



## **Economic Empowerment Model Towards Mustahiq Through Ziswaf Fund Combination (Case Study Of Mustahiq Developed By Laznas Lmi Magetan)**

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### **ABSTRACT**

The total population in Indonesia is very high, which should be able to support the public's economy. However, in fact poverty is still one of the main problems in Indonesia. Islam is the most widely followed religion in Indonesia, in Islamic teachings there are instruments aimed for alleviating poverty, namely Zakat, Infaq, Shadaqah and Endowments (Wakaf) or abbreviated as Ziswaf. In practice, an institution named the Infaq Management Institute, Lembaga Manajemen Infaq (LMI) carries out the task to manage public's funds then distribute to specified recipients. This study aims to find out the role of the Amil Zakat Institution (LMI) in alleviating and prospering its mustahiq and exploring the model of economic empowerment for mustahiq carried out by LMI. As well as being an inspiration for LMI to further improve programs in managing Ziswaf funds. This research used qualitative approach with the observational case study method. The results of this study indicate that the empowerment program carried out by LMI for mustahiq has a positive impact and helps improve the mustahiq's economy.

**Keywords:** Zakat; Infaq; Shadaqah; Wakaf; ZISWAF; Economic Empowerment; Poverty; Amil Institution.

## INTRODUCTION

The population in Indonesia has reached 270.6 million people based on data from the national data, Badan Pusat Statistik. The population of Islam will be 231,069,932 in 2022, it will become the largest religion (Ministry of Religion of the Republic of Indonesia 2022). With an amount as large as that, it should be balanced with good community economic growth. But in reality, poverty is still a problem that often occurs in Indonesia. Poverty is a deprived living condition which according to Yusuf Qhardawi, is one of the causes for the emergence of economic problems whose main cause is weak sources of income.

**Table 1:** East Java Poverty Rate 2016-2021

2016	2017	2018	2019	2020	2021
11,85%	11,20%	10.85%	10.20%	11,46%	10,59%

Poverty often becomes an obstacle to the economic growth of the society so there is no end to a program in poverty alleviation. According to the data in table 1, The poverty rate in East Java for the years 2016 - 2021 has decreased from year to year, except for 2020 which has increased again due to the impact of the COVID-19 pandemic. Islam has its ways and distinctive characterized concepts of how the position of wealth that we have up to the ethics of distributing and consuming these assets, in which these concepts and methods also have a goal in alleviating poverty. Allah says in the Quran about the concept of distribution in Islam (Q.S. Al-Humazah, 104: 1-3). The verse explains that in Islam it is not permissible to have a concentration of wealth, the wealth should not only be owned by rich people. But there must be the distribution of wealth and income to prosper the society.

One of the programs to eradicate poverty in the Islamic economy is Ziswaf which already exists in Islamic Philanthropy. Ziswaf consists of funds sourced from Zakat, Infaq, Shodaqoh and Waqf. In the economic field, Ziswaf can play a role in preventing the accumulation of wealth in several people and making rich people distribute their wealth to those who are entitled to receive and manage it. So, Ziswaf also plays a role as a potential source of funds for alleviating poverty. Ziswaf can also function as working and business capital for the needy so they can earn and be able to fulfill their daily needs and be more prosperous.

The Infaq Management Institute, LMI (Lembaga Manajemen Infaq) is a professional philanthropic institution in Indonesia that aims to elevate the dignity of the poor (underprivileged communities) through the collection of social funds which include zakat, infaq, shadaqah, and endowments as well as corporate social responsibility funds. LMI was founded in 1995, based in Surabaya. In 2005, LMI was legalized as a provincial amil zakat institution. One of LMI's mustahiq (organization fostered by LMI) is Kube Hindung Farm which operates in the field of goat farming located in Magetan Regency, built and managed by LMI through Ziswaf funds. In addition, another organization is the Wira Daksa Utama Foundation (Widama) which is a foundation that gathers people with disabilities so they can continue to have jobs and be able to fulfill their needs in life. So, researchers want to conduct research on LMI by gathering information from Kube Hindung Farm, Widama and individual mustahiq who are fostered and empowered by LMI.

