

SOCIETY'S EMPOWERMENT THROUGH THE UTILIZATION OF PRODUCTIVE ZAKAT AT DOMPET DHUAFA AMIL ZAKAT INSTITUTION OF SOUTH SULAWESI

**Syarifa Raehana
M. Nasir Hamzah
Muslimin H. Kara
Amiruddin K.**

Post Graduate of UIN Alauddin Makassar

Email: raehana@umi.ac.id

Abstract: The main problem of this research is how to empower society through utilizing productive zakat at the Dompot Dhuafa Amil Zakat institution of South Sulawesi. This study classifies the main issue into three problems: (1) What is productive zakat utilization in the Dompot Dhuafa Amil Zakat institution of South Sulawesi? (2) What factors influence society empowerment through utilizing productive zakat in Dompot Dhuafa Amil Zakat institution of South Sulawesi? And (3) The impact of the utilization of productive zakat at Dompot Dhuafa Amil Zakat institution of South Sulawesi on Society Empowerment. The approach used in this study was qualitative descriptive in terms of Case study. The results of this study were; *First*, the form of productive zakat utilization carried out by Dompot Dhuafa Amil Zakat institution of South Sulawesi, namely 1). Surplus Zakat Budget; refers to Amil's zakat funds as companies' funding by making *mustahik* zakat as workers. 2) In-Kind; refers to zakat funds given in the form of production tools used by *mustahik* to run a productive business. 3). Revolving Fund; it refers to the utilization of zakat by providing loan funds to *mustahik* in the form of *qardhul hasan* or benevolent loans.

Keywords: Society's Empowerment; Utilization of Zakat; Dompot Dhuafa

I. BACKGROUND

In general, the appropriate techniques to utilize zakat to improve people's living conditions also mean how a program can empower people from an economic perspective and other aspects that are part of their needs. Society's empowerment is an activity carried out by the society where they can simultaneously identify

needs and problems.¹ Another meaning of society's empowerment is a planned activity to create conditions for the socio-economic progress of the society by increasing their participation.

The purpose of holding the society's empowerment is to achieve social conditions with the society's continued realization of socio-cultural, political, economic, and technological transformations. From the description, there are 3 (three) general characteristics of society's empowerment programs, namely, (1) society base or the society as the leading actor (subject) in program planning and implementation; (2) local resources-base; the creation of activities by looking at the potential of existing resources (natural, human); and (3) sustainable, i.e., the program functions as the initial driver of sustainable development.²

Society Development contains efforts to increase participation and belonging to the implemented programs and must contain elements of society's empowerment.³ Development is necessary to manifest human efforts as *khalifatan fil ardhi* in managing their lives to achieve a better standard of living. However, it is unacceptable if the development only creates inequalities where the results of development are only perceived by a few people with massive access to the development.

The fact has shown that implementing the development concept has succeeded in changing some of the conditions of people's lives to a better level. Even certain groups feel the excessive results of the development. However, it is undeniable that the development process has afflicted the rest of the people and been crushed by the builders' products. Unemployment and poverty are still a real sight in some communities amid the development process by the government.

The choice of a development approach oriented toward economic growth has not only resulted in various forms of social inequality but also led to various problems such as the accumulation of hedonistic values, social ignorance, and lack of family bonds and kinship. Besides, the development approach has made society dependent on the central bureaucracy with enormous resource absorption power

¹Raharjo Adisasmita, *Pembangunan Pedesaan dan Perkotaan* (Graha Ilmu: Jogjakarta, 2006), p. 116

²Bambang Rudito, dkk *Akses Peran serta Masyarakat; Lebih Jauh Memahami Society Development*, (Sinar Harapan: Jogjakarta, 2003).

³Zahariri, "Pengembangan Masyarakat: Perspektif Pemberdayaan dan Pembangunan", *Komunitas, Jurnal Pengembangan Masyarakat Islam*, 4 no. 1, (2008): p 103

but is not sensitive to the needs of the working poor. It has systematically turned off the local society initiatives to solve their problems.⁴

Development must create self-reliance and participation for all levels of society so that when the government encounters obstacles in implementing social development, the societies can solve the development problem jointly as the subject and object of development.

