

Zakat as a Solution Toward Poverty: Based on The Practice of Lazismu Ums

イスラム法（シャリーア）により義務づけられている寄付行為（zakat）を組織化し、貧困解消に役立っているインドネシアの事例を検証する。

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Abstract

Indonesia is currently facing a major problem of the nation's welfare. Of the 240 million people, 60 million are poor. 100 million people are prone to be poor, their income is slightly higher than the poor. 10% of the almost poor have a chance of falling into poorer in the next year. This shows the failure of the economic system adopted by the State in realizing distributive justice. Today's economic system causes excessive concentration of wealth and social problems of disparity. The gap may reduce the benefits of high economic growth, where economic growth is basically to reduce poverty. If poverty is not dealt with in the next 10 to 15 years, poverty will increase three-fold.

Indonesia is trying to be a provider of welfare services by providing a social safety net for the poor. Unfortunately, 85% of social safety net is not targeted well and not enjoyed by the poor. It needs "the third way" as an alternative since capitalism and socialism are not able to overcome poverty. Islamic economy puts emphasis on the economic distribution, and zakat (almsgiving) is the most important method in the realization of economic distribution and as a solution to reduce poverty. Muhammadiyah is a pioneer in social welfare reform, particularly it is theological and it is activities related to zakat. This study will deal with (1) the Islamic doctrine of Islamic Philanthropy (2) the mechanism of zakat on poverty reduction (3) How Muhammadiyah manage philanthropy activities in a modern organization.

Keywords Poverty, Zakat, Islamic Philanthropy.

Introduction

Indonesia is currently facing a major problem of the nation's welfare. Of the 240 million people, 60 million are poor. NGO activists argue that the number of Indonesian people in poverty reaches 70 million people, but BPS (Bureau of Public Statistics) quibbles if poverty in Indonesia is only 28 million people. Apart from differences of data shown by BPS and activists, a problem of poverty is still a crucial issue in Indonesia.

If poverty is not handled properly in the next

10-15 years, it will increase three-fold or more. This is caused by:

1. The increasing number of elderly
2. The poor people have more children
3. The tendency of low education

Every month the poor families receive around IDR 1,080,000 (US\$ 78)¹ as cost of living divided into 67% for food, 28% for homes, 5% for health and education. This small proportion in health and

¹ 1US\$= IDR 13.850, January 26 2016

education resulted in their children educated and health will remain low, so that poverty will be inherited to their children.²

In addition, there are 100 million people who are almost poor, 10% of them have a chance of falling into poverty in the next year. Economic shocks such as illness, natural disasters, loss of employment or inflation can easily make them impoverished. According to Enny Sri Hartati, Director of the Institute for Development of Economics and Finance (INDEF), the large population of almost poor today reflects the failure of the previous government in designing and implementing the quality of economic development programs.

Economic growth is expected to reduce poverty and the government draws up a number of development policies to boost economic growth. However, development policies to promote economic growth in developing countries make economic inequality in each region gets wider since factors of production (capital and labor resources) concentrate in the developed regions. The increasing gap makes difficult for poor people to escape from poverty. Eastern Indonesia is disadvantaged area compared to the rest of Indonesia, especially Java. Indonesia is a country with the highest inequality among Southeast Asia.

“The main strategy of effort against poverty and reduce inequality is by helping the poor help themselves, through the provision of more jobs to earn more income. We also need to ensure children across Indonesia have equal access to quality services, so that they can start life with justice,” according to the Chief Economist of the World Bank in Indonesia, Vivi Alatas. One of the efforts of the State to help the poor is by giving social safety nets. The budget for social security increases every year, until today Indonesia spend 0.7% of GDP (Gross Domestic Product) for programs of social assistance compared to Brazil using 1.5% of its GDP and so do other mid-

dle low-income countries.³ Unfortunately, 85% of the budget for poverty alleviation in Indonesia is not on target, the majority of the budget is not enjoyed by the poor.⁴

According to the World Bank Country Director for Indonesia, Rodrigo A. Chaves, “Eradicating poverty and inequality will be the most important challenge for the next government of Indonesia. By implementing effective public policies as equal as partnering the private sector and civil society organizations, the World Bank believes, Indonesia will make substantial progress. Alleviating poverty and shared prosperity is a World Bank mission, and we will support the new government in achieving these goals.”⁵

One of the civil society organizations that have played an active role in alleviating poverty in Indonesia is Muhammadiyah. Muhammadiyah is one of Islamic voluntary organizations in Indonesia. Compared to many other Islamic voluntary organisations, Muhammadiyah’s work in the area of philanthropy was (and is) exceptional, since it initiated philanthropic practices for social welfare and educational projects, such as establishing and maintaining schools, hospitals, and orphanages. The puritan spirit of Muhammadiyah brings a high-spirited and action-oriented attitude to its implementation of the Islamic teachings of philanthropy. Islamic philanthropic practices named zakat (almsgiving), alms (donations, giving), and waqf (religious endowment).

