

THE IMPROVEMENT MODEL OF MICROENTERPRISES OF POST-DISASTER THROUGH EMPOWERMENT OF PRODUCTIVE ZAKAT

Noor Arifin *, Aan Zainul Anwar **

* Nahdlatul Ulama Islamic University (UNISNU) Jepara, Central Java, Indonesia

** Corresponding author, Nahdlatul Ulama Islamic University (UNISNU) Jepara, Central Java, Indonesia

Contact details: Nahdlatul Ulama Islamic University (UNISNU) Jepara, Jl. Taman Siswa, Kec. Tahunan, Kabupaten Jepara, Jawa Tengah 59451, Indonesia



Abstract

How to cite this paper: Arifin, N., & Anwar, A. Z. (2021). The improvement model of microenterprises of post-disaster through empowerment of productive zakat. *Journal of Governance & Regulation*, 10(4), 156–163.

<https://doi.org/10.22495/jgrv10i4art14>

Copyright © 2021 The Authors

This work is licensed under a Creative Commons Attribution 4.0 International License (CC BY 4.0).
<https://creativecommons.org/licenses/by/4.0/>

ISSN Print: 2220-9352
ISSN Online: 2306-6784

Received: 05.07.2021
Accepted: 20.09.2021

JEL Classification: I38, I31, O31
DOI: 10.22495/jgrv10i4art14

Islamic philanthropy or *zakat* has a mission to poverty alleviation and improve welfare for zakat recipients (Fitri, 2017), especially for the poor and affected by natural disasters. This study aims to determine the distribution model and use of productive zakat and to determine the effectiveness of productive zakat in improving welfare after natural disasters in Indonesia. This study uses qualitative methods with the theoretical development of field research. Data collection was carried out through interviews and in-depth observations from national zakat management organizations in Indonesia, including The National Board of Zakat of Republic Indonesia (BAZNAS), The Department of Amil Zakat, Infaq and Alms of Nahdlatul Ulama (NU-Care LAZISNU) The Department of Amil Zakat, Infaq and Alms Muhammadiyah (LAZISMU), as well as communities receiving productive zakat programs. The results of this study indicate that the model of productive zakat distribution by zakat institutions in Indonesia uses two approaches, namely through direct business capital assistance and through proposals addressed to victims of natural disasters. They use zakat for starting businesses or developing businesses that are already owned by the recipient of productive zakat funds. In sum, productive zakat helps the economy of people who receive productive zakat recipients but it is still not effective for their welfare. Therefore, to increase the maximum role of zakat institutions in distributing productive zakat, synergies are needed between zakat institutions, partners (universities, volunteers, business consultants, etc.), and Islamic insurance.

Keywords: Islamic Philanthropy, Productive Zakat, Economic Recovery, Welfare, Recovery Disasters, Effectivity Distribution, Islamic Insurance

Authors' individual contribution: Conceptualization — A.Z.A.; Methodology — N.A.; Resources — N.A. and A.Z.A.; Writing — Original Draft — A.Z.A.; Writing — Review & Editing — A.Z.A.; Visualization — A.Z.A.; Funding Acquisition — N.A. and A.Z.A.

Declaration of conflicting interests: The Authors declare that there is no conflict of interest.

Acknowledgements: The researchers would like to thank the Research Institute of the Islamic University of Nahdlatul Ulama Jepara, Indonesia, which funded this research in 2019.

1. INTRODUCTION

The total number of disasters in Indonesia during 2020 was 4,650, increasing since 2019 was 3,814, increasing since 2018 was 3,397 events (BNPB, 2021). In 2020, then, there was a global disaster, namely the corona pandemic (COVID-19). Worldometers, on December 30, 2020, shows that Indonesia ranks 20th as a country with exposure to COVID-19 (worldometers, n.d.). The impact of COVID-19 that has occurred is the weakening of the world economy and the impact on poverty.

Poverty is a social problem that exists in every country where the government always tries to reduce this impact to a minimum. Based on data from the Central Statistics Agency (BPS), it shows that the poverty rate in Indonesia in 2019 is at the level of 9.22% of the total population of Indonesia (Statistics Indonesia, 2020). This level has decreased compared to previous years.

Islam views the problem of poverty as a problem of not fulfilling basic needs as a whole in the form of food, clothing, shelter, education, and health. As a religion that gives mercy to the entire universe (*rahmatil lil alamin*), Islam is very concerned about poverty, including through *zakat*, which is one of the pillars of Islam.

Poverty factors vary widely in different countries. This poverty is the result of the impact of the disaster (Putra, 2017), as well as a decrease in labor productivity (Boustan, Kahn, Rhode, & Yanguas, 2020). Even though the occurrence of natural disasters has a negative effect on the economic growth and welfare of a country (Klomp & Valckx, 2014; Arouri, Nguyen, & Youssef, 2015). Therefore, proper handling is needed to recover the economy after a disaster. One of the ways to recover the economy after a disaster is by providing business capital from zakat funds.

Zakat is a modern approach as an economic and social instrument for poverty alleviation for social and economic empowerment (Abdelbaki, 2013; Hoque, Khan, & Mohammad, 2015) including in several countries such as Sudan (Abdelmawla, 2014), Nigeria (Kareem & Bankole, 2016), Pakistan (Abdullah, Derus, & Al-Malkawi, 2015), Indonesia (Fitri, 2017), Brunei Darussalam (Jaelani, 2016).

