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THE LAW OF PRODUCTIVE ZAKAT IN ISLAM AND ITS IMPACT TOWARDS ECONOMY

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Abstract:

The purpose of zakat is to develop socio-economic value, and it will be hard to be achieved if there is no active role from the organizer (amil) whom is expected to be professional and innovative in organizing the zakat funds. The objective of this research is to know how the zakat productive empowerment in Islamic law perspective. This research used Library Research. The researcher gathered from the books, journals, magazines, and some reports related to the study. Scientific investigation is a form of qualitative research as it pertains to Islamic science that comes from al-Quran and al-Hadith. Generally, there are three instruments known in the data collection, namely observation, interviews and documents study or literature review. This research used only the documents or literature review. Therefore, Data collection methods used to obtain information related to zakat productive in Islamic law perspective is only based on the documentation method. Documentation is inscribed objects that can provide a wide range of information. To meet this method, data is collected based on information obtained from libraries and documents related to the problems of this study. The result of this research is Productive zakat empowerment according to Islamic law is justifiable, as long as pay attention to the basic needs for each mustahiq in the form of consumptive urgent to be addressed immediately.

Keywords:

Zakar, Productive, Islam, Impact, Economy.

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1. INTRODUCTION

1.1.RESEARCH BACKGROUND

Initially, zakat must be received directly by *mustahiq* (zakat recipient). Nevertheless, it is important to have a policy and precision in considering the real needs; including their ability in using zakah funds which is directed to increase their welfare, therefore they themselves will completely be *muzakki* (zakat payer), not be *mustahiq* anymore.

The distribution of zakat does not only provide momentary relief to the *duafa'* (needy), once the zakat received is spent, s(he) would expect more assistance. Zakat vision is to change the *mustahiq* into the *muzakki*. Therefore, zakat management which plays as an instrument of community economic empowerment must be directed to remove the sources of poverty in a systematic and comprehensive.

Zakat Management is very significant in developing economic community. It is an individual worship which has a vast social impact. Therefore, it is very important to raise human consciousness in paying zakat. Moreover, in order to make zakat more efficient and effective, it is necessary that the management organize properly.

To strengthen the *mustahiq* economic and to make them survive for long-term, investment program should ensure availability of revenue to *mustahiq* on a more regular basis. The importance of zakat empowerment program is vital and urgent. Therefore, by having this program, a *mustahiq* is not only given fish to meet temporary needs, but also provided a hook which can be used as a tackle to get more fish so that it can support the needs a whole of his life.¹

The development of zakat distribution methods is progressing well, and it is a proper object for scientific study that can be applied in various zakat organizing institutions as a zakat productive empowerment method. Zakat productive is charity given to *mustahiq* as capital business; developing economic level and potential productivity of the *mustahiq*.²

The urgently thing needed by the people, especially the poverty is to mobilize and reinvigorate their efforts by providing business capital to them. The existence and importance of capital in driving productive business is a necessity. Until now, the process of capital loan on financial institutions is still relatively difficult, especially for small and poor traders or seller. Besides, the collateral condition and its management complexity of the bureaucratic process are still partial on them; excessive interest charges are also applied by financial institutions, both banks and non-banks.

To reduce the negative things, it is required the appropriate alternative, such as borrowing Zakat as capital through *Baitulmal* (treasury) institution for productive ventures, although in the form of micro credit with *qardul hasan aqad*. The use of *qardul hasan* dan *mudarabah* aqads are due to limited amount of money collected by the zakat collection in various amil institutions, so that it requires capital turnover to be used as a revolving fund to the other *mustahiq*.

Productive zakat should be given in *Tamlik* (the transfer of ownership), but the reality today like in Indonesia, it cannot be done, considering on the number of *mustahiq* still much higher than the number of *muzakki*, especially when it compared to the ability of zakat institution in collecting the zakat potential. On the other hand, Most *mustahiq* are included in reproductive age category whom must be supported by conducting poverty alleviation program.

¹ Irfan Syaqui Beik, *Zakat Produktif dan Kemandirian Mustahiq*, <http://jamiattaqwa-mino.info/?=304>, 2 October 2010.

