

Optimizing Disbursement of Zakat Funds for Asnaf Entrepreneurs

Efri Syamsul Bahri¹, Hamdah Rosalina²

¹ Sekolah Tinggi Ekonomi Islam SEBI (Email: efri.sb@sebi.ac.id)

² Sekolah Tinggi Ekonomi Islam SEBI (Email: rosalinahamdah@gmail.com)

ABSTRACT

Zakat is a pillar of Islam that must be fulfilled by Muslims who have met the requirements of nisab. Zakat collected, then channelled to mustahiq. One of the effective zakat distribution programs for poverty alleviation is the asnaf entrepreneur's program. This study aims to describe the sharia provisions and regulations about Asnaf Entrepreneurs in the context of Indonesia. This study also identifies the zakat management entity that runs the asnaf entrepreneurs program in Indonesia. This study is a study of literature obtained from various references. The analysis was performed with a descriptive approach and content analysis. The results of the study found that the sharia provisions of Asnaf Entrepreneurs are permissible. It has been exemplified by Rasulullah SAW. At the same time, the regulatory provisions on asnaf entrepreneurs are in Law No. 23 of 2011 and Regulation of the Minister of Religion No. 52 of 2014. This study also found some examples of zakat management entities that have optimized zakat funds for Asnaf Entrepreneurs including Zakat Pulau Penang (ZPP), Badan Amil Zakat Nasional (known as Baznas), BAZNAS Riau Province, Perbadanan Baitulmal Negeri Sembilan, Lembaga Zakat State of Kedah Darul Aman, Baitul Maal Hidayatullah (BMH), and DT Peduli. This study recommends the need for institutions that specifically supervise the Asnaf Entrepreneurs program globally. It is to optimize the contribution of zakat in poverty alleviation mustahiq. However, the asnaf Entrepreneurs program has contributed to poverty alleviation in Indonesia and Muslim countries.

Keywords: zakat funds, asnaf entrepreneurs, zakat management entities

INTRODUCTION

In Islam, zakat is the third pillar after Shalat. Zakat must be paid by Muslims who have met the requirements of nisab. Zakat collected from muzaki is then channelled to mustahiq as beneficiaries. According to (Anis and Kassim 2016). the use of zakat funds is very strategic for poverty alleviation and sustainable economic empowerment. Therefore, (Olanipekun, Brimah, and Sanusi 2015) consider zakat's constitution as a strategy in providing a basis for sustainable development and useful life (tayibah life).

The zakat constitution can be an effort to do good zakat management. It is in line with the theory of sharia enterprise theory explained by Triyuwono (2006) that in the context of zakat management, then in principle, the primary responsibility of managing zakat is vertical to Allah SWT, and horizontal responsibility to humanity and the natural environment (Meldona et al. 2020). For that, zakat needs to be well managed. Furthermore, it is to optimize the benefits of zakat to improve Mustahiq's well-being and poverty alleviation. Thus, Mustahiq's condition can be changed for the better.

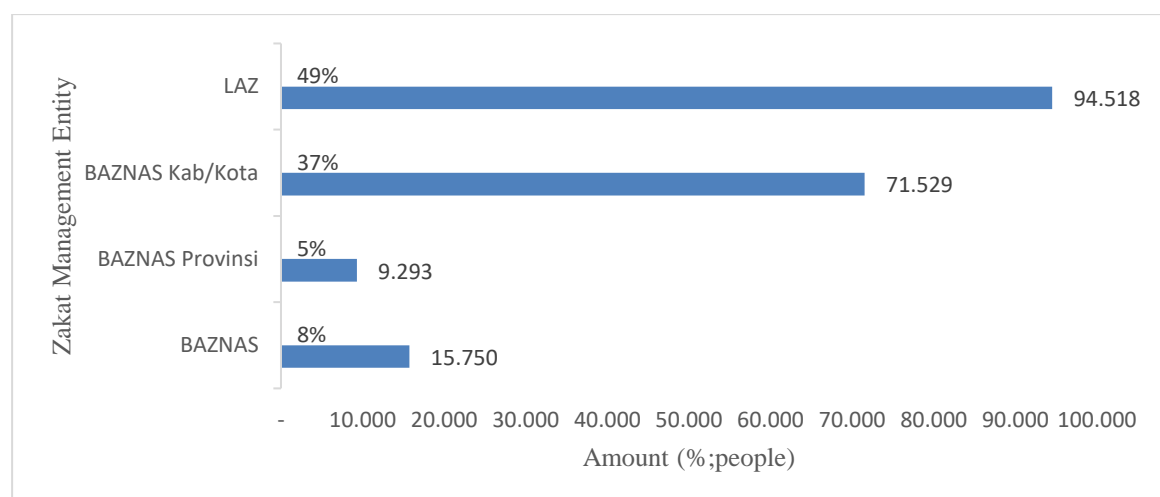
Zakat is one of the instruments for social finance that impact poverty alleviation (Baznas 2020). According to Mukhlisin (2020), zakat is a solution when there is an economic crisis. In the zakat law no. 23 of 2011, the management of zakat funds consists of a conducive and