Short-term assistance is highly expected for people affected by natural disasters in the form of basic necessities such as food, clothing, and shelter. Long-term assistance in the form of business capital is also highly expected for economic recovery and improvement of community welfare.

The zakat institution collaborates with the World Zakat Forum (WZF) in the context of a global disaster to discuss opportunities for distributing zakat for prevention, treatment, and research on the COVID-19 vaccine. This collaboration globally advocates for the role of zakat in dealing with the weak economy of WZF countries due to COVID-19. In the national and local context, the distribution of zakat by zakat institutions can be increased towards empowering *mustahiq* (eight groups entitled to receive zakat), zakat sufferers of COVID-19 (Badan Amil Zakat Nasional, 2020).

The role of zakat is important for improving people's welfare by zakat institutions through the distribution of productive zakat. Zakat institution's duties are not only limited to

conventional-oriented activities, but also to activities that encourage the community's economy, such as in poverty alleviation programs through distribution of productive zakat to *mustahiq* as business capital.

The distribution and utilization of productive zakat do not yet have a large share. Zakat distribution by most zakat institutions is for consumptive needs. This only helps recipients of zakat on a temporary basis or in short term and is not sustainable, such as compensation for orphans, basic food assistance, and so on (Sartika, 2008; Anwar & Arifin, 2018).

Sartika (2008) explains that productive zakat is zakat which is utilized productively through means or methods of delivering zakat funds to targets in accordance with the spirit and goals of *syara'*. The method of giving is efficient and effective so that the benefits are of productive value according to the *syari'at* message and the role and socio-economic function of zakat. Thus, productive Zakat is in the form of assets given to *mustahiq* for business capital so that with this effort they can meet the needs of life on an ongoing basis. Therefore, the formation of capital that *mustahiq* obtain from productive zakat funds must be maximally utilized because it will have an impact on productivity for them, high real income, and the fulfillment of capital needs for the continuity of *mustahiq's* business (Miftah, 2008).

In addition, small and medium enterprises with business capital from zakat funds are able to absorb labor to reduce the number of unemployed. In addition, an increase in people's purchasing power for a product or service increases production and the real sector. This is an indicator of economic growth (Sartika, 2008). Productive zakat has a function for macroeconomic growth. However, in reality, it is still found that the economic function of zakat has not been able to run optimally in poverty alleviation due to a lack of professional management in the distribution of productive zakat (Norvadewi, 2012). The obstacles faced include the limited number of volunteers and experts who support the effectiveness of the productive zakat program (Fadilah, Maemunah, & Hernawati, 2019).

Achieving the maximum role of zakat in poverty alleviation and improving community welfare, especially after a disaster, requires professional management, especially the distribution and utilization strategy that is right on target in order to be able to recover the post-disaster economy effectively.

Thus, this study aims to determine the distribution model and use of productive zakat and to determine the effectiveness of productive zakat in improving welfare after natural disasters, both local and national disasters. This is expected to be able to increase public awareness in distributing zakat through official *amil* zakat institutions.

This research can be used as program development for zakat institutions, especially those that do not yet have a zakat empowerment management program in improving the post-disaster community economy starting from program planning, implementation, mentoring, and program evaluation. There are eight groups of zakat recipients (*mustahiq*) who get the fund channel starting directly and independently, then distribution through zakat institutions so that they are monitored.

The structure of this paper is as follows. Section 2 reviews the relevant literature. Section 3 analyses the methodology that has been used to conduct empirical research on the improvement model of microenterprises of post-disaster through the empowerment of productive zakat. Section 4 presents research findings. Section 5 discusses the results of research and the development of research results. Section 6 provides the conclusion of this research.

2. LITERATURE REVIEW

2.1. Utilization of zakat

The management of zakat includes the collection, distribution, and utilization of zakat. Zakat can be used for productive efforts in handling the poor and improving the quality of the people (Mujiatun, 2018). Implementation of productive zakat in providing business capital has a positive impact on poverty alleviation, increasing income, and creating new entrepreneurs. Therefore, the productive zakat distribution program needs to be carried out while improving the quality of management and human resources (Haidir, 2019). Khasanah (2010) state that the utilization of zakat funds is a form of maximum and efficient use of resources to achieve the benefit of the people. Zakat utilization is related to the technical distribution in order to be right on target and efficient for the recipient.

The distribution of zakat is regulated in the Holy Koran, namely the *mustahiq*, as stated in Surah al-Taubah verse 60, namely: *fuqara* (poor people), *masakin* (poor people), *amil* (zakat managers), *muallafah qulubuhum* (people who softened their hearts), *al-riqab* (free slaves), *gharimin* (people who owe a debt), *fi sabilillah* (people who struggle in the way of Allah), and *ibn sabil* (people who are on the way).

There are two types of zakat distribution, namely consumptive zakat and productive zakat. Consumptive zakat is temporary assistance given to solve problems that are urgent or short-term in nature. Productive zakat is zakat given in the form of medium- and long-term productive business activity capital (PEBS FEUI & CID, 2008) and recipients of productive zakat will produce something continuously (Wicaksono, 2019).

The distribution of consumptive zakat is divided into two, namely traditional consumptive zakat and modern consumptive zakat. The distribution of traditional consumptive zakat given is in the form of basic daily needs, such as rice or food allowance. Whereas, modern consumptive zakat is in the form of scholarships, health social security, insurance, *mustahiq* survival items, and so on. The distribution of productive zakat is also divided into two, namely passive productive zakat and creative productive zakat.