² Abdurachman Qadir (2001). *Zakat Dalam Dimensi Mahdah dan Sosial*. Cet. 2, Jakarta: PT. Raja Grafindo Persada, pg. 165.

Conceptually, there is no dissent about zakat productive if the distribution is implemented as *Tamlík* procedure to the *mustahiq*. The only dissent is on the way of technical level, such as what kind of system zakat productive will be implemented, is it by *mudarabah* system, *qard al-hasan* system, *murabaha* system, or other principle system which is the fund only as the loan and the *mustahiq* must settle it up by installments system in order to transferred to the other *mustahiq*. Thus, the researcher considers that it is necessary to discuss the productive zakat according to the Islamic law, so that the zakat can help to improve the developing economic community, to reduce poverty, and to create a peaceful and prosperous life. Therefore, zakat should not be ignored because it is one of the charities that are obligated by Allah SWT. It is necessary to learn about the procedures of management so that the lessons will not lost in accordance with what has been outlined by the Islam.

The purpose of zakat is to develop socio-economic value, and it will be hard to be achieved if there is no active role from the organizer (*amil*) whom are expected to be professional and innovative in organizing the zakat funds. As mentioned above, the zakat management model which is currently being developed is a productive method. This method is expected to accelerate the economic growth from the *mustahiq* became a *muzakki*. Based on the development of zakat productive distribution method, this research takes the title: " Empowering the Zakat Productive According to Islamic law".

2. MATERIALS AND METHODS

2.1. ANALYZING AND INTERPRETATING METHOD

After completing the data collection through documentation method, the data and information obtained will be interpreted by using the following method:

2.1.1. Inductive Method

This method used a set of information that had been collected and seek relationships with other existing data. This process would produce a general conclusion based on the same law on specific data.³ These conclusions would provide ideas and new discoveries comprehensively. It was applied in order to get result more objective.⁴

2.1.2. Deductive Method

This method is opposite of inductive method. It is more issuing a conclusion rather than invention.⁵ Moreover, the inductive method gives an idea while deductive method is studying the idea, either to be accepted or rejected partially or totality.⁶ Some exams can be conducted such as *qiyas*, analysis and synthesis (unify data).⁷

³ Jamil saliba (1982), *al-Mu'jam al-Falsafi bi-al-Alfaz al-Arabiyyah wa-al-Faransiyyah wa-al-Inkiliziyyah wa-al- Latiniyyah*, Beirut: Dar al-Kitab al-Lubnaniyyah, j. I, pg. 71

⁴ Roy Preece (1994), *Starting Research – An Introduction to Academic research and Dissertation writing*, UK: Pinter Publishers, pg. 55.

⁵ Jamil Saliba (1982), *op. cit*, pg. 75

⁶ Roy Preece (1994), *op. cit*, pg. 60

⁷ Jamil Saliba (1982), *op. cit*, pg. 75-76

3. RESULTS AND DISCUSSIONS

3.1. ZAKAT IN SOCIAL ECONOMIC PERSPECTIVE

In economic terms, Zakat is wealth transfer action from the rich to the poor. Wealth Transfer means the transfer of economic resources. It will make certain changes economically; for example, a person who receives Zakat can use it to consume or produce. Thus, although zakat is basically worshiped to God, it also has economic significance.⁸

3.2. ZAKAT PRODUCTIVE VENTURE

Zakat Empowerment should have a positive impact on *mustahiq*, both economically and socially. From the economic side, *mustahiq* are demanded to have independent and worthy life. In terms of social, *mustahiq* are required to live in equal with the other communities. It means, zakat is not only distributed to something consumptive, but rather to the benefit of productive and educative. The main poverty weakness in his small businesses is not only because of less capital, but rather on the mental attitude and the readiness of business management. Thus, zakat productive at an early stage must be able to train *mustahiq*, so that s(he) is ready to change. Only by mental change, poverty can be changed, and this is the role of empowerment. Zakat which can be assembled in the long-term should be able to empower *mustahiq* reached the stage of business development. This programs consumptive only plays as a stimulant and it is only on short periode, while the empowerment program should take as the priority one. The general meaning of empowerment is creating independent partners, so that the partners (*mustahiq*) are not always depend on the amil.⁹

3.3. THE INFLUENCE OF ZAKAT TO ECONOMY

Zakat can be used as one of capital form for small businesses. Thus, the Zakat has a great influence in many aspects of life; such as the influence in the economic field. The influence of the other zakat is fairly distribution income to the Islamic community.