In this paper, there are three main parts. The first part describes the Islamic doctrine of Islamic Philanthropy. The second section will discuss zakat mechanism to fight poverty. The last section surveys how Muhammadiyah manage philanthropic activities in a modern organization.

3 Penurunan Kemiskinan di Indonesia Melambat, Ketimpangan Meningkat: World Bank. September 23, 2014

4 Pengentasan Kemiskinan: Pemerintah Tak Efektif Tekan Angka Kemiskinan. Agus Supriadi & Elisa Valentia Sari, CNN Indonesia. November 03, 2014.

5 Penurunan Kemiskinan di Indonesia Melambat, Ketimpangan Meningkat: World Bank. September 23, 2014

2 Average of Expending poor family, Indonesia Poverty, Infografis World Bank.

I. Zakat and Islamic Teaching of Islamic Philanthropy

Zakat is a religious levy aimed at purifying the individual, and the payment of Zakat brings a Muslim nearer to Allah. Zakat is the third of the five fundamental pillars of Islam. It is a continuous obligation on the rich for the welfare of the poor in an Islamic community. The Qur'an has repeatedly exhorted Muslims to pay zakat. The following are some verses enjoining Zakat:

*"and they have been ordered... to establish regular prayers and to pay Zakat..."*⁶

*"... and in their wealth and possessions is assigned a right for the needy and those who suffer deprivation"*⁷.

"... and render to the kindred his due right as well as to the needy and the wayfarer, and do not squander (your wealth) senselessly".

Zakat is the right of God on every wealth in the hands of Muslims. If the owner of the wealth is minor or insane, his guardian must pay the Zakat once it is due. This obligation is expressly stipulated in the Quran:

"(O Mohammad) Take out of their possessions Sadaqat so that you may cleanse and purify them thereby, and pray for them..."

Who should pay zakat and subjected to Zakat payments

Every Muslim person must pay Zakat if he/she possesses wealth that exceeds *nisab*⁸.

"For it is He who has brought into being gardens- (both) the cultivated ones and those growing wild - and the date-palm, and fields bearing multiform produce, and the olive tree and the pomegranate: (all) resembling one another and yet so different. Eat of their fruit when it comes to fruition, and give their

due on harvest day".⁹

Bukhari related that the Prophet (P) said, "There is Sadaqat imposed on every Muslim". Some asked, "What if the Muslim has nothing to give?" He said, "Let him work with his hands so that he benefits himself and pays Sadaqat".

Subjected to Zakat payments:

1. animal wealth;
2. commercial assets;
3. gold and silver;
4. agricultural production;
5. honey and animal products;
6. mineral wealth and treasures extracted from the earth or sea;
7. estates, factories and all other earning assets;
8. income from employment;
9. labor and professional income,
10. Shares and stocks (bonds).

Avenues (Mustahiq) of Zakat

In verse 9:60, God has designated where to spend Zakat.

"The alms are only for the poor and the needy, and those collect them, and those whose hearts are to be reconciled, and to free the captives and the debtor, and the cause of Allah and for the wayfarer; a duty imposed by Allah, Allah is knower, wise."

Based on the verse has as eight classes entitled to accept zakat as follow:

1. the poor (*fuyqara*),
 2. the needy (*masakin*),
 3. zakah collectors (*amilin*),
 4. those newly converted to Islam (*muallaf*),
 5. ransoming of slaves (*riqab*),
 6. the debtors (*algharimin*),
 7. in the cause of Allah (*fi sabilillah*),
 8. and the wayfarers (*ibnu sabil*)
- (Aziz on Firdaus et al. 1993).

6 Qur'an 95: 5

7 Qur'an 51:19

8 Nisab is limit of exemption

9 Qur'an 6:14

II. Zakat in Taking out of Poverty

Zakat is an Islamic fiscal instrument that has extraordinary potential for investment. If the potential of zakat is done properly, it will be a very large source of funding, so it can become the driving force of economic empowerment and equal distribution of income. So that it can improve the national economy.

