

## Zakat for Economic Empowerment of The Poor in Indonesia: Models and Implications<sup>1</sup>

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### **Abstract**

*Sustainable wellbeing is one of the goals of zakat distribution whereby the poor (mustahiq) are not only able to survive by having the basic needs fulfilled, but also are able to work and fulfill his needs and his family independently. The mustahiq independency is important to solve the problem of inequalities in society, marginalization, unemployment and poverty. This can only be achieved if zakat is able to used as a means for economic empowerment of the poor that would increase their capacity and enable them to become entrepreneur and hence able to fulfil their needs by themselves. This article attempts to observe various zakat productive programs initiated by zakat institutions in Indonesia and also analyze their implications in empowering the poors and increase their level of wellbeing. The case study in this paper is Baitul Mal Aceh and BAZNAS Indonesia.*

### **Keywords:**

*Zakat, Poverty,  
Empowerment,  
Models, Implication*

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## INTRODUCTION

Zakat is one of the instruments in Islamic economics that aims to overcome the problem of welfare inequality in society by empowering the poor. Assets generated from prosperous community groups are used for economic empowerment of vulnerable groups hence they are able to grow and improve their welfare.

The financial independence of *mustahiq* is essential in solving the problem of inequality in the community which will hinder sustainable development. The inequality of welfare in the social structure of society will lead to the emergence of various social problems such as crime and poverty, which will ultimately affect the quality of life of the community as a whole.

Zakat in this case is aimed to solve the root of the problem that causes poverty, namely the inability of people to make effort or actively participate in economic activities. Poverty to be resolved from the zakat system is not in the form of providing assistance to the poor for their consumptive needs, but more towards empowering the poor to be able to get out of the vicious cycle of poverty.

The obligation of Zakat shall not only be understood as merely the mechanism of transferring wealth from the rich to the poor. Zakat must also function as an economic mechanism that has implications in the form of increasing social welfare of the community, such as increasing lower-class economic productivity in society, increasing aggregate consumption, increasing aggregate investment, and subsequently increasing employment. In other words, zakat must also be an instrument that empowers the economic (economic empowerment) of the poor so that they can be liberated from the poverty chain and subsequently transforming themselves into *muzakki*.

The presence of Amil Zakat Agencies and Institutions in Indonesia as regulated in Law No. 38 year 1999 concerning Management of Zakat, Decree of the Minister of Religion (KMA) No. 581 of 1999 concerning Implementation of Law No. 38 of 1999 and Decision of Director General of Community Guidance and Hajj Affairs No. D / 291 of 2000 concerning Technical Guidelines for Zakat Management signifies the transition of

zakat management towards a more professional, efficient zakat management, and expected to be able to overcome various problems faced by weak community groups in a sustainable manner and ultimately encourage the emergence of just welfare in the lives of Indonesian people (Wibisono, 2015).

However, the question remains for us whether zakat as an instrument of redistribution of wealth in the Islamic economic system has implications for improving the lives of the poor in society? and is zakat capable of being an empowerment tool that will empower *mustahiq* to become economically independent entrepreneurs and ultimately reduce welfare inequality? These dimensions will be discussed in this paper.

## LITERATURE REVIEW

### *Distribution of Productive Zakat*

Zakat according to the terminology is an amount of property required by Allah SWT to be handed over to the person who has the right to receive it (*mustahiq*). Termed as zakat, because it contains hope to obtain blessings, cleanse the soul and utilize it with various policies that can bring prosperity to society (Al-Qaradhawi, 2000).

Zakat in this context serves to complete the distribution of wealth through market mechanisms that are considered only effective for those who have capital, information and the ability to enter and interact in the market, while those who are poor will only be outside the arena of various transactions involving goods and services that they cannot afford (Rahman, 2002).

In the principle of zakat distribution, the group of *mustahiq* who are entitled to receive zakat funds consist of eight group (*asnaf*), as listed in surat al-Taubah verse 60 namely; *fuqara* (impoverished people), *masakin* (poor people), *amil* (zakat managers), *muallafah qulubuhum* (the people who are softened their hearts), *al-riqab* (freeing slaves), *gharimin* (the people who are in debt), *fi sabilillah* (people who are struggle in the way of Allah), and *ibn sabil* (people who are on the journey). The focus of the distribution of productive zakat is the weak economic group namely *fuqara'* and *masakin* (Armiadi, 2008: 127).