In other word, the professional and productive zakat management can support the economy poverty, and assist the government in improving the state economy; such as the economic community empowerment in accordance with the missions assigned. The missions are:

- Mission of economic development and business, which are based on the economy size and general business as well as universal.
- Mission of implementation ethics and law business;
- Mission of empowering the islam economic strength, thus it become as a source of funds that supports the islam missionary endeavor.¹⁰

⁸ Muhammad dan Ridwan Mas'ud (2005). *Zakat dan Kemiskinan Instrumen Pemberdayaan Ekonomi Umat*. Yogyakarta: UII Press, pg. 42 – 43.

⁹ Muhammad Ridwan (2005). *Manajemen Baitul Maal Wa Tamwil (BMT)*, cet 2. Yogyakarta: UII Press, pg. 216 – 217.

¹⁰ Muhammad dan Ridwan Mas'ud (2005). *Zakat dan Kemiskinan Instrumen Pemberdayaan Ekonomi Umat*. Yogyakarta: UII Press, h. 127.

The presence of zakat productive is greatly important even, now, it will fall under *aqad* or system *muqarabah qardh hasan*, to avoid the poor from *riba* (usury) for their economic development. Optimum functioning of zakat institution by empowering zakat proportionately and professionally will result in maximum, effective and efficient results and will transcend the noble cause and purpose of zakat, alleviate poverty. One of the concrete forms of it is by providing soft, interest-free loan for business venture. Zakat institution should do a research or fit and proper test to *mustahiq* before providing him with the zakat money. It covers among other his integrity, condition, skill aspect, and other supporting aspect and information needed for the process as well as his ability to return the money to be used by others after him.

It is Expected that *mustahiq* will be able to be *muzakki*. According to the writer, the maximal application of zakat productive management need to be taken with other efforts; such as the capital provision not only in cash, but also in the form of production equipment, establishing business units that directly facilitated by *amil zakat* with involving the professionals in their fields. The poor are employed in the business and learn to manage the business, and it is also expected that the poor employee will be able to handle the business units directly by themselves eventually.

Zakat Empowerment as productive efforts are absolutely necessary, and it should be implemented in a sustainable manner. It is because the position of zakat plays as a tool in achieving the goal of social justice, poverty reduction and Muslims economic empowerment. In social justice, critical thinking and analysis are necessary to be implemented in order to distribute the zakat progressively and dynamically, so this will be will serve as the pillar and foundation to strengthen the people's efforts in building the economy more systematically.

Zakat movement has implicit and role in the revival of Islamic civilization in broader aspect. Zakat provides momentum for the the birth of Islamic economy as an alternatives to capitalist which now rule the global economy. Therefore, the biggest momentum in Islam is actually in economy in the form of zakat. This is really relevant to current needs of the people today.

Zakat is a humanitarian movement with an emphasis on the common good. These conditions have implications to an effort to accelerate development and resource development among Muslims, because human resources (HR) have an important role in the establishment of Islamic revival.

Efforts described above and supported by the law of zakat will make zakat as a main pillar of Muslims economy and had been considered unable to compete with the capitalist economic system and even assumed just to support consumptive needs, has been proven reliable in building and economic empowerment of Muslims

3.4.THE LAW OF ZAKAT PRODUCTIVE

As explained previously what it meant by *zakat productive* is the mixture of zakat in a productive approach. In other words, providing zakat to the *mustahiq* (those entitle of zakat) in a productive manner. Zakat funds are given and loaned for business capital for the indigent, poor and weak people.

Quran, Hadith and Ijma did not mention explicitly about zakat provision, whether consumptive or productive. It can be said there is no *sarih* (affirmative) proposition *naqli* (from Al Quran and Hadits) governing on zakat provision to those entitled. Surat At-Tawbah verse 60¹¹, used by most scholars as a legal basis in the distribution of zakat, only mentions the posts where zakat should be given. It does not mention how zakat should be handed to these groups of people.