Passive productive zakat (conventional) is the distribution of productive zakat given to *mustahiq* as work tools. Whereas, the distribution of creative productive zakat for social projects oriented to social interests such as the construction of school buildings, hospitals, and so on (Hendri & Suyanto, 2015). Besides, the distribution of productive zakat also includes training facilities and coaching for *mustahiqs* (Widiastuti, 2015).

2.2. Productive zakat

Productive zakat is the giving of zakat which can make the recipients produce something continuously with the zakat they have received (Asnainai, 2008; Wicaksono, 2019) and is usually designed as a charity with social mapping and priority (Kasri, 2017). Thus, productive zakat is zakat in the form of assets or zakat funds given to *mustahiqs* to be developed and used as an effort to fulfill their needs.

Hafidhuddin and Juwaini (2007) explain that scholars such as Imam Syafi'i, Imam Nasa'i, and others stated that if a *mustahiq* has the ability to trade, he should be given venture capital that allows him to earn profits that can meet his basic needs. Likewise, if the person concerned has certain skills, then facilitate them. If the *mustahiq* does not work and does not have certain skills, according to Imam Syamsuddin ar-Ramli, the guarantee of life from zakat will be helped, for example by participating in investing (from the zakat money) so that the *mustahiq* has income from the rotation of zakat.

The reason for the need for zakat to be utilized for productive purposes is according to Qaradhawi (2005) that zakat is not just an occasional aid to the poor to alleviate their suffering, but it aims to alleviate poverty, find the root causes of poverty, and provide assistance for them to improve their lives. Productive zakat is also able to increase micro-businesses and create jobs (Faisal & Yuliani, 2018). The implication of distributing productive zakat is an increase in zakat recipients' welfare in the form of an increase in income and business income (Furqani, Mulyany, & Yunus, 2018).

2.3. Zakat for economic empowerment

Economic empowerment is a step to improve the people's economy for the better and to increase the economic dignity of the community in an area. One of the functions of zakat is a social function, namely a means of socializing and reducing the gap between rich and poor people. Zakat can be used as a form of capital for small businesses. The distribution of zakat funds affects the growth of micro, small, and medium enterprises (MSMEs) and the economic growth of a region (Hamidah, Widiastuti, Alam, & Cahyono, 2017). Managing zakat in a professional and productive manner can help the economy of the weak community and assist the government in improving the country's economy, namely through empowering the economy of the people in the missions it carries.

Productive zakat recipients are given to those who are able to work with certain business skills to meet their needs. However, the constraint they have is inadequate income to meet basic household needs. This means that their income is lower than their basic needs due to limited skills. On the other hand, unproductive zakat recipients, called consumptive zakat, tend to be given to the elderly, sick people, and people with disabilities due to their limitations so that they cannot find their own income to meet the basic needs of their families (Ibrahim & Gazali, 2014). Even so, assistance is still needed for productive zakat recipients so that they are able to save and become more prosperous in life (Andriati & Huda, 2015).

2.4. Islamic insurance for business protection

Islamic insurance is an effort to protect and help each other among a number of parties or people through investment in the form of assets with a pattern of return if they find certain risks, namely by making contracts (engagement) based on Islamic law (Wirdayaningsih, 2005). Islamic insurance products provide benefits in the form of compensation in the event of a disaster, for example, death, illness, accident, damage, and loss of property. In general, the purpose of Islamic insurance is to help and work together, to maintain safety and security, and to be mutually responsible (Siddiq, 2017).

Insurance can improve economic development, with various multiplier effects it causes. Insurance is positively correlated with welfare (Capitania, De Falco, & Adinolfi, 2011). Islamic insurance has a role as insurance protection in the benefit of religion, insurance protection in the benefit of life, insurance protection in the benefit of reason, insurance protection in the benefit of offspring, insurance protection in the benefit of assets (Karmila & Islami, 2018).

The existence of Islamic insurance plays a very important role in business continuity, especially in MSMEs. One of the Islamic insurance products is an Islamic loss insurance product, which is insurance that provides compensation to the insured for the loss of the property he is responsible for. This product can protect customers' businesses, including due to natural disasters. Although it may require a specific micro-insurance model for micro-enterprises (Mazambani & Mutambara, 2018).

3. RESEARCH METHODOLOGY

This study used a qualitative case study method based on field research. The qualitative case study methodology is to conduct an in-depth exploration of complex phenomena in certain contexts (Rashid, Rashid, Warraich, Sabir, & Waseem, 2019). Data was collected through in-depth interviews and observations from national zakat management organizations, namely The National Board of Zakat of Republic Indonesia (BAZNAS), The Department of Amil Zakat, Infaq and Alms of Nahdlatul Ulama (NU-Care LAZISNU), The Department of Amil Zakat, Infaq and Alms Muhammadiyah (LAZISMU). These three zakat institutions are the largest in Indonesia and have branches at the sub-district level and as well as some at the village level. The informants are Nur Hasan (Director of Distribution of NU-Care LAZISNU), Sabar Waluyo (Director of Finance of LAZISMU in Central Java Province), and assessor for zakat management of Keuangan Syariah (Islamic Financial — in English) Professional Certification Institution), M. Hasbi Zaenal (Director of Center of Strategic Studies BAZNAS), Masun Duri (Head of BAZNAS in Jepara Regency), and several productive zakat recipients in Indonesia.

