute zakat money to eight groups who are entitled to receive zakat.

As the command of Allah SWT in the Al-Qur'an as follows:

"Take zakat from some of their property, with that zakat you clean and purify them and pray for them. Truly your prayers (become) peace of mind for them. And Allah is All-Hearing, All-Knowing." (QS At-Taubah [9]: 103).

Hawari & Zen (2020) mentioned that "the basic functions of the zakat organization include: first, collect muzakki from rich people and redistribute it to the mustahiq. Second, fostering the muzakki to remain muzakki and the poor to become muzakki. Third, record all community groups both as muzakki and mustahiq".

2.3. Optimizing the Utilization of Zakat Funds

According to Afrina (2020), "utilization of zakat funds is a form of maximum utilization of resources (zakat funds) so that they are efficient to achieve the benefit of the people". The utilization of zakat funds is directed towards the goal of empowerment through various programs that have a positive impact on society, especially Muslims who are less fortunate. With this utilization, understanding and awareness will be created and will shape the attitudes and behavior of individuals and groups towards independence. Thus, empowerment is an effort to strengthen social and economic position with the aim of strengthening the ability of the people through aid funds, which are generally in the form of zakat funds for productive businesses, so that *mustahiq* are able to increase their income and pay their zakat obligations from the business results of the productive zakat funds provided. Optimization has the same meaning as effectiveness, and both are one measure of the success achieved by a person or an organization for the activities it carries out apart from efficiency.

Utilization comes from the word "use" which means benefit. Bariadi (2005:55) in Munandar et al. (2022) divides utilization into two forms, including:

- a. Momentary form, in this case that productive zakat funds are only given to someone for a moment or occasionally. Where the distribution is not accompanied by a target to make mustahiq's economy independent. This is because the mustahiq in question is no longer able to be independent due to age or physical disabilities.
- b. The form of empowerment is the distribution of productive zakat funds accompanied by the target of changing the condition of the mustahiq from the recipient (*mustahiq*) to the giver (*muzakki*). This of course cannot be achieved easily and in a short time. For this reason, the distribution of productive zakat must be accompanied by a complete understanding of the problems that exist with the recipient or *mustahiq*.

2.4. Productive Zakat

According to Tabut (2020), "the productive word linguistically comes from productive English which means to produce a lot, give a lot of results, produce a lot of value which gives good results". In this case it means productive zakat, which means zakat that is distributed productively, not spent. Productive zakat is zakat that can make the recipient continue to produce something with the zakat money received. Thus, productive zakat is zakat in which the money or zakat funds given to *mustahiq* are not spent, but are developed and used to support their business so that through their efforts they can fulfill their daily needs continuously.

3. RESEARCH METHODS

This study used a descriptive qualitative approach. The method used in this research was the case study method. The case study model that would be used in this research was an exploratory case study because it wanted to know how to optimize productive zakat to increase *mustahiq* income. The data used in this study were primary and secondary. Primary data was empirical data obtained or collected by researchers directly from respondents or informants using a list of questions and direct interviews, making it easier for researchers to analyze problems.

Primary data obtained from informant interviews include: 1) Head of HR, 2). Two amil zakat Baznas of Magelang City, and three) *Mustahiq* capital assistance recipients. As for the secondary data, it was taken from previous studies, articles, and previous journals, documents regarding related zakat institutions, and reports on the distribution and management of zakat funds every year from Baznas of Magelang City.

4. RESULTS AND DISCUSSION

Baznas of Magelang City is an amil zakat institution that was established in 2017 in the city of Magelang. Baznas is a non-structural government institution that is independent and responsible to the President through the Minister of Religion. The main work program of BAZNAS includes data collection, collection, management and distribution of zakat, *infaq* and alms (ZIS). However, Baznas of Magelang City also has several other programs such as:

- 1) Capital Assistance, namely assistance in providing capital to poor people who wish to have their own business but are constrained by the capital and skills they have.
- 2) Medical Devices Assistance (hereinafter referred to as BALKES), namely assistance in the form of medical devices or health facilities for people who are underprivileged or cannot afford these medical devices.
- 3) Health Costs, namely assistance in the form of money given to the poor or underprivileged to meet their health needs, such as assistance for controlling costs to doctors, hospitalization costs, operating costs, and others.
- 4) RTLH, namely assistance to rehabilitate uninhabitable houses. This assistance is given to the poor or underprivileged people to provide comfortable, strong and sturdy housing.
- 5) Achievement Scholarships, namely assistance for students who have achievements in both academic and non-academic matters provided that the student really really needs help with school fees.
- 6) Disabled Scholarships, namely assistance for students who are less able to pay their school fees such as; tuition fees, midterm fees, and others.
- 7) BLT, which is direct cash assistance given to elderly people who are sick and are no longer productive at work. For this assistance, the amil at the Mageag City Baznas already have their respective assisted elderly. This assistance is given routinely every month, by being delivered directly by the amil to the elderly assisted by each.

Baznas of Magelang City Capital Assistance Program is a program with a system of management and distribution of zakat assets that aims for productive purposes, namely by using diverse and productive zakat assets, where the collected assets are not distributed

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widely, but are partly invested in people and businesses with productive skills, then from the investment in the form of distribution of income received to economically weak groups in the form of business capital or zakat funds. The aim is to strengthen the economy of the surrounding community and help transform society from the *mustahiq* group to the *muzakki* group.

This capital assistance is provided free of charge by Baznas of Magelang City to poor and disadvantaged people who want to have their own business but are constrained by the capital and skills they have. For people who want this capital assistance, it is enough to fill out the registration form and attach supporting documents such as ID cards, certificates, domicile letters, etc. After the data goes to the administration section, the distribution amil will check directly to the location whether it is true that the *mustahiq*'s condition does require capital assistance. If the actual situation really needs it, the *mustahiq* will immediately be included in the MSME group formed by Baznas, Magelang City.

Baznas of Magelang City not only provides assistance in the form of capital but also;

- 1) Giving direction, this direction is given so that the business is indeed in accordance with the passion and business desired by the *mustahiq* and of course also direction in managing the business so that it runs long or long.
- 2) Skills training, namely skills training for *mustahiq*, of course according to the *mustahiq*'s wishes, this training is very useful to support the business that *mustahiq* will run.
- 3) If in the course of the business there are various obstacles, Baznas will also help and find solutions to these problems, so that the businesses of the assisted MSMEs can run smoothly without any obstacles.

In such routine training and mentoring, religious and social values are also instilled, so that productive zakat recipients not only receive financial assistance but also receive moral and spiritual assistance. To support these MSME-assisted program, Magelang City Baznas usually hold a bazaar for these assisted MSMEs. The main hope of the Magelang City Baznas with this capital assistance program is that these *mustahiq* in the future will become *muzakki* for zakat, infaq, and alms at the Magelang City Baznas to help other *mustahiq* in need.

5. CONCLUSION

Optimizing the use of zakat funds carried out by Baznas of Magelang City is by providing financial support for *Mustahiq*'s business capital. The utilization of productive zakat funds by Baznas of Magelang City is channeled through seven excellent programs, one of the programs that empowers people to improve their economy is the Capital Assistance program. Through this Capital Assistance program, productive zakat funds have been optimized by empowering the less fortunate. This Capital Assistance apart from providing productive zakat funding assistance, also provides guidance and training to recipients of productive zakat funding assistance, so that *mustahiq* will feel cared for and guided in running their business. In addition, Capital Assistance has also provided religious and social guidance with the aim of creating a society that is rich in wealth, morals, and does not forget its neighbors. Recipients of productive zakat funds have

managed these funds well, this is evidenced by an increase in income, and has made *mustahiq* become *muzakki* today. Hence, if the Capital Assistance belonging to the Baznas of the City of Magelang is successful in alleviating poverty in the City of Magelang.

As for suggestion for the Baznas of Magelang City, it is better for the provision of Capital Assistance to pay attention first to the background of the *mustahiq*, whether the *mustahiq* really need it or just want capital without participating in the existing skills training program. For the government, it should be expected to further assist the underprivileged community empowerment programs, which are held by zakat institutions, both large programs and small programs. The community should be able to channel their zakat to zakat institutions, because zakat that is managed properly by zakat institutions can help empower *mustahiq* and can transform society from *mustahiq* to *muzakki*. For further research, it is better to find as many reference sources as possible regarding this productive zakat, and it is also best to dig up as much detailed information as possible from the *amil* and *mustahiq*.

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