

UDC 332

## EMPOWERMENT OF THE POOR THROUGH ZAKĀT: A CASE STUDY OF BAZNAS IN MALANG CITY

Yunus M.\*, Suman Agus, Multifiah, Manzilati Asfi

University of Brawijaya, Indonesia

\*E-mail: [yunus@pips.uin-malang.ac.id](mailto:yunus@pips.uin-malang.ac.id)

### ABSTRACT

This research aimed to construct a governance perspective on empowering the poor through zakāt, which has the potential to change zakāt recipients (*mustahiq*) into zakāt givers (*muzakki*). This research employs a postpositivist qualitative approach with a case study research strategy. Researchers try to interpret the meaning of actual cases, investigate the process, and seek in-depth explanations with data collection techniques through interviews, participatory observation, and documentation. Interactive analysis techniques are used starting from data collection, condensation, presentation, and concluding. The results are as follows: (1) the *amil* actor has two perspectives: (a) only distributes zakāt, and (b) interprets the main task of zakāt management as the aspect of distribution to the sustainability stage of its utilization. However, there are constraints from the resources availability, assistance budget, and empowerment experts, so it is necessary to improve the quantity and capacity of *amil* according to program needs; (2) *mustahiq* actors have two perspectives: (a) interpreting zakāt funds as being limited to giving for consumption, and (b) feeling that it is a mandate that needs to be accounted for. The majority of the *mustahiq* group in this study tend to receive zakāt for consumptive needs, not for the perspective of building a business that can be developed sustainably as a way out of poverty; and (3) for empowerment using Zakāt Community-Based Development (ZCD). The relatively successful ones are those that focus on the quality of their distribution, accompanied by the assistance management in each *mustahiq* community and optimizing the small groups' role, such as recitation groups, community associations, and the Bayt al-Māl community, which are deliberately designed as social agents for BAZNAS.

### KEY WORDS

Zakāt, empowerment, Zakāt Community-Based Development (ZCD).

Zakāt is a form of worship included in the Islam pillars, which Muslims believe (Atabik, 2015). Zakāt can be interpreted as an obligation for every Muslim to pay 2.5% of the assets owned to be given to people entitled to receive it according to the Shari'a provisions. People who must pay zakāt are called *muzakki*, people entitled to receive zakāt are called *mustahiq*, and people or institutions in charge of collecting and distributing zakāt are called *amil*. The concept of zakāt has similarities with the concept of Corporate Social Responsibility (CSR). The difference is that CSR is the company's responsibility for the operational activities carried out. At the same time, zakāt is the responsibility of a person or institution for the assets owned based on Islamic beliefs.

In its implementation, zakāt has various benefits. For example, some of them are believed to be able to increase gratitude, rid themselves of miserliness, and become a medicine (Multifiah, 2011). In addition, zakāt is expected to be able to help and assist Mustahik to get a better life. Furthermore, zakāt can also reduce economic inequality in society so that a more harmonious life can be realized in all circles (Rais, 2019). Thus, zakāt can be used to alleviate poverty through economic empowerment of the poor, especially those requiring attention from all parties (Kambali & Rahman, 2021).

Realizing the many benefits of zakāt, the Indonesian government established particular institutions to manage the implementation of zakāt to optimize the absorption of zakāt funds, one of which is the *Amil Zakat National Agency (Badan Amil Zakat Nasional, BAZNAS)*. BAZNAS is an official zakāt distribution institution established by the government based on

the Decree of the President of the Republic of Indonesia No. 8 of 2001, which is in charge of collecting and distributing zakāt, infāq, and sadaqah (BAZNAS, 2022). Zakāt management has been regulated in Law no. 38 of 2011 concerning zakāt Management, whose implementing regulations are regulated in Government Regulation no. 14 of 2014. However, in its implementation, the collection of zakāt by BAZNAS has not been optimal.