Based on their abilities, productive poor groups can be

categorized into four groups namely:

- (1) Those who do not have the ability to work due to permanent factors that prevent them from working (permanent incapacibilities) such as being seriously ill, disabled, crazy and old.
- (2) Those who do not have the ability to work due to temporary incapacibilities which prevent them from working like young children, sick, disabled, insane, and temporary unemployment.
- (3) Those who do not make a living because they do not have the skills or competency to run a business that can generate income (lack of life skills).
- (4) Those who do not have the ability to make a living because they do not have the capital to run a business that can generate income (lack of capital).

In the distribution of zakat to *mustahiq*, in general, it is carried out in two forms, namely:

- (1) Distribution of consumptive zakat to fulfill basic needs of *mustahiq* hence no Muslim who lives in poverty or lives in distress because his life needs are not met (*fugara* groups and *masakin* categories 1 and 2);
- (2) Distribution of productive zakat where zakat is distributed with the aim of empowering the poor so that they can improve their standard of living (*fugara* groups and *masakin* categories 3 and 4).

The distribution of zakat based on the first model can be said as the distribution of zakat in the framework of providing *social security* to weak and marginal groups for survival. Meanwhile the second distribution of zakat is the distribution of zakat to raise the living standard of the poor to be independent in life and subsequently being freed from the circle of poverty by fostering a spirit of social entrepreneurship (social entrepreneurship) (Ali and Hatta, 2014).

Yusuf al-Qaradhawi (2000) supports the model of productive zakat distribution because according to him the role of zakat is not only limited to poverty alleviation by fulfilling the

needs of *mustahiq* in a consumptive form, but also to mitigate the problem as a whole which cause the poverty.

This is also the spirit brought by Law No. 23 of 2011 concerning Management of Zakat wherein the distribution of zakat must also be carried out in the context of its utilization. Where in Article 27 it is explained about the utilization of zakat as follows:

- (1) zakat can be utilized for productive efforts in the context of serving the poor and improving the quality of the *ummah*.
- (2) the utilization of zakat for productive businesses as referred to in paragraph (1) shall be carried out if the basic needs of *mustahiq* have been fulfilled.

In this case, the zakat management institution is an organization that carry the responsibility (trust) from the *muzakki* to channel the zakat that they have paid to the needy effectively and efficiently.

Productivity here refers to the condition that after *mustahiq* receive the assistance of productive capital in the form of working capital or training, they are then able to produce something that has added value. This is intended to raise the welfare level of the zakat recipient. Low level of welfare is mainly due to the low productivity in producing added value products. Productivity is closely related to capital, market access and the quality of human resources, which are the cornerstones of the management of zakat funds which is to eliminate capital limitations and inadequate quality of human resources. This can be achieved if the capital assistance provided does not burden the cost of production.

### ***Zakat and Economic Empowerment***

Zakat for economic empowerment is intended to build the poor's abilities by strengthening the elements of empowerment to improve the quality and standard of living by using their own strength. The hope is that for poor to be able to get out of the poverty trap and backwardness by creating a sense of trust and self-ability.

Empowerment here refers to the the process of enabling and nurturing the poor. In the context of community development theory, empowerment of the poor is usually associated with the concepts of justice, independence, participation and networking (Soetomo, 2015).

Participation is an important component in creating the independence and empowerment processes that are placed on individual and social strength (Pramanik, 1998: 19). The involvement of zakat institutions in this case is meant to help the poor in a participatory dynamic process to gain self-confidence and ability to stand alone and not to create permanent dependence. The effort is carried out jointly so that the poor can pay more attention to his life to gain confidence, have self-esteem and knowledge to develop new skills. The process is carried out cumulatively so that the more skills a person has, the better his ability to participate (Riyadi, 2014).

At its core, community economic empowerment is an effort to provide knowledge, skills and foster self-confidence and a strong will in a person so they are able to build a better socio-economic life with their own strength. In short, social economic empowerment intends to create people who are independent in socio-economic activities. To achieve this goal, the study by The Centre of Strategic Studies of National Zakat Board of Indonesia (Puskas Baznas) indicated three main factors that must be present in the productive zakat program namely (1) the form and mechanism of the zakat utilization program, (2) the response of *mustahiq* who want to cooperate and want to change, and (3) assistance and continuous monitoring (Puskas Baznas, 2017: 26).