## LITERATURE REVIEW

### The Definition of Zakat

The meaning of zakat in language is to grow and increase. Didin Hafidhuddin argued that zakat according to language is a blessing, growing, increasing, developing and holy (Hafidhuddin, 2002). Meanwhile, according to the language, zakat has the meaning of growing, developing, and blessing or can also mean cleansing or purifying the soul. In terms of terminology, zakat according to the Mazhab Hanafi means having a certain portion of certain wealth to be given to people who have been determined by Allah SWT. Then according to the Mazhab Maliki, Zakat is giving out certain wealth that has reached the nishab to those who are entitled, if they are perfectly owned and have had 1 year (haul). According to Sharia terminology (Syara' terms), zakat means an obligation to property or an obligation to a certain asset for certain groups and at a certain time (Abdullah, 2021).

### The Definition of Infaq

Infaq in language (lughat) comes from Arabic, *anfaqo-yunfiq*, which means to spend or finance, the meaning of infaq becomes special when it is associated with efforts to realize God's commands (Hastuti 2016). Infaq is only related to material matters, in this case, infaq is divided into 2 namely obligatory infaq

(Zakat) and Sunnah infaq. Infaq does not have to be given to certain mustahiq, but to anyone, for example, parents, relatives, orphans, the poor, or people who are on a trip (Hastuti 2016). Thus the notion of infaq is a voluntary expenditure determining the type of property, and how much should be surrendered.

### **The Definition of Shadaqah**

Shadaqah is a gift given by a Muslim to another person spontaneously and voluntarily without being limited by time and a certain amount, a gift given by someone as a virtue that hopes for the pleasure of Allah SWT and rewards alone (Mursyid 2006). In Sharia terminology, the meaning of shadaqah means spending part of one's assets or income for the purposes prescribed by Islamic teachings (Mufraini 2006). Shadaqah is sunnah for anyone who has property/wealth even if it is not determined by the nishab and haul, and sadaqah is issued according to the ability of each human being.

### **The Definition of Waqf**

The definition of the word Waqf is derived from the Arabic word Waqafa. The origin of the word waqafa has the meaning of holding, stopping, staying in place, and standing still. So waqf is an asset that is donated to waqf recipients and is used as best as possible to obtain benefits. In general syara' terminology, waqf is a kind of gift whose implementation is carried out by retaining the original (original *tabbisul*), and then making the benefits generally accepted. What is meant by *tabbisul* ashli is holding the donated object so that it is not inherited, sold, donated, pawned, or rented. Meanwhile, the way to use it is to use it according to the will of the waqf giver (wakif) without reward. (Directorate of Waqf Empowerment: 2008).

### **The Definition of Mustahiq**

Mustahiq means a person who has the right. From the meaning of the word mustahiq, it can be defined that mustahiq is a certain group that is economically or financially deficient and has the right to receive it. In beneficiaries, there are 8 groups of Muzakki or commonly called 8 groups of ashnaf, according to Suryadi (2018), namely faqir, poor, amil, muallaf, riqab, gharim, fiisabilillah, and ibnu sabil.

## **The Definition of Empowerment**

Empowerment is a process of developing self-sufficiency and community welfare by increasing knowledge and skills to improve the situation and improve an individual's financial condition. Concerning the meaning of the concept of community empowerment, Ife (1995) states that "empowerment is a process of helping disadvantaged groups and individuals to compete more effectively with other interests, by helping them to learn and use in lobbying, using the media, engaging in political action, understanding how to 'work the system,' and so on" (Ife, 1995). According to Kartasasmita (1996) in Aprilianto and Widiastuti (2021) public's economic empowerment is an effort to mobilize resources to develop the public's economic potential and increase the public's productivity.

## **RESEARCH METHOD**

This study used a qualitative approach. The term qualitative research according to Kirk and Miller (1986) defines qualitative research as a particular tradition in social science that fundamentally depends on observations of humans both in their area and in their terminology. The qualitative approach in this study aims to find out how the management model of the combination of both waqf and infaq funds can change the economic condition of mustahik. The method used in this research is the case study method. According to Yin (2009), the case study research method is the right strategy to use in research that uses how or why research questions, the researcher has little time to control the events studied, and the research focus is contemporary phenomena, to track contemporary events.

The case study method has several models and types, the researcher chose the case study method of observation. An observational case study is a study conducted by researchers to examine or analyze subjects that are physical objects or an ongoing process or activity, observational case studies require researchers to go directly to the field to obtain these data. The case study method can answer the research problem formulation regarding how the model of mustahiq economic empowerment whose sources of funds come from Ziswaf funds. Finally, this research also desire to see how successful this empowerment has been in empowering the mustahiq's economy.

This study uses 2 types of data sources, namely primary data obtained through direct in-depth interviews with informants and secondary data obtained

from supporting documents that are aligned in data collection for this study. In this study, researchers used the snowball method through recommendations from LMI as the main informant who has high credibility, so that the data obtained is valid and can be accounted for its validity.