It can be seen from the development of Malang City BAZNAS fund receipts which have decreased since 2017, but in 2021 there was a significant increase. Figure 1 indicates the zakāt received by BAZNAS and the development of Malang City's per capita income as an indicator of potential zakāt payments. The condition of the declining development of zakāt receipts by BAZNAS, namely in 2017 – 2020, indicates that the zakāt paying community (*Muzakki*) is more likely to have a preference to distribute their zakāt to zakāt management institutions outside BAZNAS, such as the *Amil Zakāt Institution (Lembaga Amil Zakat, LAZ)* which managed by local people in the mosques of Malang City.

This assumption is reinforced by the fact that Malang City's per capita income development tends to increase more rapidly than East Java's per capita income. It means the amount of zakāt payment funds in Malang City should increase. The good news is that in 2020-2021, BAZNAS's receipt of funds has increased significantly. It is most likely due to zakāt management institutions outside BAZNAS experiencing difficulties in zakāt management due to the COVID-19 pandemic, which was quite severe that year. Thus, BAZNAS has provided itself as a zakāt distribution institution. Still, it is not the only institution chosen by the resident of Malang as a place to distribute their zakāt.

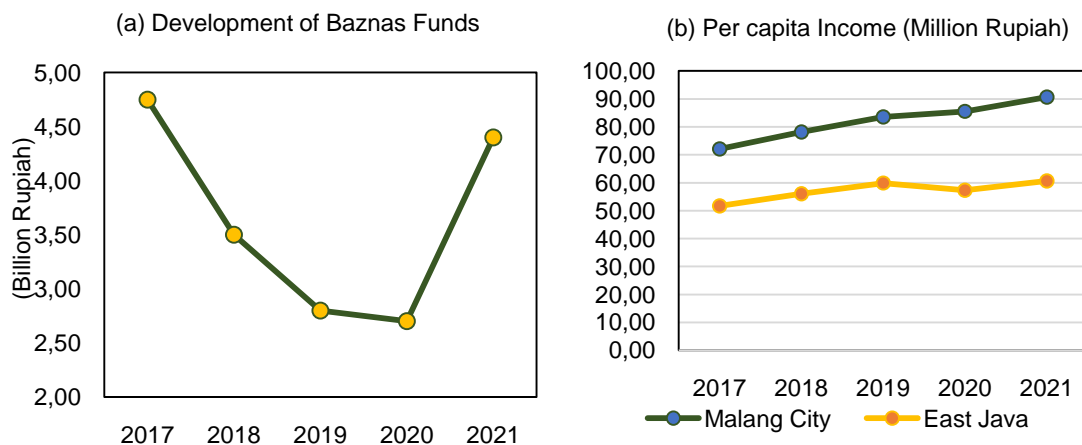


Figure 1 – Development of BAZNAS Funds and Per capita Income Malang City 2017 – 2021

On the other hand, most people want benefits in paying zakāt, primarily to alleviate the problem of poverty in the city of Malang. This perception is actually in line with the Malang City BAZNAS program. Figure 2 explains that most of the zakāt allocation managed by BAZNAS is allocated to the needy and poor groups (*fakir and miskin / the poor and the destitute*). BAZNAS even established Zakāt Community Development (ZCD) as a flagship program in zakāt management. However, the fact is that poverty in Malang City has remained relatively unchanged since 2017. It indicates that the role of zakāt is still tiny in efforts to reduce poverty in Malang City. Therefore, the role of zakāt managed by BAZNAS is relatively not much different from zakāt management carried out by other institutions outside BAZNAS.

It illustrates that poverty in Indonesia, including Malang City, is still relatively high. However, several efforts from the government and the community to overcome these problems have been carried out. For example, the government provides School Operational Assistance (*Bantuan Operasional Sekolah, BOS*), the National Urban Community Empowerment Program (*Program Nasional Pemberdayaan Masyarakat Mandiri, PNPM*), People's Business Credit (*Kredit Usaha Rakyat, KUR*), Joint Business Credit (*Kelompok*

*Usaha Bersama*, KUBE), extreme poverty alleviation, and others. Meanwhile, BAZNAS continues to promote the zakāt revival movement with good governance. For example, the International Standard zakāt Core Principles have been compiled by Bank Indonesia together with BAZNAS and the Islamic Research Training Institute (IRTI). This effort is made to strengthen the management of the zakāt system in line with poverty reduction programs and sustainable and inclusive national development (Bank Indonesia, 2016).