## RESEARCH METHOD

This paper embarks from assumption that zakat as a redistribution tools in society should have a positive implication to improve the wellbeing of *mustahiq* if the funds are used productively to empower the poor.

To achieve that purpose, qualitative approach is used in this study to collect information, documents and data regarding zakat distribution for *mustahiq* empowerment. Data from Baitul

Mal Aceh and BAZNAS Indonesia is analyzed to understand their framework, program and model in distributing productive zakat for the poor economic empowerment.

Series of focus group discussion have been conducted in Banda Aceh and Jakarta to explore the perspective of resource persons in zakat management and distribution to empower the poor and solve the problem of lack of capacity, skills and capital. Likewise, to understand the perspective of mustahiq and examine the implication of zakat distribution for their economic improvement, the researchers conduct survey and interview.

## FINDINGS AND DISCUSSION

The purpose of distributing productive zakat is to transform the poor's economy and make them free of the poverty line. Puskas Baznas (2017) in this case has examined the three problems that cause the poverty in Indonesia, namely:

- (1) *Problems of access* where the community does not have access to basic social services in education, health, and other essential (*daruriyat*) needs;
- (2) *Problems of growth*, meaning that the community does not have the opportunity to get out of adversity due to lack of capital for business and lack of knowledge and skills; and
- (3) *Problems of social injustice*, meaning that the community cannot develop themselves because of marginalization and deprivation.

The distribution of productive zakat in the form of poor's economic empowerment can be interpreted as an effort to help individuals and groups of weak people by overcoming the above problems so they can develop their abilities and make efforts and be able to meet their own and family needs.

In this case, the utilization of Zakat can be given in the form of assistance aimed at alleviating poverty, increasing the productive capacity of the poor, creating an entrepreneurial spirit, and empowering territorial-based *mustahiq* communities and local economic potential.

In this case, there are several models of productive zakat

distribution that have been developed by Baitul Mal Aceh and Indonesian BAZNAS for economic empowerment.

### *Zakat for Social Finance Assistance*

Baitul Mal Aceh innovates financing in the form of providing business capital for the poor. This financing is aimed at those who are capable of doing business but have capital problems to start up their business.

Business capital assistance is provided in two forms: the interest-free loans (*qard al-hasan*) in which the poor is obliged to return funds in accordance with the loaned value; and capital assistance in profit sharing scheme (*mudarabah*).

Both assistances are in the form of a revolving fund where returns by *mustahiq* will be used to help the next *mustahiq* who need assistance.

At the beginning of its distribution, Baitul Mal Aceh formed a Sharia Micro Finance Institution (LKMS). However, due to regulations, LKMS was merged into a new unit named the Productive Zakat Management Unit (UPZP) (Renstra Baitul Mal Aceh, 2017-2022). Various programs carried out by the UPZP for economic empowerment can be seen in the following table:

**Table 1. Zakat for Financing Economic Empowerment of *Mustahiq* in Baitul Mal Aceh**

<b>Business Sectors</b>	<b>Empowerment Programs</b>	<b>Forms of Financing</b>
Small and Medium Enterprises (UMKM)	Capital assistance	Capital loans based on the <i>qardhul hasan</i> contract where <i>mustahiq</i> must return the given loan amount.
Cattle and Goat Breeding	Cattle fattening Raising goats	Capital assistance in the form of cows and goats for fattening and raising by breeders. The contract used is <i>mudarabah</i> (where profits earned are divided into two, half to BMA and half for <i>mustahiq</i> ). The entire capital is returned to BMA and will be redistributed to the old and new <i>mustahiq</i> (1 to 3 cows / goats).



Agriculture	Vegetable farming	Capital is channeled in the form of <i>qard al- hasan</i> contract. The amount provided range between 1 - 3 million Indonesian rupiah.
Home industry	Cake making, sewing business and rattan crafts business.	Capital is channeled in the form of <i>qard al- hasan</i> contract. The amount provided range between 1 - 3 million Indonesian rupiah.
Transportation	<i>Becak</i> (Local transportation mode)	Capital is channeled in the form of <i>qard al- hasan</i> contract. The amount provided range between 1 - 3 million Indonesian rupiah.