productive channel of use. For that, zakat needs to be managed professionally. Zakat, managed by a professional amil, can ensure that the distribution is done effectively. According to Riyaldi, Suriani, and Nurdin (2020), the purpose of zakat towards the economic, social, and spiritual fields can be achieved if channelled to eight asnaf according to the Qur'an in the letter At-Taubah verse 60.

Practical and helpful zakat management is in line with the goal theory attached to the organization or entity. Locke pioneered the goal-setting theory that emerged in the late 1960s. This theory holds that there is a relationship between purpose and performance. According to Locke (1968), if an entity has a specific purpose, it will affect good performance. Urdan and Maehr (1995) argue that this theory includes motivation and achievement in building relationships with communication (Caughlin 2010). It also explains how to create social value (Valentinov, Roth, and Pies 2020).

One form of zakat distribution is through the asnaf entrepreneur's program. This program was announced nationally in 2016 to achieve 1% of the poor people in Indonesia (Nasir et al. 2016). However, in terms of achievement, it has only reached 191,090 (Baznas 2020), as shown in Figure 1 below.

Figure 1. Contribution of Zakat Management Entities in Poverty Alleviation



Source: Baznas (2020), proceed.

Based on Figure 1 above, the most considerable contribution in poverty alleviation from the Amil Zakat Institution reached 49%. The second-largest contribution is by Baznas Regency/City with 37% access. Baznas 'contribution as the coordinator of zakat management entities nationally reached 8%. Meanwhile, the contribution of BAZNAS Provincial with distribution in 34 provinces has only reached 5%.

Furthermore, the quality of the asnaf entrepreneur's program conducted by Zakat management entities, such as Baznas, shows significant changes. For example, Puskas's study (2017) shows that the Welfare Index's average value reached 0.71 with the Good category. Thus, in quality, the asnaf entrepreneur's program has a significant influence. Therefore, it becomes essential to replicate the zakat management entity nationally. Therefore, this research aims to provide an overview of the provisions of sharia and regulations on asnaf entrepreneurs. Furthermore, this study also identifies several zakat management entities that have run the asnaf entrepreneurs program. Therefore, it is expected to accelerate the replication of the asnaf entrepreneur's program in Indonesia.

METHOD

This study is qualitative research. Data were obtained from various reference literature. According to Creswell (2014), in qualitative research, researchers conduct relevant information collection. Information obtained through literature comes from various reference journals. Data analysis was performed with content analysis and a descriptive approach. The content analysis aims to explain the provisions of sharia and regulation of the asnaf entrepreneurs' program. Furthermore, this study also identifies zakat management entities that already run the asnaf entrepreneurs program. The identification process is done using data from google scholars.

RESULT AND DISCUSSION

Asnaf Entrepreneurs

Asnaf entrepreneurs are mustahiq beneficiaries of zakat funds. Several experts have given definitions of asnaf entrepreneurs (eq. For example, Abang Abai et al. (2020), Abdul Halim et al. (2012), Din et al. (2019), Nadzri et al. (2018), and Raudha et al. (2011) argued that entrepreneurs fall into the category of the poor, who receive zakat funds to be used as initial capital and business development.

According to PMA (2014), the asnaf entrepreneur's program aims for productive efforts to deal with the poor and improve the quality of the people. According to Afif Muhamat et al. (2013), through the asnaf entrepreneur's program, the zakat management entity can help asnaf get involved in the business. Thus, according to Afif Muhamat et al. (2013), they can escape from their difficulties and become their zakat contributors.

Shiyuti & Al-Habshi (2019) also supported the above opinion, who stated that by empowering Asnaf Entrepreneurs, it is expected that they will end their Asnaf status. From the picture above, there is much hope with the asnaf entrepreneur's program. Zakaria & Harun (2019) hope that the existence of the asnaf entrepreneur's program is expected to successfully achieve independence and get out of the circle of poverty.

