

# Optimization of Hajj Fund Management in Indonesia with Productive Zakat

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## ABSTRACT

Zakat is the only pillar of Islam that has a social dimension. The Indonesian Islamic Economics and Finance Masterplan (MAKSI) released by BAPPENAS included zakat as a state financial instrument. The inclusion of zakat as an inclusive financial instrument is because the role of zakat has proven concrete in alleviating poverty. According to the Center of Strategic Studies, The National Zakat Board (BAZNAS) the Republic of Indonesia, one of the roles of zakat in the development of the country's economy is to develop people's economy through productive and creative zakat distribution, so that it can improve the ability of *mustahik* to meet their needs. Such a role is the objective of zakat according to Law No. 23 of 2011 that is to increase the benefits of zakat for the welfare of the society and for poverty reduction. To achieve this goal requires a huge sum of zakat fund and therefore, cooperation with other institutions is necessary. One of these institutions is the Hajj Financial Management Agency (BPKH). The Hajj Financial Management Agency (BPKH) was formed by the government to manage Hajj funds based on sharia principles, prudence, security and value-benefits. So, there is a possibility of cooperation between the management of zakat and the management of hajj funds that have value-benefits. In this study, the juridical-normative approach method was used to study the management of hajj funds and the management of productive zakat in terms of law and concepts. Therefore, the purpose of this study was to review the laws and schemes used in the cooperation between zakat management organization and the Hajj Financial Management Agency (BPKH). This study concludes that: first, the synergy between Hajj Funds and Productive Zakat can be done legally, and, second, the scheme used is in the cooperation.

**Keywords:** *Zakat, Hajj funds, productive Zakat*

## 1. INTRODUCTION

Zakat is the only pillar of Islam that has a social and financial dimension in addition to the dimension of monotheism and faith. According to Daud Ali, the purpose of zakat is: (1) raising the degree of the poor; (2) helping solve the problems of the *gharimins* (debtors), *ibn sabil* (captives) and other *mustahik* (people eligible for accepting zakat); (3) extending and fostering brotherhood among Muslims and humans in general; (4) eliminating the miser and greedy nature of property owners; (5) eliminating envy and social jealousy from the hearts of poor people; (6) bridging the gap between the rich and the poor in the society; (7) developing a sense of social responsibility in someone especially those who have assets; (8) educating humans to be disciplined in fulfilling their obligations and surrendering the rights of others to them; (9) a means of equitable distribution of income to achieve social justice (Ali, 1988). According to the Center for Strategic Studies, the National Zakat Board (BAZNAS), one of the roles of zakat in developing the country's economy is to raise people's economy through a productive and creative

distribution of zakat. Such an outcome would increase the ability of the *mustahik* to meet their needs and also encourage the emergence of breakthroughs in poverty alleviation. Empowerment through zakat is expected to create a work ethic for *mustahik* who have not been able to meet their own needs, so that the poverty situation in Indonesia can be minimized by their own efforts. This role is one of the goals of zakat according to Law Number 23 of 2011, on the management of Zakat, which is to increase the benefits of zakat for community welfare and poverty alleviation.

Hajj Financial Management Agency (BPKH) was established by the Government on July 26, 2017, to manage Hajj Finance with the following principles: Sharia principles, the principle of prudence, beneficence, non-profit, transparency and accountability.

According to Article 26 of Government Regulation Number 5 of 2018, the placement of Hajj Finance can be done in the form of Islamic banking products which include current accounts, time deposits, and savings, while for Hajj financial investments can be done in the form of securities, gold, direct investments and other investments. According to Article 3 Act No. 34/2014, the objective of

Hajj financial management is to improve the quality of the implementation of the Hajj pilgrimage, increase rationality and efficiency in the use of Hajj Implementation Costs (BPIH), as well as increase benefits to the Muslims. The objectives of Law No. 23 of 2011 and Law No. 34 of 2014 are both to increase the benefit to Muslims, one of which can be to improve the welfare of the community for poverty alleviation.

Because of the large potential investment returns of the hajj funds and seeing from the same objectives of hajj funds and zakat fund management, the authors see the potential for zakat on hajj funds invested, and can be channeled for productive zakat in Indonesia, by following sharia law and regulations.

**2. RESEARCH METHOD**

Based on the problems examined by the author, namely regarding regulations in optimizing the management of hajj funds with a productive zakat scheme, this research, according to its form is normative juridical research. According to Soerjono Soekanto, a normative juridical approach is legal research carried out by examining library materials or secondary data as the basic material to be examined by searching for rules and literature related to the problem under study (Soerjono Soekanto & Sri Mamudji, 2001). So this research focused on library materials from literature, such as books, journals, and other library materials, including legislation.

