



BEYOND CHARITY: HOW ZAKAT GOVERNANCE IN JEMBER TRANSFORMS SOCIAL RELATIONS AMONG MUSTAHIQ

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ABSTRACT

Poverty remains a significant challenge to civilization, particularly within Muslim communities. As a fundamental pillar of Islam, zakat serves a crucial role in alleviating poverty and promoting social welfare. This study analyzes and compares zakat governance in two leading institutions in Jember: Amil Zakat Al-Baitul Amien and the Nurul Hayat Foundation, with a specific focus on empowering mustahiq (zakat recipients). Using a qualitative, descriptive approach, the research explores zakat governance practices based on data gathered through interviews with institutional managers, supported by insights from zakat practitioners and academics. The findings indicate that both institutions generally uphold the principles of good zakat governance and operate with professional standards. However, full optimization remains a challenge—particularly for Al-Baitul Amien. Both organizations have adopted digital technologies to improve zakat collection and service delivery, with the Nurul Hayat Foundation demonstrating greater technological integration. Despite its stronger performance, Nurul Hayat still faces areas for improvement, especially in achieving full accountability, transparency, and operational efficiency. Strengthening governance frameworks in both institutions is essential to unlock zakat's full potential in empowering mustahiq and supporting sustainable socio-economic development.

Keywords: Zakat Governance, Poverty Alleviation, Social Welfare, Mustahiq Empowerment, Institutional Comparison

ABSTRAK

Kemiskinan merupakan tantangan serius bagi peradaban, khususnya dalam konteks umat Islam. Zakat sebagai instrumen keuangan Islam memiliki peran strategis dalam mengentaskan kemiskinan dan meningkatkan kesejahteraan masyarakat. Penelitian ini bertujuan untuk menganalisis dan membandingkan tata kelola zakat pada dua lembaga zakat di Jember, yaitu Lembaga Amil Zakat Al-Baitul Amien dan Yayasan Nurul Hayat, dengan fokus pada upaya pemberdayaan mustahiq. Pendekatan yang digunakan adalah kualitatif deskriptif, dengan informan utama berasal dari pengelola kedua lembaga tersebut, serta didukung oleh wawancara dengan praktisi dan akademisi yang kompeten di bidang zakat. Hasil penelitian menunjukkan bahwa keduanya telah menerapkan prinsip-prinsip tata kelola zakat secara profesional, namun implementasinya belum sepenuhnya optimal, terutama di Al-Baitul Amien. Pengumpulan zakat dilakukan secara modern melalui teknologi dan jejaring digital, dengan Yayasan Nurul Hayat menunjukkan efektivitas yang lebih tinggi dalam pengelolaan dan distribusi. Meski demikian, Yayasan Nurul Hayat tetap memerlukan perbaikan agar tata kelola zakat ke depan dapat lebih maksimal dan sesuai prinsip good governance zakat.

Kata Kunci: Tata Kelola Zakat, Pengentasan Kemiskinan, Kesejahteraan Sosial, Pemberdayaan Mustahiq, Perbandingan Kelembagaan



INTRODUCTION

Economic incapacity or poverty poses a grave threat to Muslims, as it has the potential to undermine their civilization. This notion is underscored by the words of the Prophet Muhammad (peace be upon him), who said, “Poverty is close to *kufr* (disbelief).” Hence, from the Islamic perspective as *Ad-Deen* (a comprehensive way of life), various doctrines have been prescribed to help humanity escape the grip of poverty through a universal approach, encompassing both dimensions of life—happiness and prosperity in this world and eternal bliss in the hereafter. One of the most effective means prescribed by Islam to combat poverty is through the support of those who are capable of contributing a portion of their wealth in the form of *zakat* for those in need. This is explicitly stated in the Qur'an, Surah At-Taubah (9:60):

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ
عَلَيْهَا وَالْمَوْلَّاتِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَمِينَ
وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ
اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

“*Zakat is only for the poor, the needy, those employed to collect [zakat], those whose hearts are to be reconciled, for freeing captives, for those in debt, for the cause of Allah, and for the traveler—an obligation decreed by Allah. And Allah is All-Knowing, All-Wise.*”

Zakat serves as a fundamental instrument in alleviating poverty and plays a pivotal role in shaping human and societal economic behavior. As one of the five pillars of Islam, zakat is not merely aimed at providing temporary relief to the poor but seeks to achieve a more enduring goal—eradicating poverty and ensuring the long-term welfare of the *mustabiq* (beneficiaries).

