

Optimizing The Role Of Zakat in Reducing The Figures Poverty

Muhammad Syafikur Rifqi
Ma'had Aly Madarijul Ulum Lampung

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ABSTRACT

Poverty remains a significant issue in many countries, particularly in Indonesia. The zakat system, which involves collecting and distributing zakat funds, is expected to improve the economic well-being of the Muslim community, especially in addressing poverty. This can be achieved if zakat management is effectively optimized. With a well-structured and efficient distribution process, zakat can contribute to reducing poverty. This study employs a qualitative descriptive analysis, using literature review as its method, to explore how zakat helps prevent wealth accumulation among a few individuals by redistributing it through zakat institutions to those in need. Proper optimization of zakat's role can therefore serve as a powerful tool in alleviating poverty.

Keywords: *Productive Zakat, Poverty, Zakat*

INTRODUCTION

Poverty is a widespread issue that affects not just individuals but also has far-reaching consequences for communities, regions, and even entire nations. Its effects extend beyond the individual level, impacting broader social and economic systems.

Poverty in Indonesia is a complex issue, influenced by various factors such as access to basic needs like food, clothing, shelter, health services, education, and employment. This situation is further compounded by the high unemployment rate, which contributes to the persistent cycle of poverty.

Unemployment is a major driver of poverty, and addressing it requires solutions such as fiscal policies, one of which is zakat. In Islam, poverty is not only seen through an economic lens but also linked to the religious obligation of zakat.

Given the reality of poverty, it is important for individuals and society not to simply place blame on the situation. Rather, it requires a collective effort to address the issue, particularly through the

actions of those in society who are concerned with alleviating poverty. One potential solution is the empowerment of zakat, enabling it to play a central role in the lives of individuals as a means of addressing economic inequalities and supporting those in need.

An example of a country effectively utilizing zakat to combat poverty is Malaysia. The country has successfully reduced poverty levels, particularly in Selangor, by ensuring that zakat management is separate from state finances. The poverty rate in Malaysia dropped from 228,400 people in 2009 to 108,000 in 2012. In Malaysia, zakat management falls under the jurisdiction of the State Islamic Religious Council. Zakat is sourced from transfer contracts, wages, and the management of wealth, rather than from the state's economic resources.

Zakat, being the third pillar of Islam, is considered an effective tool for reducing poverty. It, along with infaq (voluntary charity) and sadaqah (almsgiving), can serve as instruments of social support, aiding those in need. Through these charitable acts, the Muslim community can address poverty.

Zakat plays a crucial role in empowering individuals economically by providing business capital that helps people become financially independent. This financial support allows recipients to gain the necessary resources and experience to improve their livelihoods.

In Indonesia, the management of zakat, infaq, and sadaqah (ZIS) funds is handled by institutions such as the Zakat Amil Agency (BAZ) or the Zakat Amil Institution (LAZ). These organizations focus on meeting the objectives of zakat by ensuring its distribution is both productive and optimal.

The effective and productive distribution of zakat is expected to alleviate poverty by providing essential business capital, which in turn leads to improved economic empowerment. In this process, the role of the Zakat Amil Agency (BAZ) and Zakat Amil Institution (LAZ) is crucial in ensuring the proper allocation, use, and distribution of zakat funds. When these funds are distributed effectively, they have the potential to significantly reduce, or even eliminate, poverty over time.

To ensure zakat funds are utilized effectively and bring greater benefits, a fresh approach to their management is needed. This new perspective will enable zakat to reach those in need more efficiently, maximizing its potential impact.

RESEARCH METHODS

The research method employed in this study is a qualitative literature review, which involves collecting relevant data from various sources related to the research topic. The descriptive analysis approach is used to examine and interpret the data, ultimately allowing the researcher to draw conclusions. The data analysis process consists of three main steps: first, editing, where the researcher verifies the collected data to ensure consistency; second, organizing, where the data is processed according to the predefined

framework; and third, finding, where the researcher applies theoretical concepts to the organized data to formulate conclusions.