**3. DISCUSSION**

**3.1. Productive Zakat in Indonesia**

Zakat according to the etymology (language) is sacred, growing, and blessing (M. Ali Hasan, 1997). Whereas according to the sharia terminology, it means the obligations on certain assets for certain groups within a certain time, as described in the At-Taubah:60, which means: poor people, caretakers of zakat, *mu'allaf* (revert) who are persuaded by their hearts, to (liberate) slaves, people who are in debt.

Distribution of zakat funds to *mustahik* according to Law Number 23 of 2011, is divided into two ways, namely distributing and utilizing zakat. Distributing zakat means distributing zakat directly to consumptive *mustahik* (PERBAZNAS No. 3/2018 Article 1 number 15). The consumptive purpose here is that zakat property is directly intended for those who are unable and very needy, especially the poor and needy. Zakat is channeled primarily to meet basic living needs, such as food, clothing and shelter in a reasonable manner.

On the other hand, utilizing zakat is a form of utilizing zakat optimally without reducing its value and usefulness in the form of productive endeavors, so that it is useful for public benefit. (PERBAZNAS No. 3/2018 Article 1 number 16), covers the fields of economy, education and health. Productive zakat in the economic

field can be provided in the form of assistance aimed at alleviating poverty, increasing productive capacity, entrepreneurship, increasing *Mustahik's* prosperity, empowering the *Mustahik* community on a regional basis and local economic potential. Productive Zakat in the field of education can be given in the form of assistance to improve the competence of life skills, leadership, entrepreneurship and the construction of educational facilities and infrastructure. Productive Zakat in the health sector can be given in the form of promotive and preventive health assistance, as well as the construction of health facilities and infrastructure.

In addition to being regulated in the Law, productive zakat was stipulated in the Fatwa Commission Session of the Indonesian Ulema Council on February 2, 1982, concerning the transfer of zakat funds for productive activities and so that the public benefit that zakat gives to the poor can be productive.

The National Zakat Board, as a zakat institution of the government, has a productive zakat program in the economic, education and health sectors, of which one of the programs is the Zakat Community Development (ZCD). The concept is also used by the Ministry of Religion to create a Zakat Village. Zakat Community Development is a BAZNAS empowerment program through communities and villages by integrating aspects of da'wah (proselytizing of Islam), economics, education, health, and humanity in a comprehensive manner with funding sources from zakat, infaq, alms and other religious social funds.

Program Strategy: Strengthening program facilitators and building local cadres (1), based on local resources (2), community based (3), based on appropriate technology (4), building local institutions (Islamic microfinance institutions), health institutions, educational institutions and *da'wah* institutions) (5), strengthen community capacity in community-based disaster risk reduction by building disaster alerts (6). There are categories and criteria of ZCD Program:

Category	Criteria
1. Regional Based	a. Rural b. Urban c. The coast d. Island e. Forest Edge
2. Zone-Based	a. Sumatera b. Kalimantan c. Sulawesi d. Jawa e. Bali and Nusa Tenggara f. Maluku and Papua
3. Potential Based	a. Tourism and Culture Potential b. Main commodity and sector (fishery, agriculture, plantation, handicraft) c. Community support (good social capital)

Source : BAZNAS



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The areas of Zakat Community Development program distribution are Langkat, Agam, Tanah Datar, Sijunjung, OKU, Padang Pariaman, Banyuasin, Lebak, Pandeglang, Tasikmalaya, Sumedang, Kuningan, Sikka, Siniu, Palawa Baru, Bulukumba, Landak, Sekadau, Sambas, Balikpapan, Samarinda, Berau, Kutai Kertanegara and East Kutai.

The outputs of this program are (1) the enhancement of society moral standing through the implementation of ritual worship, the absence of the element of *gharar* (uncertainty) in buying and selling transactions, commodities produced halal and *thayib* (good), (2) The realization of a strong and independent community institution (the legal aspect of the institution, orderly administration, ability to finance operations, paying infaq and or zakat), (3) An increase in compulsory education participation rates (eradication of illiteracy and illiteracy of the Qur'an, fulfilment of 12-year compulsory education), (4) Increased public knowledge about health and the quality of health through the development of a healthy and clean lifestyle (clean water facilities, waste management, a healthy and clean environment, family medicinal plants, yard plants, active and sustainable POSYANDU-integrated health post), (5) increased income and the existence of a sustainable community livelihood system, and (6) Increased community understanding based on local wisdom in reducing disaster risk.

