

# Empowerment of Productive Zakat through the Empowered Village Program

(Case Study at the Rumah Zakat Amil Zakat Institution (LAZ))

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**Abstract**—This study aims to describe the implementation of the Empowered Village program carried out by Rumah Zakat. This study uses a qualitative method with a descriptive approach. The study results found that empowered village is an empowerment program within the coverage of the village area. The results show that the Empowered Village integrated empowerment program consists of capacity building programs (community development), economy, education, health, environment to disaster preparedness, with the target of growing and developing local institutions that are empowered to overcome their own problems and collaborate with other parties. others, especially the village government, have a significant impact on reducing poverty in Indonesia. The findings of this study are expected to be a reference for Islamic philanthropic institutions in carrying out their programs to be more effective in reducing poverty levels. However, this research has limitations, especially from the informant side, the informants used in this study are only from Rumah Zakat, in the future research can be carried out by involving the beneficiaries of the Empowered Village program so that data triangulation occurs.

**Keywords**—utilization, productive zakat, empowered village, LAZ, Rumah Zakat

## I. INTRODUCTION

Poverty continues to be a phenomenal problem in parts of the world, especially Indonesia, which is a developing country. Poverty has made millions of children unable to get an education, difficulties in financing health, lack of savings and investment, and other problems that lead to acts of violence and crime [1]. Poverty is not only a problem for developing countries. Even developed countries experience poverty even though it is not as big as developing countries. The problem is the same, but the dimensions are different. The problem of poverty in developed countries is a minor component of their society. However, the problem becomes more complex for developing countries because the number of poor people almost reaches half of the total population. There are even

impoverished countries where poor people exceed two-thirds of the population [2].

Poverty alleviation programs have been carried out in many countries. Indonesia itself (since the Old Order era until now) has rolled out many poverty reduction programs, such as developing underdeveloped villages, improving villages, integrated poverty alleviation movements, and others. However, the Indonesian people have not been entirely free from poverty since the prolonged crisis [3]. The reality of people's lives that impact the crisis needs to be taken seriously, one of which is by re-emphasizing the urgency of empowering zakat for the community. The role of zakat until now is very relevant and the right option as a form of solving human problems. The problem of poverty and economic problems, in general, has damaged the minds and souls of humans at large. One of the reasons people leave religion is poverty and disbelief [4]. Zakat, as an instrument of distributive justice, has a strategic role in empowering mustahik. Zakat, if used productively, will be able to be a solution to alleviating poverty in Indonesia.

Zakat is the obligation of every wealthy Muslim to share his wealth with other Muslims who need it to realize social justice [5]. Zakat must be issued by humans as a right of Allah [6]. Zakat is the obligation of a Muslim towards his property which has reached the nishab (minimum limit) within a certain time and is given to the recipient (mustahik) to clean and purify his soul and property as required in the Al-Quran [7]. According to syara', zakat is certain assets given to mustahik in accordance with the provisions determined by Islamic law [8], as explained in the Qur'an, At-Taubah: 103. The issue of zakat management has been a concern for many years. Zakat institutions need to reform their existing management to generate optimal revenue and an effective system. The role of zakat does not only affect individuals, it is also very important in the sustainability of a country's system, because zakat can create harmony in society by eliminating the rich and poor. Zakat can also overcome social problems to achieve social

justice for the community. One example is during the Caliph Umar bin Abdul Aziz. He managed to collect abundant zakat so that the amil (zakat collection) expanded the distribution of zakat because no one else was entitled to receive zakat in the area [9].

