

# Lazismu Philanthropy Potential in The Empowerment of Mustahiq's Economic and Welfare (A Case Study in Probolinggo, Jember, and Pasuruan)

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## **ABSTRACT**

Indonesia has a large zakat potential and has not been widely used for economic empowerment for the poor. Lazismu, as part of the national zakat institution, develops to provide solutions in zakat management in the form of economic empowerment for the poor to turn mustahiq into muzakki. This study was field research, and the data were obtained directly from the field and research objects. The research applied a normative sociological approach. This research was descriptive-analytic and clearly and in detail described the phenomena as the main problem without doing hypotheses or statistical calculations. Specifically, this research intended to describe in general the management of zakat conducted by Lazismu in Probolinggo, Jember and Pasuruan, then systematically reviewed them to achieve Lazismu's Role strategy in poverty alleviation for the people of Probolinggo, Jember and Pasuruan, so that it was easier to understand and conclude. The results showed that the three Regional Lazismu in this study carried out the empowerment of mustahik to become muzakki with economic empowerment. Early empowerment is carried out by providing training and assistance to Mustahiq in managing productive economic businesses that are carried out sustainably. Economic empowerment for mustahiq has the potential to improve the economy to be more independent in running their business.

Keywords: Lazismu, economy, empowerment

Indonesia memiliki potensi zakat yang besar dan belum banyak dimanfaatkan untuk pemberdayaan ekonomi masyarakat miskin. Lazismu, sebagai bagian dari lembaga zakat nasional, berkembang untuk memberikan solusi dalam pengelolaan zakat berupa pemberdayaan ekonomi masyarakat miskin untuk mengubah mustahiq menjadi muzakki. Penelitian ini merupakan penelitian lapangan yang datanya diperoleh langsung dari lapangan dan objek penelitian. Penelitian ini menggunakan pendekatan sosiologis-normatif. Penelitian ini bersifat deskriptif-analitis dan menggambarkan secara jelas dan rinci fenomena sebagai masalah utama tanpa melakukan hipotesis atau perhitungan statistik. Secara khusus, penelitian ini bertujuan untuk mendeskripsikan secara umum pengelolaan zakat oleh Lazismu di Probolinggo, Jember, dan Pasuruan, kemudian secara sistematis mengkajinya untuk memahami strategi dan peran Lazismu dalam pengentasan kemiskinan bagi masyarakat Probolinggo, Jember dan Pasuruan. Hasil penelitian menunjukkan bahwa ketiga Lazismu daerah dalam penelitian ini melakukan pemberdayaan mustahik menjadi muzakki melalui pemberdayaan ekonomi. Pemberdayaan sejak dini dilakukan dengan memberikan pelatihan dan pendampingan kepada Mustahiq dalam mengelola usaha ekonomi produktif dan dilakukan secara berkelanjutan. Pemberdayaan ekonomi bagi mustahiq berpotensi untuk meningkatkan perekonomian agar lebih mandiri dalam menjalankan usahanya.

Kata Kunci: Lazismu, ekonomi, pemberdayaan

### **ABSTRAK**

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*melakukan pemberdayaan mustahik menjadi muzakki melalui pemberdayaan ekonomi. Pemberdayaan sejak dini dilakukan dengan memberikan pelatihan dan pendampingan kepada Mustahiq dalam mengelola usaha ekonomi produktif dan dilakukan secara berkelanjutan. Pemberdayaan ekonomi bagi mustahiq berpotensi untuk meningkatkan perekonomian agar lebih mandiri dalam menjalankan usahanya.*  
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## **INTRODUCTION**

The capitalistic economy as the world's 'economic giant' nowadays evidently is unable to solve the problem of inequality. In Indonesia in particular, the populist economy, which is affirmed as a characteristic of its economy, still cannot be consistent with what was initiated by the founders of the nation. In fact, it seems that this capitalistic economy is the trend of Indonesia's current economy as we know that cooperative as a business foundation that is legalized in the constitution because of the value of cooperation as the basic moral that distinguishes the economic system of the Republic of Indonesia from the capitalistic and socialist economic systems<sup>1,2</sup>

*Zakat* has tremendous potential in reducing the poverty rate. Research conducted by Zaenal, Astuti, & Sadariyah, 2018;<sup>3,4</sup> regarding the empowerment of the *zakat* community has significance in reducing poverty levels and makes it possible to reduce inequality and end poverty in Indonesia. The poverty severity level of the beneficiaries of the productive *zakat* program in Bantul is seen by the Sen Index (P2) decreases from 0.093 to 0.062, while using the Foster-Greer-Thorbecke Index (P3), the poverty severity level decreases from 0.010 to 0.004.