The implication is that *amil*, as the zakāt manager in Malang City, must show better performance so that *muzakki* are more interested in distributing their zakāt to Malang City BAZNAS. Therefore, this research focuses on making BAZNAS's role more prominent in optimizing zakāt to overcome poverty in Malang City. Furthermore, BAZNAS is expected to convert zakāt recipients (*Mustahiq*) into zakāt payers (*muzakki*). Thus, the purpose of this study is to examine the perspective of *amil* (BAZNAS) and *mustahiq* in interpreting the importance of zakāt as an empowerment instrument so that zakāt recipients in the next period can turn into zakāt givers.

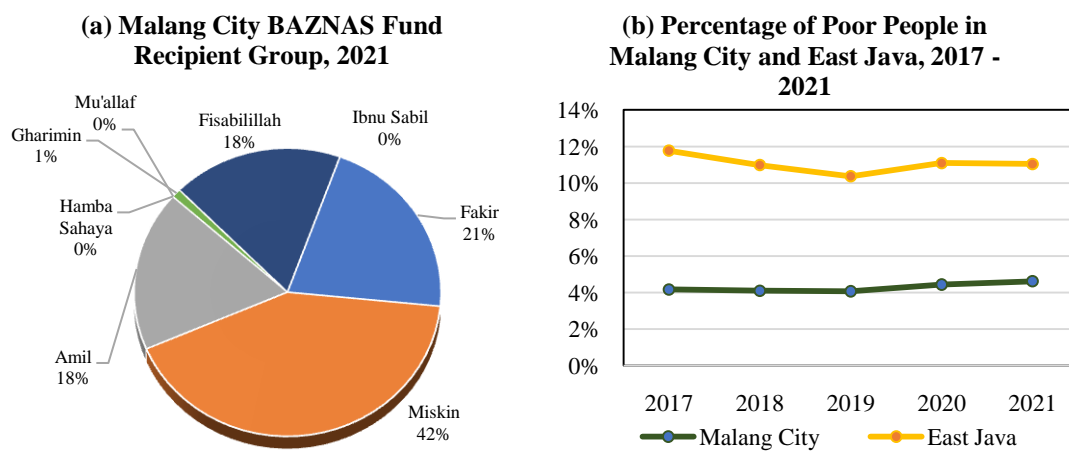


Figure 2 – Group of BAZNAS Fund Recipients and Percentage of Poor Population Malang City and East Java 2017 – 2021

## LITERATURE REVIEW

### Zakāt and empowerment

In Law (*Undang-undang*, UU) No. 23 of 2011, there are two kinds of zakāt management institutions, namely the *Amil Zakat National Agency* (*Badan Amil Zakat Nasional*, BAZNAS) and the *Amil Zakāt Institution* (*Lembaga Amil Zakat*, LAZ). BAZNAS is an institution authorized to carry out zakāt management tasks in the collection, distribution, and utilization of zakāt. However, the community can also establish the LAZ to assist BAZNAS in carrying out zakāt management tasks. Thus, BAZNAS acts as a coordinator as well as an operator. As a coordinator, Malang City BAZNAS has a role in coordinating LAZ in Malang City in carrying out their duties. As an operator, the Malang City BAZNAS also carries out collecting and distributing zakāt and reporting its performance to the East Java Regional BAZNAS. So, as the coordinator and operator of zakāt formed by the government, BAZNAS becomes a benchmark for success for other zakāt institutions.