Distribution of zakat is divided into two forms, namely consumptive and productive. For productive activities aimed at empowering mustahik, it will be more beneficial for mustahik's life in the long term. Because zakat is a mahdhah whose rules describe worship, the zakat given must be effective, efficient, and based on sharia to realize the socio-economic function of zakat [10]. In addition, the benefits of zakat must lead to long-term benefits [11], such as providing productive capital to be processed and developed [12] and increasing the ability of the poor to create income and eliminate poverty itself [12]. According to Gibson [13], it is agreed goals and objectives to achieve a common goal. In principle, zakat management is about delivery techniques so that they are right on target. Law Number 23 of 2011 concerning Zakat Management explains the concept of using zakat as follows: 1) Zakat can be used for productive businesses in the context of handling the poor and improving the quality of the people; (2) The use of zakat for productive businesses as referred to in paragraph (1) is carried out if the mustahik's basic needs have been met [14].

From some of the research results mentioned earlier, there are still few that discuss the best practice of zakat management carried out by the Amil Zakat Institution (LAZ). Therefore, the authors are interested in studying the zakat-based community empowerment model carried out by LAZ Rumah Zakat through the Empowered Village program.

II. METHODS

This study uses a qualitative method with a descriptive approach. This research was conducted in the Empowered Village Program which was launched by the Rumah Zakat Amil Zakat Institution (LAZ).

Data collection techniques were carried out by Focus Group Discussion (FGD) and documentation. The FGD was conducted in the form of verbal communication through a series of discussions with the CEO of Rumah Zakat regarding the Empowered Village Program, and documentation was carried out by looking for references related to the research theme in the form of annual reports, institution profiles, journal articles, and books.

The stages of data analysis using the Miles and Huberman model, starting from data collection, data reduction, data presentation, and concluding [15]. Data reduction is an analytical process for selecting, focusing, simplifying, abstracting, and transforming data that emerges from field notes. Then, the data is displayed in narrative descriptions, charts, relationships between categories, flow charts, and others. After that, conclusions are drawn based on the findings and verification of the data.

III. FINDING AND DISCUSSION

A. Empowered Village Program

Empowered Village is an empowerment program within the coverage of the village area. Through an integrated approach, namely capacity building programs (community development), economy, education, health, environment to disaster preparedness, with the target of growing and developing local institutions that are empowered to overcome their problems and collaborate. With other parties, especially the village government. The program implements empowered village from Zakat, Infaq and Alms funds from Rumah Zakat donors. The empowered village program framework can be seen in Figure 1.

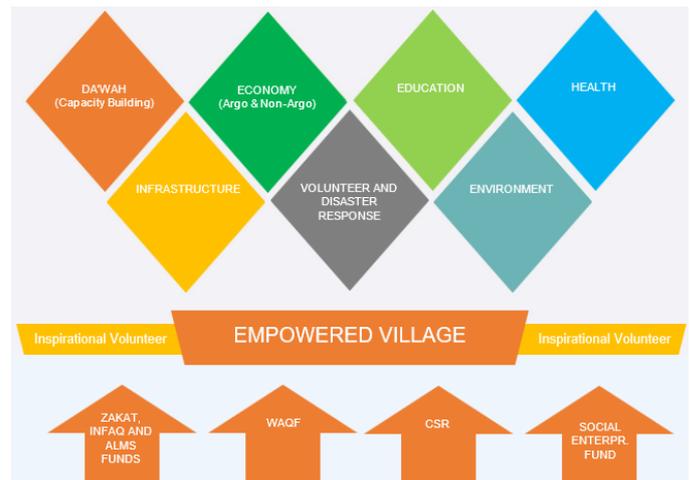


Fig. 1. Empowered village program framework (Source: Processed data).

As of December 2020 shows the Empowered Village Program has spread to 1,686 villages, 1,203 sub-districts, 285 regencies/cities, and 33 provinces throughout Indonesia. The distribution map of the Empowered Village can be seen in the Figure 2.



Fig. 2. Distribution of empowered village programs (Source: Processed data).

The integrated empowerment model is expected to be more effective in reducing poverty levels. this is in line with the

results of research by Lubis [16] which states that in alleviating poverty a multidimensional approach is needed. The intended integral empowerment model includes; empowerment in the area of capital access (financial institutions), the field of crop marketing (market access), and the field of capacity building (assistance and training) [3].