The same research has also been conducted by Nashir & Nurzaman. The results of this study indicated that *zakat* is an instrument that has a function to reduce poverty levels. *Zakat* can reduce poverty if it is managed properly. The impact of the *zakat* empowerment program on the village development program by BAZNAS Serang Regency in 2016 and 2017.

Muhammadiyah is one of the oldest and largest Islamic civil society organizations in Indonesia, aged one century. Since its inception, this organization has emerged as a social movement that translates Islamic

teachings into various forms of *da'wa* (missionary) social community activities. Furthermore, the attention of the founders of this organization on social and economic problems in society has encouraged the growth of community service activities that are supported by the philanthropic movement empowering system which obtained from zakat, alms and waqf from its sympathizers. As one of the modern Islamic organizations' pioneers in Indonesia, Muhammadiyah has grown as an Islamic movement with charitable businesses in different capacities, such as hospitals, colleges, financial institutions and other charitable businesses of schools and orphanages. Seeing from the number of charitable businesses that it is owned, it cannot be denied that the organization founded by Kyai Ahmad Dahlan in Yogyakarta is the largest in Indonesia.

In the middle of the organization managing philanthropic modernization in Indonesia, which has been going on for at least a decade, Muhammadiyah has taken the initiative by establishing Muhammadiyah's *Amil Zakat* institution, abbreviated as Lazismu. This institution has played an important role in building collective awareness of Muhammadiyah members to project funds originating from zakat and alms. Lazismu, which is developed in Jakarta, is actively conducting campaigns, offering new ideas for the management of philanthropic funds in Muhammadiyah and has built networks in various regions. Moreover, new networks have been formed with government agencies, companies and other civil society organizations. In the middle of Lazismu's enthusiasm in carrying out its activities in synergy with the assemblies in Muhammadiyah, the form of support from Muhammadiyah members for Muhammadiyah people is still being questioned, as well as the strategic policies of Muhammadiyah organizations in various regions are deemed not fully providing space for Lazismu to play a more effective role.

One of the problems often faced by large organizations such as Muhammadiyah, including Lazismu, is the lack of explanation about the reality of this organization in numerical or quantitative form. In making a policy, a quantitative study, in addition to qualitative, is necessary so that the basis used for making a policy is more valid and has stronger justification. For this reason, this research is expected to be the beginning

of the process of strengthening the Muhammadiyah philanthropic movement based on empirical studies.

The importance of zakat and the institutions that manage it in Muslim-populated countries is because of its enormous potential for economic development and growth, including Indonesia; <sup>6,7</sup> *Zakat* is a form of empowering the community economy by giving the rights to the mustahiq. This suggestion is a building for economic balance to empower the ummah (community). That is why LAZISMU presents itself as the Amil Zakat Institution, which has an obligation to provide several community empowerment programs to reduce poverty;<sup>8,9</sup> On target, zakat distribution is something that must be done. One way to do this is by creating a computerized eligibility determination system. Lazismu is a zakat management institution that will be implemented using the Fuzzy C-Means method as a grouping of mustahik zakat (Eka Putra, Nasution, & Yummastian, 2015). Lazismu was also able to find breakthroughs in the management of *zakat*, infaq and alms. Lazismu manages it from just generous activities to productive and redistributive activities to achieve equality and social justice <sup>10,11,12</sup>

Some of the research results that became the initial studies in this study were conducted by Romdhoni (2018) in a study using a quantitative approach, which states that the presence of Lazismu Sragen in providing capital, income, and consumption has an influence on improving the welfare of the poor. In contrast to research conducted by Furqani, Mulyany, & Yunus (2018) which describes the various productive zakat programs initiated by *zakat* institutions in Indonesia and also analyzes its implications in empowering the poor and increasing the level of welfare. The third research was conducted by Amsari to determine the pattern of *zakat* utilization that is applied productively in Lazismu, which is then also the model applied in the empowerment of *mustahik* , The research results show that in the nature of the productive use of *zakat*, Lazismu, apart from distributing it by itself, always optimizes the assemblies, institutions and Ortoms in Muhammadiyah so that the wider impact of recipients and programs is more varied.

The research financed by the PP Muhammadiyah Diktilitbang Council aimed to describe the economic empowerment of the people from different perspectives and findings. Some of the research discussions above, in reality, have not offered a form of the concept of an Islamic economic perspective that view zakat as a potential source to improve the community's economy based on the principle of justice through a distribution system, as well as in economic development to manage zakat funds and cooperation between amil institutions. The distribution system, as well as economic development to manage zakat funds, requires cooperation between amil zakat institutions and the community, especially in the horseshoe area (Pasuruan, Probolinggo, Jember). The choice of research locus in these three areas was because these three areas have the same focus in managing zakat funds based on community empowerment. The flagship programs in the three regions include Empowering the Dhuafa Creative Economy and Developing Small People's Businesses for the Dhuafa, which run consistently and are programmed.