According to Hafidhuddin (2002), zakat serves as an alternative mechanism to free the Muslim community from poverty and destitution. Therefore, every capable Muslim is obligated to perform zakat, as reiterated in Surah At-Taubah (9:103):

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا
وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ
سَمِيعٌ عَلِيمٌ

“*Take [O Muhammad] from their wealth a charity by which you purify them and cause them to increase, and invoke blessings upon them. Indeed, your invocations are reassurance for them. And Allah is All-Hearing, All-Knowing.*”

Zakat is obligatory upon all Muslims who possess wealth exceeding the *nisab* (threshold). To optimize zakat collection and ensure its efficient distribution, professional management through *amil zakat* (zakat administrators) is required. These institutions are not limited to conventional forms of charity but extend to empowering *mustabiq* by channeling zakat funds into productive economic ventures, enabling recipients to become self-sufficient. This approach aligns with poverty alleviation programs by providing *productive zakat* as business capital, empowering the poor, and fostering their economic independence (Wahyu & Anwar, 2020; Alfin et al., 2019; Hudaefi et al., 2020).

Islam vehemently opposes injustice, discrimination, and ignorance, emphasizing the equal dignity of all human beings before Allah. Socioeconomic disparities do not diminish the inherent worth of any individual. Islam safeguards the rights of the weak and vulnerable, recognizing the dignity of the poor and underscoring the importance of empowering them. Furthermore, Islam encourages its followers to be strong—physically, mentally, and economically—and considers work as a form of religious duty to

fulfill life's necessities. Those who possess wealth are obligated to share part of their resources with the disadvantaged (*duafa*), especially the poor. Failure to assist the needy is regarded as a betrayal of religious principles. As stated by Miranda & Junisar Fircarina (2020), Hassan et al. (2018), and Hudaefi et al. (2020), providing assistance through zakat is a fundamental obligation designed to uphold social equity and communal harmony.

Indonesia, home to the world's largest Muslim population, possesses immense potential to leverage zakat for socioeconomic transformation. To harness this potential, the Indonesian government enacted Law No. 23 of 2011 on Zakat Management. This legislation aims to enhance the effectiveness and efficiency of zakat management services and promote the use of zakat as a means of empowerment to improve community welfare and alleviate poverty (Nomor, 2019).

According to Prijono et al. (1996), empowerment carries two dimensions. First, it involves granting power or authority to those who are marginalized, transferring power to the underprivileged, and delegating authority to the less empowered. Second, empowerment means equipping individuals with the skills, knowledge, and opportunities necessary to shape their own future and actively participate in development. Therefore, the objectives of Law No. 23 of 2011 will only be realized if zakat is managed professionally and in accordance with the principles of *good zakat governance*.

Good zakat governance serves as an extension of the broader principles of public administration. According to Osborne (1993), effective governance requires creating opportunities for non-governmental institutions and civil society, including *amil zakat* institutions, to participate optimally in government initiatives. Synergizing efforts

between government agencies, private institutions, and civil society promotes efficiency, equity, and responsiveness—values essential to good governance (Al Fajar & Jannah, 2021; Ansori, 2018; Saifudin, 2021).

Transparency plays a pivotal role in enabling good governance, as it ensures that public policies are formulated and implemented openly, allowing stakeholders to participate effectively. According to Dwiyanto & Jemadi (2014), transparency is a critical determinant of good governance, as it enhances public trust and encourages citizen participation in government initiatives. When citizens are informed about their rights and responsibilities, they can make well-informed decisions and choose whether to engage in public programs or not. Conversely, when information is inaccessible or unclear, participation diminishes, undermining the democratic principles that underpin good governance.

Zakat, when managed by professional zakat management bodies and institutions, is not confined to traditional or conventional practices. Instead, it can be leveraged for broader socio-economic development, such as poverty alleviation programs and reducing unemployment by providing business capital assistance or loans, accompanied by mentorship and training to ensure recipients attain economic self-sufficiency.

One of the notable advantages of zakat is that, unlike other sources of development funding, it carries no obligations or repercussions, except for the pleasure of seeking Allah's reward. Nevertheless, this does not imply that zakat management operates without a control system. The significance of zakat can be understood from three perspectives: First, zakat serves as a religious mandate that reflects a believer's faith. Second, the sources of zakat funds are

inexhaustible, as those who pay zakat are never impoverished but instead experience continuous economic growth alongside the broader development of society. Third, empirically, zakat helps reduce social inequality by redistributing income and fostering equitable development. Therefore, the distribution of zakat plays a pivotal role in enhancing the economic standing of mustahiq, particularly when it supports productive zakat programs.