Sharia Provisions and Regulations

The Asnaf Entrepreneurs program is an implementation of the productive Zakat model. This program is based on the opinion of Yusuf Al-Qardawi (1968). According to Qardawi, Islam stipulates from whom zakat should be taken, details of the amount, collection mechanism, and to whom it is distributed. Meanwhile, the distribution mechanism is not set. (Al-Qardawi 2000; Shiyuti and Al-Habshi 2019)

Therefore, according to Zalikha (2016), the distribution of productive zakat is allowed. Zalikha's study (2016) concluded that productive zakat is allowed to improve the economic life of the mustahiq. Therefore, it is hoped that, with the process of economic transformation, according to the opinion of E. S. Bahri et al. (2020), asnaf entrepreneurs can meet basic needs and worship Allah SWT well. Thus, the need for mustahiq to include material and spiritual dimensions can be met.

A detailed explanation of the criteria for the distribution of Productive Zakat is found in the book Contextual Zakat Contextual Indonesia and Regulation of the Minister of Religion (PMA) No.52 of 2014. In addition, it is explained in Table 1 about these requirements and criteria as a reference for Zakat management entities. As a picture, Indonesia's zakat management entities consist of Baznas, Baznas Province, Baznas District/City, LAZ National Level, LAZ Provincial Level, and LAZ.

Table 1. Criteria for Productive Zakat Disbursement

No	Contextual Fiqh	PMA No.52
1	Has fulfilled sharia provisions	If Mustahiq's basic needs have been met
2	Generate added economic value for Mustahiq	Meet sharia provisions;
3	Mustahiq is domiciled in the work area of the zakat management institution.	Generate added economic value for Mustahiq
4	Beneficiaries are individuals or groups who meet Mustahiq's criteria.	Mustahiq is domiciled in the work area of the zakat management institution.
5	Provide guidance or assistance to Mustahiq from Amil Zakat, who is in Mustahiq's domicile area	beneficiaries are individuals or groups who meet Mustahiq criteria; and receive assistance from Amil Zakat, who is in Mustahiq's domicile area

Source: Ismail et al. (2018) and PMA No.52.

Based on the above two references, there is an emphasis on Productive Zakat's distribution, namely the assistance. Companions are expected to be able to raise the dignity and dignity of asnaf entrepreneurs. It is done as an effort to develop asnaf entrepreneurs and their families (Bahri 2019). Some principles in assisting Asnaf Entrepreneurs become essential to implement, namely learning from the community, companions as facilitators and the community as actors, learning from each other and sharing experiences (Sutikno, 2015), (Karsidi, 2002) (Bahri 2019).

Assistance to asnaf entrepreneurs includes two dimensions. First, individual and family dimensions. Counselling with individuals and families is related to identifying problems, potentials, and solutions to overcome various weaknesses and challenges. Meanwhile, business support is related to efforts to improve business performance and the impact of coaching. The zakat management entity needs to monitor and evaluate the program To determine how much assistance has been made. It ensures that the asnaf entrepreneurs' program provides excellent value and benefits to the mustahiq. Recent research related to asnaf entrepreneurs states that business support significantly influences income. (Amir 2019)

The practice of distributing zakat Productively implemented by the Zakat management entity is in principle in line with that exemplified by the Prophet SAW. In the Hadith of Imam Muslim, it is narrated from Salim bin Abdillah bin Umar from his father that the Prophet had given him alms and asked him to develop or return them (Muslihun 1970). Therefore, Muslihun emphasizes zakat management entities to provide guidance and assistance to asnaf entrepreneurs, individuals, families, and businesses.

Zakat Management Entities

The Asnaf Entrepreneurs Program has been run by Zakat management entities, as illustrated in Table 2.

Table 2. List of Zakat Management Entities for Asnaf Entrepreneurs Program

No	Entity	Description	Source
1	Zakat Pulau Pinang (ZPP)	Catering Asnaf Motion, Stitch Asnaf Motion, Farmer Asnaf Motion, Niaga Asnaf Motion, Atrium & Café.	zakatpenang.com/ ; 09/11/2020
2	Badan Amil Zakat Nasional	Zakat Community Development, Empowerment of Farmers, Micro	baznas.go.id; 09/11/2020

		Financing, Economic Empowerment	
3	BAZNAS Prov. Riau	Riau Prosperous Program	baznas.riau.go.id/ 09/11/2020
3	Perbadanan Baitulmal Negeri Sembilan	Asnaf & Capital Development	pbmains.gov.my; 09/11/2020
4	Zakat and Sadaqat Foundation	Economic Empowerment	zakatandsadaqat.org.ng/ 09/11/2020
5	Lembaga Zakat Negeri Kedah Darul Aman	Asnaf Development	zakatkedah.com.my/ 09/11/2020
6	Baitul Maal Hidayatullah (BMH)	Leading Independent Program	bmh.or.id/; 09/11/2020
7	DT Peduli	Economic Care (Creative Center, Sharia Micro Finance, Independent Livestock Village (DTM), Difabel Creative Center (DCC)	dtpeduli.org/; 09/11/2020

Source: From various sources.