This field research obtained the data directly from the field by collecting information and observing the object of research, and in this case, Lazismu. The approach in this research was normative sociologic. The normative approach referred to statutory rules and Islamic concepts related to zakat, donations and shadaqah. Meanwhile, a sociological approach in this research was applied to the development of zakat management in accordance with local wisdom found in the field.

This descriptive-analytic research described clearly the phenomena as the subject of the problem without conducting hypotheses or statistical calculations. Also, this study described in general the management of zakat carried out by Lazismu Probolinggo, Jember and Pasuruan, then systematically studied how Lazismu applied strategy to alleviate poverty in the people Probolinggo, Jember and Pasuruan.

## **RESULTS**

### **1. The Overview of Lazismu Probolinggo, Pasuruan and Jember**

Zakat institution is optimizing the management of zakat funds for economic empowerment and improving the real sector. Therefore, zakat

institution needs to have a good socio-economic mapping so that zakat funds are right on target. In addition, the productive distribution model of *zakat* funds should become the orientation towards zakat institutions rather than consumptive fund distribution patterns. ZIS is a source that the government can use to reduce poverty levels. Zakat was given to mustahik as a support for increasing the utilization of productive zakat. Productive zakat development is in the form of business capital. This concept was developed because the mustahiks' micro-enterprises were unable to access capital in formal financial institutions such as banks, banking and others even though the mustahiks' micro business has considerable potential to be developed.<sup>16</sup>

Lazismu Probolinggo, Pasuruan and Jember are district/city level non-profit organizations active in community empowerment through productive utilization of zakat, infaq, waqf funds, other generous funds from individuals, institutions, companies and other agencies. Lazismu Probolinggois located at KH. Agus Salim in front of the Raudlatul Jannah Grand Mosque, Probolinggo was founded on October 12, 2015, which was marked by the launching of the formation and inauguration of the Probolinggo Lazismu management. Lazismu Pasuruan addresses at Jl. Kyai H. Wachid Hasyim No. 202, Kebonsari, Panggungrejo, Pasuruan City, East Java. Meanwhile, Lazismu Jember in Jl. Bondoyudo No. 11 Jember belongs to the Lazismu network of the National Zakat Institute, which was established by the Muhammadiyah Central Executive in 2002. It was founded in 2002, which was marked by the signing of the declaration by Prof. Dr. HA. Syafi'i Ma'arif, MA (Buya Syafi'i) and subsequently confirmed by the Minister of Religion Republic of Indonesia as the National Amil Zakat Institution through Decree No. 457/21 November 2002 and extension of the decree of the minister of religion number 730 of 2016.

From those three *zakat* institutions above, administrative activities at Lazismu consist of: Correspondence and filing, including proposals for fund requests recording that go to Lazismu Pasuruan, Probolinggo and Jember. Meanwhile, the financial reports of Lazismu Pasuruan, Probolinggo and Jember include reports of revenue and distribution to

the supervisory agency and muzakki (published in general) periodically. Annual financial reports to the local Muhammadiyah regional leadership supervisory body. Financial reports in the form of daily cash books and bank books are internal, not published but are open for examination or auditing.

The distribution locations for Lazismu Pasuruan, Probolinggo and Jember, are 100% for zakat recipients, infaq and shadaqah, distributed to Mustahiq. The distribution is for both consumptive and productive purposes. The distribution of Lazismu Pasuruan, Probolinggo and Jember can be in the form of cooperation with the Muhammadiyah regional leadership council or carried out by LAZISMU itself. The portion for amil is distributed in the form of operational costs that are needed, with a maximum budget ceiling of 10%-15% for the recipient. The realization of the ZIS's institution operational need is reported periodically to the public every month, through a monthly magazine published by Lazismu, the East Java Region, Mata Hati, with the main mission of da'wah to be active in charity.

1. Compensation for the poor to meet their daily needs in cash.
2. Compensation for fatherless, orphans, neglected children, victims of natural disasters, displaced refugees, elderly people, disabled people from poor families.
3. Education financing assistance for underprivileged children, for example, scholarships, tuition fees, committee fees, examination fees.
4. School equipment assistance for underprivileged children, for example, school uniforms, textbooks, etc.
5. Assistance with medical expenses, childbirth or accidents for the poor, free medical treatment.
6. Procurement of free ambulances, which are taken from cash waqf funds of muzakki.
7. Mass circumcision for poor children.
8. Allowances for mosques and prayer rooms managers (guards, cleaners, *muadzin* and recital teachers).
9. Capital assistance for micro-small businesses.