The simple phases of the qualitative case study method are the foundation phase, prefield phase, field phase, and reporting phase (Rashid et al., 2019). The stages of this research are theoretical analysis as foundation phase, problem assessment as prefield phase, data mining as field phase, and result presentation of research studies as reporting phase.

Theoretical analysis of the distribution and utilization strategies of zakat carried out by zakat institutions, especially the distribution of productive zakat by three large zakat institutions in Indonesia. The problem assessment is carried out based on the objectives, functions, and benefits of productive zakat distribution. In this section, deepening of information from zakat institutions and productive zakat recipients. Data mining on the implementation of productive zakat is carried out by in-depth interviews with managers of zakat institutions, productive zakat recipients. Observations are made on the business activities of productive zakat recipients. Result presentation of research studies by presenting the results and solutions to productive zakat problems.

The data validity used data triangulation. Data triangulation involves the use of different sources of data/information. A key strategy is to categorize each group or type of stakeholder (Guion, 2002). The validity of this study is to categorize data from zakat institution managers, productive zakat recipients, and data from observations.

4. RESULTS

4.1. The distribution model and use of productive zakat

The method of proposing productive zakat can be implemented in two directions, namely by button-up and top-down. Button up means the method of proposing zakat which is carried out based on suggestions from the community, either individually or proposed by community groups to zakat management organizations. Whereas, top-down means the method of proposing zakat carried out based on the selection of *mustahiq* by the *amil* zakat organization.

The results of research in the field are proposing productive zakat recipients through agents of zakat management organizations, both in each district and village. In this case, someone who applies for productive zakat assistance must prepare a proposal document regarding the business that will be carried out for business development. The proposal document must contain at least a complete identity, needs analysis, feasibility analysis and sustainability analysis. Document formulas are provided by zakat institutions with assistance in filling out documents by zakat institutions.

The next step is verification of productive zakat recipients by agents of zakat management organizations by checking the completeness of document administration, document verification, and also field verification to determine that prospective recipients of productive zakat are eligible to receive. According to Mrs. Novi Dwi Akuswati, as the recipient of productive zakat on chicken noodle business, he said that "The Village Hall came to the house to provide attachments, informing them that they received business assistance from Baznas". This was also conveyed by NU-Care LAZISNU named Nur Hasan as Director of Distribution of NU-Care LAZISNU said that "Usually, NU-Care LAZISNU directly provides post-disaster productive zakat programs". Sabar Waluyo as Finance Director of LAZISMU Central Java Province said that they limit the distribution of productive zakat to 5 million rupiahs or around USD 400 for venture capital.

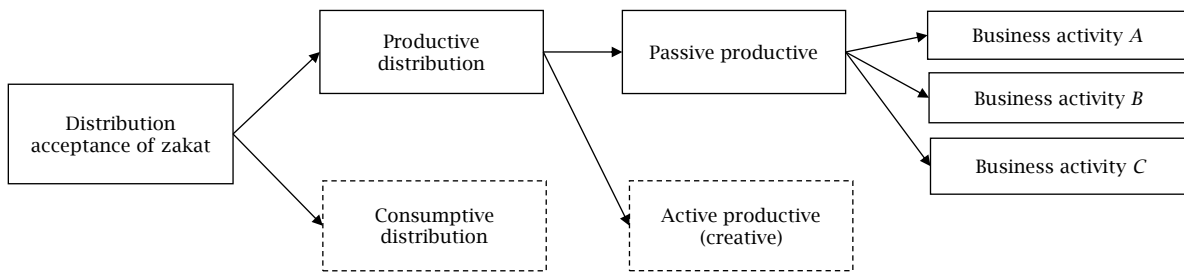
The top-down model is generally a program that is planned in a short-term work plan at zakat institutions. However, this can also be incidental, especially in the economic recovery of communities affected by the disaster. This model is the direct appointment of zakat institutions to potential recipients. The delivery of these productive zakat recipients is through agents, branches, or partners of zakat institutions. This model is used by NU-Care LAZISNU in providing productive zakat directly to victims who are really affected by the disaster and need assistance for economic recovery.

Mrs. Yusiana as the recipient of productive zakat from BAZNAS Jepara Regency said that she did not know that there were only two choices for her business, namely meatballs and chicken noodles. According to H. Masun Duri as the head of BAZNAS in Jepara Regency, the first plan that must be done

is to determine what percentage of zakat will be used for productive purposes, determining the budget, and the form of activities, as well as the equipment used, for example, a cart for meatballs and chicken noodles.

Based on the results of interviews with Mrs. Yusiana and several productive zakat recipients, they feel that the distribution of productive zakat is not appropriate because it is only limited to certain businesses. So, it can be concluded that the productive zakat distribution program model is semi top-down, or in other words, the determination of this effort is carried out in one direction by the zakat management organization through the programs offered. The eight groups of zakat recipients, called *mustahiq*, are required to choose one business according to their competence or talent interest.