Islam and income distribution

Zakat is important in Islam since it aims at achieving an equitable distribution of resources among present individuals and future generations. Also Islam stresses the need to give the poor the chance to review their rights in such a way so that their pride and dignity can be preserved and upheld. Here are the purposes of zakat in Islamic economy:

1. The purpose of da'wah

What is meant here is the da'wah for Islam and to straighten of love to Allah. The most obvious example is existence of category for the newly converts in zakat.

2. The purpose of education

Distribution of zakat in the perspective of Islamic economy can realize some of the goals of education, where the most important are as follows:

- a. Education to cast morality character, such as easy to give alm, charity, and share with others.
- b. Purify the despicable characters, such as stingy, greedy, and selfish.

3. The social objective

The most important social objectives in the distribution are:

- a. Meet the needs of the needy, and to build the solidarity character in the Muslim society.
- b. Strengthen the bond of love and affection between individuals and groups in society.
- c. Scrape the causes of hatred in society, which will have an impact on the realization of public security and tranquility.
- d. Fairness in distribution, includes:
 - Distribution of resources;
 - The distribution of income from the factors of production.

- Distribution among people, and distributive justice between today generations and future generations.

4. Economic Interest

Distribution in Islamic economy has important economical goals which include the following:

- a. Asset development.
- b. Empowering human resources who are unemployed.
- c. Contribute to the realization of economic welfare, since the level of economic welfare associated with the level of consumption.
- d. The best use of the economic resources.

Zakat as an alternative instrument for poverty alleviation

Zakat becomes an effective alternative instrument in alleviating poverty and has many advantages compared with conventional fiscal instrument. Zakat is a form of social security with an objective to ensure the minimization of income inequality and social justice. The nature of zakat is, should be able to give benefit to consumption and production to improve the well-being and eradicate poverty. Zakat should be distributed equitably to the mustahiq in accordance with the Shari'a. Here are the characteristics that make zakat as an effective alternative instrument for poverty alleviation:

1. The use of zakat has been clearly specified in Shari'a (QS. At-Tawbah: 60) where the charity is only for eight groups (ashnaf) only¹⁰. Other than eight groups it is unlawful to receive zakat. These eight groups characteristics make zakat inherently pro-poor.
2. Zakat has low tariffs and fixed and never changes because it is regulated by the Shari'a. For example, zakat applied to trade, the tariff of only 2.5%. Because of this low tariff, the application of zakat will not interfere investment incentives and will create the transparency of public policies and provide business certainty.

¹⁰ See Avenues of Zakat.

3. Zakat have different rates for each type of different treasures, and provide relief for businesses that have a higher degree of difficulty in production. For example, the tariff Zakat for agricultural products resulted from irrigated land is 5%, and the charge become 10% if it's produced from rain field land. Therefore zakat is market-friendly because it will not interfere with the business climate.
4. Contemporary *ulama* in the opinion zakat is imposed on a broad basis and covers a wide range of economic activities. Zakat was also taken from the revenues generated from the asset or skill workers. Thus, it has potential for very large charity. This becomes an important base for financing poverty programs.
5. Zakat is a spiritual tax that must be paid by Muslim under any circumstances, therefore the acceptance of zakat tends to be stable. This will ensure the continuity of poverty alleviation programs in the long term.

The multiplier effect of Zakat

If the implementation of worship zakat is done systematically and organized, it will give many multiplier effects that does little to increase revenue, as described in the Quran surah Al Baqarah verse 261:

“The example of those who spend their wealth in the way of Allah is like a seed (of grain) which grows seven spikes; in each spike is a hundred grains. And Allah multiplies (his reward) from whom He wills. And Allah is all-Encompassing and Knowing.”