One undeniable thing is that society has excellent potential to support successful development if the local potential can be appropriately managed. The concepts of development should not only be taken with a top-down approach which leads to deadening the creativity of the society, but efforts to design the implementation of development must focus on the bottom-up approach. It can build society's empowerment, participation, and creativity and foster a sense of responsibility and independence in developing the needed development concepts. Any approach can simultaneously maintain the potential and local values that grow in people's lives.

The development concept relates to the obligation of zakat as an expected potential to raise the dignity of the people who get out of poverty, not only economic poverty but also other poverty that have a significant role in it. Therefore, the management of zakat distribution must be defined in an absolute way, not only in the context of the economic development but also in the effort to develop the society as a whole, considering the poverty issue and the complex development throughout they remain on the Maqasidus Shari'ah corridor.

Society's empowerment can cultivate self-reliance and participation and can create society's independence. Society's empowerment aims to release people from absolute poverty and structural and knowledge poverty to gain broad access to opportunities to develop their potential. They can do it if the policymakers, both government and zakat management institutions, design clear regulations to empower the poor.

The number of poor people in 2019 experienced a slight decrease compared to the same period in 2018. However, it was pretty different in September 2020. Instead, there was an increase/addition of around 40,000.00 people in September 2020 compared to September 2019. The data explains that the number of poor people in South Sulawesi is still relatively high, especially during the Covid-19 pandemic, which contributed to increasing the poor, said the Head of the Central

⁴David Korten, *Society Managemen*” dalam Zahariri, “*Pengembangan Masyarakat: Perspektif Pemberdayaan dan Pembangunan*”, *Komunitas, Jurnal Pengembangan Masyarakat Islam*”, 4 No. 1, (2008): p. 103

Bureau of Statistics of South Sulawesi.⁵ This issue requires the involvement of all parties, especially government and non-government institutions, including religious institutions that are concerned with efforts to alleviate poverty. Then, in Islam, zakat institutions as a source of funds for the people are significant assets to raise the dignity of the poor to a better level.

Dompot Dhuafa Amil Zakat institution, as a zakat management institution authorized by the government through Constitution Number 23 of 2011, has managed the zakat both in terms of zakat collection and distribution to those who are eligible to receive it, both in the form of consumptive support and productive businesses. The productive zakat utilization program has been launched by Dompot Dhuafa Amil Zakat institution, South Sulawesi. It is interesting for researchers to examine how the society's empowerment strategy is carried out as a mandate of the Constitution and the religious mandate so that the assisted society can become an independent society.

II. THEORETICAL REVIEW

Zakat and Economic Empowerment of the Ummah

Zakat as the Economic Variable

In economic terms, a zakat is an act of transferring wealth from the rich to the poor. Wealth transfer refers to the transfer of economic resources. This action will cause changes in economic aspects. A person who receives zakat can use it to consume or produce goods or services. Although zakat is a form of worshiping Allah, it also means social worship with an economic dimension.

Nowadays, zakat is associated with socio-economic problems. Giving zakat is interpreted not only as faith in Allah and worship, with the benefits directed at oneself, but also in humanity. Ethical thinking in social life contains sensitivity to objective conditions for all phenomena of life in society. It is a sociological fact that in people's lives, there are inequalities. Few people who live in poverty need attention. On the other hand, a group of people whose lives are entirely sufficient. The Muslims have also improved their rational approach, so it raises their technical thinking, namely linking the problem of zakat with the

⁵Yos Rusdiansyah *Jumlah Penduduk miskin di Sulsel bertambah menjadi 800 ribu orang*, Sindo News.Com, <https://makassar.sindonews.com/read/336342/710/jumlah-penduduk-miskin-di-sulsel-bertambah-menjadi-800-ribu-orang-1613433727> (April 24th, 2021)

problem of relocating economic resources. People also see that zakat is an economic policy that can raise the status of the poor.⁶

A. Mannan emphasized the issue by stating that zakat is the axis and center of Islamic state finance. Zakat covers the moral, social, and economic fields.⁷ Zakat can prevent the accumulation of wealth of a few people and allow wealth to be distributed before problems are experienced by the owners. So it is clear that zakat aims to make economic differences between people fairly and thoroughly so that the rich do not grow more affluent and the poor are getting poorer. In addition, zakat helps to encourage investment.