Zakāt can increase accessibility for zakāt recipients. According to data from the Strategic Study Center of the National *Amil zakāt Agency* (*Pusat Kajian Strategis - Badan Amil Zakat Nasional*, PUSKAS-BAZNAS), the zakāt Indonesia outlook in 2017 shows that every year the zakāt collected has increased through the participation of companies and institutions to pay zakāt. Optimal zakāt management should affect reducing the number of poverty. Networking, characterized by a reciprocal relationship of mutual kindness between *muzakki* and zakāt recipients, is part of social capital and plays a vital role in empowering the poor (Agustin et al., 2013). Pratama & Beik (2015) explained that zakāt could create

economic mobility through community productivity and increase income or sustainable economic performance (sustainability). However, the number of poor people still fluctuating may indicate that the management of zakāt funds has not been optimal (Putri, 2019).

One type of zakāt distribution is productive zakāt, whose form of zakāt management is especially prioritized on empowering resources through several stages, including training, mentoring, and supervision. Ideally, the zakāt that is handed over can bring change, and *mustahiq* can get out of poverty to achieve the goal of making someone who was originally a *mustahiq* to be a *muzakki* (Yusuf Qardhawi in Riyaldi (2017)).

BAZNAS, through the Zakat Community Development (ZCD) program, implements zakāt empowerment with community development that integrates social aspects (education, health, religion, environment, and other social aspects) along with economic aspects, with the major funding coming from zakāt, infaq, and sadaqah that can be adapted to the conditions in the local community. This program covers various aspects of community life, intending to create a society empowered in education, health, economy, and religious life (PUKAS-BAZNAS, 2017b). The results of the study by the Center for Strategic Studies of BAZNAS (PUKAS-BAZNAS, 2017a) also show that the management of zakāt by BAZNAS in each program, especially on empowering *mustahiq*, shows an increasing welfare index due to the increasing amount of income from *mustahiq* in all study areas in Indonesia, accompanied by with a decreasing poverty rate. So forming a community can improve the quality of zakāt management.

The ZCD program is in line with the concept of Community Based Development by the World Bank, which involves the beneficiary communities in development programs. Then the concept of Community Driven Development was developed to make development more inclusive (Dongier et al., 2003). Furthermore, Community Driven Development aims not only to reduce poverty but also to make the poor partners in the development process (Pozzoni et al., 2006).

In its implementation, the management and empowerment of zakāt do not escape various obstacles. Alam (2018) mapped the problems of zakāt management in Indonesia, including from the side of regulators, zakāt management organizations, zakāt givers, and zakāt recipients. Following the focus of this research, the author will highlight the problems in terms of Zakāt Management Organizations (*Organisasi Pengelola Zakat*, OPZ) and zakāt recipients. Limited quality Human Resources (HR) for *amil* zakāt is still a problem in OPZ. zakāt recipients still tend to be consumptive due to a lack of knowledge about zakāt rules in Islam and low motivation to switch to being zakāt givers. According to (Urif et al., 2018), for zakāt to function optimally as working capital for zakāt recipients, it must be followed by knowledge and skills. So to optimize the distribution of productive zakāt funds, there needs to be empowerment in terms of intensive guidance to zakāt recipients (Rosmawati, 2014).

The success of the zakāt empowerment program causes an increase in welfare for zakāt recipients. It is driven by a program of direction, training, guidance, and assistance for zakāt recipients to manage zakāt funds so that they do not run out for consumption or business without being accompanied by good management (Widiastuti, 2015). Karuni (2020), in his research, explains that the empowerment program held by BAZNAS has a role in improving the quality of life of zakāt recipients in terms of health, education, and economy with a positive and significant relationship, especially in increasing awareness of zakāt recipients on the importance of getting proper health and education.

On the other hand, research by Lestari & Tikawati (2019) shows that when the ZCD program ends, members who were initially empowered can be hampered again and experience a decrease in productivity; some even become unemployed. Therefore, in the ZCD program, both *amil* and zakāt recipients need to understand the sustainability and independence aspects of implementing the ZCD program. In addition, the empowerment target is not only men but also women. The research results show that women successfully use microcredit, and there is a correlation between the frequency of group meetings and the amount of installments arrears (Suman, 2007).

## METHODS OF RESEARCH

This research was conducted with a qualitative approach (Postpositivist) with the type of case study research that allows researchers to obtain as much information as possible about the research problem from the research subject. According to (Yin, 2016), in the case study method, researchers seek to find meaning and real facts, investigate processes, to obtain in-depth and complete explanations of specific individuals, groups or events using more varied data collection techniques such as through documents, in-depth interviews, and participatory observation.