## **2. The Implementation of Ummah's Economic Empowerment and Mustahik's Welfare**

### **1. Lazimu of Jember Regency**

#### a) The Implementation of Productive Zakat Philanthropy

Based on what was conveyed by Kamiluddin, as the Executive Board of the Lazizmu Program, there is no standard operating in the form of documents owned by Lazizmu. But, Lazizmu still has operational procedures and standards that mustahiq has to go through in order to get financing from this productive zakat. This procedure can be done in three ways, which are; First, Submission to Lazizmu. Here, the submission is a submission made by an individual or group who has met the requirements of mustahiq zakat. They submit submissions to Lazizmu, then conducted data collection by Lazizmu, whether the person deserves assistance through this productive zakat or not. The second is from third-party submission.

Submission through third parties is a submission based on a recommendation submitted by other people. If the mustahiq candidate is indeed worthy and meets the criteria as a mustahiq, then he is entitled to get productive zakat from Lazizmu. Third, the Road Show. The executive boards at Lazizmu conduct "roadshows" in the community to find and see people entitled to get funding through productive zakat from Lazizmu. This means that Lazizmu picks up the ball in society. Those who do meet the requirements to become mustahiq, then they get financing. In addition, several things must be evaluated in the implementation of productive zakat. Apart from the absence of a standard and written SOP and the absence of maximum supervision of productive zakat recipients, this must be evaluated. So it is necessary to make standard SOP and increase the number of officers who supervise and guide the mustahiq to be more optimal.

One of the Lazismu programs, as the author has said above, is the distribution of zakat in the form of capital, or also known as productive zakat empowerment. This program is distributed to people who are less fortunate in social-economic activities. The distribution of capital made by Lazismu Jember is not in the form of money. It is a form of anticipation if the zakat money is not used properly. However, the distribution of capital is given in the form of goods or raw materials needed by the mustahiq (Interview: Kamiludin).

The distribution of productive zakat carried out by Lazismu Jember is one of the efforts to reduce poverty in the Jember region. This objective is in line with the Regulation of the Minister of Religion No. 52 of 2014 Article 32, that what is meant by Productive Zakat is Zakat that can be utilized for productive efforts in the context of handling the poor and improving the quality of the people (Minister of Religion Regulation No.52 of 2014). Conceptually, empowerment is intended as an effort to increase the people's ability to realize capability and independence ; . In addition, what is meant by community empowerment is an activity that is continuously dynamic and synergistically encouraging the involvement of all existing potentials in an evolutionary manner with the involvement of all potentials ; ; .

This community empowerment is what to be achieved from the management of productive zakat, which is an effort to make Mustahiq become more independent in the future. It is not only the giving of consumptive zakat that is used up but also tries to provide a "hook" to the mustahiq to be more independent later, and it is even hoped that one day he will change from mustahiq to muzakki. This is the concept of community empowerment that is meant. In the implementation of productive zakat utilization through Lazismu, the ownership of the zakat is directly handed over to mustahiq. So that in this case, Lazismu does not expect a return

on the capital back on the zakat that has been handed over to *mustahiq*. What is expected is the independence of *mustahiq* after obtaining capital through productive zakat, and if the *mustahiq* has become *muzakki*, it is expected that the zakat will be entrusted to Lazismu Jember (Interview; Dedy Miftah).

This is in line with what Khasanah said, that the right to capital is the right of *Mustahiq*, and its ownership is also in the name of *mustahiq*. However, the Amil zakat must continue to provide guidance and assistance to *mustahiq* so that their business activities can run well and the benefits can be reaped in the long term.

Utilizing productive zakat was carried out by Lazismu Jember to improve the community's economy, so it has implemented the program. Some of the *mustahiq* trained by Lazismu through the productive zakat empowerment program include Mushroom Cultivation, Stall Surgery, Sidomulyo Batik House, Jember City Pedrang Trainer Empowerment, Patrang Chicken Farm, and Student Cafe.

However, not all of the businesses guided by Lazismu Jember survive due to the weak guidance and supervision of Lazismu itself (Interview: Kamiludin). Among the types of business currently still running include the shop reconstructions, chicken farms, and Sidomulyo batik house.