The payment of zakat must be out of the total wealth at the end of each year. The cash, gold, and silver that exist are intended for productive trade, so the zakat for each should be paid. A person who invests his wealth in a year will prefer to pay his zakat annually because the investment made can fulfill part of his expenditure from the profits he earns.

Investment in Islamic economics does not refer to a function of interest rates as in conventional economic theory but rather a function of the expected level of profit, the level of zakat on profits from investment, and other expenditures on unproductive assets except zakat. The interest rates are not applicable while the expected profit rate is not a variable, so the cost level for unproductive assets can be used as a variable instrument to reassure the investment.⁸

Apart from reassuring the investment, the dual purpose of zakat also aims to embolden financing, which has enormous economic benefits. The availability of funds for investment encourages industrial development. It accelerates the pace of economic growth, and an increase in excessive consumption will create effective demand for the products of an industry in a country.

The increasing tendency to consumption and the increasing level of investment provide or open up extensive job opportunities for those who need them and thus will undoubtedly affect the economic progress of a country.

Zakat and Community Development

⁶Rahardjo, M. Dawam. *Perspektif Deklarasi Makkah Menuju Ekonomi Islam*. 2nd ed. Bandung: Mizan, 1991, p. 147

⁷Mannan, M.A. *Teori dan Praktek Ekonomi Islam*. Jakarta: Dana Bakti Wakaf, 1997. p. 266

⁸Ramli, Mansyur. *Perkembangan Teori Ekonomi dalam Perspektif Islam*. Ujungpandang. 1997, p. 15

Development is undoubtedly a manifestation of human efforts as Caliphs on earth manage their lives to achieve a better standard of living. However, it is unacceptable if, in the end, the development only creates inequalities where the results of development are only experienced by a few people with considerable access to development.

The fact has shown that implementing the development concept has succeeded in changing some of the conditions of people's lives to a better level. Even certain groups feel the excessive results of the development. However, it is undeniable that the development process has afflicted the rest of the people and been crushed by the builders' products. Unemployment and poverty are still a real sight in some communities amid the development process by the government. The approach of development choice is oriented toward economics. It has not only resulted in various forms of social inequality but also led to problems such as the accumulation of hedonistic values, social ignorance, and lack of family bonds and kinship. Besides, the development approach has made the society depends on the central bureaucracy that has enormous resource absorption power but is not sensitive to the needs of the working poor and has systematically turned off the local society initiatives to solve the problems they face

The reality shows that the current society's problems are increasingly complex and are no longer merely economic problems. Poverty, health, education, and the fulfillment of clothing and food are the problems that live in the breath of the lower class people. In addition, more challenging problems include getting access to development, building social independence, getting protection from the state, and obtaining the rights as citizens and others.

The trend of zakat innovation in utilization for the poor is managed by providing capital for productive business development. There are two views on managing business capital for the poor as an empowerment effort.

The *first* view is that using zakat for the poor in venture capital loans with an obligation to repay the funds can preach to the recipients about responsibility rather than giving them in the form of a bequest. This view emphasizes that utilizing zakat as a bequest will only create permanent dependence without work motivation. According to him, this model does not empower the poor.⁹

⁹ Mohammad Nizarul Alim, Utilization and Accounting of Zakat for Productive Purposes in Indonesia: A Review; 2nd Global Conference on Business and Social Science-2015, 17-18 September 2015, Bali, Indonesia *Procedia - Social and Behavioral Sciences* 211 (2015) 232 – 236 https://www.researchgate.net/publication/286530572_Utilization_and_Accounting_of_Zakat_for_Productive_Purposes_in_Indonesia_A_Review (Accessed on February 11th 2021)

Second is the allotment of zakat funds as capital on a bequest basis. The assumption is that *muzakki* as *asnaf* are entitled to the zakat property they receive. Sarif and Kamri view zakat ownership with the *tamlik* concept. *At-tamlik* means the diversion of ownership rights from the giver to the recipient.¹⁰ This second model requires social workers as companions who are more creative in finding management forms so that zakat funds can develop productively.¹¹

Based on the two exposure models mentioned above, the first model fosters responsibility and work ethic on one side. On the other hand, it can increase the burden on *mustahik*, which is unwise.