Islamic legal theory suggests that in dealing with problems with not obvious details in the Quran or the Prophet tradition, *ijtihad* is used as method of solution. *Ijtihad* or the use of logical reasoning refers to the Koran and Hadith.

Thus, it means that the technique of execution of the distribution of zakat is not absolute, but dynamic and can be adapted to the needs in one place. Change and differences in zakat distribution is not prohibited in Islam because there is no legal basis that clearly states how zakat distribution.

Imam Nawawi in his book *al-Majmoo'* said that "What is given to the poor, should be able to get them out of poverty to the standard of adequate living a. the amount provided that can be used as a basis to achieve a specific level in life".¹²

The provision is defined here that could be used as capital to seek and pursue a business, so the results can meet their their long term and not instantaneous needs. An-Nawawi opinion above gives great opportunities to the efforts of the current management of zakat for productive development through venture capital, in accordance with the demands of the fast-moving economic sector in a society.

As a proposition to strengthen his opinion, Imam Nawawi expressed hadith of the Prophet of Qabisat Ibn al-Mukhariq al-Hilali ra. as mentioned below:¹³

أن رسول الله عليه وسلم قال أن المسئلة لاتحل الا لأحد ثلاثة: رجل تحمل حمالة فحلت له المسئلة حتي يصيب قواما من عيش أو قال سدادا من عيش ورجل أصابته فاقة حتي يقوم ثلاثة من ذوي الحجا من قومه لقد أصابت فلانا فاقة فحلت له المسئلة حتي يصيب قواما من عيش فما سواهن من المسئلة يا قبيصة سحقا يأكلها صاحبها سحقا

Meaning: THAT Messenger of Allah said: It is not lawful to beg unless in one of three categories, namely first, those who bear a heavy burden, then it's okay to beg to pay his obligantions, then he refrained himself from begging. Second, misfortune befalls to a person which damaged his property. It is halal for for him to beg, so he obtained constancy in life or the words of the apostle can satisfy his hunger. Thirdly, people are afflicted with poverty, with three people among the sane society confirmed his poverty status, then it is haall (lawful) for him to beg to help him get on his feet or reasonable living or as said by the prophet *could meet the need*

Means: Verely charities (zakat) are for the indigent, poor, and *'amil* (organizers) who manage the zakat, and *muallaf* who are soften their heart, and slaves who want to (pay to) free themselves, and those indebted, and to be spent in the way of Allah, and travelers (who has nothing on their way). (such regulations) are from Allah and remember that Allah the most knowing and the most wise. See translation Head of Ar-rahman to the translation of Al-Quran 30 Juz (2001). Kuala Lumpur: Dārul Fikr. 12 printing p. 443.

¹² An-Nawawi (1996), *al-Majmu'* Syarhu al-Muhazzab, Juz VI, Mesir: al-Imam, pg.167.

¹³ Mawsu'at Hadith Syarif, *Sahih Muslim*, Hadith Nomor 1730, Lihat juga pada Abu Dawud, *Sunan Abi Dawud*, Hadith Number 1397.

of of his life. Unless one is under such a condition above-mentioned O Qabisat, it is forbidden to him to beg.

From the explanation of the above-mentioned hadith, it can be understood that the Prophet justify begging only for three groups so that they can meet the needs of his life. Therefore, the distribution of alms/ charity to the poor should suffice his life forever. Caliph Umar bin Khattab also always provided financial assistance to the poor rather than zakat form of a number of capital which consists of cattle camels and others to meet the needs of their lives. Not just to fill his stomach with little money and food. As quoted by Masyfuq Zuhdi:¹⁴

إذا أعطيتم فأغنوا

Meaning: If you give alms/ zakat to the poor then give them enough.

According to school of Hanafi, zakat assets such as livestock and agricultural products, which are taken from *muzakki* (zakat payer) can be a value or a price rather than objects of zakat, if it is more convenient.¹⁵ So, taking the value or price of zakat from *muzakki* logically justify the distribution of zakat to *mustahiq* in the form of capital, goods, equipment, etc., beyond the goods zakat taken according to this school of thought is allowed.