Figure 1. The results of research on the flow of business determination of *mustahiq* candidates as program recipients of productive zakat



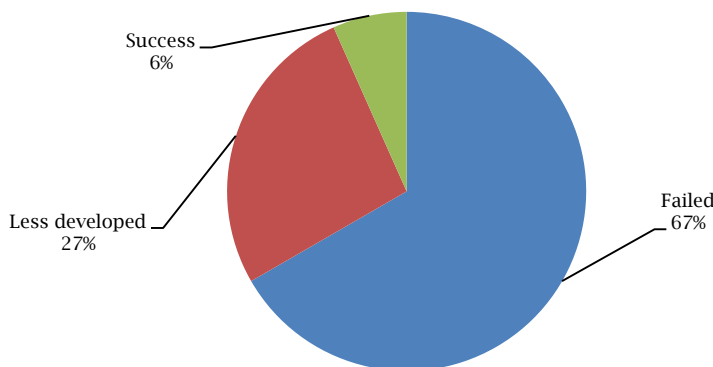
4.2. The effectiveness of productive zakat for increasing welfare

The results of interviews and observations show that the distribution of productive zakat is considered effective and can improve the welfare of productive zakat recipients. But in fact, the results of the research show that not always productive zakat recipients make their socioeconomic standards better. For communities affected by disasters, receiving business capital assistance is very helpful in recovering their business after a disaster. Nur Hasan conveyed that the NU-Care LAZISNU program provided assistance to help businesses for disaster victims such as carts to sell which were given to the people of Lombok in 2018 and Palu in 2018. The results were very effective because, during the post-disaster economic recovery, zakat in the form of funds and assistance facilities was provided.

According to Sabar Waluyo, productive zakat recipients, in case, do not always grow and develop. In fact, many productive zakat recipients are unable to continue their business. The factor is that proposals made for productive zakat are not based on expertise, the character of the requester, and financial management.

In other words, the distribution of productive zakat is not in a state of disaster. In fact, this situation does not always work like the productive zakat program of BAZNAS in Jepara Regency in 2018 where there were 15 recipients, but only 5 people were able to survive until 2020 and only 1 person stated that the distribution of productive zakat was effectively able to improve welfare. However, the results of observations show that the recipients of productive zakat have improved their standard of living, at least they now have jobs.

Figure 2. The results of research on the 2018 productive zakat distribution program by BAZNAS Jepara Regency



According to the management of zakat institutions, the lack of success of the productive zakat program is due to the limited human resources of zakat institutions as the main factor, namely the absence of supervision and business assistance for productive zakat recipients. Based on the results of interviews with productive zakat recipients in the BAZNAS Jepara Regency, monitoring is carried out once through telephone communication and there is no intensive assistance for a long period of time.

5. DISCUSSION

Disaster victims, in general, prefer to do business based on their expertise, as the opinion of productive zakat recipients in Malaysia (Ramli, Ahmad, Wahid, & Harun, 2011).

The suitability of the line of business that is carried out is easier to develop compared to productive zakat recipients who start a new business without experience. Even so, in certain situations and circumstances, they have to start a new business, and this requires more intense assistance.

The needs of productive zakat recipients are not only in the form of goods used for business, but also skills and capital in the form of money. Capital assistance in the form of financial funding is considered to be more effective in restoring economic activity (Santoso, 2005). However, there needs to be continuous assistance to people who have expertise in the business sector, namely recipients of productive zakat.

Zakat institutions that distribute productive zakat need to monitor and provide assistance to *mustahiq* as social responsibility. Factors of limited

human resources of zakat institutions in providing business assistance must be met by cooperating with third parties who are able to provide business assistance such as universities, volunteers, business consulting agencies, etc. The steps that can be taken are:

1. Inventory of third-party expertise. This stage needs to be done before the program is implemented to ensure the success of productive zakat recipients. For third parties, the success of the mentoring program is very important.

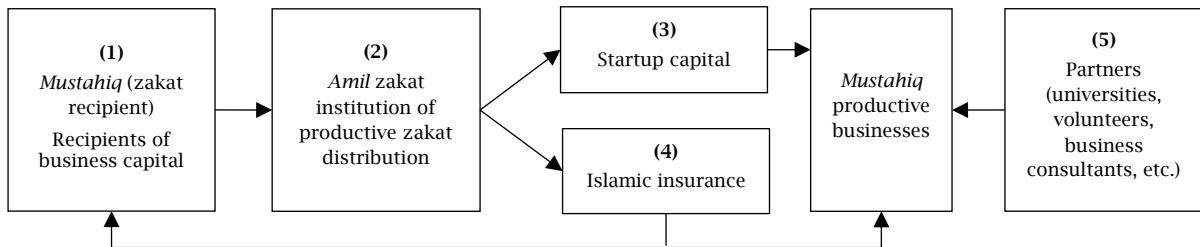
2. The determination of the provision of assistance to productive zakat recipients needs to be communicated with business assistance from third parties to meet all needs for the success of the business.

3. Business targets and assistance agreements between productive zakat recipients and third parties must be known by zakat institutions to be used as evaluation documents.

The business success of the productive zakat recipient community is not immediately successful without any obstacles, especially for disaster-prone areas. Therefore, to maintain business continuity, business protection or business insurance is needed as well as protection for business capital and business location, including business equipment and products. This insurance premium financing is part of the productive zakat recipient program. Not all MSMEs have a recovery plan and knowledge about insurance. Knowledge of insurance products had an influence on the purchasing of an insurance policy by MSMEs owners or managers for their business (Chodokufa, 2016).