**Table 2: Research Key Informant**

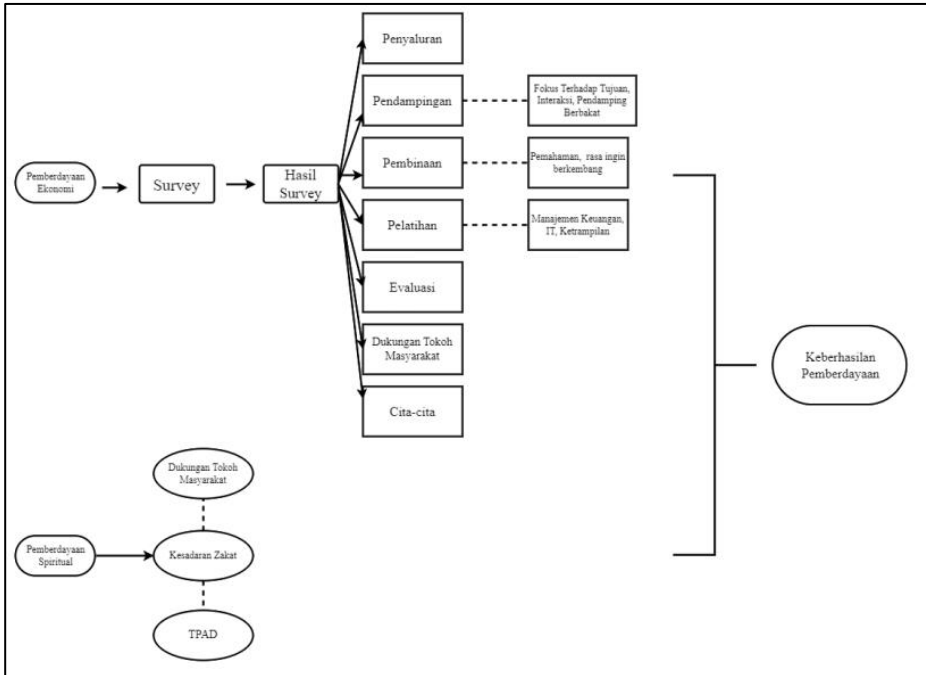
No.	Clusters of Informants	Key Informants	Reason to be Interviewed
1.	LMI Magetan	Area Manager: Mrs. Winarsih	As an informant who oversees the Magetan Area of LMI, she knows exactly how the empowerment model is carried out by LMI Magetan so that it can improve the economy of mustahik who are empowered by LMI.
2.	LMI Magetan	Utilization Staff: Mr. Heri	As an amil informant under the auspices of the Magetan Area LMI Manager who directly empowers mustahik who are fostered and empowered by LMI.
3.	LMI Magetan	Admin Utilization Staff: Mr.Ahmad	Considered an informant who understands and understands the flow of administration of empowerment in LMI Magetan
4.	Kube Hindung Farm	The owner: Mr.Hindung	As an informant who directly felt the impact of the presence of LMI Magetan and took direct action to utilize the funds distributed by LMI Magetan.
5.	Kube Hindung Farm	The wife's owner: Mrs.Galuh	As an informant with the status of the wife of the Kube Hindung Farm owner. This informant is considered an informant who understands the process of utilizing funds received by the Kube Hindung Farm, as well as an informant who accompanies Mr. Hindung in livestock activities.
6.	Widama	Member:	As a disabled mustahiq from LMI

	Foundation	Mrs.Hartini	Magetan who received funds from LMI and was empowered by LMI
7.	Widama Foundation	Member: Mrs.Supartini	As a disabled mustahiq from LMI Magetan who received funds from LMI and was empowered by LMI
8.	Widama Foundation	Member: Mrs.Tutik	As a disabled mustahiq from LMI Magetan who received funds from LMI and was empowered by LMI
9.	Widama Foundation	Member: Mr..Wiji	As a disabled mustahiq from LMI Magetan who received funds from LMI and was empowered by LMI
10.	Widama Foundation	Member: Mrs.Supartini and Family (Mr.Wiji's Wife)	As the wife of Mr. Wiji who is considered to have a role and qualified knowledge about Mr. Wiji's journey and Mr. Wiji's technique in managing funds provided by LMI
11.	Mustahiq	Individual Mustahiq: Mr.Jiran	As an individual mustahiq who is empowered by LMI Magetan and is engaged in the banana chip business
12.	Mustahiq	Individual Mustahiq: Mrs.Mujiati (Mr.Jiran's Wife)	As the wife of Mr. Jiran who is considered to have sufficient knowledge and information about how the funds are managed by Mr. Jiran and also experiences the empowerment program carried out by LMI Magetan
13.	Mustahiq	Individual Mustahiq: Mr.Sulis	As an individual mustahik who is empowered by LMI and is engaged in the motorcycle repair business.

