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*Corresponding author: Ahmad Danu Syaputra, Master of Islamic Studies, Islamic University of Indonesia
Email : gustani.faez@gmail.com

The role of LAZISMU in eradicating poverty in D.I. Yogyakarta

Ahmad Danu Syaputra

Abstract

Zakat is one of economic empowerment instruments that is defined as giving someone his right. And the demand is to have the financial balance, not the accumulation of wealth in a particular group. To realize this idea in the society, LAZISMU as Amil Zakat Institution must empower the economics of the society to eradicate poverty. The method used in this study is qualitative by analyzing data from interview to LAZISMU board. Besides, the gathering data technique is also done by documentation. Once the data collected, they are processed and analyzed descriptively qualitative. The results of this study indicate that efforts to alleviate poverty conducted by LAZISMU in Yogyakarta have shown a significant role since they cooperate with Muhammadiyah Institutions that in fact has been very experienced and already has a wide range.

Keywords: Role, LAZISMU, Poverty Alleviation

Introduction

The problem of poverty is primarily a classical phenomenon that has become the primary concern of countries in the world. Various programs have been pursued and initiated by both government and non-government organizations (private sector, NGOs, donor agencies) to eradicate poverty. Even world organizations such as the UN have encouraged countries in the world to fight poverty through various forums. Among the results is the issuance of the Millennium Development Goals (MDGs) as an indicator to measure the success in eradicating poverty (Fukuda-Parr & Hulme, 2011; McArthur, 2013; Muwahidah, 2007, p xxi).

Indonesia is a vast country with its economic structure, but it can be said very lame that until September 2013 poverty has reached 28.59 million people or 11.66%, and has reached 550.19 thousand people or 15.43% in Yogyakarta alone (Hastuti, 2014; Prawoto & Basuki, 2015; Saragih, 2014). This condition is due to the economic monopoly done by the feudalistic and modern society that apply the conventional economic principles (ribawi). Some people soar up with their wealth, while others fall into severe poverty. A system that has caused an increasingly sharp economic inequality, where substantial human and capital resources frequently benefited, while small people with few human and capital resources become victims. In this condition, the law is the jungle system, where the strong oppress the weak. This reflects the economic life of our nation today.

To improve the economic inequality is not only to increase the production of wealth, but the most important is to distribute it optimally because mainly the disparity comes from the unequal and fair the distribution of wealth. Islam suggests that wealth should not only be circulated among the rich. This can lead to social inequality and economic inequality in the society. Therefore, in Islam in possession of property, there are social functions, which are zakat, shodaqoh and infak (something given). In this case, zakat has the strategic potential to developed as the instruments of equal distribution of local income in Indonesia. So, it is expected to affect the national economic activity, especially in strengthening the economic empowerment of the people. In this case, Allah has proved that zakat is a source of guarantees for the rights of the poor and the needy as part of one of the pillars of Islam (Al-Qardhawi, 1999, p. 105, 2005).

The utilization of zakat from Muslims must be maximally managed and channelled effectively as an effort of economic empowerment of the ummah. This is because zakat funds are the capital to improve the economy and welfare of the people (Raimi, Patel, & Adelopo, 2014, Sulaiman, 2008). Zakat in Indonesia, especially in Yogyakarta, has enormous potential to be developed



considering most of the population demographically is Muslim, and culturally has the obligations of zakat, the encouragement of infaq (giving), and charity in the way of Allah. These have been deeply rooted in the traditions of Muslim society. Therefore, the allocation of zakat cannot be given indiscriminately; it must be appropriately managed and optimally (Mubarok & Fanani, 2014; Rosmawati, 2014).

The relevance of zakat which has now been increasingly important is to be the significant factor in the distribution of wealth among Muslims and to disseminate the sense of shared fraternity among Muslims. Zakat is also expected to improve the standard of social life and strengthen the relationship between the rich and the poor (Arif, 2012). Muhammadiyah through LAZISMU was confirmed by the Minister of Religious Affairs as a national amil zakat (zakat collector) through SK no. 457/21 November 2002. In its operational program, LAZISMU is supported by Multi Lini Network, a consolidated network of zakat institutions which is spread across provinces (district-based) that enable LAZISMU programs to reach all parts of Indonesia fast, focused and right on target. Meanwhile, LAZISMU Yogyakarta has been doing zakat empowerment efforts based on its duties and functions.

LAZISMU was formed to contribute to promoting social justice, human development and to alleviate poverty. Therefore, it is important to further examine the objective conditions of how LAZISMU's role in alleviating poverty and its relevance to the aims of zakat. Based on the description above, LAZISMU is expected to play an essential role in empowering the economy to reduce the poverty rate of Yogyakarta. The purpose of this study is to know how LAZISMU has played a role in alleviating the poverty of D.I Yogyakarta community.