Source: Renstra Baitul Mal Aceh, 2017

In *qard al-hasan* mode of financing, *mustahiq* who receives financing must pay installments as stipulated. Those who are able to repay the loan on time, has the right to take or re-submit the business capital application for the second stage or so on a rolling basis. The maximum funding limit for revolving financing is 10 million Indonesian Rupiah. The returned funds will be used as a revolving fund to be distributed to other *mustahiq*.

To ensure the success of the zakat distribution program for the poor economic empowerment, Baitul Mal Aceh conducted three processes, namely appraisal, mentoring and monitoring. The appraisal process is to evaluate the attitudes and abilities of *mustahiq* to carry out productive economic activities. The Baitul Mal Aceh in this case sets the criteria that *mustahiq* must already have a business, the business does not conflict with Sharia rules and principles, and *mustahiq* has a strong attitude and willingness to succeed in their business.

The process of coaching (mentoring) to build *mustahiq's* confidence encompasses the provision of consultation in terms of business management and bookkeeping to ensure the business runs smoothly. The monitoring stage is to monitor every change and progress of *mustahiq* business and their ability to return capital. Included in the supervision stage is ensuring that the business carried out does not deviate from legal and religious norms

### ***Zakat for Life Skills Improvement***

The second group in the category of productive *mustahiq* above are those who are able to work, but do not have sufficient ability or skills to work or be accepted as employees. Therefore, they need to be educated, trained and given skills (life skills) to be able to work.

Baitul Mal Aceh in this case developed a program that helped this *mustahiq* group namely the Job Training Program. In the implementation of this program, Baitul Mal Aceh collaborated with the Indonesian Job Training Center (*Balai Latihan Kerja Indonesia/BLKI*). This training program aims to educate and train the ability of the participants to be able to work and form entrepreneurial human resources and then ultimately overcome the problem of unemployment and poverty.

In 2017, Baitul Mal Aceh implemented 3 three skill programs, namely machinery workshop, sewing training, and electrical installations. This job training program is carried out in accordance with the abilities, interests, and talents of the participants. They are coached by trainers with perseverance every day for 3 months. After completing the training period, the Baitul Mal Aceh will provide the necessary work tool assistance in the hope that the participants will be self-employed, and like wise, business capital assistance and work placement assistance in case *mustahiq* wants to work with other people.

One of the challenges for this program is that many *mustahiq* did not utilize the skills that was obtained during the training and instead preferred to choose their own path by working in other sectors according to the opportunity and did not take advantage of the work training that had been carried out for 3 months. Therefore, the *amil zakat* institution in this case is expected to collaborate with various agencies or companies that want to help the participants who have the ability to be recruited according to the fields that they have been trained.

### ***Zakat for Community Development (ZCD)***

The National Zakat Board (BAZNAS) Indonesia initiates Zakat for Community Development (ZCD) program as one of productive zakat program. ZCD is a community

based development program which integrates social aspects (education, health, religion, environment, and other social aspects) and economic aspects (Puskas Baznas, 2017: 117).

The main objective of the ZCD Program is to achieve a prosperous and independent society where BAZNAS seeks to:

- Cultivate awareness and concern of *mustahiq* about a quality life.
- Raise participation towards community independence.
- Build social and economic networks of the community.
- Create a sustainable empowerment program in realizing community welfare and independence.

The ZCD program is implemented in various regions in Indonesia and is applied in several sectors such as fisheries, plantations, processing of food crops, processing seaweed into dried gelatin, processing fish bones into stick cakes, and etc.

BAZNAS as the manager of the zakat program, in this case will ensure that its productive program has a positive and sustainable impact through monitoring and supervision both during the program's implementation and after the Zakat assistance program. Monitoring and supervision are carried out specifically on the aspects of welfare and independence of *mustahiq* so that it can be ascertained that they no longer depend on their livelihoods from zakat funds or other donations.

Therefore the productive zakat management model developed by BAZNAS is a model of empowering *mustahiq* groups with 3 main stages in its implementation i.e.:

Stage 1: Formation of groups and preparation of programs.

