

## **UTILIZATION OF ZIS (ZAKAT, INFAQ, AND SEDEKAH) AT THE SIDOGIRI BRANCH OF THE BANYUWANGI ZAKAT INSTITUTION IN IMPROVING THE WELFARE OF MUSTAHIK M. UMER CHAPRA'S PERSPECTIVE**

**Aula Izatul Aini<sup>1</sup>, Komarudin A<sup>2</sup>, Fadhilah Eka Pratiwi<sup>3</sup>**

UIMSYA (Universitas KH. Mukhtar Syafaat) Blokagung Banyuwangi  
[aulaizatulaini28@gmail.com](mailto:aulaizatulaini28@gmail.com)<sup>1</sup>, [komarudin.a06@gmail.com](mailto:komarudin.a06@gmail.com)<sup>2</sup>, [nulovela@gmail.com](mailto:nulovela@gmail.com)<sup>3</sup>

### **Abstrak**

Islam teaches its people to give zakat, infaq and alms. In this case, it is an effort to purify the assets he owns. If zakat, infaq and alms are managed well, they will become potential sources of funds that can be utilized to improve community welfare for those who are entitled to receive them. The Sidogiri Amil Zakat Institution is here to make it easier for people to distribute their wealth. The first research objective is to determine the use of zakat, infaq and alms in improving the welfare of mustahik in LAZ Sidogiri Banyuwangi Branch. Second, to find out the use of zakat infaq and alms in improving the welfare of mustahik in LAZ Sidogiri Banyuwangi Branch from the perspective of M. Umer Chapra. The method used in this research is qualitative, a type of phenomenological research. The data analysis technique used in this research is an interactive model. The results of his research show that the use made by LAZ Sidogiri Banyuwangi Branch is in an effort to improve community welfare with 2 approaches, namely consumptive-charitative and productive-efficacious. M. Umer Chapra's view of the welfare efforts undertaken is correct, this is because. Falah and Hayatan Thoyyiban, which are the basis of prosperity in his view, are already sufficient with mustakhik zakat.

**Keywords:** Utilization of Zis, Improving Community Welfare, and Mustahik M. Umer Chapra's perspective.

### **INTRODUCTION**

Zakat is one of the pillars of Islam for every Muslim who is obliged to pay and is intended for those who are entitled to receive it (Arifin, 2011, p. 23). If managed well, zakat will become a potential source of funds that can be utilized, because in fact it is the cause of increasing wealth which Allah SWT replaces in this world and rewards in the afterlife, as He says in QS As-Saba' verse 39:

Meaning: Indeed, zakat is only for the needy, poor people, zakat administrators, mu'allafs who are persuaded by their hearts, to (free) slaves, people who are in debt, for the cause of Allah and for they are on a journey, as a decree required by Allah, and Allah is All-Knowing, All-Wise (Religion, 2002).

The Sidogiri Amil Zakat Institution (LAZ) was founded as an effort to erode the gap between people at above economic levels and people living below the poverty line. This

institution actively accommodates and distributes social funds. LAZ Sidogiri is a social institution whose task is to collect and distribute zakat from muzakki to mustahik. As explained by Didin Hafidhuddin, one of the wisdoms of zakat is improving the welfare of the mustahik, because zakat is the right of the mustahik.(Hafidhuddin, 2008). LAZ Sidogiri is an autonomous institution in the line of the Sidogiri Islamic Boarding School (PPS) organization which operates in the field of collecting, distributing and utilizing zakat, infaq and alms(Hafidhuddin, 2002).

Zakat, infaq and alms are distributed to 8 ashnaf (groups), namely the poor, poor, amil, converts, riqab, gharimin, ibn sabil and fi sabilillah, or also called mustahik(Amirudin & Sabiq, 2021). Mustahiq zakat are people who have the right to receive zakat. Allah SWT has determined people who have the right to receive zakat in His word QS At-Taubah verse 60:

Meaning: Indeed, zakat is only for the needy, poor people, zakat administrators, mu'allafs who are persuaded by their hearts, to (free) slaves, people who are in debt, for the cause of Allah and for they are on a journey, as a decree required by Allah, and Allah is All-Knowing, All-Wise(DAR Indonesia, 1989)

Mustahik is part of the main elements of implementing zakat. Both have a very important position considering that without one of them, zakat cannot be carried out. Therefore, both have complementary roles, obligations and rights to balance religious life and social life(Fahrezi, nd, p. 15)