## **2. Lazismu of Pasuruan Regency**

Lazismu in Pasuruan regency is one of the amil zakat institutions born from civil society activities. It has its own uniqueness because it was born from the womb of Muhammadiyah mass organizations, which are now more than a century old. The vision of Lazismu Pasuruan regency in empowering the economy of the people is basically channeling zakat funds with the target in order to change the condition of the recipient from *mustahiq* to *muzakki*. The target is indeed a big target, and it is not easy, so it can take a long time. Therefore, the distribution of zakat funds

must be accompanied by a complete understanding of the problems that exist within the mustahiq. If the main problem is poverty, the first step is to find the causes of poverty. Likewise, if the other problem is a lack of capital or if one wants to have a business but does not have capital, then Mustahiq will be given guidance.

In constitution number 23 of 2011 is explained that the management of zakat includes planning, collection, distribution and utilization activities. In the PP Muhammadiyah guidebook about Lazismu, it is explained that the management of zakat, infaq, shadaqah, and other socio-religious funds include planning, implementing, and coordinating the collection distribution and utilization of zakat, infaq, shadaqah and other socio-religious funds. With the presence of Pasuruan regency Lazismu, people who want to give zakat can easily give zakat or do philanthropy by coming directly to the Lazismu office of Pasuruan City or by picking up zakat services. The purpose of establishing Lazismu Kota Pasuruan is that the ZIS funds received can be utilized optimally for poor people who need empowerment. The focus of empowerment from Lazismu is community empowerment and poverty alleviation that is more structured and fairly structured. Therefore, in order to improve a good ZIS management mechanism, of course, it must be supported by professional management in the internal environment of Pasuruan regency Lazismu. The criteria are:

1. Operational Mechanism Management activities consist of planning, organizing, implementing, and supervising the collection and utilization of zakat funds and other funds in accordance with Islamic law and applicable laws. Collections are actively carried out through individuals/muzakki, mosques and Muhammadiyah charities at their respective levels. Penthasarufan (fund management) consists of consumptive and productive. Zakat funds are given to mustahiq zakat with priority asnaf fuqara and masakin in the form of grants and

are consumptive in nature. If one or more of the eight asnaf is not found in the JPS ZIS jurisdiction, the allocation of funds for the asnaf is transferred to another asnaf. Infaq/shadaqah funds for the benefit of the ummah consist of a consumptive pentasharufan of approximately 40% in the form of grants. The productive pentasharufan is approximately 60% in the form of revolving loans. Prioritizing the mustahiq of local residents through pentasharufan is carried out at least twice a year.

2. Operational Mechanism Management activities consist of planning, organizing, implementing, and supervising the collection and pentasharufan (distribution and utilization) of zakat funds and other funds in accordance with Islamic law and applicable laws. Collections are actively carried out through individuals/muzakki, mosques and Muhammadiyah charities at their respective levels. Pentasharufan consists of consumptive and productive. *Zakat* funds are given to mustahiq zakat with priority asnaf fuqara and masakin in the form of grants and are consumptive in nature. If one or more of the eight asnaf is not found in the JPS ZIS jurisdiction, the allocation of funds for the asnaf is transferred to another asnaf. Infaq/shadaqah is managed funds for the benefit of the ummah consisting of a consumptive pentasharufan of approximately 40% in the form of grants. The productive pentasharufan is approximately 60% in the form of revolving loans. Prioritizing mustahiq of local residents through pentasharufan is carried out at least twice a year.
3. The strategy of funds collection and distribution
  - a. ZIS funds raising and other funds are carried out by the collecting division with the following criteria:
    - 1). Develop the potention of muzakki
    - 2). Develop a fundraising strategy
    - 3). possible, open the payment counter in a place that is deemed necessary (for example, a mosque)

- 4). Conducting the collection that is considered right by sharia laws and regulations, as well as based on the agreement of the board meeting.
- 5). All collection transactions are proven/administered with a determined JPS ZIS receipt.
- 6). Within a maximum of two days after the collection division receives ZIS funds, they must be deposited to the treasurer of the JPS ZIS management.
- 7). Make and submit the card/id card of Zakat Obligatory Identification Number (NPWZ) to muzakki (if it is possible).

The mission of empowerment in Pasuruan LAZISMU is to create a quality social and economic life of the people as a bulwark for the problems of poverty, underdevelopment, and ignorance in society through various programs developed by Muhammadiyah. This mission is realized through strategic policies which are:

- a. The priority of the beneficiaries needy are the poor and the *fishabilillah*.
- b. The distribution of ZIS is carried out programmatically (planned and measured) according to the core of the Muhammadiyah movement, which is education, economy, and social-da'wa.
- c. Synergize with Muhammadiyah assemblies, institutions, ortom and charities in realizing the program.
- d. Synergizing with institutions and communities outside Muhammadiyah to expand the domain of da'wa as well as to increase public awareness of the organization
- e. Minimizing charity assistance unless it is an emergency, such as in eastern Indonesia, areas exposed to disasters and rescue efforts.
- f. Intermediation for every effort that creates conditions and supporting factors for the realizing of Islamic society.
- g. Mobilize the institutionalization of the ZIS movement throughout Muhammadiyah structures and charities.