Here members of the group get to know each other, and was provided with an understanding of the plan and objectives of the program.

Stage 2: Group Strengthening, to enhance the group's ability to manage business activities.

Stage 3: Self-reliance of groups where groups are able to run their own business activities by utilizing human resources and natural resources as optimally as possible, and are able to access the parties needed such as banks, government or private parties or others themselves.

In this case, BAZNAS will guide the recipients of zakat for them to be able to strive for themselves to achieve targets or conditions of financial establishment where *mustahiq* is able to fulfill their own basic needs, have a permanent job (employee / business), have savings, have savings or access to banking (bankable), and has a sustainable income (Puskas Baznas, 2017).

This means that the zakat utilization program needs to be encouraged to have an impact on sustainable independence for its *mustahiq*. The program needs to be redesigned in order to have a scheme or an "exit strategy" hence the beneficiaries of the program do not return to poverty after the program.

### ***Implication of Zakat Distribution on Mustahiq Welfare***

The implication of productive zakat distribution in the form of *mustahiq* empowerment is the improvement of welfare of *mustahiq* in the form of increasing business revenue and income. The further implication is the fulfillment of the needs of daily family necessities independently, the guarantee of children's education, the realization of family health, the availability of appropriate residential homes and the ownership of savings to anticipate the times of hardship.

These changes will have implications for the macroeconomic sector in the form of meeting the needs of the people who are in shortage, minimizing the gap in the economy, suppressing the number of social problems, and maintaining people's purchasing capacity in order to flourish the business sector.

This is possible because Zakat in this context serves as a wealth transfer mechanism that guarantees the constant distribution of wealth from those who have excess wealth (surplus sectors) to those who are lacking (deficit sectors) and hence the economy of a country becomes balanced and social gaps in society becomes smaller (Sadeq, 1989).

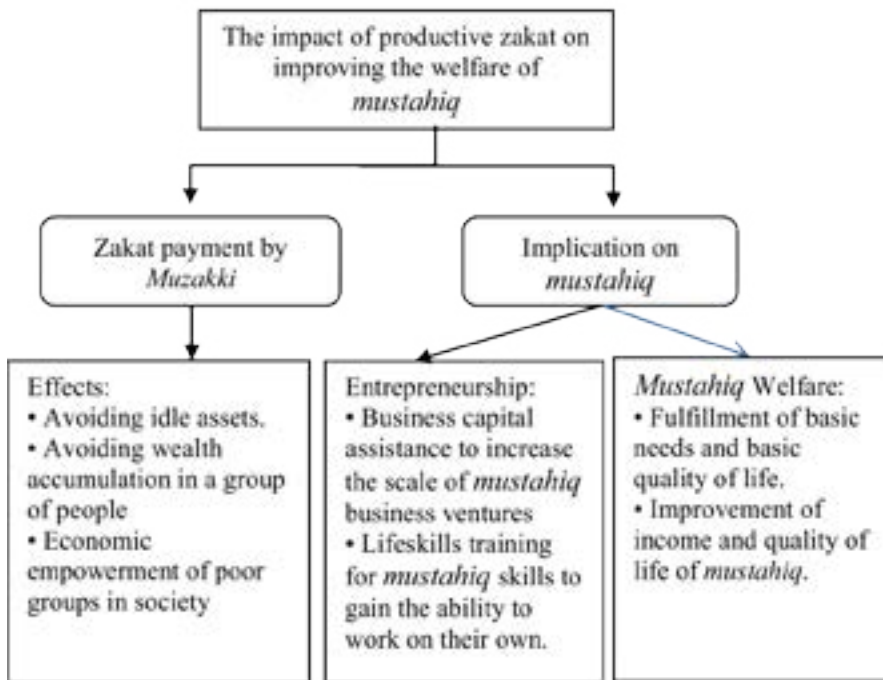
Productive zakat for the empowerment of *mustahiq* will provide a "multiplier effect" in the form of increasing the welfare of weak economic groups in society as well as the transformation of economic growth from what has only taken place among those who are rich to those who are poor (Kasdi, 2016). The economic

transformation will have positive implications for equitable and fair economic distribution for every economic group in society hence the socio-economic gap becomes smaller (Mannan, 1989).