The concept of productive zakat entails meticulous planning and implementation in the distribution process, informed by a thorough analysis of the root causes of poverty, limited business capital, and inadequate employment opportunities. To ensure comprehensive economic empowerment of the community, zakat management institutions must adopt a dual institutional framework. First, they must function as both a sharia financial institution and a non-governmental organization (NGO). As a sharia financial institution, the zakat management body operates in the religious domain by receiving, collecting, and distributing zakat funds, which are an obligation of *maliyah* worship (material financial obligation) for Muslims. Consequently, these institutions must adhere strictly to sharia principles, reflected in their governance and human resources, ensuring that the *amil* (zakat managers) possess the necessary virtues of trustworthiness, honesty, and integrity. Moreover, *amil* personnel are not merely collectors and distributors of zakat but are employed as professional staff within these institutions.

Second, the zakat management body also functions as a foundation, established through community participation to enhance societal welfare. As a foundation, it embodies public concern and involvement in empowering communities. Given this dual

role, professional *amil* zakat institutions must align their operations with the principles of good governance, transparency, and accountability.

Recognizing the macro-level importance of zakat in fostering societal welfare, this study extends its focus to the micro-level, specifically examining Jember Regency. Several factors underpin the selection of Jember as the study area: First, according to data from the National Socio-Economic Survey (Susenas) conducted by the Central Statistics Agency (BPS), the number of impoverished individuals in Jember increased by 0.06 percent in 2015, amounting to 270,400 people compared to 269,540 in 2014. Second, Jember Regency hosts a significant number of zakat management institutions (*Lembaga Amil Zakat* or LAZ), comprising both national and local institutions. Data from the Sharia Council of the Ministry of Religious Affairs (Kemenag) of Jember indicate the existence of approximately 15 zakat institutions, both registered and unregistered. This abundance of institutions highlights Jember's potential in zakat collection and distribution, making it a relevant subject for assessing zakat governance.

AZKA Jember, established in 1999, is considered the oldest zakat institution in Jember and should ideally serve as a model for other zakat management bodies. However, this is not the case when compared to other institutions, such as YNH Jember, which operates professionally. AZKA Jember continues to rely on local wisdom as a form of social capital, aligning with Fukuyama's (1995) perspective that social capital arises from the general trust within a society. AZKA Jember, being founded by members of the *Nabdliyin* community, should ideally set an exemplary standard in propagating religious values, yet its

accountability remains inadequately recognized by both the *Nabdliyin* and the broader community.

From a transparency perspective, AZKA Jember still falls short. This deficiency is evident in its reporting mechanisms, where updates provided to *muzakkei* (zakat payers) and stakeholders are limited to monthly bulletins and bulletin boards around the AZKA Jember office. Meanwhile, the broader public increasingly relies on digital platforms for accessing information. Moreover, AZKA Jember's financial reports are audited solely through internal mechanisms, lacking the rigor and independence of external audits.

In contrast, the Nurul Hayat Institute (NH), established in 2001, operates as an independent community-owned institution focused on social services and da'wah. NH is recognized as a trustworthy institution due to its unwavering commitment to transparency (*Al-Syafaafiah*) and accountability (*Al-Musa'alah*) in managing public trust funds. Being an independent institution means that the salaries of its employees (*amil*) do not come from zakat or alms collected from the public but are sourced from alternative revenue streams, including business unit profits.

Nurul Hayat's financial management system is centralized in Surabaya, operating with a unified management framework. The institution strives for continuous improvement and enhanced performance by adhering to four core pillars: independence, trustworthiness, professionalism, and empowerment. These pillars are reinforced by transparent fund management practices, ensuring that zakat, *infaq*, and alms collected are accounted for meticulously. To maintain structured and credible reporting, Nurul Hayat adheres to generally accepted accounting principles and undergoes audits

by public accountants. Its audited financial reports are published through print and digital media, accessible to the broader public.

The management of zakat in Jember Regency, while rooted in religiosity and mandated by both religion and the state, faces the challenge of improving governance standards. The increasing number of zakat institutions established by civil society and private entities presents an opportunity to foster better zakat governance. Effective zakat management has the potential to significantly impact the welfare of *mustahiq*. Without robust governance, however, even large amounts of collected zakat may fail to generate optimal socio-economic benefits for the community.

