

Analysis Of The Management Of Productive Zakat At The Muhammadiyah, City Of Medan

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Abstract: The purpose of this study is to look at the productive zakat fund system in the Muhammadiyah zakat institution in Medan. Management of zakat is currently still causing controversy. Where, the distribution of zakat funds is still less effective. Zakat management institutions show a lack of transparency and accountability in performance. The principle of justice is something that must be upheld.

Where, justice in question is able to manage and distribute zakat funds appropriately and quickly. The implementation of zakat in alleviating poverty and improving the economy should be immediately relocated through improving the performance of the zakat institution itself. Because the role of zakat on the lives of the mustahik is very strategic if managed wisely.

Developing productive zakat which is supposed to be one alternative in alleviating poverty, is now a funding given to the community. In fact, productive zakat is the provision of funds to mustahik or poor people, in economic development, not the provision of funding which must be returned to the zakat institution. So for that, here the researcher wants to see the concept of productive zakat giving at the Muhammadiyah zakat institute in Medan. This research will be carried out for 3 months and will conduct observations and conduct interviews directly at the Muhammadiyah Zakat Institute in Medan. To achieve the results of this research, this research uses a descriptive qualitative research method in which the researcher is directly involved actively meeting, observing, and interviewing participants to uncover the strategies of managing productive zakat in poverty alleviation, with a case study of the Muhammadiyah Zakat Institute, Medan City.

Keywords: Productive Zakat, Poverty

A. Preliminary

Islam has a true passion in promoting justice and economic equality through the implementation of a levy mechanism called zakat. The mechanism is so important that in a number of verses of the Qur'an and Islamic thought placing zakat is equivalent to prayer. So that every Muslim is bound to pay the required zakat. Therefore, its social role, zakat can reduce poverty and develop the people's economy. Seeing the reality, the amount of poverty

in Indonesia is increasing. BPS data shows the total population of Indonesia as of March 2017 is 27.77 million people. Meanwhile, as of September 2016 there were 27.67 million people. Here, a transformation is needed to eliminate economic problems in Indonesia, by making zakat as an economic balancing instrument for the people. However, the effective utilization of zakat requires cooperation from various parties. Reflecting on the leadership of Caliph Umar Bin Abdul Aziz, where zakat is able to make the economic equality of the people. That is, the distribution of zakat is not only in the form of consumptive aspects, but must be viewed from the productive aspects.

At present, the zakat system has reappeared in several Muslim-based countries, including Indonesia. Some of them have well-designed operating guidelines and regulations. However, in general the development of the zakat system is still in its initial stages. To foster the development of the zakat system, one can take advantage of the progress that has been achieved in the financial market. Good governance, a strong legal basis, and good management are the most important aspects that can be learned by the zakat system. An international collaboration in the case of working groups is considered necessary to explore the potential for the development of zakat in the future. Institutions or working groups will produce principles for the effective and efficient implementation of zakat. Including legal basis, governance, risk management, financial integration, and so on (Mujiatun, 2018).

Efforts to advance zakat in Indonesia require a contribution from the zakat fund management agency. This institution has a major role in the process of collecting and distributing zakat funds. In Law No. 38/1999, concerning the Management of Zakat, it is explained that this Law refers to three main activities, namely the collection, distribution and utilization of zakat. But the fact that there is, institutions engaged in managing zakat, are still less productive, namely the existence of the holding of zakat funds. Where, it is still delaying the distribution of the rights of the eight groups of recipients of zakat, which is stated in Q.S. At-Taubah verse 60. In this case the zakat management institution still manages its own productive zakat, distributing it when the productivity produces profits. For example, BAZNAS manages productive zakat for the construction of hospitals. So, when the hospital gets the results, the results are given by mustahik or the recipient of zakat. So in this case what is said to be unproductive is an allocation of zakat funds, because in addition to funds held by zakat institutions, and certainly will make lazy recipients of zakat, which fall into consumptive rather than productive. If later in the management of the hospital experiences

bankruptcy or loss, then the funds will certainly run out, and the distribution of zakat will certainly be lost.