With the existence of productive zakat, an equilibrium in the distribution of property will be realized, not only in the form of wealth redistribution, but also through the redistribution of the fund availability and the opportunity to get out of poverty cycle through the given capital and skills (Nurzaman, 2016). This productive zakat is very beneficial for the poor who have the willingness to open a business, or who already has a business but it has not well developed due to insufficient capital (Kasri, 2016).

The following chart explains the implications of channeling productive zakat on the improvement of social welfare of the community.

**Figure 1. Analysis of Impact of Zakat Distribution on Social Welfare**



Puskas Baznas (2017: 26) in its study of the implications of distributing productive zakat in various provinces in Indonesia found that there were significant changes in the lives of *mustahiq* who participated in the productive zakat program. Using the CIBEST model that sees the impact in the distribution of zakat in the spiritual life and material needs of *mustahiq* in 13 regions in Indonesia, the study found that there was a change in the spiritual needs of *mustahiq* before and after receiving productive zakat.

**Table 2. Implications of Distributing Productive Zakat in Fulfilling *Mustahiq* Spiritual Needs**

<i>Before Zakat Program</i>	<i>After Zakat Program</i>
3,84	4,17

Source: Puskas Baznas (2017)

These findings indicate that the average score of *mustahiq* spiritual needs before the productive zakat program in Indonesia is 3.84 and after the program increases to 4.17. The average score shows that the productive zakat utilization program carried out by BAZNAS is positively correlated with improving the spiritual condition of *mustahiq*. This is because in addition to the empowerment program, the amil zakat institution also conducts spiritual guidance in the form of religious forum, the application of religious values in daily activities such as reminding each other for prayer, fasting, zakat, and others.<sup>2</sup>

The report also found that there was an increase in the income of *mustahiq* who participated in the productive zakat program carried out by the BAZDA in every province in Indonesia. Overall the average value of income per month *mustahiq* has a positive and significant trend of increase of 27%, which is increasing from IDR. 2.660.770 / month to IDR. 3.231.438 / month. Average *mustahiq* income in 13 surveyed areas is illustrated in the following table:

<sup>2</sup> Puskas Baznas (2017: 23) employed indicators developed by CIBEST to measure the fulfillment of *mustahiq* spiritual needs. The variables measured including prayer, fasting, zakat and infaq, family environment, and government policies. The CIBEST model uses a likert scale from 1 to 5, where number 1 indicates the worst value and number 5 for the best rating.

**Table 3. Average Income of *Mustahiq***

No	Monthly Income	Before Program (IDR)	After Program (IDR)	Change (%)
1	Bandung Barat	1.678.791	2.059.585	22,68%
2	Bantul	1.998.558	2.550.077	27,60%
3	Tabanan	3.894.061	4.626.192	18,80%
4	Sumedang	371.605	814.553	119,20%
5	Sukabumi	3.516.859	4.237.977	20,50%
6	Gresik	1.754.850	2.103.600	19,87%
7	Semarang	2.188.077	2.882.885	31,75%
8	Aceh	7.494.553	8.043.250	7,32%
9	Nusa Tenggara Barat	4.464.753	4.964.753	11%
10	Kutai Timur	2.471.800	3.948.828	60%
11	Gorontalo	1.614.286	1.731.429	7%
12	Sijunjung	1.590.333	2.014.917	27%
12	Siak	1.551.482	2.030.648	31%
Average Total		2.660.770	3.231.438	27%

With regard to the distribution of productive zakat by the Baitul Mal Aceh which has taken place since 2006, this study conducted a survey of 102 respondents of productive zakat recipients. It was identified that there are 62 people *mustahiq* or 67.6% who have income below IDR. 1 million, 22 people have an income in the range of IDR. 1-2 million, and 11 people have as much as IDR. 2-3 million. After obtaining business capital from the Baitul Mal Aceh, there was an increase in income, with the majority (50%) gaining income between IDR. 2 - 3 million per month as compared to their income before the distribution of productive zakat. Meanwhile 4.9% of respondents earn more than IDR. 3.5 million every month, while the other respondents of 45.1%, said they earned between IDR. 1 - 2 million.