In light of the aforementioned issues, this study explores the management of zakat as a mechanism for enhancing societal welfare, with a particular focus on Jember Regency. The study is titled: "*Implementation of Zakat Governance in Jember Regency as an Effort to Improve Mustahiq Welfare: A Multi-Site Study of AZKA Jember and YNH Jember.*"

Based on the background and context outlined above, the formulation of this study focuses on examining the implementation of zakat governance in AZKA Jember and YNH Jember as an effort to improve the welfare of *mustahiq*. The primary purpose of this study is to analyze and elaborate on the implementation of zakat governance in AZKA Jember and YNH Jember to enhance the welfare of *mustahiq*. Additionally, the objective of the study is to contribute to the advancement of zakat management and governance in both institutions by providing insights and recommendations aimed at improving the welfare of *mustahiq*.

RESEARCH METHODS

This study explores the implementation of zakat governance in Jember Regency as an effort to enhance the welfare of *mustabiq* (zakat recipients). Employing a qualitative paradigm with a descriptive approach, the research seeks to objectively convey facts about zakat management by systematically narrating, interpreting, and analyzing relevant phenomena in greater depth. Through this approach, the study aspires to provide detailed and nuanced empirical findings that can shed light on the effectiveness of zakat governance in improving social welfare. The research was conducted in Jember Regency, where the necessary data were collected to answer the research questions formulated by the author.

The unit of analysis in this study consists of institutional and individual perspectives. Institutionally, the study examines the management structures of the Amil Zakat Agency (*Badan Amil Zakat*) and various Amil Zakat Institutions (*Lembaga Amil Zakat*), while individually, it focuses on the experiences of *muzakki* (zakat payers) and *mustabiq*. The inclusion of these entities is essential, as the management of these zakat institutions possesses an intricate understanding of zakat governance in Jember Regency, particularly within their respective organizations. Simultaneously, insights from *muzakki* and *mustabiq* offer critical perspectives on the perceived benefits and challenges of the current zakat management system.

Informants in this study were carefully selected to ensure the reliability and validity of the data collected. Key informants, who possess in-depth knowledge of zakat governance and the objectives of the study, included the management of the Al-Baitul Amien Amil Zakat Institution (AZKA) and the Nurul Hayat Foundation (YNH). To

complement and validate the information provided by key informants, supporting informants, including practitioners and academics in the field of zakat management, were also engaged. These supporting informants provided supplementary data that enriched the findings and strengthened the overall validity of the study.

To obtain accurate and relevant data, the study employed a combination of data collection methods. Primary data were obtained directly from original sources at the research site or through direct observation of zakat management practices. Observation, as a key method, involved a meticulous and multifaceted process that relied on both biological and psychological faculties, particularly observation and memory, to capture significant information effectively. In addition, structured interviews were conducted, involving purposeful conversations between the interviewer and the interviewees, where the latter provided responses to specific research questions designed to extract insightful data.

The data analysis process in this qualitative study was carried out iteratively, starting from the initial stages of data collection and continuing throughout the writing phase. The collected data were systematically analyzed to yield in-depth and comprehensive insights. As emphasized by Afrizal (2014) and Sujarweni (2014), data analysis entails an organized and methodical search through interview transcripts, field notes, and other materials gathered from the field. This analytical process was undertaken to deepen the researcher's understanding of the studied phenomena and to facilitate the coherent and insightful presentation of findings. Ultimately, the results of this study are expected to contribute to the ongoing discourse on zakat governance by offering empirical evidence that can inform policy

improvements and enhance the overall effectiveness of zakat management in Jember Regency.

RESULTS AND DISCUSSION

Implementation of Zakat Management and Efforts to Improve Welfare *Mustahiq*

Professional zakat management is the aspiration of many stakeholders. In fact, Law No. 23 of 2011 on Zakat Management mandates that zakat administration must be conducted in a structured and professional manner to ensure that zakat yields optimal benefits in improving the welfare of *mustahiq* (zakat beneficiaries). One of the most effective methods that Amil Zakat Institutions (*Lembaga Amil Zakat* or LAZ) can implement to achieve this goal is the distribution of productive zakat, aimed at fostering economic empowerment.