RESULTS AND DISCUSSION

Zakat

Zakat, in the context of blessings, refers to a portion of wealth that is given with the intention of receiving divine blessings. The purpose of this act of charity is to address various socio-economic challenges, such as unemployment and poverty, by distributing aid to those in need without any form of discrimination.

Zakat is considered the allocation of wealth to specific groups based on existing conditions. While some scholars exclude children and the mentally ill from receiving zakat, Imam Syafi'i and most other scholars maintain that these individuals are entitled to zakat. Zakat holds significance in several aspects:

Divine Aspect, zakat reflects the faith of every Muslim and their commitment to Allah.

Humanitarian Aspect, it is not only a duty to Allah but also a social obligation to support fellow human beings, embodying the concept of *hablum minannas* (relations with people).

Economic Aspect, zakat is a form of worship tied to economic principles, where the amount of wealth one possesses determines their obligation to give.

Productive Zakat

Productive zakat is defined as a zakat distribution model that is given to someone for working capital. However, productive zakat as zakat that is distributed to *mustahiq* which will not be spent directly, but used again to open their business so they can survive.

Law No. 23 of 2011 concerning Zakat Management explains that zakat can be used as support for productive efforts to reduce poverty (Law No. 23 of 2011

Concerning Zakat Management [JDIH BPK RI], nd). In relation to this, zakat is not only aimed at helping the poor, but also eradicating poverty. Moreover, the majority of Indonesian citizens are Muslims, this can be used as basic capital in efforts to reduce poverty rates.

In supporting the process, it is necessary to have a strategy and implementation in managing zakat later. This is in accordance with Yusuf Wibisomo's statement that poverty is a complex problem, which can be overcome through partnerships with multi-sectors that are institutionalized and maintained sustainably.

Poverty

A problem that is often experienced by almost all countries is poverty. According to the language, 'poor' in Arabic means poverty. The word fakir also comes from Arabic, al-faqr which means need (al-ibtiyaaaj).

Poor are all people who have hearts and efforts but are unable to meet their living needs, namely clothing, food, and shelter, where people who are categorized as poor do not beg and do not beg others. Islamic figure, Imam Al-Ghazali also stated that poor are people who already have jobs but their income is not enough to meet their living needs and for their families. poverty can be categorized into two sides, namely:

- Absolute Poverty, which is identified by how many people live below the poverty line.
- Relative Poverty, seen from the national income obtained by each income group, where this is related to the problem of income distribution.

In Islam, the problem of poverty is seen from three levels, namely; First, poor spirituality where someone experiences an emptiness in their relationship with God which makes them restless. In other words, he only gets closer to Allah if he experiences a disaster. Second, Lack of

knowledge is a condition where someone lacks or even has no knowledge in dealing with their life problems, thus making them careless. Third, material poverty, where someone does not have any possessions in their life, but has the ability to earn money. From the explanation that has been presented, the conclusion is that poor people are people who are able to work and have income but they do not beg. While the fakir are people who are in need and in a condition where they are unable to work and do not have income so that in the end they beg.

The Importance of Zakat Empowerment

Islam imposes the obligation of every Muslim to pay zakat. The potential for zakat is very large to be empowered to the lower classes. BAZNAS presents data that the potential for professional zakat in one year can reach 32 trillion rupiah.

Of the many causes of poverty that have been mentioned, some of them can be overcome with zakat. If empowerment Zakat can run effectively with the dominant role of the state as a policymaking institution and facilitator power. There are at least several reasons why zakat is important to be empowered, including:

- Because it concerns other parties, especially the poor. Poverty is defined as a society that is underprivileged even though they cannot categorize themselves as poor subjectively.
- Zakat is related to taxes paid by the rich. The purpose of zakat is not to depend on the rich but rather how a person can stand on his own.

Handling poverty by empowering zakat is more important than borrowing from other countries. If it is related to poverty, then there needs to be a deeper attitude towards what causes the problem. Distribution of zakat funds in productive zakat empowerment should be focused on increasing economic empowerment in order to improve welfare. mustahiq.