Based on the background of the problem above, the researcher wants to conduct a study that will analyze how ZIS is utilized in improving the welfare of mustahik in LAZ Sidogiri, Banyuwangi Branch and how ZIS is utilized in improving the welfare of mustahik from the perspective of M. Umer Chapra's welfare in LAZ Sidogiri, Banyuwangi Branch. Based on these research problems, this research aims to determine the utilization of ZIS in improving the welfare of mustahik in LAZ Sidogiri Banyuwangi Branch and to determine the utilization of ZIS in improving the welfare of mustahik from the perspective of the welfare of M. Umer Chapra in LAZ Sidogiri Banyuwangi Branch. In this research, the author hopes that the results of this research will be useful, both theoretically and practically.

## **THEORETICAL BASIS**

Islamic economics varies, but basically has the same meaning, which is that in essence Islamic economics is a branch of science that seeks to view, analyze and ultimately solve economic problems using Islamic methods (methods that are based on Islam, namely in accordance with the Koran and Hadith(Karim, 2001, p. 18).

1. Zakat

From a fiqh perspective, a certain amount of property is required by Allah SWT to be handed over to people who are entitled to receive it. Azhari is of the opinion that zakat can create growth for poor people. Zakat is a powerful whip that makes zakat not only create material and spiritual growth for poor people, but also develop the soul and wealth of rich people.(Maulidar, 2019). Zakat according to the term (terminology), zakat is the name for a certain amount of property that has reached certain conditions required by Allah to be issued and given to those who are entitled to receive it with certain conditions.(Andiani et al., 2018, p. 15). Zakat is the third pillar of the pillars of Islam. In the Qur'an, most of the verses relating to zakat are often accompanied by the obligation to pray and act more broadly.(Arifin, 2011).

2. Infaq

Infaq comes from the word anfaqa which means spending something (treasure) for the benefit of something. According to sharia terminology, infaq means spending a portion of one's assets or earnings or earnings for a purpose governed by Islamic teachings. If zakat has a nishab, infaq does not know the nishab, infaq does not know the nishab. Therefore Infaq is with zakat. Infaq does not recognize a legally determined nisab or amount of assets. Infaq also does not have to be given to certain mustahik, but to anyone, for example parents, relatives, orphans, poor people, or people who are on a journey.(Maulidar, 2019, p. 12).

Infaq is no longer a sunnah obligation as widely understood by society, but an obligation that is fardhu kifayah, because it must be spent in both narrow and spacious circumstances. Ulama define Infaq as an act or something given by someone to cover other people's needs, whether in the form of food and so on as well as giving something to other people based on sincerity and because of Allah SWT.(Maulidar, 2019, p. 15). In the view of the Shari'a, people who give infaq will obtain double fortune both in this world and in the afterlife according to Surah Al-Baqarah verse 261:

Meaning: "The parable of (the income spent by) those who spend their wealth in the way of Allah is similar to a seed that grows seven spikes, in each spike a hundred seeds. Allah multiplies (rewards) for whom He wills. and Allah is All-Encompassing (His gifts) and All-Knowing. The meaning of spending wealth in the way of Allah includes spending for the purposes of jihad, building universities, hospitals, scientific research efforts and so on."(DAR Indonesia, 1989).

Sharia has given us guidance in giving infaq or spending wealth. Allah in many verses and the Messenger of Allah in many hadiths have ordered us to invest (spend) the wealth we have. When spending your assets, you should spend good assets, not bad ones, especially when paying your Infaq (Fauzi, 2013, p. 23).

### 3. Alms

Alms is a loan term from Arabic (shadaqah) which means giving from a Muslim to another person with the aim of getting a reward from Allah SWT. The gift can be in the form of goods, services or related to a human activity for another human being. This is based on several hadiths from Rasulullah SAW which state that just a sincere smile is part of alms, or a husband's sexual intercourse with his wife is part of alms. Almsgiving is also a pious deed commanded by Allah SWT. Where people who give alms will be rewarded with an invaluable reward from Allah SWT (Arifin, 2011). Sometimes the return is the same as, or exceeds the alms we give to other people. But there are quite a few rewards from alms that only come in the form of rewards from Allah SWT (Syafa'at & Ekaningsih, 2015).