Zakat is the worship of *mahdah* and *ghairu mahdah*, so it cannot be separated from syar'i law. The product of thought is solely based on the point of view of human thought, which is relatively not allowed to violate the provisions of the law. If zakat is managed using a loan model to *mustahik* with returning obligation, it violates religious provisions. Zakat is the diversion of rights from the property owner (*muzakki*) to a certain degree to the *mustahik*. Thus, the property given to the *mustahik* becomes their right without any burden of obligation. The methodology cannot forfeit the syar'i provisions.

The Role of Zakat in Alleviating Poverty.

History has proven that the excellent management of the distribution of zakat during Umar bin Abdul Azis' era has succeeded in raising the dignity of its people so that there are no more poor people because all of them have issued zakat. At that time, the distribution of zakat was not only consumptive but also productive. Even in the era of the prophet's friends, zakat has succeeded in growing the people's economy. Caliph Umar bin Khattab has made zakat able to change people's lives, from being helpless to becoming empowered humans. They can even share with fellow humans who need help because they have succeeded in becoming *muzakki*. The success of the Caliph cannot be separated from his accuracy in applying the distribution method of zakat by giving a "hook" (business

¹⁰ Sarif, Suhaili & Nor 'Azzah Kamri, 2009. Pembahasan Teoritik Zakat Untuk Menghasilkan Pendapatan Dan Isu Fiqhnya. *Syariah Jurnal*, Vol. 17, No. 3: 457-500.

¹¹ Isahaque Ali dan Zulkarnain A. Hatta, Zakat as a Poverty Reduction Mechanism Among the Muslim Society: Case Study of Bangladesh, Malaysia, and Indonesia, *Asian Social Work and Policy Review* 8 (2014) 59–70
[https://www.researchgate.net/publication/260410380 Zakat as a Poverty Reduction Mechanism Among the muslim Society Case Study of Bangladesh Malaysia and Indonesia](https://www.researchgate.net/publication/260410380_Zakat_as_a_Poverty_Reduction_Mechanism_Among_the_muslim_Society_Case_Study_of_Bangladesh_Malaysia_and_Indonesia)
(Accessed on November 30th, 2020)

capital in the form of three camels) after previously being given "fish" (consumptive zakat) every year.¹²

III. RESEARCH METHODOLOGY

This study was descriptive research using qualitative data because it could describe the phenomena from a comprehensive perspective. The data collection started from observation, interviews, and documentation.

IV. RESULTS AND DISCUSSION

Alternative Scheme of Productive Zakat Utilization in Society's Empowerment.

The Constitution of Zakat management in Indonesia provides space for zakat administrators to utilize zakat for productive efforts for the poor. In practice, the utilization of zakat for business capital for the poor is given in capital loans or revolving funds.¹³ It is in line with a study conducted by Nurcahaya et al.. They examined the law of lending zakat funds to *mustahik* (*al-qardh*) and how it was implemented in amil zakat institutions in Indonesia and Malaysia. The theory used is the view of Yusuf al-Qardhawi in his book *Fiqh al-Zakah* and the opinion of Muhammad bin Sholih al-Utsaimin in his book *Majmu 'al-Fatawa wa Rasail*. The practice of productive zakat management in Indonesia at the zakat management institution named National Amil Zakat Agency of the Republic of Indonesia (BAZNAZ RI) uses the principle of interest-free loans with the *al Qardh al Hasan* contract. It refers to the opinion that it is permitted to lend zakat assets, confirmed by the allowance of zakat assets to be used to pay debts such as Yusuf al-Qardhawi, Abu Zahrah, Khalaf, and Hasan.¹⁴

Managing productive zakat funds using the *qardhul hasan* contract has caused controversy among scholars regarding property rights and treatment of the

¹² Mansuruddin Djoely, *Sistem Ekonomi Pemerintahan Umat ibn Khattab* (Terj), Jakarta : Firdaus. (t.t)

¹³ Alim, Mohammad Nizarul, Utilization and Accounting of Zakat for Productive Purposes in Indonesia: A Review; 2nd Global Conference on Business and Social Science-2015, 17-18 September 2015, <file:///C:/Users/INTELL1/AppData/Local/Temp/utilization-and-accounting-of-zakat-for-productive-purposes-in-indonesia-a-review.pdf> Accessed on April 2nd, 2021.