Economically zakat multiplier effect can be explained as follows: it is assumed zakat is given in the form of consumptive. It will increase the purchasing power to mustahik to buy item he needs. Consequently it will have impact in increasing the production of companies; this increases the production capacity, which means the company will absorb more labor. The increased production would increase the taxes paid by the company to the state. When revenues increase, the state will have the ability to build infrastructure for development and to provide

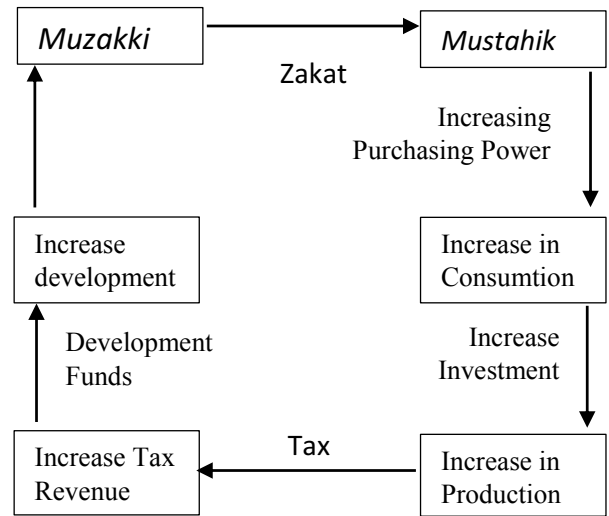


Figure 1. The Multiplier Effect of Zakat in Economy

public facilities for the community. If zakat is given in the productive form such as working capital or revolving funds, then of course the multiplier effect obtained will be greater in the economy.

Based on this mechanism, it can be seen that the proper management of zakat, professionalism and accountability will be able to empower the charity and will give significant multiplier effect in the economy, especially in helping the government to reduce poverty through community empowerment programs. This mechanism shows that alms in the consumptive form has a significant influence, more over if zakat distributed in the productive form then the multiplier effect will have greater impact in the economy. And it will be able to bring a significant effect in poverty alleviation in a country.

Potential Zakat in Indonesia

Indonesia has huge potency of zakat. Rough calculation results made by Eri Sudewo in 2006, as mentioned by Miftah (2009), showed that the potential of zakat in Indonesia could reach 10.8 trillion rupiah per year. According to the calculations mae by Public Interest Research and Advocacy Center (PIRAC) in 2007, based on a survey of 2500 respondents in

11 major cities zakat potential in Indonesia was Rp 9.09 trillion.¹¹ Meanwhile, Muhammad Syafi Antonio, a Sharia economic expert mentions that the potential zakat Indonesia can reach Rp 17 trillion. Then according research made by Ivan Syaftian, a researcher from the University of Indonesia in 2008, the potency zakat in profession amount to Rp. 4.825 trillion per year.¹²

But it is unfortunate that the great potential of zakat have not tapped maximally yet. Until now, the amount of zakat collected by BAZNAS and LAZ throughout Indonesia is about Rp 3 trillion. This is because the way of paying zakat by people in society still traditional. Where, people (*Muzakki*) gives zakat directly to recipients (*Mustahik*). Zakat can be explored maximally by channeling the zakat when there is renewal in the truly organized body as was done by Muhammadiyah. Muhammadiyah was the pioneer in transforming traditional practices of giving zakat into a different practice which is truly organized philanthropy body. In 2002 Muhammadiyah found LAZISMU (Lembaga Amil Zakat, Infaq and Shodaqoh Muhammadiyah) to collect Zakat from the public, manage and distribute zakat to mustahik.

III. Muhammadiyah and Modern Islamic Philanthropy

Modern philanthropy is an activity of giving and volunteering for public needs that are managed by an organized institution. Islamic philanthropic practices, namely *zakat*, *alms*, and *waqf*, were initially practiced in Indonesia as individual direct giving and unmanaged, but then gradually became organized. The first attempt to organize Islamic charitable alms was initiated in the early twentieth

century by Muhammadiyah. Muhammadiyah was the pioneer in transforming traditional practices of giving alms into organized philanthropy body, by mobilizing community resources for religious social change in the name of religion. Muhammadiyah was established on November 12, 1912.

Three Bases for Muhammadiyah's Philanthropy

Amelia Fauzia discussed three aspects playing behind Muhammadiyah's philanthropic reforms: Al-Ma'un theology, modernism, and puritanism. Al-Ma'un theology refers to chapter 107 of the Qur'an, entitled Al-Ma'un (small kindness, almsgiving). It reads:

"Have you seen the one who denies the Recompense? For that is the one who drives away the orphan. And does not encourage the feeding of the poor. So woe to those who pray. [But] who are heedless of their prayer. Those who make show [of their deeds]. And withhold [simple] assistance."