From a more technical perspective, this paper seeks to examine the extent to which AZKA Jember and the Nurul Hayat Foundation (YNH) Jember have endeavored to become professional LAZs that contribute to the economic empowerment of *mustahiq* through zakat distribution. The discussion that follows will delve into the strategies adopted by these two LAZs to actualize economic empowerment among the *mustahiq*.

Efforts by AZKA Jember and YNH Jember to Attain Professionalism in Zakat Management

Following an exploration of the values and principles of sound zakat governance, the next section of this study evaluates the professionalism of Amil Zakat Institutions (LAZ) operating in Jember Regency. Professionalism in this context reflects an Amil's commitment to their profession, which is a pivotal factor in advancing community economic empowerment. This commitment extends beyond a mere sense of pride in being an Amil, encompassing

continuous efforts to enhance knowledge, refine skills, and develop competencies relevant to the role. Professionalism also implies the dedication of Amil personnel to consistently improve their capabilities.

According to Longman et al. (1987), professionalism refers to the behavior, expertise, and quality demonstrated by an individual who performs their duties with a high degree of competence. Drawing from this definition, it is evident that an Amil who possesses the requisite competencies has a higher likelihood of evolving into a professional Amil. To be regarded as professional, an Amil must exhibit several key attributes. First, they must demonstrate a sustained commitment to displaying behaviors that align closely with the ideal characteristics of an Amil. This aspiration towards excellence is reflected in the enthusiasm displayed by various LAZs in fulfilling their mandates.

The findings of this study indicate that both AZKA Jember and YNH Jember adhere to the principles enshrined in the Quran, particularly in Surah At-Taubah (9:11), which reads:

فَإِنْ تَابُوا وَأَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ
فَإِخْوَانُكُمْ فِي الدِّينِ وَنُفَصِّلُ الْآيَاتِ لِقَوْمٍ
يَعْلَمُونَ

"If they repent, establish prayer, and give zakat, then they are your brothers in faith. And We explain the verses in detail for those who understand."

This verse underscores that the primary concern in zakat management is not merely the quantity collected but the obligation to fulfill zakat, a responsibility that must be internalized by LAZs as facilitators in collecting and distributing zakat to *mustahiq*. AbdulKareem et al. (2021) further emphasize

that awareness and understanding of zakat are crucial in enhancing zakat collection and management. This principle has become a focal point for both LAZs in their efforts to increase zakat collections.

Strategies for Zakat Collection by AZKA Jember and YNH Jember

The utilization of media in zakat collection has emerged as a vital strategy, particularly given the widespread ownership of smartphones and internet access among the people of Jember. The decision to leverage online platforms for zakat promotion and collection represents a technically sound choice adopted by both AZKA Jember and YNH Jember. Each LAZ employs distinct strategies to attract *muzakki* (zakat payers) through the use of digital platforms.

The study reveals that while there are similarities in the strategies employed by AZKA Jember and YNH Jember in terms of socialization, information dissemination, and marketing, differences emerge in the focus and emphasis of these strategies. AZKA Jember prioritizes outreach efforts among congregants of the Baitul Amin Mosque in Jember and individuals with *Nahdliyin* ideological affiliations. This focus is rooted in the historical establishment of AZKA Jember at the Baitul Amin Mosque, with its pioneering figures drawn from *Nahdlatul Ulama* (NU) scholars. Consequently, the support base of the mosque's congregants and the traditional NU community in Jember serves as a potent foundation for optimizing zakat collection efforts, including through *takmir* mosque administrators and government institutions.

In contrast, YNH Jember, as a national LAZ with branches across various regions, adopts a modern management approach to its zakat collection strategy. This approach

aligns with the directives and policies issued by the central YNH office and is a strategic necessity given that YNH Jember lacks the strong grassroots support enjoyed by AZKA Jember. As part of its strategy, YNH Jember focuses on socialization, information dissemination, and marketing efforts targeted at government institutions and modern Islamic groups, such as *halaqoh* (religious study circles). This approach is designed to position YNH Jember as a professional LAZ capable of earning the trust of *muzakki* and ensuring their continued contributions. Given the competitive landscape among LAZs, maintaining a reputable brand and fostering trust among *muzakki* is paramount for YNH Jember.