Regarding the productive use of zakat can be in the form of tools for business, working capital or skills training. According to (Patmawati, 2015) in the "Effects of Zakat Assessment and Collection on the Re-distribution of income in Contemporary Muslim Countries." development in the fields of education, maintenance, health, and other social welfare activities. The complex function of zakat is very much supporting poverty eradication and equalizing the economy of the people while the zakat funds are allocated correctly. There are national BAZNAS and 18 LAZ, 33 provincial BAZ, and 429 district / city BAZ. Not to mention if it is calculated at the regional level, 4771 BAZ at the district level. However, on the other hand the tendency of increasing institutions engaged in the zakat sector also undeniably creates a problem. Especially the aspect of public trust in the performance of the governance of the institution, in which the development of an amil institution is not followed by the presence of an insufficient legislator and supervision system. This will also lead to non-transparent performance and low accountability of zakat management.

B. Problem Formulation

Based on the background description above, a number of research problems have been prepared, as follows:

1. What is the strategy for managing productive zakat in poverty alleviation in the Muhammadiyah Zakat Board in Medan?
2. Is the productive zakat management strategy in the Muhammadiyah zakat institution in the city of Medan, can alleviate poverty

C. Literature Riview

1. Management Of Zakat Fund

According to Nurul Huda (2014) Zakat in the strict sense is a worship that must be done by Muslims which aims to clean up his property. Zakat is a meaningful, clean and growing language. According to the term syara 'zakat means issuing a certain amount of assets to be given to people who are entitled to receive it in accordance with the conditions specified by Islamic law. Zakat is one of the five pillars of Islam and its implementation law is mandatory. Zakat is one of the characteristics of the Islamic economic system, because zakat is one of the implementations of the principle of justice in the Islamic economic system.

What is meant in the justice system in Islamic economics is the distribution of zakat funds given to those entitled to, distributing these funds without delay and the contribution of zakat is done functionally. According to M.A. Mannan (2016) zakat has six principles, namely:

- a The principle of religious belief, namely that people who pay zakat are a manifestation of their religious beliefs.
- b The principle of equity and justice, is the social goal of zakat, which is to divide the wealth given by God more evenly and fairly to humans.
- c The principle of productivity, emphasizing that zakat does have to be paid because certain properties have produced certain products after a certain period of time has passed.
- d The principle of reason, it is very rational that the charity that produces it must be issued.
- e The principle of freedom, zakat is only paid by people who are free.
- f The principle of ethics and fairness, namely zakat is not collected arbitrarily.

2. Zakat Regulatory Framework

According to the Islamic Research and training institute (2017) Management of zakat funds aims to improve the effectiveness and efficiency of zakat services and allocation, and increase the benefits of zakat to realize the economic welfare of the people and poverty reduction. However, in supporting the development of the objectives of the existence of zakat, a support from related institutions regarding supporting infrastructure is needed to ensure the effectiveness of zakat operations. Supporting infrastructure consists of an internal reporting system and risk management so that operations can meet the level of good governance.

According to Sirazi (2017) the zakat sector must be supported by infrastructure that encourages an effective supervision process by zakat regulators and supervisors. The reporting system must enable the top management of the zakat institution to better monitor and understand the overall activities of the zakat institutions including in supervision. Performance indicators for zakat institutions must also ensure that the institution must function as it should. These indicators cover several important areas such as the period for disbursing zakat funds, the ratio of operating costs to collecting funds, the quality of governance and the quality of fund distribution programs. If this is done to support the

progress of the professional distribution of zakat, then it is certain that zakat will be able to immediately solve the economic problems in a country.

The management of zakat funds aims to increase the effectiveness and efficiency of services and the allocation of zakat, increase the benefits of zakat to realize the economic welfare of the people, create proactive zakat funds, poverty reduction and various other economic problems. Therefore, the issuance of legislation regarding the management of zakat is an effort in affirming the policy so that the management and distribution of zakat funds can run functionally. In Law No. 38/1999 concerning Management of Zakat. The management of national zakat in this Act refers to the three main activities namely collection, distribution and utilization of zakat. The contribution of zakat institutions in these activities must have an effective role to support the effectiveness of the zakat funds. However, regulations regarding zakat management must be emphasized by the existence of a strict policy from DSN (Garry, 2014). A form of success in the existence of the correct allocation of zakat, then the possibility that will occur is the emergence of the use of zakat funds that are used by the community as an effort to develop equitable ecology of the people. That way, the potential for zakat as an eradication of poverty is complex. However, it does not escape the existence of long-term goals that must be supported by the form of work of zakat institutions that are more accountable and transparent.