In addition to the above program, BAZNAS also runs other program including the BAZNAS Healthy House, BAZNAS Scholar School, *Mualaf* Center, BAZNAS Microfinance and empowerment for farmers and ranchers. The program provides capital to the poor through various channels, such as those mentioned above, program that increase their skills and productivity through training and assistance, as well as market strengthening programs from the products of the poor. The direction of the development of BAZNAS zakat distribution through productive economic programs is carried out based on two approaches, namely: the individual and the community approach.

### 3.2. Investment Potential for Hajj Funds as Zakat Objects

The Hajj Fund, according to Law Number 34 of 2018, is the fund for the cost of organizing the hajj pilgrimage, the efficiency of the hajj pilgrimage, the endowment fund of the ummah, and the value of benefits controlled by the state in the context of organizing the hajj pilgrimage and the implementation of program activities for the benefit of Muslims.

Based on the 2016 BPKH Financial Report Highlights, the balance of Hajj funds in 2017 amounted to IDR 102.51 trillion and increased by 109.6% in 2018, bringing the value to IDR 112.35 trillion, while the acquisition of the value of benefits in 2017 amounted to IDR 5.28 trillion and in 2018 experienced an increase of 107.9% to IDR 5.70 Trillion or equivalent to 94.11% of the planned value of benefits in 2018 of IDR 6.06T. Anggito Abimanyu, the Head of BPKH explained, in 2018 BPKH managed approximately IDR 110 trillion of Hajj funds, and with the existing potential, in 2019, the managed funds will increase by IDR 11 trillion to IDR 121 trillion, whereas for the year 2022, BPKH targets a total of IDR 155.4 trillion for the pilgrimage fund. (Liputan6.com, 2019)

To find out whether the investment funds from the pilgrimage fund are categorized as zakat objects or not, they must meet the requirements of assets that are the objects of zakat. According to Yusuf Qardhawi, the conditions of wealth that meet the object of zakat or compulsory zakat include:

1. Full Ownership, that is, the property is under the control and the authority of the owner, or as some scholars says, the property is in the hands of the owner, in that it is not related to other people's rights, and he can enjoy it.

The hajj fund managed by BPKH is the fund for the cost of organizing the hajj pilgrimage, the efficiency fund for hajj implementation, the endowment fund for the ummah, and the value of benefits controlled by the state in the context of organizing the hajj pilgrimage and the implementation of program activities for the benefit of the Muslims. Regarding ownership, the pilgrimage funds invested whether belonging to the State or belonging to the pilgrims need to pay attention to the following matters, namely:

1. Aspect of the contract, the contract used between pilgrims and BPKH is the *wakalah* contract, which means protection (*al-hifzh*), adequacy (*al-kifayah*), dependents (*al-dhamah*), or delegation (*al-tafwidh*), which also means authorizing or representing, or according to Sharia Economic Law Compilation (KHES), Article 20 number 19, "*wakalah*" is the granting of power to other parties to do something. In this case, the pilgrims give power to the BPKH to save and manage the pilgrimage funds deposited by

the pilgrims as owners. However, for this contract, there is still no regulation from the Indonesian Ulama Council (MUI). So, to make pilgrims confident and comfortable, it is necessary to have a fatwa from the MUI while the contract is appropriate and the proper scheme is used between pilgrims and BPKH.

2. Results of *Ijtima* Ulama IV of 2012, concerning the Status of BPIH deposit fund ownership are as follows. First, the pilgrimage deposit funds that are accommodated in the account of the Minister of Religious Affairs, whose registers including waiting lists are sharply owned by the registrar (prospective pilgrimage). Second, funds deposited under BPIH for prospective pilgrims that are included in the waiting list in the account of the Minister of Religious Affairs, may be used for productive matters (providing benefits). Third, the results of the utilization/investment are the property of prospective pilgrims who are included in the waiting list (among others, as an addition to savings funds for prospective pilgrims or real/real cost reduction). Fourth, BPIH funds belonging to prospective pilgrims on the waiting list, may not be used for any purpose except to finance the needs in question. (Hasanuddin and Mubarak, 2013).

Noting that this pilgrimage fund belongs to pilgrims authorized to the government, in this case BPKH, to be stored and managed or invested in various forms of investment that do not contain “*maisyir*” (gambling) and “*gharar*” (uncertainty), whose value is useful for Muslims, especially pilgrims or prospective pilgrims. This element has been fulfilled, as long as the ownership of this asset is clear, even though it is managed by BPKH, because of the obedience in the *wakalah* contract; the investment of the hajj fund is the object of zakat.