The first Asnaf Entrepreneurs Program was developed by the Selangor Malaysian Zakat Institute in the 1990s. As described in Table 2, many Zakat management entities have developed the asnaf entrepreneurs' program.

CONCLUSION

Zakat is an obligation of the Islamic ummah for those who have met the nishab. The zakat funds that have been collected are then distributed for the benefit of Mustahiq. One of the distribution programs is for poverty alleviation through the Asnaf Entrepreneurs program. The asnaf entrepreneurs' program was only developed in the 1990s by the Selangor Zakat Institute. Currently, many Zakat management entities have run the asnaf entrepreneurs program. However, it does not look developed yet. Nevertheless, this study illustrates that, in terms of sharia and regulatory provisions, it is adequate.

This study identifies zakat management entities that have run the asnaf entrepreneurs' program. Several zakat management entities that have optimized the zakat fund for the asnaf entrepreneurs program include Zakat Pulau Pinang (ZPP), the National Board of Zakat (known as Baznas), Baznas Riau Province, Negeri Sembilan Baitulmal Agency, Kedah Darul Aman Zakat Institute, Baitul Maal Hidayatullah (BMH), and DT Peduli. The asnaf entrepreneurs' program, which is run in quantity and quality, is still limited. Besides, no institution specifically supervises the Asnaf Entrepreneurs program globally. With the limitations of this study, it is hoped that more in-depth research will be carried out related to the development of the Asnaf Entrepreneurs program in the country. However, the out by the zakat management entity. Thus, the contribution of the zakat management entity can be shown significantly.

REFERENCE

- Abang Abai, Dayang Shobihah, Mohd Daud Awang, Ahmad Nasir Mohd Yusoff, Arfan Ab. Majid, and Hadi Hamli. 2020. "Bentuk Bantuan Modal Agihan Zakat Asnaf Dan Pencapaian Usahawan Asnaf Di Malaysia: Kajian Empirikal." *Malaysian Journal of Social Sciences and Humanities (MJSSH)* 5(1):93–99.
- Abdul Halim, Hazlina, Jamaliah Said, and Sharifah Norzehan Syed Yusuf. 2012. "Individual Characteristics of the Successful Asnaf Entrepreneurs : Opportunities and Solutions for