### 4. Utilization

Utilization comes from the words "daya" and "guna" which mean effort and benefit. According to the Big Indonesian Dictionary (KBBI), utilization means exploitation to be able to bring results and benefits, exploitation to be able to carry out tasks well and efficiently. (TRKBB Indonesia, 2018). In another sense, utility utilization is defined as "useful, especially through being able to perform several functions." Then according to Nurtahattat Fuad, utilization is often also interpreted as being an entrepreneur to be able to bring in results and benefits (Ramadan, 2017, p. 17).

Meanwhile, the definition of zakat utilization is the maximum use of zakat funds without reducing their value and usefulness, so that they are effective for achieving the benefit of the people. (Waton, 2017, p. 15). Utilizing zakat, infaq and alms is the core of all ZIS fund collection activities. The basic concept of utilizing zakat, infaq and alms is how to turn mustahik into muzaki. The pattern of utilization of the Sidogiri LAZ uses two forms, namely consumptive-charicative and productive-effective.

### 5. Mustakhik Welfare

The term welfare comes from the word sejahtera which means safe, secure and prosperous and can mean being safe despite disturbances. Meanwhile, welfare is defined as things or states of well-being, security, safety and tranquility (Ramadan, 2017, p. 27). The term welfare is closely related to the goals of the Indonesian State.



The state was established, maintained and developed for the benefit of all the people, namely to guarantee and promote general welfare. This is clearly stated in the preamble to the 1945 Constitution which reads: "further than that, to form a government of the Indonesian State which protects the entire Indonesian nation and all of Indonesia's bloodshed.(Ramadan, 2017, p. 28).

6. Thoughts of M. Umer Chapra

His full name is M. Umer Chapra (born in Pakistan, February 1, 1933), is one of the most famous Muslim contemporary economists of modern times in the east and west. His father's name is Abdul Karim Chapra. Chapra was born into a devoutly religious family, so he grew up to be a person with good character. His family was affluent, making it possible for him to get a good education(Inayati, 2013, p. 06).

M. Umer Chapra has made quite an impact in the world of Islamic economics. According to him, the purpose of economics is to help humans realize their duties as caliphs on earth. It is not difficult to find books that are the fruit of his thoughts. Some of his famous thoughts are regarding the concept of hayyatan thayyibatan, the concept of monetary policy in Islam, and the concept of sharia banking.(Inayati, 2013, p. 12).

In his book *Islam and The Islamic Challenge*, which was later translated into Indonesian with the title "*Islam and Economic Challenges*", M. Umer Chapra explains that every individual economic actor is definitely dominated by his worldview and assumptions regarding nature and the nature of human life in the world. . Chapra likens the worldview to the foundation of a building that plays a very important and decisive role. So that the strategy of a system which is a logical result of a view of life, should be in harmony with the chosen targets so that the goals can be achieved effectively(Chapra, 2000).

7. M. Umer Chapra's Welfare

Welfare is a concept offered as a solution to the failure of the capitalism and socialism systems, where this concept attempts to combine the two systems and find common ground that complements the weaknesses of both. The welfare state adopts Keynes's opinion regarding the government's balanced role in the economy, which in the capitalist system, this role is eliminated because the economic balance in the market is regulated by the invisible hand in the market itself. The role of welfare with proper regulation and expenditure for welfare purposes is also included in this concept. However, what happens is that spending for welfare purposes is too large without being accompanied by a reduction in private sector and government spending in other

areas, and gives rise to excessive claims on resources and backfires on this concept.(Inayati, 2013, p. 16).

Chapra emphasized that the obligation of an Islamic state in creating a prosperous state is to create a decent standard of living for its people and help those who are unable to meet their living needs. However, the Islamic conception of equal distribution of income and wealth does not equalize ownership for everyone, but recognizes differences limited by the rights of the poor with zakat to realize justice. To carry out these obligations, the state needs sources of income. These sources include: zakat, income from natural sources, tax collection and loans(Inayati, 2013, p. 24).

The meaning of prosperity must be clarified. According to Chapra, 'prosperous' does not mean 'rich' but 'ideal', namely a state where there is a balance between material and spiritual conditions obtained from existing resources. Chapra emphasized that the obligation of an Islamic state is to create a prosperous state. Therefore, an Islamic state can be said to be a prosperous or ideal state if the inner dignity and morals of the community increase, the obligations of the community as caliphs on earth. Umer Chapra said that the concept of prosperity can be seen from Falah and Hayatan Toyyiban.