Distribution of Zakat in AZKA Jember and YNH Jember: A Comparative Study

The distribution of zakat refers to the allocation and disbursement of zakat funds to eligible recipients. The primary objective of zakat distribution is to achieve the intended socio-economic goals as mandated in Islamic teachings. To fulfill these objectives, Amil Zakat Institutions (LAZ) must adhere strictly to the principles of good zakat governance. This includes ensuring that zakat collection and disbursement methods are conducted in accordance with the principles of *ash-shaffāfiyyah* (transparency), *al-mas'ūliyah* (accountability), *al-'adl* (justice), *al-maṣlaḥah* (public benefit), and *aṭ-ṭā'ah* (compliance). The recipients of zakat (*mustahiq*) include individuals and groups eligible for zakat as outlined in the Qur'an, with the overarching goal of enhancing societal welfare by addressing economic disparities and reducing the number of underprivileged individuals, ultimately expanding the group of zakat givers (*muzakki*) (Rasyid, 2003).

The zakat funds collected by LAZ must be promptly and efficiently distributed to the

intended recipients in accordance with the institution's work programs. The distribution of zakat aligns with the guidelines prescribed in Surah At-Taubah (9:60), which explicitly delineates the categories of *mustahiq*. Two primary approaches are employed in zakat distribution. The partial approach focuses on providing direct and immediate assistance to the poor and disadvantaged, addressing their immediate needs, albeit temporarily. Conversely, the structural approach emphasizes sustainable assistance aimed at empowering *mustahiq* to break free from the cycle of poverty, with the ultimate goal of transforming them into future *muzakki* (A.-A. Amin & Taufiq, 2023; A. Amin et al., 2023; Al-Amin et al., 2023).

The disparity in data collection and poverty profiling between AZKA Jember and YNH Jember arises from their distinct data processing methodologies. AZKA Jember adopts a localized organizational node approach, integrating data collection processes with grassroots community networks. This includes engaging with *reboan* recitation groups, *Nahdliyin* communities, mosque youth organizations, and other locally embedded social structures. Since AZKA Jember was founded by prominent local figures with ideological ties to *Nahdlatul Ulama* (NU), and with the majority of its supervisory and management boards comprising NU-affiliated figures and activists, the institution enjoys strong ideological and structural support from NU. This affiliation has significantly contributed to AZKA Jember's growth, establishing it as one of the largest and most influential LAZ institutions in Jember Regency and beyond.

In contrast, YNH Jember employs a different approach to data collection and zakat distribution, reflecting variations in organizational philosophy, stakeholder networks, and operational priorities. This

divergence in methodology results in nuanced differences in the identification of poverty pockets and the distribution of zakat between the two institutions. Consequently, while both AZKA Jember and YNH Jember strive to fulfill the core objectives of zakat distribution, their differing approaches yield varied outcomes in addressing the socio-economic needs of the local communities they serve.

Implementation of Zakat Distribution in AZKA Jember with YNH Jember

The distribution of zakat in AZKA Jember, carried out in collaboration with YNH Jember, follows two primary models: consumptive and productive distribution. Consumptive distribution focuses on meeting the immediate needs of *mustahiq* (eligible recipients) and is divided into two forms. First, traditional consumptive distribution involves the direct disbursement of zakat to *mustahiq* to fulfill their daily necessities. This includes the distribution of *zakat fitrah* in the form of rice or money during Eid or the direct transfer of *zakat mal* by *muzakki* (zakat payers) to those experiencing extreme poverty or emergencies such as food shortages or natural disasters. This method serves as a short-term solution to alleviate immediate hardships faced by the community. Second, creative consumptive distribution extends beyond basic consumption by providing essential goods that help beneficiaries address socio-economic challenges. Examples include the provision of school supplies and scholarships for underprivileged students, religious paraphernalia such as sarongs and *mukena* (prayer garments), agricultural tools, and even carts to support small traders. This approach aims to empower *mustahiq* by enhancing their socio-economic conditions and promoting self-reliance.

In addition to consumptive distribution, AZKA Jember implements productive distribution of zakat, which aims to create long-term economic empowerment. This model is also categorized into two types. The first, traditional productive distribution, involves providing *mustabiq* with productive assets that enable them to establish or expand their livelihoods. These assets may include livestock such as goats and dairy cows, sewing machines, carpentry tools, and other equipment that can be utilized to generate income. By using these resources, *mustabiq* are empowered to engage in sustainable economic activities and gradually attain financial independence. The second type, creative productive distribution, focuses on providing revolving capital that can be used either for community-based social projects, such as building schools and places of worship, or as business capital to support the growth of small-scale entrepreneurs and traders. This form of zakat encourages sustainable economic development and fosters resilience within the community.