¹⁴ Nurcahaya dkk, Al-Qardh Dari Harta Zakat Bagi Mustahik Dan Implementasinya di Baznas Indonesia dan PPZ Malaysia. *Journal of Fatwa Mngement ond Research*, Vol 17 (2), 2019 ISSN: 2232-1047 eISSN: 0127-8886, <https://jfatwa.usim.edu.my/index.php/jfatwa/article/view/283> Accessed on April 2nd, 2021

zakat funds. Some scholars do not allow this contract. They prefer the *tamlik* contract as in the opinion of Muhammad bin Salih Utsaimin and Husein Shahatah. They said that after paying the zakat property to the amil, it also has to be paid to *mustahik* as the owner of the zakat property.

The argument used is by analyzing the Lam letter in the word *إِنَّمَا الصَّدَقَتُ* *لِلْفُقَرَاءِ* in QS. Al Taubah/7:60. The letter of Lam in the word *لِلْفُقَرَاءِ* is Lam *tamlik*.

Zakat institutions may not distribute zakat in the form of loans to *mustahik*. This concept is used in productive zakat management at the Baitulmal of Federal Territory Islamic Council (MAIWP) as an extension of Malaysia's Zakat Collection Center (PPZ). It does not practice the distribution of zakat funds in the form of soft loans to *mustahik* because none of qath'i arguments discusses it. Utsaimin even strictly forbids the use of the al qardh al hasan contract.¹⁵

In general, the practice of productive zakat management uses the *qardhul hasan* and *tamlik* contracts, as the research results above. Indonesia generally uses the *qardhul hasan* contract and this system is practiced by Dompot Dhuafa Amil Zakat institution of South Sulawesi.

The difference between these two opinions lies in the principle of rights and ownership, which affects the zakat distribution scheme from zakat management institutions to *mustahik*. As stated by al Maududi, the principle of lending and the cession of rights or ownership of zakat funds are different. In his article, Sulaiman Mustafa al-Rutail describes things related to ownership regarding zakat management.

According to language, ownership means having something in full if he makes the item his own and has something that includes the ability to make the item absolute. Hanafi scholars assumed ownership is an ability the Shari'a determines as the beginning of pentasharrufan. Meanwhile, according to Ibn Syathi from the Malikiyyah madhhab, ownership is the authority of a human being to get and provide benefits.¹⁶

Furthermore, he wrote that the previous scholars interpreted zakat ownership as an individual, not joint or congregational. Then, the points in zakat

¹⁵ Nurcahaya dkk, Al-Qardh Dari Harta Zakat Bagi Mustahik Dan Implementasinya di Baznas Indonesia dan PPZ Malaysia, <https://jfatwa.usim.edu.my/index.php/jfatwa/article/view/283> Accessed on April 2nd, 2021.

¹⁶ Sulaiman Mustafa al-Rutail, Mabda' al-Tamlik wa Madaa I'tibarih fi Sarfi al-Zakah, *Jurnal Majallah Kulliyat al-Syariah wa al-Qanun*, Vol. 20 (2), 2018 (Daghaliyah: Universitas Al-Azhar, 2018). p. 711. <https://jfslt.journals.ekb.eg> Accessed on April 19th, 2021.

ownership for the poor or others, namely from the groups who are entitled to receive zakat, include:

***Al-qabdh* means receiving.**

According to language, *qabdh* can be interpreted as getting something using the fist and palm. In contrast, according to Hanafiyyah scholars, *qabdh* is the one who has the authority to remove barriers, both in terms of *urufiyyah* in custom and nature. *Qabdh* is part of zakat ownership because ownership is the primary condition for fulfilling several contracts, such as bequest and alm, which will not be valid without ownership.

Absolute *tasarruf*(submission) on the property owned.