## **METHOD**

The type of research used is qualitative research. Qualitative research is research that uses natural objects, where a researcher is a natural instrument(Sugiono, 2011, p. 18). Qualitative research requires that the data collected are words, images and not numbers to test hypotheses. The research approach that the author uses is a type of qualitative case study research (field research), namely where the researcher observes field conditions or certain places using natural, direct studies to obtain data that is in accordance with what is being studied.(Arikunto, 2006, p. 234). Research informants are people who are used to provide information about the situation and conditions of the research background(Moleong, 2007, p. 97)Moleong stated that a researcher starts with the assumption that qualitative research is closely related to contextual factors, so that informants in this research are expected to be able to collect as much information as possible from various parties which indeed contains various sources.(Moleong, 2021, p. 195).

The analytical tool used in this research is an interactive analysis tool model discovered by Miles and Huberman. Activities in qualitative data analysis according to Miles and Huberman are carried out interactively and continue continuously until

completion, so that the data is saturated. Activities in data analysis include data collection, data reduction, data presentation, and drawing conclusions (Sugiono, 2011, p. 404).

## RESULTS AND DISCUSSION

### 1. Utilization at LAZ Sidogiri Banyuwangi branch in improving the welfare of mustahik.

Sidogiri Amil Zakat Institution (LAZ) is a non-profit organization which operates in the field of collecting, distributing and utilizing zakat, infaq, alms and other humanitarian funds by increasing the results and efficiency of ZIS (zakat, infaq, alms) funds. The requirements for becoming a mustahik at LAZ Sidogiri Banyuwangi Branch in obtaining a mustahik at LAZ Sidogiri include being visited directly by the institution and there are also those who apply themselves at the institution. In determining mustahik, a survey is carried out first, whether they register themselves or not, then if the situation has been seen, how much the economy is and what the daily opinion is and it has been seen, if the survey results show they are eligible then they will be processed to receive assistance from LAZ Sidogiri.

Amil Zakat institutions have various sources of funds, in general zakat, infaq and alms come from donors, although amil zakat institutions have various sources of funds, amil zakat institutions are institutions whose task is to collect and manage zakat funds, of course the funds that sourced from zakat, infaq and alms, all funds from donors. The source of funds at LAZ Sidogiri has actually been determined directly by the recipient. The results of this research support that LAZ Sidogiri is actually tasked with collecting and managing zakat, infaq and alms funds. There are several programs at LAZ Sidogiri, including: education care program, economic care program, health care program, environmental care program, and special programs. The economic programs at LAZ Sidogiri Banyuwangi branch always get enough attention from the institution. There are two types of funding sources provided by LAZ Sidogiri Banyuwangi branch for this economic care program. The first thing that can be accessed by individual mustahik dhuafa is grant funds from productive zakat funding sources. And the second thing that can be accessed by business groups is capital loan funds from infaq funding sources.

The utilization of zakat, infaq and alms carried out by institutions is given great attention in order to create a better life for society. Moreover, in this case LAZ Sidogiri pays enough attention to mustahik who really deserve it. Because the funds provided in the form of revolving capital are used to set up a business or to advance the business being developed, this is why the funds provided must not be used later by

the mustahik for things that violate religious rules such as selling khamr or prohibited items. Providing capital from LAZ Sidogiri can develop businesses such as selling cakes, opening a laundry business, etc., even though they are small, they can increase income.

The aim of utilization at LAZ Sidogiri is to distribute funds to create welfare for mustahik and try to change a mustahik into a muzakki. The problem with LAZ Sidogiri Banyuwangi Branch is collecting donations because utilization depends on donations. With the LAZ Sidogiri Banyuwangi Branch program, it is hoped that the welfare of mustahik will increase and the economy of underprivileged communities can be resolved well.

## 2. Impossible Welfare in Sidogiri LAZ from M.Umer Chapra's Perspective.

LAZ Sidogiri Banyuwangi Branch has tried to improve welfare by meeting material, spiritual and social needs. Not only does it try to provide prosperity in the form of worldly affairs, it also maintains religious affairs. Because humans basically want to live happily in this world and live happily in the afterlife.