The verses generally encourage generosity, particularly for orphans and poor. They demonstrate an understanding of religious Existentialism, making it clear that religious rituals, such as prayers, should have social effects. They carefully label those who are unkind to orphans and the poor as hypocrites. The idea of religious morality, especially from this Al-Ma'un chapter, was given serious attention by the founder of Muhammadiyah, Kyai Haji Ahmad Dahlan (1868-1923). It provided the Muhammadiyah's pursuit to become the best group or community (*Khairul ummah*) that ordains the good and forbids the evil (*ya'muruna bil ma'ruf wa yanhauna wa anil munkar*).

In addition to the Al-Ma'un theology, modernism and puritanism contributed important elements to the creation of a strong movement to organize charity and to change the culture of direct giving. Modernism contributed to Muhammadiyah certain mechanism term and legal effects, while modernists brought the culture of rational thought. Among the products of modernism were the establishment of (modern) schools, hospitals and orphanages, the registration

11 Press Release "Meningkatkan, Kesadaran dan Kapasitas Masyarakat dalam Berzakat". PIRAC. 2007.

12 Al Arif, M. Nur Rianto. Efek Pengganda Zakat Serta Implikasinya Terhadap Program Penentasan Kemiskinan. Jurnal Ekbsi Fakultas Syariah UIN Sunan Kalijaga. Yogyakarta. Vol.5, No. 1. December 2010, page 42-29.

of donors and *waqf* properties, and the culture of transparency and accountability. The puritan spirit contributed a rational approach to religious teachings on philanthropy. In other words, Muhammadiyah's struggle against superstition, non-authentic religious inventions and religious delusions (*takhayul*, *bid'ah* and *churafat*, abbreviated as TBC) and also initiated in charitable matters. The products were *ijtihad* on organized payment and distribution of zakat and use of zakat for orphan, the poor and the needy.

Muhammadiyah develops local initiatives to establish the institutions that are responsible for collecting, managing and channeling philanthropy. In some areas they have established philanthropy management institutions with different names, such as: Assembly Endowments, Lazmupul, treasury, Lazisfa. Muhammadiyah also established a philanthropy management agency named Bapelurzam. Bapelurzam is run by central leader of Muhammadiyah and operations supported by the structural shape. However, in operational Bapelurzam considered to be failed, from 300 Bapelurzam in every district/ cities throughout Indonesia there are only 2 Bapelurzam running well. In 2002 Muhammadiyah establish Lazismu as philanthropic management institutions that are more transparent and accountable.

Lazismu and Islamic Philanthropy Fund

In the middle of the modernization of the institutional managers of philanthropic organizations in Indonesia which has lasted more than a decade, Muhammadiyah has taken the initiative to establish an institution named Lembaga Amil Zakat Muhammadiyah, shortened Lazismu. This institution has important role in building collective awareness among Muhammadiyah members to project funds coming from *zakat* and *sedekah*. Lazismu was established in Jakarta in 2002, it was confirmed by the Minister of Religious Affairs of the Republic of Indonesia as a Lembaga Amil Zakat National under Decision 457/21 November 2002. Lazismu is actively campaigning, offering new ideas of philanthropic fund management model in Muhammadiyah and has built networks in various

areas. Some new networks have been formed with government agencies, corporations, and other civil society organizations.

In operating the programs, Lazismu is supported by Multi-Line Network, a consolidated network of charity organizations that are spread across the provinces (in district /city). It makes Lazismu's empowerment programs are able to reach all areas of Indonesia in a rapid, focused and on targeted.

As a national amil zakat institution, Lazismu receives donations from various parties. Because of its civil society base, the support from members and sympathizers of Muhammadiyah to Lazismu is very large up to 94% and 6% of contributions are from citizens of non Muhammadiyah. Thus, it is a job for the boards of Lazismu to optimize the sources of funds outside Muhammadiyah members.



Figure2. Muhammadiyah University of Malang.



Figure 3. PKU Muhammadiyah Hospital in Surakarta.

Muhammadiyah has the potential of large amount of philanthropy funds derived from two sources, namely Muhammadiyah and Amal Usaha Muhammadiyah. Amal Usaha Muhammadiyah is a term for enterprises owned by Muhammadiyah. It has an important role in mobilizing the philanthropic tradition of Muhammadiyah. There are a number of substancial social funds (donation and alms) managed by Amal Usaha Muhammadiyah which can be synergized together with Lazismu and partners in the field of social Lazismu humanity. At least there is a potential philanthropic fund about more than IDR 365,581,600,000 which can be extracted and utilized annually. As well as the IDR 159,223,410,000 philanthropic funds derived from Muhammadiyah members. Thus, the overall picture of the potential is IDR 524,805,010,000. This figure will increase if the assumption of the number of citizens change according to sampling and calculation method. Moreover, number of Amal Usaha Muhammadiyah listed are only from Muhammadiyah Universities, Hospitals and schools, not including Bank and other types of businesses.