The complete flow of the performance of the productive zakat distribution model is as follows:

Figure 3. Productive zakat distribution model based on business protection



This diagram explains that:

1. *Mustahiq* or zakat recipients provide details of business capital requirements, including raw materials, equipment, and training that have been arranged with business partners.

2. The zakat institution provides funds for business capital according to the *mustahiq* application and also payments for business protection insurance.

3. Business capital is spent on running a productive business.

4. Islamic insurance companies receive insurance premium payments for SMEs (micro and small businesses) who receive productive zakat and provide business and life protection.

5. Monitoring and business assistance of productive zakat recipients are planned and structured in collaboration with institutions, such as universities, volunteer groups in certain business fields, business consultants, and so on.

There are two distribution programs for the distribution of productive zakat distribution, namely the provision of business capital and the payment of Islamic insurance to ensure that the productive zakat program is protected from risks in the current program. The benefits of providing capital are well planned and accompanied by a consultant or companion, starting from providing complete business capital needs to marketing aspects.

Islamic insurance payments provide security guarantees against situations or circumstances that occur unexpectedly (*force majeure*) such as disasters, accidents, or others during the productive zakat receipt program. The provision of Islamic insurance for at least two products, namely goods insurance (business insurance) and life insurance. Business insurance aims to protect against accidents or disasters such as accidents, fires, floods, and earthquakes on equipment and goods used for

business. Meanwhile, life insurance protects against accidents by business actors. Islamic insurance is very important for MSME businesses and Islamic insurance can alleviate poverty due to disasters (Iswadi, 2015). But in reality, public awareness of the use of Islamic insurance is very low (Md Husin & Ab Rahman, 2016). Therefore, an Islamic insurance stimulus is needed, which is financed through zakat funds. This is so that the business is successful and the recipient will remain independent.

6. CONCLUSION

The distribution of productive zakat for disaster victims can actually be conducted in two ways, namely proposing zakat recipients (*mustahiq*) and direct appointment. The method of distribution used is based on certain businesses or based on programs from zakat institutions, and not based on the expertise of the recipient. The model of productive zakat distribution by zakat institutions in Indonesia uses two approaches, namely through direct business capital assistance and through proposals addressed to victims of natural disasters. They use zakat for starting businesses or developing businesses that are already owned by the recipient of productive zakat funds. In sum, productive zakat helps the economy of people who receive productive zakat recipients but it is still not effective for their welfare. Therefore, to increase the maximum role of zakat institutions in distributing productive zakat are needed to be synergized between zakat

institutions, partners (universities, volunteers, business consultants, etc.), and Islamic insurance.

Thus, the distribution of productive zakat based on the expertise of zakat recipients is considered more effective and able to guarantee protection for their business. The productive zakat distribution cost allocation includes life and business insurance costs.

The integrated productive zakat distribution model, namely the provision of capital, Islamic insurance, and the third party assistance, namely universities, volunteers, and business consultants, is considered capable of guaranteeing productive zakat recipient business effectively and is considered capable of changing the status of zakat recipient groups to become independent, and even become a zakat giver in the future.

The limitation of this research is there is no technical regulation in distributing productive zakat by zakat institutions and there is no qualified standardization of human resources so that each zakat institution has many differences in productive zakat distributions. Thus, the impact is difficult to measure their similarities. The suggestion of this result research is regulations of government to manage the distributions of productive zakat which are synergized with each other. Moreover, it needs to increase the quality of zakat institutions' human resources. Future research should examine the distribution of productive zakat that is integrated with various parties.