Literature Review

There are a lot of research has been conducted on the concept of zakat itself and the agency / institution amil zakat. Zakat is associated with poverty alleviation in various community backgrounds (Abdullah, Mat Derus, & Al-Malkawi, 2015; Andriyanto, 2011; Athoillah, 2013; Pollard et al., 2016). Studies related to zakat management has become the concern in various countries on previous researchers both in terms of accountability (van Tuyll, 2006), effectiveness (Afif Muhamat, Jaafar, Emrie Rosly, & Abdul Manan, 2013; Hamzah & Krishnan, 2016), type of program (Clark, 2004; Mohit & Nazyddah, 2011) and the contributions to poverty alleviation (Akhtar & Arif, 2000, Mohd Ali, Abd Rashid, Johari, & Ab Aziz, 2015).

There are also other studies that specifically discuss the optimization of zakat institutions such as Prayitno (2008) on Amil Zakat Agency of Muna Regency of Southeast Sulawesi Province. This study explains in detail the management of ZIS in BAZDA of Muna Regency which is reviewed according to Act on control. Furthermore, Wiryanitri (2005) examines the role of Amil Zakat Agency of Sragen Regency of Central Java Province to change the status of Mustahik into muzakki according to Law Number 38 the Year 1999. The result shows that the management of zakat is good enough which is proved by the business of fund collection, distribution and utilization of zakat. It is expected that within three years the mustahik (recipient of zakat) can turn into muzakki (giver of zakat). The study also focused on constraints referring to Law No.38 of 1999.

Other studies that specifically examine LAZISMU in the region have also been undertaken by several researchers (Hermawan & Widya, 2016; Syaiful Suwarno, 2015; Wijayanti, 2014). This research is different from previous studies, especially in the focus of research that is on the form or way of empowering the economic improvement of the society, especially in Yogyakarta and surrounding areas. The study analyzes the role of zakat in improving the community economy in Yogyakarta with case studies on LAZISMU Yogyakarta representative office.

Research Methods

This research is field research (field research), namely analysis that the source data obtained directly from the field by collecting information directly and the object of research (Hadi, 2001). In this study, LAZISMU becomes the source of data.

The approach used in this research is sociological normative. The normative method refers to the rules of Islamic legislation and concepts relating to Zakat, infaq and shadaqah. While the sociological approach in this study is research on the development of management of zakat management by local wisdom encountered in the field.

This research is descriptive-analytic (Sudarto, 1996, p.54) that describes clear and detail phenomenon's as the subject matter without the hypothesis or statistical calculation specifically. This research describes, in general, the management of zakat conducted by LAZISMU in Yogyakarta, then study it systematically to achieve the strategy of LAZISMU in poverty alleviation of society D.I Yogyakarta. This will make the research easy to understand and to conclude. The location of this study was at Institute of Amil Zakat Infaq and Sadaqah Muhammadiyah (LAZISMU) Yogyakarta branch, which is in Da'wah Muhammadiyah building, Yogyakarta.

This research used primary data (Moleong, 1990, p.112) which is obtained through informants in certain social situations selected by purposive (making a selection) by determining informants who meet the following criteria: (1) understand and master the issues of zakat management; (2) are directly involved in zakat management activities, especially in LAZISMU Yogyakarta. The secondary data (Soeratno & Arsyad, 2003, p.76) were obtained by searching the literature with relevance to the issues studied such as books, theses, papers, journals, magazines, websites or other printed related data with poverty alleviation and LAZISMU.

The techniques of data collection were interviews with the managers of LAZISMU Yogyakarta, the general secretary of the MPM Muhammadiyah, and the Assembly of Economics and Workforce of PP Aisyiyah. The observation method is also used to study the problems directly on LAZISMU Yogyakarta. The way of documentation is done by collecting data through documents relating to the object of this study. The data is related to muzzaki, mustahik, management of institutional management and other data support.

The data is analyzed by qualitative analysis using inductive mindset. This technique is carried out using interactive methods (Miles, Huberman, & Saldaña, 2014) consisting of three types of activities, namely data reduction, data presentation and conclusion, which were conducted at the time before and during data collection. Data reduction is defined as the selection process, focusing attention on simplification, abstraction and transformation of granular data arising from written records in the field. Presentation of data from a set of information is done to give the possibility of drawing conclusions and taking actions (Miles et al., 2014).