**B. Empowerment Village Goals**

Management of zakat productively at LAZ Rumah Zakat aims to worship and improve the standard of living of mustahik. These two things become the concern of Rumah Zakat, because happiness is not only a material aspect but must also be touched on immaterial aspects, in this case, piety or spirituality.

The empowered village is one of the programs owned by Rumah Zakat, which aims to increase community empowerment, mainly in rural communities. Rural areas are the main base for the distribution of the poor in Indonesia.

The empowerment of rural communities is expected not only to empower individuals but also to have a wider impact on community empowerment. This empowerment can be seen from the following indicators:

1) *Community empowerment:* The indicator of community empowerment is the formation and strengthening of social institutions in the economic sector in the form of BUMMAs (Community-Owned Enterprises). In the economic sector, the forms vary widely.

2) *Individual empowerment:* An indicator of individual empowerment is an increase in knowledge, motivation, and skills in implementing specific sectors (education, health, environment) that affect welfare improvements.

This is in line with Margayaningsih [17] opinion which states that empowerment in the context of society is the ability of individuals to combine in society and build the empowerment of the community concerned. A society where most of its members are physically and mentally healthy as well as educated and strong and innovative, of course, has high empowerment.

**C. Empowerment Model for Empowered Villages**

The Empowered Village Program is an empowerment program that integrates education, economy, health, and the environment in one empowerment model. These models are packaged in Champion Smiles, Independent Smiles, Healthy Smiles, and Sustainability Smile programs. The empowered village program model schematic can be seen in Figure 3.



Fig. 3. Empowered village program model schematic (Source: Processed data).

Senyum Juara is an Education empowerment program to improve the quality of education, which includes the categories of beneficiaries: quality students, infrastructure, and teaching staff per the SDGs (Sustainable Development Goals) goals which ensure that all Indonesian children complete free primary and secondary education, equitable and quality that leads to relevant and practical learning impacts.

Senyum Mandiri is an economic empowerment program based on the local potential for underprivileged communities to reduce poverty levels.

Senyum Sehat is a program to improve the quality of public health based on individual, communal, and non-governmental organizations. The realization of the program is in the form of Elderly Friendly, Toddler Posyandu, Mass Circumcision, Free Ambulance, Healthy Alert, Health Assistance, Nutrition Garden, Free Clinic.

Senyum Lestari is a program that focuses on environmental problems, Rumah Zakat is committed to improving the quality of the environment and reducing social problems related to the environment, especially water, sanitation, and hygiene.

This integrated approach to empowerment is in line with the opinion of Zainal et al. [18] which states that empowerment must integrate all strategic aspects owned by local communities including the production, economic, social and ecological environment. Through empowerment efforts, community members are encouraged to have the ability to utilize their resources optimally and to be fully involved in production, economic, social and ecological mechanisms.

The success of an empowerment program is primarily determined by the presence of assistants, as is the case with the Empowered Village program. Each Empowered Village program is accompanied by a companion (Pelopor Youth) who is usually called an Inspirational Volunteer. Inspiration volunteers are local people who have a good understanding of religion and have the mentality and ability to be empowering.



These models are packaged in Senyum Juara, Senyum Mandiri, Senyum Sehat, and Senyum Lestari programs. Each Empowered Village program is accompanied by a companion (Pelopor Youth) who is usually called an Inspirational Volunteer. Inspiration volunteers are local people who have a good understanding of religion and have the mentality and ability to be empowering.

The Empowered Village Program has a significant impact on reducing poverty in Indonesia. It can be seen from the results of the 2019 Rumah Zakat impact study.

#### ACKNOWLEDGMENT

The Institute for Research and Community Service (LPPM) of the Islamic University of Bandung which has provided research grants cause of that this research can be release, Chief Executive Officer (CEO) of the *Amil* Zakat Institute (LAZ) Rumah Zakat as a source of information for Focus Group Discussions (FGD).

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