Lazismu Muhammadiyah University of Surakarta

Lazismu Muhammadiyah University of Surakarta is Lazismu which manages philanthropic funds from Muhammadiyah University of Surakarta (UMS). UMS is a kind of Amal Usaha Muhammadiyah colleges in the city of Surakarta, Central Java. The establishment of Lembaga Amil Zakat, Infaq, and Shadaqah UMS started from the formation of Zakat Center UMS in October 2001. It transformed into LAZIS UMS after the merger process between the management of zakat with Infaq management employees on May 4, 2003. LAZIS UMS entered in networking Lazismu Centre after joining Rakornas Lazismu in 2012, and changed its name to Lazismu UMS. Lazismu UMS has a legal entity which is a foundation based on SK Menag No. 457 of 2002, dated 21 November 2002.

The vision of Lazismu UMS is becoming Zakat

management organization, Infaq, Sadaqah (Islamic philanthropic) a trustworthy and professional. Mission Lazismu UMS:

1. Collecting and managing the Islamic philanthropic.
2. Develop a transparent system for the management of Islamic philanthropic.
3. Building partnerships with in-line institutions

Lazismu UMS manages Zakat funds, Infak, and Sadaqah of lecturers and employees of the University of Muhammadiyah Surakarta. Other sources of funding are from individuals or institutions as well as income from revolving funds and profit sharing. The amount of zakat are quoted from lecturers and staff. For faculty and staff, the zakat is quoted at 2.5% and at 1.5% for honorary employees. In managing Islamic philanthropic, Lazismu UMS is in collaboration with the Islamic Bank of Central Java and

Schematic Management of Islamic Philanthro

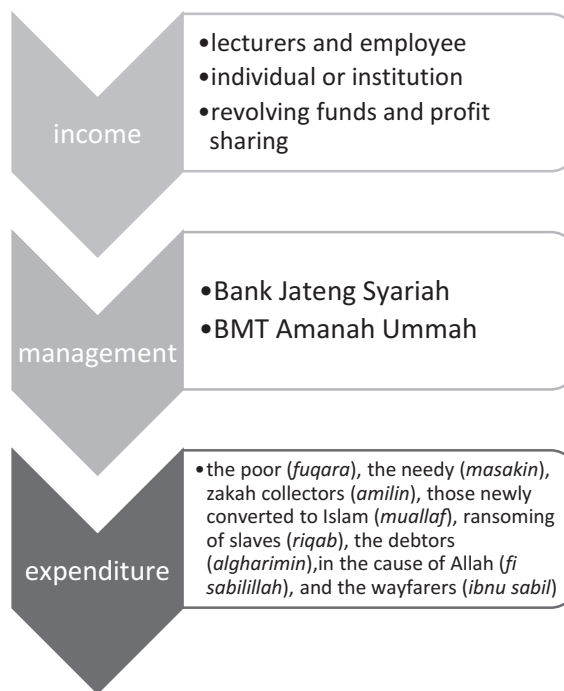


Figure 4. Schematic management of Islamic philanthropic fund by Lazismu UMS

BMT Amanah Ummah. The following is a scheme of Islamic philanthropic management.

Lazismu UMS distributes the zakat to 8 asnaf (groups) in accordance with the command of God contained in the Al Qur'an 9:60. The distribution of zakat conducted by UMS Lazismu divided into two kinds of zakat distribution namely for consumptive and productive. Consumptive zakat distribution by Lazismu UMS is in the form of scholarships to families of UMS orphan students, groceries for kindergarten teacher of Aisyiah, groceries for PDA Surakarta, donations to orphanages, health care assistance, the emergency response in collaboration with Muhammadiyah Disaster Management Center (MDMC), Ramadan program, recitals for poor employees, the construction of the mosque, the construction/ operation of the school, musholla renovating, building bathroom program.