Some important points from the strategic policy of community economic empowerment are, first, giving greater opportunities or access to production assets, especially capital. Second, strengthen the position of transactions and economic partnerships of the ummah so that economic conductors are not just price takers. Third, strengthening small industries, fourth encouraging the emergence of new entrepreneurs and finally partial equity. Empowering the economy of the people is not sufficient only by increasing productivity, providing the same business opportunities and only providing capital injection as a stimulant, but it must be guaranteed that there is a close partnership between the advanced with the weak and underdeveloped. However, in the implementation of the economic empowerment of the people carried out by Lazismu Pasuruan, there are still unloading to find the right concept because there are still several obstacles encountered such as mentoring, evaluation and training for human resources so that economic empowerment cannot run optimally yet.

Based on the findings in the field and from the results of interviews that addressed to the program manager, it was explained that the policies of the community economic empowerment program implemented by Lazismu are currently taking into account the needs of mustahiq who submit funds to Lazismu Pasuruan, besides it needs to do mapping for several areas around Pasuruan to find if the community has a business that has a possibility to increase but has a problem with funds. Then in Lazismu Muhammadiyah, two aqad are used to provide assistance to mustahiq. The first is the grant agreement applied to provide business assistance to mustahiq without needing to be returned. Whereas for the second one is the qardhul hasan contract, which is applied to provide business assistance to mustahiq and there is an obligation to return it. The purpose of this qardhul hasan contract is to simplify the accounting system and to educate mustahiq in order to avoid the appearance of

ignorance to the fund that has been received. However, if in the end, *Mustahiq* is unable to return it, *Lazismu Muhammadiyah* will not burden *mustahiq* to be obliged to return the aid. The two contracts were options for *mustahiq* before they applied for assistance to *Lazismu Pasuruan*, which strives to help people towards a better standard of living, turn dependence into independence or change a deprived life to be sufficient.

This process applies to all empowerment models in *Lazismu Pasuruan*, both in the economic, educational, social and *da'wah*, as well as in other fields.

- a. Submission. The process of submission by attaching the requirements for a photocopy of the ID card, Certificate of Poverty, application letter or recommendation of the local *Lazismu* management. Furthermore, a business proposal for *mustahiq*, who makes proposals for economic empowerment.
- b. Survey. The purpose of a survey is to verify the submission requirements, whether the attached data is valid or not.
- c. Description of Survey Results. This activity is carried out by the empowerment department to explain the situation of the survey results.
- d. Submission to the Chairperson of *Lazismu Pasuruan*. After the data is verified, then the empowerment section explains the situation of the survey results, next submitted to the *Lazismu*
- e. Chair of *Pasuruan* for approval from the *Lazismu* center.

Disbursement of aid. If it has been approved by the *Lazismu* center represented by the Head of *Lazismu Pasuruan*, the aid funds can be disbursed according to the needs of the *mustahiq*.

There are several economic empowerment programs for the people as one of the efforts in policymaking carried out by *Lazismu Pasuruan* through empowering *UKM*. This program aimed to make *UKM* (Small and Medium Enterprises) develop and also strengthen their potential or power by providing assistance or

input and opening access to various opportunities that will make UKM more empowered. The target of this program is the underprivileged people who have run businesses but have not been able to develop optimally.

### **3. Lazismu Probolinggo**

Seeing the reality of poverty getting higher in this country, inviting many people to be concerned. Likewise, Lazismu Probolinggowhich has excellent programs, one of which is weak economic empowerment for Mustahiq. Its main objective is for the welfare of the community. Of course, it has an important role in this problem through the zakat funds that it manages. The hope is that the mustahiq fostered by Lazismu Probolinggo will be able to transform into donors or muzakki in the future.

The ZIS fund empowerment program implemented by Lazismu Probolinggois based on the analysis of target needs, which are productive, and some are consumptive and oriented towards efforts to form an independent community. There are three main target program policy pillars, they are:

a. Education & Health Care

One of the programs is the provision of school kits for orphans and Dhuafa. Lazismu also has an active role in providing scholarships. The scholarships that are given are "Mentari" and "Sang Surya" scholarships. "Mentari" scholarships are given to elementary to middle school students. Based on data obtained from Lazismu Probolinggo, the beneficiaries of this program are 450 School Kits and 35 "Sang Surya" and "Mentari" Scholarships.