School of Hanafi reasoned with the hadith of the Prophet who sent Muaz bin Jabal to Yemen to collect zakat from residents of Yemen.¹⁶ Mu'az told residents of Yemen as follows:

قال معاذ رضي الله عنه لأهل اليمن: اتوني بعرض ثياب خميص أو لبيس في الصدقة مكان الشعير والذرة أهون عليكم وخير لأصحاب النبي صلي الله عليه وسلم بالمدينة

Meaning: Mu'az told residents of Yemen: Bring me *Khamis* (shirt) or other clothing items that I will take and I will take them as sadaqah (charity/ zakat) in lieu of *sya'ir* and corn (grain), because it will be easier for you and better for the companions of the Prophet in Medina.

Mu'az do the case because the population of Yemen is famous as cloth maker and color dipping, or qualified textile and weaving, then handed over the price or value as the charity that will make it easier for them,. In addition, people of Medina need it. Because zakat of wealth in Yemen was surplus and therefore Mu'az took that surplus zakat to Medina as the capital of government.

A Mu'az attitude was also in accordance with what has been done by Umar. As described by Yusuf Qaradawi, that Sa'id ibn Mansur in narrated in his *Sunan* (book of Hadith) from Ata that Umar took goods worth similar instead of silver in the case of zakat.¹⁷

Hadith, as mentioned above can be understood that Mu'az attitude by taking clothes as a substitute of zakat of grains is based on the ease of the Yemeni population in issuing zakat and

¹⁴ Masyfuq Zuhdi (1993), *Masail Fiqhiyyah*, Jakarta: Haji Mas Agung, h. 246. Lihat juga Abu Ubaid (1988), *Kitab al-Amwāl*, Juz II, Beirut: Dar al-Fikr, h. 712.

¹⁵ Syams al-Din al-Sarakhsyi (1993), *Al-Mabsut*, Beirut: Dar al-Fikr, h. 157.

¹⁶ Ibnu Hajar al-Asqallani (t.t), *Fathulbari Syarhu Sahihil Bukhari*, Al-Maktabah as-Salafiyah, h. 54. Lihat juga Mawsuat Hadith Syarif, *Sahih Bukhari*.

¹⁷ Yusuf Qardawi (1991), *Fiqh zakat*, jilid II, Beirut: Muassasah al-Risalah, h. 805.

greater benefits for the people of Medina, because they are in need of clothing. Policy pursued by Mu'az brought benefit to both parties, ie for *muzakki* and also for *mustahiq*

Ash-Syairazi in Muhazzabnya explained that, "An able poor is given the tools work. Those who understand trade is given trade capital". This statement specified by An-Nawawi lecturers al-Muhazzab as follows: "Artisan selling bread, artisan selling perfume, tailors, carpenters and so forth are given money to buy tools that fit, expert buying and selling goods given zakat to buy merchandise that result simply create livelihood. If a poor was not able to work, do not have the skills, are not able to trade, then according to the scholars of different opinion: (a). Zakat given to the adequacy of his whole life on average of general spending, (b). Provided with a yard (farm), the yield should be enough for their livelihood, according to al-Mutawalli, (c). zakat is given to the adequacy of life of one year, because charity is repeated every year.¹⁸

Description provided above, at least, resulted in two ways of zakat distribution. Productive distribution of zakat is given to the able poor who intends to do work, and consumptive distribution to those of unable poor and are not able to do work. It is suggested that even to unable, productive distribution should be considered.