REFERENCES

1. Abdelbaki, H. H. (2013). The impact of zakat on poverty and income inequality in Bahrain. *Review of Integrative Business and Economics Research (RIBER)*, 2(1), 133-154. Retrieved from <https://ssrn.com/abstract=2886874>
2. Abdelmawla, M. A. (2014). The impacts of zakat and knowledge on poverty alleviation in Sudan: An empirical investigation (1990-2009). *Journal of Economic Cooperation and Development*, 35(4), 61-84. Retrieved from https://www.researchgate.net/publication/272563260_The_Impacts_of_Zakat_and_Knowledge_on_Poverty_Alleviation_in_Sudan_An_Empirical_Investigation_1990-2009
3. Abdullah, N., Derus, A. M., & Al-Malkawi, H.-A. N. (2015). The effectiveness of zakat in alleviating poverty and inequalities: A measurement using a newly developed technique. *Humanomics*, 31(3), 314-329. <https://doi.org/10.1108/H-02-2014-0016>
4. Andriati, R., & Huda, N. (2015). The influences of productive zakah mentoring to saving behavior and the prosperity of poor housewife. *Al-Iqtishad*, 7(2), 207-216. <https://doi.org/10.15408/aiq.v7i2.1698>
5. Anwar, A. Z., & Arifin, M. (2018). The degree of understanding of zakat on profession/income in Jepara regency. *Jurnal Ilmiah Al-Syir'ah*, 16(2), 138-147. <http://doi.org/10.30984/jis.v16i2.665>
6. Arouri, M., Nguyen, C., & Youssef, A. B. (2015). Natural disasters, household welfare, and resilience: Evidence from rural Vietnam. *World Development*, 70, 59-77. <https://doi.org/10.1016/j.worlddev.2014.12.017>
7. Asnainai. (2008). *Zakat produktif dalam perspektif hukum Islam*. Yogyakarta, Indonesia: Pustaka Pelajar.
8. Badan Amil Zakat Nasional. (2020). *Laporan baznas dalam penanganan pandemi COVID-19*. Jakarta, Indonesia: Badan Amil Zakat Nasional.
9. Badan Nasional Penanggulangan Bencana (BNPB). (2021). *Bencana 2020*. Jakarta: National Disaster Management Agency (BNPB). Retrieved from <https://bnpb.go.id/infografis/kejadian-bencana-tahun-2020-2>
10. Boustan, L. P., Kahn, M. E., Rhode, P. W., & Yanguas, M. L. (2020). The effect of natural disasters on economic activity in US counties: A century of data. *Journal of Urban Economics*, 118, 103257. <https://doi.org/10.1016/j.jue.2020.103257>
11. Capitanio, F., De Falco, S., & Adinolfi, F. (2011). On insurance to extreme events and farmers welfare: Panel data evidence from Italy. *Risk Governance & Control: Financial Markets & Institutions*, 1(1), 90-99. <https://doi.org/10.22495/rgcv1i1art7>
12. Chodokufa, K. (2016). Risk management practices and the purchase of insurance by SMEs [Special issue]. *Risk Governance and Control: Financial Markets & Institutions*, 6(3-2), 100-105. <https://doi.org/10.22495/rgcv6i3c2art13>
13. Fadilah, S., Maemunah, M., & Hernawati, N. (2019). The community economic empowerment based on zakat funds. *Proceedings of the 2nd Social and Humaniora Research Symposium (SoRes 2019)*, 13-16. <https://doi.org/10.2991/assehr.k.200225.004>
14. Faisal, A., & Yuliani, I. (2018). Productive zakat of baznas Yogyakarta on the growth of micro business. *Shirkah: Journal of Economics and Business*, 2(3), 375-396. <http://doi.org/10.22515/shirkah.v2i3.169>
15. Fitri, M. (2017). Pengelolaan zakat produktif sebagai instrumen peningkatan kesejahteraan umat. *Economica: Jurnal Ekonomi Islam*, 8(1), 149-173. <http://doi.org/10.21580/economica.2017.8.1.1830>
16. Furqani, H., Mulyany, R., & Yunus, F. (2018). Zakat for economic empowerment of the poor in Indonesia: Models and implications. *IQTISHADIA*, 11(2), 392-411. <http://doi.org/10.21043/iqtishadia.v11i2.3973>