Therefore, there needs to be awareness in each person to pay zakat, because zakat is interpreted as an empowerment objective carried out through various programs for less fortunate communities.

Zakat Management and Its Relation to Poverty Alleviation

Zakat management is a complex process because its implementation requires various planning supported by synchronous coordination from collection to distribution. So in this management, zakat managers are required to meet the requirements including; trustworthiness, justice, honesty, integration to accountability.

Zakat management institutions are expected to be able to empower zakat appropriately to improve their economy. For example, it is used for new business capital, so that their lives become better. It should be noted that there is one weakness of zakat management institutions where it is right in the field of collecting zakat funds but still lacking in the utilization of zakat. In other words, it has not been successful.

The National Zakat Agency (BAZNAS) in managing zakat includes 3 aspects, namely; collection (collection), management (management), and the last distribution (distribution). With this, zakat management is expected to be able to achieve prosperity in facilitating the distribution of zakat funds.

Apart from that, real implementation in the distribution of zakat, awareness of performing zakat worship, and the active role of the government in appealing for the importance of implementing zakat are also needed so that wealth does not only favor one person, but can be felt by other people in need. Increasing awareness of zakat is very necessary in building a more productive zakat economy. Where this productive zakat is believed to be one way out in managing zakat funds.

The development of zakat management institutions will run productively if you make it as business capital in empowering the recipient's economy. With this fund, mustahiq can earn income, and improve their business. If this management runs optimally, the benefits obtained will be great. In other words, poverty will surely disappear over time.

How Effective is Zakat in Tackling Poverty?

Among the various benefits that can be felt from the implementation of zakat, zakat is one of the strategic potential financial assets in building economic equality in society.

In the economic field, zakat as a role in preventing the accumulation of one's wealth by channeling it to a group of poor people. Therefore, zakat does have a role in eradicating poverty, because zakat functions as a place to open up employment opportunities.

The effectiveness of zakat is seen from how optimal the utilization of zakat is through the distribution of funds to increase business capital. mustahiq. Zakat is considered ineffective in efforts to eradicate poverty, because management is not yet optimal and professional, as indicated by the funds distributed prioritizing the number of zakat recipients rather than the nominal amount.

Basically, zakat is not only used to meet the needs of the poor. This is because the poor and needy will depend on zakat for their lives, and overall working is something that is required by every Muslim.

This is relevant to the question of why there is still a lot of poverty in Indonesia even though zakat is always enforced every year. Because the management of zakat in Indonesia is not optimal and there is a lack of awareness of Muslims about the importance of zakat. In other words, there needs to be an effort to raise public awareness to emphasize

poverty rates along with the empowerment of zakat.

Zakat Empowerment Solutions in Poverty Alleviation

With the explanation that has been mentioned that poverty has various causes, the presence of the Zakat Collection Agency is very meaningful in using the power of Islamic teachings, especially that zakat management institutions must take various new approaches to create people's perceptions about how zakat is processed and distributed.

After presenting the discussion above, the solution that can be done in empowering zakat to overcome poverty is improving the management of zakat funds collected, namely by conducting socialization about the obligation to pay zakat through institutions, this can make the community have their own awareness in correcting people's perceptions about zakat in society.

In general, in finding a solution to empower zakat to overcome poverty, the aim is to;

CONCLUSION

After knowing the explanation above, that zakat is something that can affect the field of economic development. Poverty that is often experienced must get a solution to overcome it. In overcoming poverty, zakat plays a role as a means of helping other Muslim communities by spending some of their wealth to distribute it to those who are less fortunate. In general, if all rich people are able and diligent in carrying out zakat and it is distributed optimally, the poverty rate will decrease.

In utilizing zakat, the main focus is on multiplying rewards. giver of zakat and increase tranquility mustahiq in eradicating existing poverty. Productive zakat in the form of optimal management and distribution of zakat funds, in addition to having institutions that process them professionally, also needs to be supported

by public awareness of being able to pay zakat. Because basically at this time There are still many Muslims who do not have the awareness of zakat. Apart from worshipping Allah, this zakat also aims to eradicate poverty in various countries, especially Indonesia.

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