## ANALYSIS AND DISCUSSION

### Economic Empowerment Model

#### 1. The Overall Empowerment Model Conducted by LMI Magetan



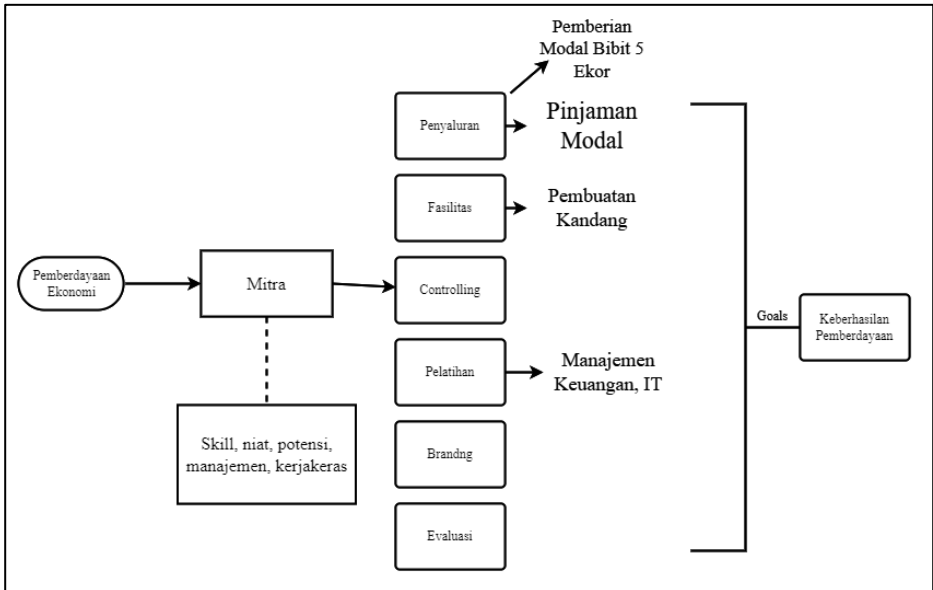
**Figure 1:** The Overall Empowerment Model Conducted by LMI Magetan

The empowerment carried out by LMI is divided into 2, namely from an economic and spiritual perspective. Economic Empowerment must start with a survey where surveys are the most important thing when starting a program because from institutional surveys you can find out how potential mustahiq candidates are, from surveys conducted by institutions it will determine the end result of empowerment so that empowerment distribution and programming can be according to the talents possessed by mustahiq. After going through the survey process, a result was published that determined the mustahiq was included in the category of empowerment type and distribution was carried out accompanied by certain activities. In addition, the spiritual side is also something that must be considered. Because, if the mustahiq has been transformed into a



mufiqin and muzakki, then they must have awareness in issuing assets. In addition, because the zakat institution is an institution that operates within the scope of Islamic philanthropy, it is necessary to pay attention to the spirituality of the fostered mustahiq.

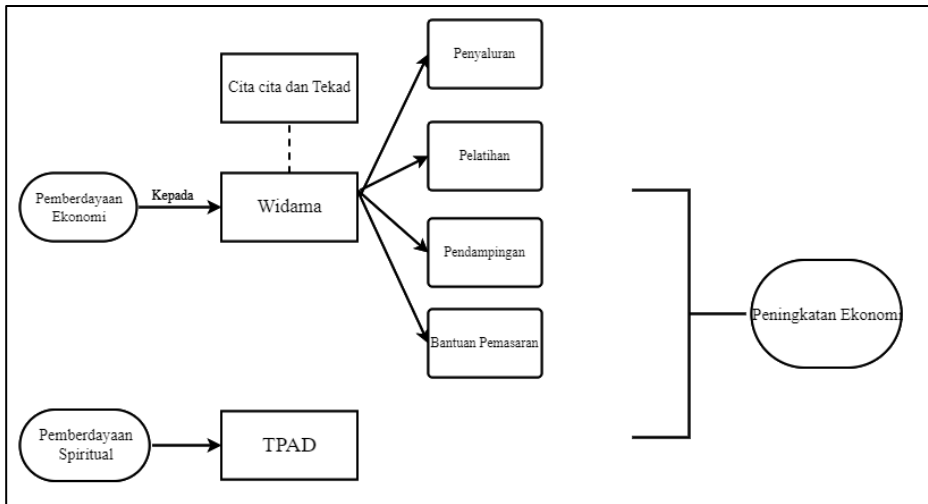
## 2. Model of Empowerment in the Farm Field of Mustahiq