To understand the role of zakāt as an empowerment instrument to overcome poverty in Malang City from the perspective of *amil* and *mustahiq*, the authors collect information from primary and secondary data from the Malang City BAZNAS zakāt community (*amil* and *mustahiq*). The information was obtained through various data collection techniques: participatory observation, In-depth Interviews, Focus Group Discussion (FGD), and the Malang City BAZNAS Report Document. The resource persons or informants were determined purposively using the Snowball Sampling Technique. Selected as key informants in the study were two heads of Malang City BAZNAS, one BAZNAS staff, and several members of the zakāt community assisted by Malang City BAZNAS as representatives of *mustahiq*.

After being validated by triangulation techniques of sources and methods, information from these key informants is interpreted with an interpretive approach to understand and examine the implications of zakāt distribution for the empowerment of the poor. For example, *Mustahiq* is called empowered if his welfare increases so that *mustahiq* can change from a zakāt recipient to a zakāt giver; at least *mustahiq* can give alms or infaq.

The data analysis method used is interactive analysis (Miles, MB, Huberman, AM, and Saldana, 2014) in the form of data collection; data condensation, which refers to the process of selecting, focusing, simplifying, abstracting, and transforming data; data presentation; and verifying data or drawing conclusions (Manzilati, 2017).

## RESULTS AND DISCUSSION

Zakāt has a strategic role in realizing the benefits of zakāt for improving welfare and alleviating poverty. To achieve this goal, the role of zakāt *amil*, who carry out zakāt management functions from the collection, distribution, and utilization of zakāt, needs to be optimized. In particular, BAZNAS, as an institution formed by the government, should be a pioneer in achieving the goal of achieving zakāt. However, the preferences of some people who pay zakāt (*muzakki*) still tend to choose to distribute their zakāt to zakāt management institutions outside BAZNAS. It is under the statement from the Head of the Malang City BAZNAS in 2022.

*“Some people still think that BAZNAS is like a “red plate”<sup>1</sup> institution. In fact, besides functioning as a zakāt operator (manager), BAZNAS also functions as a coordinator for LAZ in the city of Malang. LAZ was founded by the community, formed by the community, not the government. Maybe because some people think of BAZNAS as a “red plate” institution formed by the government, they have more confidence in LAZ in the mosques. In fact, as zakāt managers, both BAZNAS and LAZ are the same. It has to be straightened out.”*

In seeking for BAZNAS to have a more significant role in overcoming poverty in Malang City, this study examines the perspectives of *Amil* (BAZNAS) and *mustahiq* in interpreting the importance of zakāt. The results of this study indicate that the *mustahiq* perspective is in line with the *amil* perspective, which considers that zakāt funds given by *muzakki* are free to be used for consumptive and productive uses.

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<sup>1</sup> A colloquial of Government-owned institution

From 2014 to 2018, the Malang City BAZNAS implemented the zakāt Community Development (ZCD) model of zakāt empowerment. However, after a leadership change in the following period, BAZNAS still focused on zakāt distribution, not yet optimizing ZCD empowerment. In addition, the condition of the Covid-19 pandemic has also become an obstacle in *amil* assisting process with zakāt receiver groups.

Uniquely, amid a pandemic in 2021, the percentage of BAZNAS receipts increased. On the one hand, this indicates an increasing sense of community care or generosity. Still on the other hand, BAZNAS is not the only alternative for the community to distribute zakāt. They are sometimes more interested in distributing their zakāt to *amil* zakāt institutions (LAZ) centered in mosques. It is confirmed by the opinion of representatives of zakāt community actors who are members of the Bayt al-Māl as follows:

*“The UPZ (Unit Pengumpul Zakat (Zakāt Collecting Unit)) formation of BAZNAS in several mosques does not seem to be running optimally. Why? Yes, because in those mosques, there are LAZ, NU Care, LAZISNU, LAZISMU ... besides that, there are zakāt houses and others... For the implementation of zakāt empowerment, the ZCD, in my opinion, has been implemented in Kedungkandang. Even though at that time, as I recall, in the 2014-2018 BAZNAS period, there were only five executives, many kinds of businesses were established by trying hard. There were chicken coops, small plastic processing industries... it is a shame that the continuation cannot be optimized”.*

This view represents some people’s preference to distribute their zakāt to LAZ other than BAZNAS, as well as implies the community’s high expectations towards BAZNAS to be able to optimize its role in serving *muzakki* and *mustahiq* through empowerment so that the benefits of zakāt are realized for the welfare of the people.

### **Ami’s Perspective**

Before the emergence of the Covid-19 pandemic, BAZNAS do empower zakāt. However, the implementation is still not optimal because several things cause it. One of them is that each ward has different poverty problems. Ideally, each *amil* is focused on managing one ward. However, due to limited adequate resources, the development of the empowered areas is uneven. Only areas that receive sustainable assistance and adequate financial support can potentially escape poverty. Nevertheless, the interviews with the Malang City BAZNAS show that Malang City BAZNAS has implemented zakāt empowerment.

*“Actually, Malang City BAZNAS has carried out the *amil* function in distribution and utilization as mandated by law.”*

It is per the organizational performance report book (Malang City BAZNAS, 2021), which reported that BAZNAS had provided education, health, and economic assistance, including providing religious and social assistance in the form of assistance for the construction of mosques/*mushalla*, and social assistance due to natural disasters. As a result, the total of all BAZNAS funds that have been distributed in 2021 has reached 4.1 billion rupiahs.

In the field of education, BAZNAS has provided monthly assistance of IDR 500,000 for six months to 200 orphaned students whose parents died due to Covid-19. In addition, BAZNAS has provided medical assistance, Covid-19 control, public health training, and others in the health sector. This assistance is participatory support of 244 million rupiahs for 1518 beneficiaries. Furthermore, the OJIR (*Ojo Percoyo Rentenir* (Do not Believe in Moneylender)) program assists by providing business capital assistance in collaboration with BPR (IDR 700,000,000) BAZNAS issued IDR 62,000,000 for 177 people. In addition, there is a business capital assistance of IDR 143,000,000 for 117 beneficiaries. This assistance is given to poor *mustahiq* in the hope of reviving their business after the Covid-19 pandemic (Malang City BAZNAS, 2021).

However, in its implementation, the *amil* is still focused on the distribution process. Several obstacles cause this—**First**, limited resources. To properly manage the entire area of 57 urban villages in Malang City, it is necessary to support the availability of adequate *amil* resources following the program's needs. One of the factors that cause empowerment activities to be less targeted is because one person handles several wards, even though the characteristics and advantages of the regions are different and require intensive assistance. It is evidenced by the results of an interview with the Chairperson of *Dhuhal Islam Bayt al-Māl*, Merjosari Village, assisted by Malang City BAZNAS.

*"In the field, there are obstacles regarding the number of amil resources who provide assistance and zakāt recipients themselves. We need to adapt to the local wisdom of the community. Our community is not like a formal organization. There are seven managers in total. If you ask how many managers are directly involved, we take turns, who is not busy, about 1-2 people."*

The interview results above were also confirmed by other informants that in terms of community development carried out by *amil*, it is still not evenly distributed because each region has its uniqueness, so its development can vary depending on the community's social conditions.

*"Malang City BAZNAS has actually carried out zakāt empowerment since before the pandemic has also been running. However, the amil feels overwhelmed in managing it because one person takes care of many wards with different problems. Each region also has its potential and uniqueness. So it should be focused, for example, one amil takes care of Jodipan, one person takes care of Kasin, Merjosari, and others."*

Second is the limited budget for assistance. The *amil* realized that *amil* had an obligation to monitor *mustahiq*. However, the frequency of visits is minimal due to the lack of budget support to carry out visits, while the distance for each empowerment area is close, and some are quite far. Based on this, it means that there is a limited budgeting condition.