Strong tried and distribution of zakat is given to the consumer that is not strong attempt. To the strong should not berusaha pun should be productive

Yusuf Qaradawi said that, give charity including social deeds in order to help the poor and economically weak to support their economies so that they can stand on its own future and steadfast in maintaining its obligations to God. If the charity is a formula that is the most powerful and obvious to realize the idea of social justice, the obligation of zakat covers all people, and that the property should be removed it is essentially the property of the people, and giving to the needy. Distribution of alms to the poor meant to scrape out the sources of poverty and to be able to eliminate the causes of their poverty, so that later they would not need help from zakat again, even turned into tax payers (*Muzakki*).¹⁹

As Yusuf Qaradawi mentioned in his statement above, there are at least three goals contained in zakat, which is creating social justice, economic uplift those who are weak and make *mustahiq* be *muzakki*. This is only possible, if the sources of zakat used as capital in the production process, orientation towards community activities always productive, useful and effective, and looked ahead by sacrificis made today. That will create a productive-minded community, not consumer –minded community.

In the view of al-Ghazali as contained in *Ihya Ulumuddin*, the opinion of the scholars who say that the poor should be given a portion of zakat that can be used to buy land which yield is enough for a lifetime, is closer to the truth. .²⁰

Productive concept of zakat enables the realization of the purpose of zakat more effectively. Thus, it is understood that zakat is not a destination, but as a means of achievement of the goal of

¹⁸ An-Nawawi (1996), *al-Majmu' Syarhu al-Muhazzab*, Juz VI, Mesir: al-Imam, h. 196-197, 203-204.

¹⁹ Yusuf Qardawi (1966), *Musykilah al-faqr wakaiifa 'Alajaha al-Islam*, Beirut: pg. 127.

²⁰ Abu Hamid al-Ghazali, *Ihya Ulumuddin*, jilid I, Beirut: Dār al-Fikr, pg.207.

social justice in an effort to eradicate poverty. Zakat distribution model for productive enterprises in the form of capital for the poor who still have the potential to work, can be among others:²¹

- a) To provide working capital loans in the form of *Al-Qardul Hasan*.
- b) Build agricultural infrastructure and industry to accommodate the poor people who are unemployed.
- c) Carrying out education centers and vocational skills to educate the unemployed so that they have a particular skill.

As for the poor who are not potential and unproductive, a sort of shelter homes is built for them to accommodate and meet their needs. In addition, the zakat funds are also distributed as a guarantee of life for the elderly, orphans and holding facilities and infrastructure for the rehabilitation of the disabled.²²

The importance of zakat distribution for productive enterprises in the form of capital is also recognized by contemporary international scholars. It was as stated in the decision and recommendations that resulted in three times the International Conference on zakat. The first, held in Jeddah Saudi Arabia (sponsored by the Organization of the Islamic Conference-OIC). Second, in Kuwait (organized by Bait Al-Zakah Kuwait). Thirdly, held in Amman Jordan on May 11 to October 16, 1986. The essence of the decision is zakat distribution for productive enterprises in the form of capital made after the *mustahiq* of zakat has received their portion. Moreover, in the practice of zakat distribution should not be out of the Islamic Shari'ah.²³

Furthermore, in 1992 a fatwa is issued on zakat distribution as working capital generated through the Ulama meeting in Kuwait, sponsored by Kuwait international charity organizations. The contents of the fatwa were permissibility to distribute zakat after the fulfillment of some of the following requirements:

- a) The absence of urgent necessity which requires the use of funds immediately.
- b) The distribution of zakat for productive business (capital) must be in accordance with the sharia.
- c) The guarantee of security for the capital intact given zakat fund.
- d) The guarantee that such capital can be withdrawn if there is an urgent need of the *mustahiq* zakat.
- e) The existence of a guarantee that the productive efforts made in earnest, professional and trustworthy.
- f) The existence of the decision and consideration of the government to institute amil zakat in channeling funds to productive enterprises, and also the close supervision so that zakat is given to people who have the skills, experience and be trustworthy.

The cleric's decision contains two things at once, first: they agree on the permissibility of zakat distribution for productive enterprises in the form of capital. Second, the distribution of Zakat funds in the form of capital made after the purposes of the *mustahiq* met, and in practice should be handed over to those who are professional, competent and trustworthy, and followed with

²¹ Abdurrahman Qadir (2001), *Zakat Dalam Dimensi Mahdah dan Sosial*, Jakarta: Raja Grafindo, pg. 173-174.

²² *Ibid*.