Lazismu Probolinggo provides the health care program through medical assistance for the Dhuafa Community, one free ambulance service and one funeral ambulance service.

b. Da'wa field

In the field of da'wa, Lazismu Probolinggo conducts da'wa to the pedicab driver community held every two weeks. This

program was also followed by compensation in the form of basic food items given after the study.

Ramadhan sharing and qurbanmu are other da'wa programs by Lazismu Probolinggo. Ramadhan sharing is done every year addressed to educators, and mosque Marbots reached 760 fostered recitation packages distributed in 2019.

### c. Economic empowerment

The utilization that was chosen by Lazismu Probolinggo has creative and productive characteristics, which is the distribution of zakat through business capital to encourage the development of micro and small businesses. This study focused on Lazismu and Mustahiq parties who received productive zakat funds in the economic empowerment program. Accordingly, the acquired data were from two different points of view regarding the effectiveness of the utilization of productive zakat on the empowerment of mustahiq. For this reason, the researcher asked the companion for data on mustahiq, who received productive zakat funds from the economic empowerment program to conduct interviews. Interviews with Lazismu were conducted with the program manager as the person in charge of the program at Lazismu. Then interviews were also conducted with program facilitators who know the mechanisms for empowering productive zakat through economic empowerment programs.

Tabel. 4.1 Respondents' Profile

No	Name	Kind of Assistance	Kind of Business
1	Meti	Cart & Money	Fried rice
2	Bawok Nur Aini	Cart & Money	Fried noodle
3	Sumiati	Cart & Money	Vegetables and fish
4	Kani	Cart & Money	Brittles and cake maker
5	Slamet	Cart	Fruit juice
6	Taufik	Cart & Money	Fruit juice

The impacts experienced by mustahiq, who received productive zakat funds from Lazismu Probolinggo in 2018-2019 based on the results of interviews, are:

No	Name	Income/Month	
		Before	After
1	Meti	0	Rp. 1.500.000-2.000.000
2	Bawok Nur Aini	600.000	Rp. 1.200.000-1.800.000
3	Sumiati	0	Rp. 1.500.000-2.000.000
4	Kani	500.000	Rp. 1.200.000
5	Slamet	0	Rp. 1.200.000-1.500.000
6	Taufik		Rp. 1.800.000-2.500.000

From the indicators of *mustahiq* empowerment, 6 *mustahiq* are empowered from the increase in business seen from the average income earned each month. They also increase in terms of knowledge and skills regarding the business. If Lazismu has empowerment parameters, from not knowing to know, unable to be able, and *mustahiq* becoming *muzakki*. The indicators used in this study are in accordance with the parameters set by Lazismu. Wherefrom those who cannot generate income from the business, it is impossible to become *muzakki*, as evidenced by the ability of *mustahik* to pay ZIS, which at least can pay infaq.

## DISCUSSION ANALYSIS

In distributing ZIS funds, Lazismu Pasuruan, Probolinggo and Jember have the same parameters, namely selecting *Mustahiq* Candidate who will be given economic empowerment. For those who already have a business, the funds provided by Lazismu as additional capital with the aim that the business can develop. Lazismu also does not immediately provide funds to prospective recipients but must go through a feasibility survey of the business. If the prospective beneficiaries have met the requirements, then some procedures or requirements must be fulfilled by the prospective beneficiaries, one of which is that they have to take part in a routine recitation once a month to improve the spiritual aspects of the businessman.

The economic empowerment program in Lazismu Pasuruan, Probolinggo and Jember, which was carried out with a sample of *mustahiq* names, did indeed lead to the independence of the *mustahiq* business by doing entrepreneurship so that it would be in line with the main objectives of the economic empowerment program in Lazismu

Pasuruan, Probolinggo and Jember, which is alleviating poverty and changing Mustahiq status becomes muzakki.

The economic empowerment of the people carried out in Lazismu Pasuruan, Probolinggo and Jember basically already has a good concept. It only needs renewal, considering how strategic zakat funds are if they function as a trigger for the economic revival of the people. Not only does it stop at the mere magnitude of the physical building, which is the measure of amil zakat's success in managing the LAZ. There need to be new and fresh ideas according to the needs that mustahiq needs so that Lazismu can be the right place to solve various problems of the economic welfare of the people.

Then in the analysis of Islamic Economics, that the concept of ZIS management for the economic empowerment of the people makes the value of the function of zakat can meet the daily needs of mustahiq. Mustahiq can gain independence in work and can overcome the phenomena of misery, poverty, underdevelopment and economic problems for poor people.