**Table 4. *Mustahiq*'s Income Before and After Productive Zakat Distribution**

No	Description	<i>Mustahiq</i> income before receiving productive zakat	<i>Mustahiq</i> income after receiving productive zakat
a	< Rp. 1 million	69 (67,6%)	0 (0%)
b	Rp. 1 – 2 million	22 (21,6%)	46 (45,1%)
c	Rp. 2 – 3 million	11 (10,8%)	51 (50,0%)
d	> Rp. 3,5 million	0 (0%)	5 (4,9%)
	Total	102 (100%)	102 (100%)

Due to the observable success of distributing distributive zakat, Baitul Mal Aceh therefore increases the distribution of zakat for this model every year as can be seen in the table below:

**Table 5. Recapitulation of Productive Zakat for *Mustahiq* from 2012-2016**

Year	Total No. of <i>Mustahiq</i>	Total Fund Realization
2010	435 (persons)	Rp 1.696.800.000
2011	526 (persons)	Rp 2.226.597.000
2012	309 (persons)	Rp 1.269.500.000
2013	860 (persons)	Rp 2.864.500.000
2014	914 (persons)	Rp 3.829.850.000
2015	794 (persons)	Rp 3.842.400.000
2016	637 (persons)	Rp 4.176.000.000
Total	4475 (persons)	Rp19.905.647.000

Source: Laporan Tahunan Baitul Mal Aceh (2017)

Furthermore, using the CIBEST index, Puskas Baznas' study (2017) also conducted a study of 400 respondents of productive zakat recipients in Aceh and found positive changes in the standard of living of *mustahiq* both in the spiritual and material dimensions.



**Table 6. The Improvement of Welfare for *Mustahiq* through Productive Zakat in Aceh Province**

<b>CIBEST Indicators</b>	<b>Before Program</b>	<b>After Program</b>	<b>Change (%)</b>
Welfare index	0,94	0,98	4,26%
Material Poverty Index	0,06	0,02	-66,67%
Spiritual Poverty Index	0,01	0,00	-100,00%
Absolute Poverty Index	0,00	0,00	0%

Source: Puskas Baznas (2017)

The table above depicts the result of a survey in Aceh which showed an increase in the welfare index quadrant, which amounted to 4.26%. Whereas before participating the productive zakat program their welfare index was 0.94 and after participating in the productive zakat program it became 0.98. This means that after participating in the productive zakat program, 4.26% of households are able to fulfill their material and spiritual needs at the same time.

Furthermore, the material poverty index for the *mustahiq* before taking part in the productive zakat program is 0.06 and decreases to 0.02 or decreases by 66.67%. This shows the success of the productive zakat program in developing *mustahiq* business and income level.

In the index of spiritual poverty there is a decline from 0.01 to 0 (- 100%). This figure shows that spiritual poverty has been eliminated. This indicates that spiritual guidance carried out by employees of the Baitul Mal Aceh runs quite effectively. While in the absolute poverty quadrant there is no change, where both before and after the zakat program, in Aceh there is no *mustahiq* with absolute poverty.

## CONCLUSION

Based on the above discussion it is very clear that zakat funds which are quite large in Indonesia can be used productively in the form of empowerment programs for weak groups of people (*mustahiq*) to solve problems of unemployment, poverty and economic inequality in society.

The enthusiasm that is brought in the distribution of zakat is to empower *mustahiq* by fostering an entrepreneurial spirit (social entrepreneurship) so that they can make a living themselves and realize a decent life.

Productive distribution of zakat seeks to empower *mustahiq* by increasing their capacity in the form of education, coaching and training in lifeskills and improving their business in the form of business capital loans to develop *mustahiq* businesses.

The channeling of productive zakat funds have positive implications for the welfare of *mustahiq* in terms of fulfilling basic needs and other life necessities. However, the utilization of productive zakat tends to have complexity in its management because it has more stages in its preparation and implementation. Therefore, identification and assessment of problems and needs of the community, selection of programs that are suitable with the needs and character of the community, synergy and coordination between zakat managers and various related ministries and agencies that have the same work program are needed, in addition to increasing Human Resources (HR) in the management of productive zakat for assistance and supervision of *mustahiq* to ensure the program has a positive and sustainable impact both during the program's implementation and after the productive zakat assistance program.

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