**Figure 2:** The Empowerment Model in the Farm Field of Mustahiq

After forming a partnership agreement between Mr. Hindung and LMI, LMI distributed capital in 2 types, namely providing seed capital for 5 goats and capital loans. The capital loan has a mechanism for spending goat seeds. To support the purchase of seeds in large quantities, LMI provides facilities in the form of making cages with a wider capacity of 400 goats. In addition, LMI always carries out controlling activities to see the progress. Apart from being a lender, LMI has another function as branding tool for its mustahiq, so that the business carried out by mustahiq is increasingly recognized on a broad scale. After all running, the thing that must be considered is the evaluation.

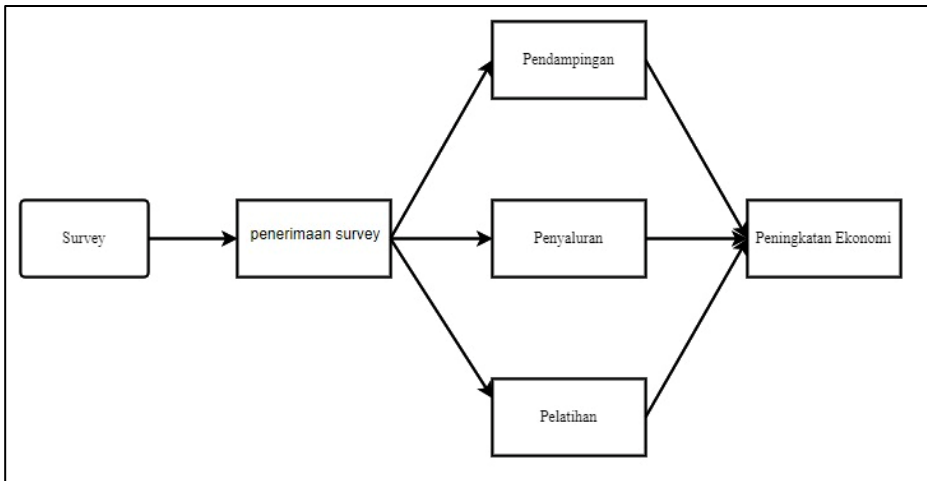
### 3. The Empowerment Model for the Disability Foundation



**Figure 3:** The Empowerment Model for the Disability Foundation

LMI empowers disabled foundations in Magetan. There are 2 types of empowerment carried out by LMI for Widama, namely Economic and Spiritual. After Widama officially became a fostered member of LMI, what LMI did with Widama was the distribution of bag raw materials accompanied by training in the skills of making patterned bags. After distributing raw materials and skills in making motif bags, LMI also conducted financial management training. In addition, LMI always provides assistance by communicating and from time to time visiting to be able to see firsthand the development of the business being undertaken. In addition, LMI also has a role as a means of marketing Widama products to various consumers, for example participating in MSME exhibition activities. After empowering from an economic standpoint, LMI also organizes activities that lead to spirituality, namely routine recitation activities that are held every Sunday.