Research Results and Discussion

The role of LAZISMU in Poverty Reduction in Yogyakarta. LAZISMU is an Amil Zakat Institution that has a significant role in the community in providing counselling as well as giving efforts to alleviate poverty in the society. LAZISMU is the collector of funds and the distributor of zakat funds to the community. LAZISMU collects funds from the city in the form of zakat, infak, shodaqoh and waqf through several ways such as zakat pick up flash, bank transfer, internet banking, SMS banking, donation SMS, donation-shop and service office. The collected fund will be channelled to communities through well-established programs by LAZISMU, the programs include:

1. Social Services, 2) Economic Empowerment, 3) Education Development, 4) Agricultural Empowerment.

The poverty alleviation initiated by the zakat institution, LAZISMU Yogyakarta, is based on a program that has been designed to alleviate poverty by empowering the community so that the city can have added value in each month or every period so that people have the better economy than before. It is the time to get income such as farming, plantation, where earnings obtained after harvest.

The realization of its role program in community empowerment for poverty alleviation, among others:

Table 1 Realization of Community Empowerment Program In Yogyakarta

No	Program Realization
1	Women's Economic Development
2	Assistance for Farmers
3	Scholarships for University Students
4	Awards for High School Students ⁵

5	Save Our School (support for school facilities)
6	Emergency Response to Disaster
7	Masjid Empowerment
8	Child Song Reform
9	My Parents
10	Kurban for nations
11	YES (Youth Entrepreneurship)
12	Establishment of Agricultural Training Center

Data of LAZISMU (2015)

Every program designed by LAZISMU is basically for empowerment in poverty alleviation in society, as well as cooperation between LAZISMU and MPM Muhammadiyah better known by the name of Tani Bangkit which includes agriculture, plantation, animal husbandry and fishery. Before the implementation of the program, LAZISMU and MPM Muhammadiyah first analyzed the areas that will be used as guidance in cooperation with the community, the Leaders of Branch and Branch of Muhammadiyah local, after which they were given training and assistance routinely. LAZISMU and MPM provide specialized services for consultation in person or by phone to consultants who have contributed by LAZISMU and MPM Muhammadiyah for free. Not just offer training and guidance LAZISTop of Form

MU and MPM Muhammadiyah also provide capital assistance to farmer groups and assist in the form of superior seeds and fertilizers.

The empowerment managed by LAZISMU and MPM Muhammadiyah run very professionally which are handled by very competent people in their fields. They provide consultants who are an expert in the area.

The success of LAZISMU in the management has raised the income of the farmers, as expressed by Mr Ardiyanto as the primary initiator of the Surya Gemilang Farmers group in Sawangan, that now the farmers can make their kocer fertilizer in cultivating the land. It has dramatically decreased the cost production of farmers rather than using chemical fertilizers thanks to the guidance or continuous support of MPM Muhammadiyah. Regarding income, agriculture is better than using chemical fertilizers with a percentage of nearly 20-30%. The success in the farming has made farmers often get help from various parties and cooperation with Nuclear Technology Partnership Center National Nuclear Technology Agency (BATAN). The success of the farmer's group in Sawangan has brought them to be a pilot area for all Nusantara.

The area that is guided LAZISMU and MPM Muhammadiyah almost every district in D.I Yogyakarta and surrounding areas, such as Ngipikrejo Farmer Group Kec. Kalibawang Kulonprogo. Sleman District planted 10,000 papaya trees for the empowerment of Merapi disaster victims in Camping Ground Sari, an vital tourism village, Pentingsari village, Umbulharjo, Cangkringan, Sleman. Muntlan farming group develops black rice and brown rice while the micro business group of UM Sedyo Maju Ngoro Ngoro-Patuk Gunung Kidul develop products of corn stick, egg nuts, chips taro shoots, chips of bananas. Also, Microbusiness group Pusaka Mulia Dusun Tegiri I Village Hargowilis Kokap Kulonprogo develops sugar and crystal sugar products. In the urban areas, empowerment is done to pedicab drivers along the road KH. Ahmad Dahlan and street vendors. There are many areas that are guided by LAZISMU with MPM Muhammadiyah in empowering the society to eradicate poverty through the programs that have been determined to increase economic income.

Conclusion

Based on the research and discussion above, it can be concluded that the management of zakat, infak, and shodaqoh by LAZISMU Yogyakarta with the institutions of PP Muhammadiyah and PP Aisyiah, has reached a broader range of communities by creating a detailed program to improve the economy of the city from the poverty line. LAZISMU Yogyakarta and cooperating institutions have a role in increasing the economic income of the people of Yogyakarta, by running the existing programs and by providing additional capital in the form of grants and qardul hasan (loan for good), training, and equipping continuous guidance so that people lifted

from the poverty line.

As LAZISMU is an extension of Muhammadiyah in poverty alleviation of society, it is the time for Muhammadiyah and LAZISMU to form a team consisting of experts to see the problem more clearly and broader. If this is developed better, it will have a macro impact. But if it is only collecting money and divide to others, it is not smarter than it was. They should have a more creative thinking and have a more productive program to alleviate society from poverty, not just that but how to run a social institution that later can improve the national economy.

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