Dr. Sulaiman Mustafa al Rutail did not find the books of fiqh scholars discussing *tasarruf*. However, it can be understood that *tasarruf* is something leaned on someone both in the form of his words and actions that result from his desires. Some interpret *tasarruf* as every word or deed that has an influence or element of fiqh.¹⁷

Thus, Dr. Sulaiman Mustafa al Rutail did not find a concept about *tasarruf*. The basic meaning of *tasarruf* means absolute assign to the assets owned. The thing relating to zakat is the transfer of rights to several assets from *muzakki* (through amil or zakat management institutions) to *mustahik*. It must be perfect and permanent, complete and absolute following ownership rights according to the syar'i concept, not temporary loans. This concept is in line with Muhammad bin Sholeh al Utsaimin's comprehension; the transfer of zakat to the entitled person must be carried out in full with the argument that Allah explains that zakat properties are only the rights of eight *ashnaf*.

In QS Al Taubah/9: 60, the word **إِنَّمَا** means "*Hashr*"; it refers to restriction. The letter Lam in the word **لِلْفُقَرَاءِ** means *Lam al Milk*. Lafadz **إِنَّمَا** shows that the use of zakat assets is limited to only eight groups of *ashnaf*.

Lending or investing zakat to other people means giving the benefits of the zakat property to people who do not have the right to it. If the debtor is an *ashnaf*,

¹⁷ Sulaiman Mustafa al-Rutail, *Jurnal Majallah Kulliyat al-Syariah wa al-Qanun*, Vol. 20 (2), 2018 (Daghaliyah: Universitas Al-Azhar, 2018). p. 712. <https://jfslt.journals.ekb.eg> Accessed on April 19th, 2021.

then he should be given a share of zakat, not just given a debt,¹⁸ it means that zakat is a perfect and permanent right, not a temporary right, and the zakat management institutions are only intermediaries in administering property from *muzakki* to *mustahik*.

The productive zakat management based on the reality in the field has two concepts of contract schemes, namely *al Qardh al Hasan* and *tamlik* contracts, each of which relies on the interpretation of zakat scholars as the basis. The concept of *al Qardh al Hasan* maintains the continuity of zakat funds so that the management of zakat funds is different from routine activity. It is conducted yearly because it just runs out yearly; this contract will foster self-reliance and a sense of responsibility for the productive efforts involved in *mustahik*. On the other hand, using *tamlik* contract is a must because zakat is an absolute transfer of *muzaki* to *mustahik* under religious orders. No clear argument allows the use of *qardhul hasan* contracts.

Responding to the differences, the writer offers an alternative concept by using a *tamlik* contract through the *qardhul hasan* approach. The funds given to the *mustahik* use a *tamlik* contract, but the *mustahik* are still bound by the "obligation" to return it. However, this return fund becomes a mandatory deposit for the *mustahik* who returns it to the group. It requires group and companion strengthening.

All *mustahik* who have productive businesses are invited to talk together and then grouped into a joint business group based on the type of business to be as homogeneous as possible. This action is needed so the whole process of group business activities can get the amenity even though it is not binding. Furthermore, the zakat management institutions determine group companions. The companions must have qualifications and understand the principles of assistance, culture, and normative values in a society, such as justice, honesty, responsibility, and concern.

The function of a companion institution is not only as a funder (administrator of zakat funds from *muzaki* to *mustahik*) using a goal and project approach. It means that after the funds are distributed, the task is accomplished (*tamlik* contract) or waiting for the return based on the *qardhul hasan* contract (according to the agreement). However, the zakat management agency and the companions must think about enabling empowerment by shifting the adequate knowledge to groups or *mustahik* so that they can be independent and sustainable,

¹⁸ Nurcahaya dkk, Al-Qardh Dari Harta Zakat Bagi Mustahik Dan Implementasinya di Baznas Indonesia dan PPZ Malaysia, <https://jfatwa.usim.edu.my/index.php/jfatwa/article/view/283> Accessed on April 2nd, 2021.

ultimately reaching the noble goal of zakat worship; to exclude *mustahik* from poverty. On the other hand, zakat institutions and companions should not be placed merely as funding institutions in productive business groups. They must be positioned as business partners who introduce themselves to the outside world, which opens barriers from poverty and networks. Likewise, the appointed companions, both from institutions and local facilitators, are conscious and responsible for carrying out their functions as field facilitators, maintaining companionship and a sense of responsibility from all group members, and encouraging self-help groups (productive businesses) to keep innovative for business progress and the success of the program.¹⁹