- 2 Developing, that is, assets that must be subjected to zakat must be assets that are actively developing or ready to develop, that is, assets that normally benefit the owner. Rasulullah PBUH. Said, ‘A Muslim is not required to pay zakat from his horse and slaves.’ (Muslim). In the terminology of jurisprudence, as conveyed by Yusuf Al-Qaradhawi, the notion of developing consists of two kinds, namely concrete and non-concrete. The concept behind the concrete is being cultivated, traded and the like. While non concrete means that the property has the potential to develop value or price, both in his own hands and in the hands of others. Based on these conditions, Yusuf Al-Qaradhawi concludes that any property that develops or has the potential to be developed, included as the object of zakat.

### 3.3. Reach Nisab

Nisab is the minimum limit of ownership of property that must be paid zakat. Treasures subject to zakat must reach the Nisab. That is, the property has reached a certain amount in accordance with the provisions of the “sharia”.

Hajj funds are invested in securities, gold or other investments, for the nisab adjusted to the type of investment, for example invested in gold, it must reach the nisab of 85 grams of gold. Conditions of investment proceeds for hajj funds as a compulsory asset of zakat if it the nisab are met.

More than ordinary or basic needs, namely the minimum needs needed by a person and his dependents to be able to live properly as humans. That is, if these needs are not met, then cannot live properly. These needs can be categorized as primary needs or minimum living needs, for example daily shopping, clothing, home, health, and education. Investment returns of the hajj funds managed by BPKH have exceeded the fulfillment of ordinary or basic needs, so that these conditions are fulfilled as zakat objects.

Free from debt, meaning that the property is free from debt. Investment return Hajj funds managed by BPKH are not in debt, so these conditions are fulfilled as zakat objects. Over a year, this refers to the ownership of the property that has already passed (reached) one year.

This requirement only applies to zakat on trade, animal husbandry, silver gold, livestock and savings. As for agricultural products, fruits, and *rikaz* (findings) there are no haul conditions. The period of validity or whether or not the haul enters the results of the investment Hajj funds will be adjusted to the type of investment.

After observing the conditions of the assets, which are objects for obligatory zakat above, it can be concluded that the investment returns from hajj funds are zakat objects and must fulfil the provisions.

## 4. CONCLUSION

Zakat and hajj are the pillars of Islam that can be synergized in the implementation of the Islamic economy in Indonesia. A very large potential pilgrimage fund is invested to increase benefits for the Muslim community by means of zakat investment. The returns from the Hajj fund are managed by BPKH by following the provisions for productive zakat programs that target utilization for pilgrims or prospective pilgrims. It is expected that it will increase the incomes and the economy of the people, the desire for hajj is also getting bigger.

Productive Zakat that can be proposed :

1. Community-based empowerment programs, namely the distribution of zakat funds in an area or community not only for the economic sector but also in the education, “*da'wah*”, and social fields, or by

forming the Hajj Village,

2. Individual based empowerment program by providing business capital assistance

In addition to maintaining the clarity and convenience of the *Jamaah* (people) in authorizing the hajj funds managed by BPKH, DSN MUI needs to release a fatwa to determine the appropriate contract and scheme in the management of hajj funds. Certainly, concerning zakat on the hajj funds resulting from investment, there is also a need for Fatwa from Indonesian Ulema Council, so that it is clearer and does not lead to diverse interpretations of Muslims.

In addition to maintaining the clarity and comfort of the *Jamaah* in empowering hajj funds managed by BPKH, it is also necessary to ask for fatwa from MUI for the determination of the right agreement and scheme in managing hajj funds, and the zakat on hajj funds. Regarding the investment results, it is also necessary to have Fatwa from the Assembly Indonesian Ulema (MUI), and it also needs to be regulated in regulations.

This regulation is needed because the saving of Hajj pilgrims is also subject to zakat, but the implementation is indeed not optimal.

Therefore, the regulation is crucial so that there is no double zakat.

In addition to the cooperation program through zakat funds, zakat management institutions can also work together with PBKH to channel benefit programs. This program is for physical projects, such as establishing houses of worship, places of education and places of health. In this collaboration, it can be proposed that zakat funds from the investment proceeds to finance tangible empowerment/productive zakat program, while intangible programs can use benefit funds. This means that in a village, there is physical development for the improvement of sanitation houses or educational facilities from the benefit fund and for the zakat fund to improve its economy.

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