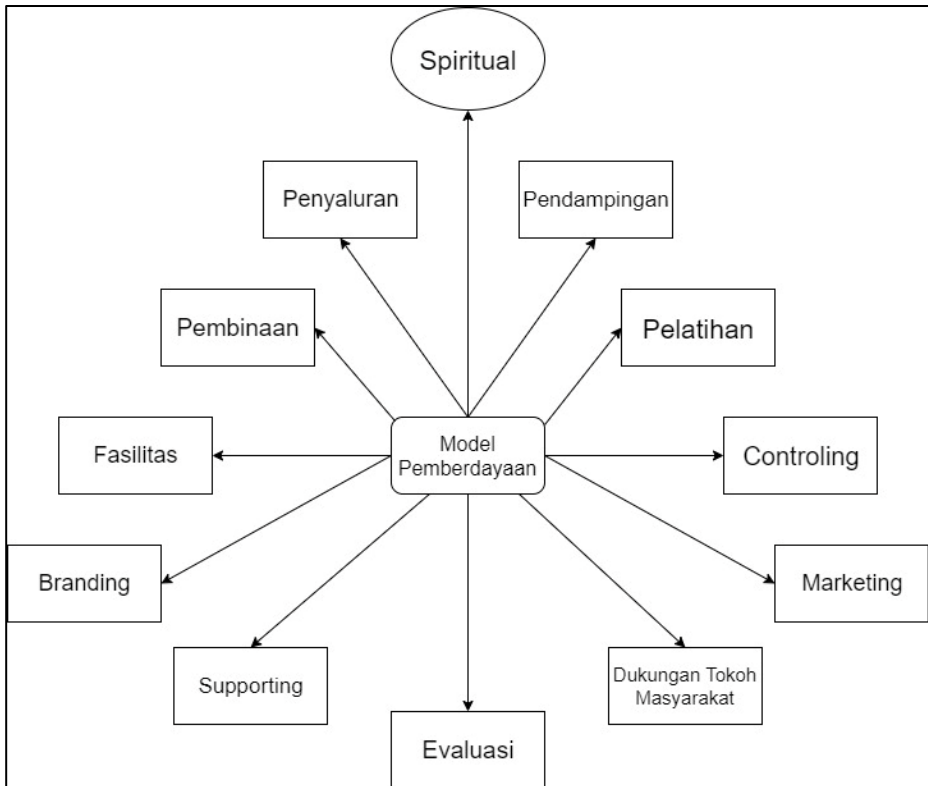
#### 4. The Empowerment Model for Individual Mustahiq



**Figure 4:** The Empowerment Model for Individual Mustahiq

Figure 4 is a model form of empowerment carried out by LMI for individual mustahiq, in general, it has almost the same technicality as other empowerments. The first thing to do is to conduct a mustahiq feasibility survey to find out and explore the potential that exists in mustahiq. After going through the survey part, a decision was issued on whether the program was accepted or transferred. After officially becoming a mustahiq assisted by LMI, a capital distribution will be made to be managed by the mustahiq. After the distribution is carried out, mustahiq must always be given intense assistance so that they can properly control the business carried out by mustahiq. LMI is not only a donor and provider of facilities, but also a support system for mustahiq, the partners. According to information from a mustahiq, support from the LMI is an important factor because from that, mustahiq feels very much entrusted and responsible.

## 5. The Combined Empowerment Model



**Figure 5:** The Combined Empowerment Model

Basically, the Empowerment carried out by LMI does not only focus on the economic side but also empowers from a spiritual perspective. Empowerment from the spiritual side is considered as a roof to complete economic empowerment. Because mustahiq are spiritually good, the essence of empowerment that originates from the people's funds is more accessible. Empowerment from the spiritual side can be done by holding a TPAD (Adult Quran Education Park) program, studies, and regular recitations. In terms of economic empowerment, there are various aspects that are carried out, these aspects are carried out because each mustahiq has different background, and has different economic problems and characteristics. When it is at the distribution

stage, LMI does not merely provide funds to mustahiq instantly but is given in instalments. After there is a distribution, LMI provides assistance and coaching. Then the function of mentoring is to monitor how far the the progress of mustahiq has developed. In addition, there is training provided by LMI. The training provided is also a training that adapts to the field area and constraints of mustahiq. LMI as the donor also performs several functions including Controlling, Marketing, Support System, and Branding. After going through several aspects of empowerment the end point of a program is evaluation. Evaluation is very closely related to the final results, so it will be easy to see the weakness or failure of the empowerment program and can also provide information on how far the needs and opportunities have been achieved by an empowerment program. Evaluation can also reveal the achievement of the goals.

## **CONCLUSION**

Based on research and some findings in the field. So it can be concluded by researchers below:

1. The existence of a program conducted by LMI for mustahiq has a positive impact in empowering and improving the mustahiq's economy. This can be proven from information from informants that the impact of this empowerment can improve the economic conditions of mustahiq.
2. In order to succeed the empowerment program, it does not only require qualified mustahiq, but the institution must also has high consistency in paying attention to mustahiq.
3. LMI is an institution that has empowerment procedures that pay attention to mustahiq from all directions and pay close attention to the assisted mustahiq.
4. The empowerment model implemented by LMI is a detailed empowerment because it has elements of mentoring, training, providing facilities, controlling, seeking support from community leaders, and evaluation.
5. Apart from being a lender, LMI has functions as branding, marketing and supporting instrument.

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