²³ Nazir Hammad (2001), *Qadaya Fiqhiyyah Mu'asirah fi Al-Mali wa Al-Iqtisād*, Damaskus: Dār Al-Qalam, pg. 523-524.

close supervision of *amil* institutions (zakat manager), so that zakat is used for productive measure and maximum benefit.

Ibn Qayyim Al-Jawziyya said, means or indicator towards applicating sharia has the same law concept with the end result/ sharia practice itself.²⁴ In a more detail, should the benefit exist, then that's the purpose of the law of Allah.

From some of the above opinions, the author argues that the law of productive zakatis highly recommended moreover when connected with poor situation and condition of the majority of Muslim countries. Poverty suffered by Muslims is essentially the failure of Muslims to live or carry out the commands of Allah Almighty. Poverty as a form of economic paralysis Muslims carries a wide range of havoc. Poverty is not only closer to disbelief, and closer to the humiliation, but also adds the attitude of dependency and stifles joints life.

The opinions above explicitly mentions that zakat should be able to provide or improve the livelihoods of the poor to be more equitable, wealthy and prosperous. This means that the manner of distributing zakat must be adapted to what is expected by those who are entitled to receive zakat. Consumptive Zakat cannot provide such benefit. Therefore, zakat must be intended and provided in a more productive manner.

Economic failure of Muslims this time is the consumer culture. Consumer culture will squander natural resources. Fertile soil and valuable underground mining have not been fully worked out and processed. There are still a lot of agriculture and mining using traditional means because farmers cannot afford to buy modern tools to cultivate their agricultural land. Finally, their agricultural products are not sufficient. Better results should be gained in processed in modern agriculture approach.

Things like this should also encourage that zakat this period should be carried out towards productive end results in order to shift people mind set towards productive oriented. So that it can produce something that can support their life. If not, then just wait for the punishment of Allah.

3.5. WAYS TO DISTRIBUTE ZAKAT

Zakat collected by zakat management institutions, should be immediately distributed to the *mustahiq* in accordance with the priority scale that had been developed in the work program. Zakat should be distributed to the *mustahiq* as mentioned in the Quran Surah at-Tawbah verse 60.

As for the distribution of zakat productively as it happened in the days of the Prophet stated in a hadith narrated by Imam Muslim²⁵ from Salim bin Abdillah bin Umar from his father, that the Messenger of Allah had given him zakat and asked him to develop or give it again for charity.

²⁴ Ibnu Qayyim al-jauziyyah (1975), *Ilam al-Muwaqqi'in an Rabba al-'Alamin*, Beirut: dar al-Jail, pg.134.

²⁵ Ismail al-Kahlani as-San'ani (t.t), *Subulus-Salām*, Juz II, Bandung: Dahlan, pg. 149.

In regard to productive zakat provision, there is an interesting opinion, as stated by Yusuf Qaradawi in Fiqh of Zakat that the Islamic government is allowed to build factories or companies from zakat money. Then ownership and the benefits to the ownership of the poor, so it will be fulfilled purposes their lives all the time. Substitute the government, for this period can be played by Badan Amil Zakat/ Zakat Institution (BAZ) is strong, trustworthy and professional. BAZ if giving alms that are productive should also conduct coaching / mentoring to the *mustahiq* so that business activities can run well, and that the *mustahiq* increasing the quality of faith and his Islam.

4. CONCLUSIONS AND RECOMMENDATIONS

4.1. CONCLUSIONS

Productive zakat empowerment according to Islamic law is justifiable, as long as pay attention to the basic needs for each *mustahiq* in the form of consumptive urgent to be addressed immediately. Besides empowering zakat for productive activities permitted by Islamic law for Zakat is quite a lot, and in practice should be handed over to those who are professional, competent and trustworthy, and followed by a strict monitoring of amil institution. Furthermore, should the security guarantees for capital intact of zakat fund, and distribution of zakat for productive business (capital) must be in accordance with the sharia.

4.2. RECOMENDATIONS

To conduct further studies in the quest to find the best zakat distributive models and corresponding with shari'ah, which really can meet the needs *mustahiq* and soon they may become *muzakki*, not only consumptive, but also productive, and *Qardul hasan* under *mudhrabah* model.

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