*"Assistance to groups of zakāt recipients is also hampered because the budget does exist, but for conducting periodic surveys and mentoring, there is no special budget allocation, so only a few surveys. Sometimes the visits we make are using our funds..."*

The nominal value of zakāt funds distributed should be increased so that they are not used up for consumption because it is hoped that their use can be developed for productive things. However, the interviews with informants confirm that the amount of zakāt funds distributed is too small to start a business.

*"The rule is that, at most, 12.5% of zakāt can be taken for operational funds. While infaq funds, a maximum of 20% may be used for operational costs. That the zakāt funds of the Malang City BAZNAS are still small because the main source is from ASN (PNS) profession zakāt, approximately 25%-30%, while 70% comes from other than zakāt, such as infaq, sadaqah, and social funds other than zakāt (DSKL), for example, waqf, grants, etc."*

Third, the limited expertise of *amil*. *Amil* knows their responsibilities and roles in managing zakāt money received by *mustahiq*. It means that the *amil* already has a perspective on *mustahiq* empowerment. However, this becomes a significant obstacle because *amil* has limited ability in the business field but is required to help *mustahiq* develop the business. The absence of preparation in terms of *amil* competence is undoubtedly related to the quality of empowerment for zakāt recipients.

*“Amil has limited expertise as an assistant. Some are management experts, some are experienced in managing cooperatives, and so on, but the numbers are limited”.*

As a result, from 2017 to 2021, BAZNAS emphasized channeling its funds to zakāt recipients for consumptive needs or only for distributive purposes, not empowerment. Some are productive, but the nature of the assistance is only distributed to beneficiaries without assistance. For example, after the pandemic slowly recovered, in 2021, Malang City BAZNAS disbursed business capital assistance of 143 million rupiahs to 117 people in Malang City, which was used to create new businesses, increase businesses or maintain businesses because *family* income during the pandemic tends to decrease, or even no income.

One of the fostered communities of Malang City BAZNAS that managed to get assistance with productive zakāt funds and was able to develop it in Malang City is the Bayt al-Māl community in the Merjosari area of Malang City. Therefore, the *Dhuhal Islam Merjosari* Community can be a best practice for other regions.

For this reason, it is necessary to increase the zakāt distribution, not only in quantity but also in the quality of the utilization of these funds. Not just giving a certain amount of zakāt money to *mustahiq*, but can change the concept and mindset of *mustahiq* so that they can manage and utilize zakāt funds productively.

So assistance from the *amil* side of *mustahiq* is essential so that the zakāt given can be of sustainable use. It needs to be fixed and gets special attention from the Malang City BAZNAS institution so that the *amil* can supervise, assist, and update the existing zakāt data channeled on target. Thus, to optimize the role of *amil*, of course, constraints such as budget and capacity building for *amil* also need to be addressed first so that empowerment for *mustahiq* can run optimally.

### **Mustahiq Perspective**

As for the *mustahiq*, it is still dominated by the use of zakāt for consumptive purposes. The *mustahiq* also have limitations in utilizing the zakāt funds given due to a lack of skills and understanding. Most zakāt funds used are consumed for daily needs, so there is no development for business capital or other productive uses. Information obtained from groups of zakāt recipients also said so.

First, *mustahiq* does not yet have the correct perspective on receiving zakāt. Zakāt is only for consumption. Some think that zakāt funds are used for urgent and short-term daily needs. On the other hand, *amil* tries to utilize zakāt funds to be developed in the long term.

*“The zakāt received for us is like a fortune from the sky. We can use it to meet our daily needs.”*

Few *mustahiq* think that zakāt can function to develop a business that can be run sustainably. *Mustahiq* has not been trained to determine his financial priorities. What is considered a priority is an urgent matter. So *Mustahiq* needs to be trained to identify their priority needs in the long term. The interviews with *mustahiq* sources indicate several priorities for using the zakāt funds received.