- Zakat Organization in Malaysia.* "International Business and Management 4(2):41–49.
- Afif Muhamat, Amirul, Norlida Jaafar, Hardi Emrie Rosly, and Hasman Abdul Manan. 2013. "An Appraisal on the Business Success of Entrepreneurial Asnaf." *Journal of Financial Reporting and Accounting* 11(1):51–63.
- Al-Qardawi, Yusuf. 2000. *Fiqh Al Zakah: A Comparative Study (Vol. I). Vol. 1.*
- Amir, Muhammad Fakhri. 2019. "Faktor Determinan Tingkat Pendapatan Mustahiq Penerima Zakat Produktif." *Iqtishoduna* 10(2).
- Anis, Fahami Muhammad, and Salina H. Kassim. 2016. "Effectiveness of Zakat-Based Programs on Poverty Alleviation and Economic Empowerment of Poor Women: A Case Study of Bangladesh." *Journal of Islamic Monetary Economics and Finance* 1(2):229–58.
- Bahri, Efri. 2019. *Pemberdayaan Masyarakat Berkelanjutan.* edited by T. F. Publishing. Kediri: FAM Publishing.
- Bahri, Efri Syamsul, Prasetio Ariwibowo, and Hamzah Robbani. 2020. "Productive Zakat on Sharia Perspective and Regulation in Indonesia." *LITERATUS* 2(1):66–76.
- Baznas. 2020. *Statistik Zakat Nasional 2019.* Baznas.
- Caughlin, John P. 2010. "A Multiple Goals Theory of Personal Relationships: Conceptual Integration and Program Overview." *Journal of Social and Personal Relationships* 27(6):824–48.
- Creswell, John W. 2014. *Research Design: Qualitative, Quantitative, and Mixed Method.* SAGE Publications, Inc.
- Din, Noormariana Mohd, Mohd Syakir Mohd Rosdi, Mohammad Ismail, Mohd Zulkifli Muhammad, and Dzulkifli Mukhtar. 2019. "Contributions of Asnaf Entrepreneurs in Zakat of Business: A Revisiting Based on Turning over Model." *International Journal of Academic Research in Business and Social Sciences* 9(9).
- Ismail, Ahmad Satori, Masdar Farid Mas'udi, Efri Syamsul Bahri, Irsyadul Halim, Mohd. Nasir Tajang, Faisal Qasim, Ahmad Hambali, and Putra Erianton. 2018. *Fikih Zakat Kontekstual Indonesia.*
- Locke, Edwin A. 1968. "Toward a Theory of Task Motivation and Incentives." *Organizational Behavior and Human Performance* 3(M):157–89.
- Meldona, Ninda Aulia Riska, Sulis Rochayatun, and Fajar Nurdin. 2020. "Corporate Social Responsibility Disclosure Through Sharia Enterprise Theory." *Advances in Economics, Business and Management Research* 135(Aicmbis 2019):171–79.
- Mukhlisin, Murniati. 2020. "Tujuh Paket Kebijakan Ekonomi Dan Keuangan Syariah Mengatasi Dampak Krisis Covid-19." IAI Tazkiya.
- Muslihun, Muslihun. 1970. "Dinamisasi Hukum Islam Di Indonesia Pada Zakat Produktif Dan Wakaf Produktif: Sebuah Studi Perbandingan." *Al-Manahij: Jurnal Kajian Hukum Islam* 8(2):199–216.
- Nadzri, Farah Aida Ahmad, Normah Omar, and Rashidah Abdul Rahman. 2018. "Enterprise Governance of Micro-Entrepreneurs in Malaysia: Comparison between the Amanah Ikhtiar Malaysia and Asnaf's Economic Development Program." *Global Journal Al-Thaqafah* 2018(January):25–40.
- Nasir, Mohd., Efri Syamsul Bahri, M. Arifin Purwakananta, Kiagus Mohammad Tohir, Ahmad Setio Adinugroho, Faisal Qasim, Deni Hidayat, Andriadi, Rahman Sidik, Ahmad Hambali, and Khuzaifah Hanum. 2016. *Rencana Strategis Zakat Nasional 2016-2020.* Baznas.
- Olanipekun, Wahid Damilola, Aminu Nassir Brimah, and Haruna Baba Sanusi. 2015. "The Role of Zakat as a Poverty Alleviation Strategy and a Tool for Sustainable Development : Insights from the Perspectives of the Holy Prophet (PBUH)." *Oman*

- Chapter of *Arabian Journal of Business and Management Review* 5(3):8–17.
- Puskas. 2017. Dampak Zakat Terhadap Kesejahteraan Mustahik Di Indonesia. *Pusat Kajian Strategis Baznas*.
- Raudha, Md. Ramli, Ahmad Sanep, Wahid Hairunnizam, and Harun Farra Munna. 2011. "Understanding Asnaf Attitude : Malaysia's Experience in Quest for an Effective Zakat Distribution Programme." *International Zakat Conference* 1–22.
- Riyaldi, Muhammad Haris, Suriani Suriani, and Ridwan Nurdin. 2020. "Optimization Zakat for Sustainable Development Goals: Evidence from Baitul Mal Aceh." *International Conference of Zakat* 339–54.
- Shiyuti, Hashim Ahmad, and Syed Musa Al-Habshi. 2019. "An Overview of Asnaf Entrepreneurship Program by Lembaga Zakat Selangor, Malaysia." *SSRN Electronic Journal* (November).
- Urden, Timothy C., and Martin L. Maehr. 1995. "Beyond a Two-Goal Theory of Motivation and Achievement: A Case for Social Goals." *Review of Educational Research* 65(3):213–43.
- Valentinov, Vladislav, Steffen Roth, and Ingo Pies. 2020. Social Goals in the Theory of the Firm: A Systems Theory View.
- Zakaria, Faizah Binti, and Azhar Bin Harun. 2019. "Skills and Success of Asnaf Entrepreneurs: Islamic Spiritual Practice as Moderators." *International Journal of Accounting, Finance and Business (IJAFB)* 4(24):98–108.
- Zalikha, Siti. 2016. "Pendistribusian Zakat Produktif Dalam Perspektif Islam." *Jurnal Ilmiah Islam Futura* 15(2):304.