Historically, productive zakat was practiced during the time of the Prophet Muhammad (peace be upon him). A hadith narrated by Imam Muslim from Salim bin Abdillah bin Umar, quoting his father, highlights that the Prophet once entrusted zakat to a recipient and instructed that it be either reinvested or redistributed as charity to further benefit the community: *“That the Messenger of Allah gave him zakat and then ordered it to be developed or given in charity again.”* This illustrates the emphasis placed on ensuring that zakat not only addresses immediate needs but also contributes to long-term economic growth and stability.

The implementation of these zakat distribution models in AZKA Jember, in collaboration with YNH Jember, reflects a holistic approach aimed at addressing both

short-term and long-term needs of *mustabiq*. By combining consumptive and productive zakat strategies, the initiative not only alleviates immediate hardships but also empowers recipients to achieve financial independence and contribute to the economic development of their communities.

Distribution of Consumptive and Productive Zakat in AZKA Jember and YNH Jember

The distribution of zakat in AZKA Jember and YNH Jember follows a structured approach through two distinct models: consumptive zakat and productive zakat. These distribution mechanisms ensure that zakat not only fulfills immediate needs but also fosters long-term empowerment within the community.

Consumptive zakat in AZKA Jember is directed toward addressing the immediate needs of vulnerable groups and supporting social welfare initiatives. This includes providing educational scholarships to underprivileged students, allowing them to pursue their studies without financial constraints. Through the *Orphan’s Smile* program, orphaned children receive essential support, ensuring their well-being and nurturing their development. Similarly, the *Guru Ngaji Prosperity Program* aims to improve the livelihoods of Quranic teachers by offering financial assistance, recognizing their dedication to imparting religious knowledge. Additionally, funds are allocated to disaster relief efforts, extending aid to communities affected by natural calamities. Another noteworthy initiative under consumptive zakat is the *Waqf for Al-Quran and Computers* program, which facilitates the distribution of Quranic texts and computer equipment to support educational and religious institutions.

On the other hand, productive zakat in AZKA Jember is geared toward fostering sustainable economic growth by empowering micro-entrepreneurs. A key initiative in this category is the *Micro Business Credit Program*, which provides interest-free loans of IDR 250,000 (0% interest) to small-scale business owners who lack the capital to develop their enterprises. This program not only helps advance the businesses of these entrepreneurs but also serves as a preventive measure against the proliferation of Daily Credit Banks (BPR Harian), which often impose high-interest repayment schemes that burden marginalized communities. To date, approximately 150 Small and Medium Enterprises (SMEs) have benefitted from this program, enabling them to strengthen their economic standing and achieve greater sustainability. Beneficiaries are encouraged to offer voluntary infaq contributions, ensuring that the program maintains its spirit of mutual assistance without imposing financial burdens.

By implementing a balanced approach that combines immediate assistance with long-term economic empowerment, AZKA Jember and YNH Jember have effectively utilized zakat to address the multifaceted needs of the community. Through this dual approach, these institutions have not only alleviated the hardships faced by marginalized groups but also paved the way for sustainable progress and financial resilience.

CONCLUSION

The findings of this study conclude that zakat governance at AZKA Jember and YNH Jember has been conducted professionally and adheres to the principles of good zakat governance, although it has not yet reached an optimal level, particularly in the case of AZKA Jember. Despite the

suboptimal management of zakat in both Amil Zakat Institutions (LAZ), the collection of zakat has been carried out through modern means by leveraging available technology and networks, a practice that is notably more prominent at YNH Jember.

In terms of zakat distribution, both institutions have disbursed consumptive and productive zakat, albeit with varying degrees of effectiveness, particularly in the realm of productive zakat. The effectiveness of productive zakat distribution is higher at YNH Jember compared to AZKA Jember, as reflected in the mustahiq repayment rate, which stands at 80 percent for YNH Jember and only 70 percent for AZKA Jember. Furthermore, the empowerment level of mustahiq after receiving productive zakat assistance indicates that YNH Jember demonstrates a higher capability in empowering its mustahiq, with 10 percent achieving empowerment, compared to only 5 percent at AZKA Jember.

In summary, based on the aforementioned findings, it can be concluded that zakat management at YNH Jember is comparatively more effective than at AZKA Jember. However, YNH Jember still requires improvements moving forward, as its overall zakat management, despite being relatively better, remains in need of enhancement to fully implement the principles of good zakat governance.

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