*“As long as zakāt funds are used to pay off loan dependents to mobile lenders (lenders), pay school fees, seek treatment, meet daily basic needs, and even if they are used for business development, the amount is still minimal. Meanwhile, if it is managed again for our business, we still cannot, and the current needs are urgent and need money immediately”.*

It indicates that the funds provided are too small to start a business. It means creating a system that can assist them in managing business funds is necessary. It requires sufficient capital. So far, *amil mustahiq* assumes that if zakāt funds are used to start a business, it is



likely that the amount is insufficient, so they choose to use it for urgent needs. It indicates that zakāt giving should focus on one person first, so zakāt recipients can develop and become *muzakki*.

*“For assistance, there is no special budget, but the assistance before Covid was still running, but when it was Covid, it was no longer like it used to be, even people who borrowed funds but were only able to return a little, unlike usual, we accept. There is no interest, however. Loans without collateral. Being late is not fined.”*

Second, no community helps each other. There is a community that manages the distribution of zakāt funds. However, it is still not optimal because a structured and voluntary system has not yet been formed, resulting in *mustahiq* not feeling that the zakāt received is a capital loan. If zakāt recipients succeed in understanding zakāt for capital, then they will succeed in escaping poverty and developing long-term businesses. For example, in Merjosari, as stated by the Head of the *Dhuhul Islam* Bayt al-Māl Community, Merjosari, Lowokwaru Districts, Malang City, assisted by Malang City BAZNAS.

*“Our community is called Dhuhul Islam Bayt al-Māl, located in Joyosuko, Merjosari. Our community is managed voluntarily, so BAZNAS volunteers. It is just a community to help our citizens who need help... There are examples of mustahiq who feel helped and whose welfare is getting better, such as mustahiq in RW 04, RW 07, and RW 12. They are small actors selling flowers, builders, traders (owners of small shops), cilok hawkers (ball-shaped dumplings made from tapioca flour). Whereas in RW 07, it was more “terrifying,” our community channeled funds to free people whom moneylenders trapped... There were moneylenders from investors who entered through the PKK group. The interest was up to 20%. Well, our community channeled funds to help residents not be trapped by those high-interest loans...”*

A successful *mustahiq* empowerment community can be an example for the development of other communities because there are still many zakāt recipients who have not been able to turn into *muzakki* as expected. It is the following data from the number of poor people who have increased in the city of Malang. Mustahik’s understanding of zakāt utilization needs to be improved through empowerment programs from BAZNAS. The utilization of community communities can be an alternative solution to increase the utilization of zakāt while still receiving guidance, direction, and assistance from Malang City BAZNAS.

## CONCLUSION

It was concluded that zakāt as an empowerment instrument for the poor has many benefits, but its role in the field needs to be optimized.

### Suggestions:

From the point of view of zakāt distributors, there are two perspectives including (a) *amil* only distributes zakāt or as a distribution agency for zakāt funds, and (b) *amil* defines the main task of zakāt management in terms of distribution to the stage of sustainability of the use of zakāt funds. The Malang City BAZNAS faces obstacles in utilizing zakāt, such as the availability of *amil* resources, limited budget support for mentoring programs, and the quality of *amil* in empowering. So to optimize the role of *amil*, it is necessary to improve the quantity of *amil* adjusted to program needs and program support budgets and increase the capacity of *amil* in terms of empowering *mustahiq*.

From the side of zakāt recipients, there are two perspectives, including (a) *mustahiq* understanding is that zakāt funds are limited to a giving from *muzakki* for consumption, and (b) *mustahiq* feels that this is a mandate that needs to be accounted for. However, most of

the *mustahiq* groups in this study tend to use the zakāt they receive for disposable needs, not for building a business that can be developed and sustainable as a way out of poverty.

The poor empowerment using Zakāt Community-Based Development (ZCD) that relatively successful ones are those that focus on the distribution quality accompanied by the governance of assistance in each beneficiary community and optimizing the role of small groups in society. For example, recitation groups, *Family Welfare Movement (Pemberdayaan Kesejahteraan Keluarga, PKK)*, women's groups, neighborhood associations, and the Bayt al-Māl community were deliberately designed as BAZNAS social agents.

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