In order to build independence and program sustainability, productive business groups must be given education and training, including; 1. Primary education, the materials are about awareness, self-introduction, environmental introduction, and analysis of assets (potential); 2. Accountancy training; 3. Production and marketing training, etc. This education and training are adjusted to the needs of developing productive business groups and following the capacity of group members. This pace will strengthen the capacity of business groups. Thus, the community or *mustahik* as beneficiaries are not only assisted in financing, but it also can give empowerment and strength so that they can continue to exist in competition amid competitive dynamics.²⁰

Tamlik contract with the *qardhul hasal* approach is necessary and appropriate in such conditions because the group has seen itself as future opportunities and can manage business dynamics and the capital used. The *qardhul hasan* contract can improve work ethic and a sense of responsibility in engaging the productive business. It has to return the business capital and keep zakat funds used up for the needs of business activities. This contract may help the group to be responsible because it remains the return on business capital management in terms of business development according to the agreement. Furthermore, the return fund belongs to the group members themselves.

The *qardhul hasan* contract remains implicitly and explicitly based on the opinion of Muhammad bin Sholeh al Utsaimin and al Maududi with the *tamlik* contract, where zakat is the complete transfer of rights from *muzakki* to *mustahik*

¹⁹ Andi Jamaluddin Ibrahim, (57 years old), Non-Governmental Organization (NGO) Practitioners, Associate Experts for Village Community Empowerment, Ministry of Villages, Interview on April 5th, 2021.

²⁰ Ratnah Arasy, (55 years old), Program Officer-Program ACCESS-AusSaid 2010-2014, Interview on April 5th, 2021.

through zakat management institutions with the return as the savings in the group. It also refers to the opinion of Yusuf al Qardhawi, who allows the *qardhul hasan* contract to utilize zakat.

The operational *ijtihad* of this contract is carried out in a form where every *mustahik* as a beneficiary after going through a feasibility study and adequate readiness is then given productive business capital according to needs and the principle of encouraging the poor through zakat funds. For instance, on a goat farm, each farmer as a member is given three brood goats and one male goat. Three brood goats and one male goat can exhilarate the farmer and speed up the process from *mustahik* to *muzakki*, and it is economical for the researchers with four goats; it is entirely rational. Prior to the delivery of assistance to the group, the companion institution, group companion, and all group members formulate an agreement on a refund system in which all refunds are savings from group members, so they do not return to the zakat management institution. According to the agreed regulations, these savings funds can be used anytime. In this position, zakat management institutions and companions must remain active, lest the beneficiaries become consumptive because they think they have capital in the form of savings in the group. This contract is applied to productive business activities that use the In-Kind management model and the Revolving Fund model. (Revolving Fund within the groups, not to companion institutions)

The empowerment of productive business zakat using the Surplus Zakat Budget model, the zakat funds are managed by establishing a company that is expected to develop and gain many workers. All workers categorized as *mustahik* must be part of the shareholder and handed it in the form of a certificate because the company's funds originate from zakat funds which make the *mustahik* have the rights in it. The number of shares for *mustahik* as workers can be accumulated in a group or individual forms, and the amount follows the job's responsibilities. So, the workers not only get the benefits of getting a job and a salary or wages from their work, but they also benefit from company profits. It can motivate *mustahik* to work harder and be responsible because they become part of the company's owner. The share size of the *mustahik* as workers must be determined well with clear regulations, and an accounting approach is needed in company operations.

Every *mustahik* as a beneficiary is required to save mandatory savings (in the In-Kind and Revolving Fund models, they are calculated as returns to the

group), principal savings, and *infaq*. The time and amount of the In-Kind model are according to harvest time and an agreement. Each *mustahik* in one group, who returns the fastest, has the most savings and *infaq*. They get a reward from the companion institution or the company.

V. CONCLUSION

The utilization of productive zakat by Dompot Dhuafa Amil Zakat institution of South Sulawesi is helpful for *mustahik* but has not run optimally due to several limitations. The limitations are in the context of concepts and technical matters, so the goal of empowering *mustahik* in the dynamics of productive business activities in building equality, participation, self-reliance, and sustainability is not optimal.

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