D. Research Methods

This case study research uses a descriptive qualitative research approach. According to Poerwandari (2010) qualitative research is research that produces and processes data that is descriptive in nature, such as interview transcriptions, field notes, pictures, video footage and others. In qualitative research, it is necessary to emphasize the importance of closeness to people and research situations, so that researchers gain a clear understanding of reality and real life conditions (Patton in Poerwandari, 2013)

E. Research Result

LAZISMU is a national-level zakat institution which is dedicated to empowering the community through the productive use of zakat funds, infaq, waqf and other philanthropic funds from individuals, institutions, companies and other agencies. Founded by PP. Muhammadiyah in 2002, was subsequently confirmed by the Minister of Religion of the Republic of Indonesia as the National Amil Zakat Institution through Decree No. 457/21

November 2002. With the enactment of Zakat Law number 23 of 2011, Government Regulation number 14 of 2014, and Decree of the Minister of Religion of the Republic of Indonesia number 333 2015. 2015. LAZISMU as a national amil zakat institution has been re-established through the Republic of Indonesia's Ministry of Religion Decree Indonesia number 730 in 2016.

LAZISMU is a national-level zakat institution which is dedicated to empowering the community through the productive use of zakat funds, infaq, waqf and other philanthropic funds from individuals, institutions, companies and other agencies. The background to the establishment of LAZISMU consists of two factors. First, the fact that Indonesia is covered with widespread poverty, ignorance and a very low index of human development. All of them have consequences and at the same time caused by a weak social justice system. Secondly, zakat is believed to be able to contribute in promoting social justice, human development and able to alleviate poverty. As the country with the largest Muslim population in the world, Indonesia has a relatively high potential for zakat, infaq and endowments. However, the existing potential cannot be managed and utilized optimally so that it does not have a significant impact on the resolution of existing problems.

The establishment of LAZISMU is intended as an institution that manages zakat with modern management that can deliver zakat as a part of solving social problems (problem solver) of the community that continues to grow. With a trustful, professional and transparent work culture, LAZISMU strives to develop itself into a trusted Zakat Institution. And over time, public confidence has strengthened. With the spirit of creativity and innovation, LAZISMU always produces empowerment programs that are able to answer the challenges of change and social problems that develop in society. At present, LAZISMU has spread almost all over Indonesia, making empowerment programs able to reach all regions quickly, focused and on target.

From the results of research conducted by researchers, by interviewing the speaker, the head of the Muhammadiyah zakat institute, Medan city, Muhammad Arifin Lubis S.E.Sy. that currently the Muhammadiyah zakat institution has implemented a productive zakat system. Where productive zakat is distributed to the poor and orphans in the form of scholarships. To get a scholarship from your community, people simply register and submit an educational planning proposal, ranging from school fees to payment of textbooks. Then after that, the zakat institution will survey it directly to the field, to determine whether or not the community deserves a scholarship or productive zakat from LAZISMU.

In addition to providing scholarships, Muhammadiyah zakat institutions in managing productive zakat are also provided for business capital, for disadvantaged people. This aims to ensure that the community can be independent in managing the economy, so business capital is given to the community, through productive zakat collected by Muhammadiyah zakat institutions. To get productive zakat in the form of venture capital, there are several criteria that must be fulfilled by the poor, such as submitting proposals in the form of business, income if the community already has a business. Then after that, then LAZISMU analyzes the proposal submitted, and surveys the proposal for spaciousness. If it is deemed appropriate, LAZISMU will give productive zakat to MSMEs, after that LAZISMU also provides supervision of the MSMEs. Zakat is given, without any return, only infaq will be given by the poor.

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