There are two types of ZIS Lazismu Pasuruan , Probolinggo and Jember, which are:

1. Consumptive giving, which is giving in the form of food or staple foods. This gift is usually given to the elderly or those who do not have / ability (unskill). Consumptive zakat is a property of zakat that is directly allocated to the poor and in dire need, especially the poor. Zakat assets are directed primarily to meet the basic needs of life, such as food, clothing and a proper place to live. These basic needs are especially suggested by the needy, poor, gharim, orphans, elderly people /physically handicapped people who cannot do anything to make a living for their survival.
2. Productive giving, this provision is in the form of tools or materials needed by prospective recipients of ZIS funds. Some ZIS fund recipients need cash. Some only need business equipment. Productive zakat is a gift that can make the recipients produce something continuously with the zakat they have received. Productive zakat is thus zakat where the assets or zakat funds given to the mustahik are

not spent but are developed and used to help their business so that with this effort, they can fulfill their life continuously.

The management of Islamic philanthropy by Lazismu Pasuruan, Probolinggo and Jember is an example where people's funds can be managed institutionally and transparently. This means that the current management process is prioritizing service alone and has been oriented towards community independence and empowerment through well-designed programs. In addition, this Islamic philanthropic institutional movement will eventually create a work culture and collective change in society. The realization of the programs carried out by Lazismu Pasuruan, Probolinggo and Jember are more oriented towards the form of charity programs. This can be seen from the tabulation of funds as illustrated in the annual reports of the two institutions showing that most of the funds were channeled in the form of charity (aid), not to community empowerment programs that were more long-term in nature. For example, in the case of Lazismu Pasuruan, Probolinggo and Jember, the charity program is divided into several programs of assistance for religious facilities and infrastructure, provision of basic necessities, assistance with education costs, medical assistance, disaster care assistance, Ramadan care assistance and others. The community empowerment program is still at the stage of training or improving certain skills that can be optimized from the mustahik, in addition, to providing venture capital in the form of grants.

Several obstacles are still experienced by Lazismu Pasuruan, Probolinggo and Jember. First, there are still many Muhammadiyah administrators who do not have the awareness to develop Lazismu because the role as *amil* is only used as a side profession, so LAZISMU administrators, especially at the level branches, are not able to work optimally and professionally if referring to Mila Sartika's theory of the principles of the Zakat Management Organization, there are signs related to the purpose of managing zakat to be effective and efficient. Second, the lack of response from AUM or Muhammadiyah Business Charity to synergize happens because there is no match for the programs offered by the regional LAZISMU to the networks under it. Usually, this factor also

arises due to psychological factors from the failure of the previous program so that they are less enthusiastic when there is a new program. Third. The slow response of PCM and PRM in establishing zakat institutions usually occurs due to funding factors. Sometimes both branches and branches prioritize expenses that they think are prioritized. In addition, it is also due to the lack of human resources who are willing to become amil in the zakat institution. Fourth, the lack of human resource capacity in the field, this is because there are still many people who are not interested in working as amil zakat and besides that, the quality of human resources, especially knowledge of zakat fiqh, is also still minimal due to a lack of studies or training on zakat management organizations. In addition, being amil also carries out a difficult task because it must prioritize principles such as neutrality, independence, non-practical politics and non-discrimination.

## **CONCLUSION**

Based on the results of research about the analysis of the effectiveness of productive zakat utilization on the empowerment of mustahik (case study Lazismu, Pasuruan City, Probolinggo City and Jember) can be concluded as follows:

1. The management of zakat in Lazismu, Pasuruan, Probolinggo and Jember in the perspective of Islamic economics is carried out in accordance with the PP Muhammadiyah Guidelines on management, which is related to the collection, distribution and utilization of zakat. The concept of the collection is by working with service offices in each branch and unit, as well as in the distribution of the zakat funds. Meanwhile, for utilization, there are various policy programs carried out by Lazismu Pasuruan, Probolinggo and Jember, ranging from educational empowerment programs, da'wah and social service programs to community economic empowerment programs.
2. Mustahik empowerment that is carried out is suitable with statutory provisions and also Islamic law.
3. Lazismu in implementing mustahik empowerment by setting priorities based on equity, fairness in accordance with applicable regulations.

Business increasing, as many as seven empowered mustahik seen from the average income earned each month.

4. Seen from an Islamic economic perspective, especially on the economic empowerment program for the ummah at Lazismu, it has had quite a positive impact on the businesses of mustahiq. The benefits of this program are that mustahiq can begin to gradually leave the deprived life to become a more independent life, and furthermore, there is the hope of becoming a muzakki from the results of his business.

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