17. Guion, L. A. (2002, September). *Triangulation: Establishing the validity of qualitative studies*. Retrieved from <https://sites.duke.edu/niou/files/2014/07/W13-Guion-2002-Triangulation-Establishing-the-Validity-of-Qualitative-Research.pdf>
18. Hafidhuddin, D., & Juwaini, A. (2007). *Membangun peradaban zakat meniti jalan gemilang zakat*. Ciputat, Indonesia: Divisi Publikasi Institut Manajemen Zakat.
19. Haidir, M. S. (2019). Revitalisasi pendistribusian zakat produktif sebagai upaya. *Muqtasid*, 10(1), 57-68. <http://doi.org/10.18326/muqtasid.v10i1.57-68>
20. Hamidah, R. A., Widiastuti, T., Alam, A., & Cahyono, E. F. (2017). Impact of ZIS (zakah, infaq and sadaqa) distribution and Islamic financial institutions to MSMEs (micro, small, and medium enterprises) and gross regional product growth in East Java (2011-2014 periods). *Journal of Islamic Financial Studies*, 3(1), 1-15. <http://doi.org/10.12785/JIFS/030101>
21. Hendri, N., & Suyanto, S. (2015). Analisis model-model pendayagunaan dana zakat dalam pemberdayaan masyarakat miskin kota di provinsi Lampung. *Akuisisi*, 11(2), 63-73. Retrieved from <https://fe.ummetro.ac.id/ejournal/index.php/JA/article/view/25>
22. Hoque, N., Khan, M., & Mohammad, K. (2015). Poverty alleviation by Zakah in a transitional economy: A small business entrepreneurial framework. *Journal of Global Entrepreneurship Research*, 5, 7. <https://doi.org/10.1186/s40497-015-0025-8>
23. Ibrahim, P., & Gazali, R. (2014). Zakah as an Islamic micro-financing mechanism to productive zakah recipients. *Asian Economic and Financial Review*, 4(1), 117-125. Retrieved from [http://www.conscientiabeam.com/pdf-files/econ/3/aefer%204\(1\)%20117-125.pdf](http://www.conscientiabeam.com/pdf-files/econ/3/aefer%204(1)%20117-125.pdf)
24. Iswadi, M. (2015). Asuransi Islami dan pembangunan ekonomi umat. *Al-Tijary*, 1(1), 47-56. <http://doi.org/10.21093/at.v1i1.421>
25. Jaelani, A. (2016). Zakah management for poverty alleviation in Indonesia and Brunei Darussalam. *Turkish Economic Review*, 3(3), 495-512. Retrieved from <https://ssrn.com/abstract=2861830>
26. Kareem, M. K., & Bankole, A. S. (2016). Zakah, poverty alleviation and inclusive growth in Nigeria. *Journal of Islamic Finance*, 5(2), 53-65. <https://doi.org/10.12816/0045117>
27. Karmila, L., & Islami, U. (2018). Manfaat asuransi Syariah dalam meningkatkan perekonomian. *Seminar Nasional ASBIS 2018*, 263-271. Retrieved from <http://e-prosiding.poliban.ac.id/index.php/asbis/article/view/308/267>
28. Kasri, R. A. (2017). Management of zakah distribution: Empirical evidence from Indonesia. *AFEBI Islamic Finance and Economic Review (AIFER)*, 2(2), 1-15. <http://doi.org/10.47312/aifer.v2i02.109>
29. Khasanah, U. (2010). *Manajemen zakat modern*. Malang, Indonesia: UIN-Maliki Press.
30. Klomp, J., & Valckx, K. (2014). Natural disasters and economic growth: A meta-analysis. *Global Environmental Change*, 26, 183-195. <https://doi.org/10.1016/j.gloenvcha.2014.02.006>
31. Mazambani, L., & Mutambara, E. (2018). Sustainable performance of microinsurance in low-income markets. *Risk Governance and Control: Financial Markets & Institutions*, 8(2), 41-53. <https://doi.org/10.22495/rgcv8i2p2>
32. Md Husin, M., & Ab Rahman, A. (2016). Do Muslims intend to participate in Islamic insurance? Analysis from theory of planned behaviour. *Journal of Islamic Accounting and Business Research*, 7(1), 42-58. <https://doi.org/10.1108/JIABR-03-2014-0012>
33. Miftah, A. A. (2008). Pembaharuan zakat untuk pengentasan kemiskinan di Indonesia. *Jurnal Innovatio*, 7(14), 423-439.
34. Mujiatun, S. (2018). Model of professional zakat management in Indonesia. *International Journal of Economics, Business and Management Research*, 2(4), 80-90. Retrieved from http://www.ijebmr.com/uploads/pdf/archivedpdf/2020/IJEBMR_02_231.pdf
35. Norvadewi, N. (2012). Optimalisasi peran zakat dalam mengentaskan kemiskinan di Indonesia. *Mazahib*, 10(1), 66-76. Retrieved from <https://journal.iaain-samarinda.ac.id/index.php/mazahib/article/view/111>
36. PEBS FEUI & CID. (2008). *Zakat dan pembangunan: Era baru zakat menuju kesejahteraan ummat*. Depok, Indonesia: PEBS FEUI.
37. Putra, H. S. (2017). Natural disaster and poverty in Indonesia. *Jurnal Transformasi Administrasi*, 7(2), 1420-1431. Retrieved from <http://jta.lan.go.id/index.php/jta/article/view/39>
38. Qaradhawi, Y. (2005). *Spektrum zakat dalam membangun ekonomi kerakyatan*. Jakarta, Indonesia: Zikrul Hakim.
39. Ramli, R. M., Ahmad, S., Wahid, H., & Harun, F. M. (2011). Understanding asnaf attitude: Malaysia's experience in quest for an effective zakat distribution programme. Paper presented at the *International Zakat Conference: Sustainable Zakat Development in the Poverty Alleviation and Improvement of Welfare of the Ummah*. Retrieved from <http://www.ukm.my/hairun/kertas%20kerja/Paper%20Raudha%20et%20al.pdf>
40. Rashid, Y., Rashid, A., Warraich, M. A., Sabir, S. S., & Waseem, A. (2019). Case study method: A step-by-step guide for business researchers. *International Journal of Qualitative Methods*, 18, 1-13. <https://doi.org/10.1177/1609406919862424>
41. Santoso, R. P. (2005). Optimalisasi bantuan luar negeri untuk rehabilitasi bencana alam melalui pemberdayaan microfinance. *Unisia*, 56, 142-147. <https://doi.org/10.20885/unisia.vol28.iss56.art4>
42. Sartika, M. (2008). Pengaruh pendayagunaan zakat produktif terhadap pemberdayaan mustahiq pada LAZ Yayasan Solo Peduli Surakarta. *La_Riba: Jurnal Ekonomi Islam*, 2(1), 75-89. <https://doi.org/10.20885/lariba.vol2.iss1.art6>
43. Siddiq, M. (2017). Kedudukan asuransi dalam hukum Islam. *Islamic Banking: Jurnal Pemikiran Dan Pengembangan Perbankan Syariah*, 2(2), 44-55. <https://doi.org/10.36908/isbank.v2i2.31>
44. Statistics Indonesia. (2020). *Berita resmi statistik*. Retrieved December 4, 2020, from <https://www.bps.go.id/dynamictable/2016/08/18/1219/persentase-penduduk-miskin-menurut-provinsi-2007--2019.html>
45. Wicaksono, J. W. (2019). Distribusi zakat produktif untuk pengembangan ekonomi. *Dinar: Jurnal Prodi Ekonomi Syari'ah*, 2(2), 1-20. Retrieved from <http://e-jurnal.stail.ac.id/index.php/dinar/article/view/64>
46. Widiastuti, T. (2015). Model pendayagunaan zakat produktif oleh lembaga zakat dalam meningkatkan Pendapatan Mustahiq. *JEBIS*, 1(1), 89-102. Retrieved from <https://e-journal.unair.ac.id/JEBIS/article/view/1424>
47. Wirnyaningsih. (2005). *Bank dan asuransi Islam di Indonesia*. Jakarta, Indonesia: Prenada.
48. worldometers. (n.d.). *Coronavirus*. Retrieved December 30, 2020, from <https://www.worldometers.info/coronavirus/>