Productive zakat distribution is given by Lazismu UMS in the form of capital to mustahiq and is often called the revolving fund. Other productive zakat distribution program are HP technician and the assisted village. The purpose of the revolving fund is to motivate mustahiq to work harder. UMS Lazismu revolving fund program has been able to train the independence of mustahiq to fulfil their daily needs, this is proved by the number of mustahiq which has managed to expand their business by 20%. Mustahiq

who received a revolving fund declared successful in developing a business if the business has been eligible to become a Small and Medium Enterprises (SMEs). In the implementation of the revolving fund program Lazismu UMS has limitations on the monitoring of the mustahiq in the management of their businesses so mustahiq stop their efforts. This is due to the limited number of amil Lazismu UMS which are only two.

The limited number of amil also affects the distribution of zakat, as seen in the amount of zakat distributed amount which is smaller than the amount of zakat collected from lecturers and employees of UMS. The zakat is collected from muzakki and entirely distributed to mustahiq. In 2011 the number of zakat funds from muzakki that is not distributed to mustahiq was 7:47% and in 2015 this number increased to 41.93%. To overcome this distribution problem Lazismu UMS in cooperation with UMS students and social organization provide counseling, job skills training and monitoring to mustahiq. This collaboration is expected to improve the distribution of zakat and increase mustahiq motivation in working harder.

In addition to zakat distribution problems, the absence of standard operating procedures makes Lazismu UMS face difficulties in daily operations. According to Choirul Muttaqien, managing director

Table 1. Islamic Philanthropic Fund collected and distribution by Lazismu. (In IDR)

	2011	2012	2013	2014	2015
Income	401,825,372	543,012,134	773,822,357	1,068,891,100	1,121,958,671
Distribution					
1 the poor	54,503,350	61,391,350	82,079,500	128,725,800	75,740,000
2 the needy	100,536,000	116,379,300	135,105,700	168,891,100	285,893,300
3 zakah collectors	39,405,246	53,613,871	53,176,277	68,906,346	79,755,857
4 those newly converted to Islam	9,789,900	28,475,000	118,255,000	12,892,500	13,622,000
5 ransoming of slaves					
6 the debtors		4,500,000	21,923,000	3,770,000	4,150,000
7 in the cause of Allah	164,684,300	154,136,000	185,850,050	241,348,450	192,100,500
8 the wayfarers	2,893,000	1,609,000	865,000	905,000	285,000
Total	371,811,796	420,104,521	597,254,527	625,439,196	651,546,657

Lazismu, “learning from the failure of the establishment of previous Lembaga Amil Zakat Muhammadiyah, namely the Bapelurzam which was formed structurally and driven by Muhammadiyah, encouraging the formation of Lembaga Amil Zakat with a new and better form by using the network multiline system. The network multiline system in every Lazismu in city / district has the same level, as well as having the opportunity to develop organizational culture in accordance with the values of the local culture. This is what makes the absence of lazismu SOP from the center. “The absence of Lazismu SOP makes amil Lazismu in the district / city have high creativity in running Lazismu.

Conclusion

According to calculations by the Public Interest Research and Advocacy Center (PIRAC) 2007 zakat potential in Indonesia is IDR 9.09 trillion. Until now, the amount of zakat collected by BAZNAS throughout Indonesia and LAZ about is about IDR 3 trillion. One cause of the low zakat collected by BAZNAS and LAZ is the increased in direct giving zakat distribution. As a result of the distribution patterns in a direct and individualized, zakat only serves as a charitable donation, short-term oriented, and unable to address the problems faced by the society. This direct distribution of zakat on the one hand can help the society, on the other hand it leads to dependence.

If zakat is distributed through certain institutions of zakat, it can be managed with properly, professionally and accountable so it can utilize the zakat and provide a significant multiplier effect in the economy, especially in helping the government to reduce poverty through community empowerment programs. If zakat is distributed in the form of productive assistance, the multiplier effect will be greater in the economy. This will be able to provide a significant effect in reducing poverty in a country.

Social problems can be tackled from the source of zakat, which not only can reduce the poor, but also have a wider coverage. It became one of the reason

in establishing Lazismu. Lazismu establishment was intended as zakat management institutions with modern management that can deliver Zakat to be part of the solution to the social community problems that continues to grow. In Lazismu UMS, revolving fund program mustahiq increased the motivation for doing the best. The increase of mustahiq motivation is proven from the number of mustahiq who are able to develop their businesses to meet the standards for admission in the category of Small and Medium Enterprises (SMEs) by 20%. The amount of motivated mustahiq through revolving fund is expected to be able to motivate others to manage their business well so that in a subsequent period the amount mustahiq out of poverty has increased and the purpose of zakat distribution to reduce poverty can be achieved.

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