Chapra also explains in this book the actualization of the concepts of *falah* and *hayatan thoyyibatan* which are the core of the economic challenges for Muslim countries. Because these two concepts come from Islam, are taught by Islam and should also be applied in Muslim life to create happiness in the world and the hereafter. This requires improving morals, brotherhood and socio-economic justice, with the use of scarce resources to eradicate poverty, meet needs and minimize income and wealth disparities.

According to M. Umer Chapra, zakat has a positive impact in increasing the availability of funds for investment because paying zakat on stored wealth and assets will encourage zakat payers to seek income from their wealth, so they are able to pay zakat without reducing their wealth. Thus, in a society where Islamic values have been internalized, gold and silver deposits and unproductive wealth will tend to decrease, thereby increasing investment and giving rise to greater prosperity.

M. Umer Chapra emphasized that the obligation of an Islamic state in creating a prosperous state is to create a decent standard of living for its people and help those who are unable to meet their living needs. However, the Islamic concept of equal distribution of income and wealth distribution does not equalize ownership for everyone, but recognizes differences limited by the rights of the poor with zakat to realize justice.

The meaning of prosperity must be clarified. According to Chapra, prosperity does not mean being rich but ideal, namely a state where there is a balance between material and spiritual conditions obtained from existing resources. Therefore, an Islamic state can be said to be a prosperous or ideal state when the inner dignity and morals of the community increase, the community's obligations as caliphs on earth regarding natural resources have been fulfilled, and justice has been established and oppression has disappeared. A prosperous country according to Islam is not a capitalist and socialist country, but a country with Islamic concepts and Islamic life.

The presence of LAZ Sidogiri Bnayuwangi Branch is to help alleviate poverty, reduce the number of mustahik, where the aim of LAZ Sidogiri is to change mustakhik into muzaki, this is the basis for LAZ Sidogiri to help improve their welfare, what is done is given educational scholarships, there are already hundreds of LAZ Sidogiri Children are given scholarships and then those who don't have work are given jobs. In fact, if they are prosperous, after they are able to manage their lives themselves, the most important thing is that LAZ Sidogiri guarantees that in this way, their lifestyle will be prosperous.

The welfare of a prosperous society is seen from the cost of living perspective. In terms of the cost of living, these are primary and secondary needs. If people enter primary, such as clothing, food, shelter, they are already sufficient, but current needs are secondary. LAZ Sidogiri has hundreds of children who have been given scholarships and then those who don't have work are given jobs. In fact, if they are prosperous, after they are able to manage their lives themselves, the most important thing is

The main objectives of this welfare state are the elimination of poverty, the provision of social services by the state, greater distribution of wealth, full employment opportunities and economic stability.

With this program created by LAZ Sidogiri, it can help the community, especially mustakhik, to be free from poverty, their falah is fulfilled, namely those who initially mustakhik were unable to pay for child care and meet their needs with the assistance provided they can develop, as well as hayatan toyyiban where the funds are given in the form of business capital. This can change mustakhik into muzakki so that their lives can benefit other people, and the funds used for business cannot be arbitrarily used for businesses that are prohibited by sharia, their business must comply with LAZ Sidogiri regulations which are for halal businesses.

## CONCLUSION

Based on the research results, the following conclusions can be drawn:

1. The utilization of zakat, infaq and alms in improving the welfare of mustahik in LAZ Sidogiri Banyuwangi branch is balanced with the mustahik economy. Where the requirements for becoming a mustahik, there are stages that must be fulfilled, such as a poverty certificate (SKM), photocopy of KTP, and photocopy of family card. The fact is that the family is really not financially capable. LAZ Sidogiri in providing assistance in accordance with programs to alleviate poverty.
2. Umer Chapra stated that the concept of prosperity is that if falah and hayatan toyyiban can be fulfilled, this will be sufficient. In terms of the purpose of LAZ Sidogiri, it is to help mustakhik to improve their standard of living through existing programs, as well as to encourage mustakhik to be able to provide benefits to other people, namely becoming muzaki through businesses that are run according to sharia rules. Prosperous does not mean being rich, but the ideal is a situation where there is a balance between material and spiritual conditions obtained from existing resources. A prosperous society can be seen in terms of the cost of living in Islam, which means urfl balad, namely the standard of living. LAZ Sidogiri in improving the welfare of its mustahik, makes a mustahik's economy uplifted.

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