

Realizing Social Welfare in Zakat Act of 23/2011: The Role of Rumah Zakat in Indonesia

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Abstract: The main objective of zakat according to Indonesian Act No. 23/2011 on Zakat Management is to realize social welfare on the one hand, and to eradicate poverty on the other. This noble objective, however, is not so clear and measurable that leads to different ideas on social welfare among the institutions involved in zakat management. This in turn will influence the programs they planned to be implemented through zakat fund. This study discusses the notion of social welfare and its implementation in zakat management with a specific reference to Rumah Zakat. This institution has been involved in zakat management since 1998 and successful not only in collection of zakat fund, but also in its distribution in systematic and well-innovated manner. This can be seen from the programs it has to realize social welfare. This article concludes that rather than involved qualitatively in a conceptual discussion of social welfare, Rumah Zakat prefers to implement some social dimensions of welfare through many programs. It believes that through the programs it has implemented, Muslim society aware of the presence of social welfare from zakat fund they have collected through this institution. This can be seen from the growth of their trust to Rumah Zakat that increases from time to time. Moreover, the qualitative of notion of social welfare issued in Zakat Act opens the room for this institution to interpret its essence through innovative programs. This conclusion is drawn from an analysis of data collected from in-depth interviews with the managers of Rumah Zakat as well as from reviews of literature related to this institutions and relevant writings on social dimensions of zakat. As for the method, this study draws largely on content analysis followed with theological and political approaches. This is because zakat is basically a religious doctrine (theology), but at the same time it is political due to its implementation should be carried out in accordance with Zakat Act issued by the government.

1 INTRODUCTION

Zakat has a very important role in eradication of poverty in societies as well as in increasing their prosperity. This can be seen from the main objective of zakat that is directed to a group of poor people known as *al-asnaf al-thamaniyah* (eight categories) in Islamic law (Sabiq, 1982). It is intended through zakat that there will be a decrease of the gap between the rich and the poor.

This objective is in line with responsibility of the state which was founded to ensure the life of its citizen, including their prosperity. It is for this reason that some countries with Muslim majority inserted zakat affairs into their policies. In general, there are three patterns in which the Muslim states took policies towards zakat. First, some states do not institutionalize zakat fund implying that the former is

not concerned with the latter. Among 40 Muslim countries, 24 take this policy leaving zakat issues to Muslim society. Turkey is a case in point. Second, some countries equate zakat with tax in that if the former was carried out the latter would follow. Kingdom of Saudi Arabia is a good example in this regard. Third, some countries facilitate collection and distribution of zakat fund, but they do not oblige their citizen to pay zakat. These countries simply help how zakat fund can be collected and distributed properly (Powell, 2009).

Indonesia belongs to the last pattern by issuing the act of zakat without involving directly in this area. Since 1999, Indonesia has issued the Act of Zakat Number 39 of 1999 to eradicate the poverty and increase welfare of Indonesian society. This act was then amended twelve years later, in 2011, through Act of Zakat Number 23 of 2011 (Widyawati, 2011).

According to the latter act, the objective of zakat is “to increase the merit of zakat fund in order that the welfare of society can be realized and the poverty can be eradicated” (meningkatkan manfaat zakat untuk mewujudkan kesejahteraan masyarakat dan penanggulangan kemiskinan) (*The Act Number 23 of 2011 on Management of Zakat, Article 3 (b).*, no date). It is stipulated further in this act that the state should facilitate the establishment of National Zakat Board (Baznas) at national, provincial and district level. Besides, it is allowed for society to build institute of zakat management (LAZ) in order to help Baznas come with great success in collection and management of zakat fund.

Rumah Zakat Indonesia (RZI) is one of institutes established by society in 1999 under the name Dompot Sosial Ummul Kuro in Bandung. From time to time, this institute developed significantly in both collection of zakat fund and creation of program to be implemented through zakat fund. It is not surprisingly if RZI become prominent institute of collection and distribution of zakat fund. Many studies have conducted by a number of scholars on this institute (Lessy, 2013, Thoriquddin, 2015, Wahyuni, 2017). However, most studies emphasize on the management of zakat fund and its distribution neglecting the fact that such a management is intended to realize the objective of zakat as mentioned in the Act of Zakat.

This paper discusses the concept of welfare according to RZI with specific reference to the programs carried out by this institute in order to implement the objective of zakat mentioned in the Act of Zakat. It is expected that the success of program implementation held by this institute can be a model at other institutes or places.

2 METHODOLOGY

The data used in this paper is result of interview with the officials of RZI. In addition, this paper also benefits the works of scholars relevant to the issues raised in this paper. As for the method, this paper draws on content analysis companied with political approach (Monroe, 2000).

3 RESULT AND DISCUSSION

3.1 Rumah Zakat At Glance

Initially, this institute was a group of Islamic study known as Majelis Taklim Ummul Quro. In July 2, 1999, this group then initiated to build a philanthropic institution which is concerned with such social and humanistic problems as poverty, backwardness, unemployment and so on. The institution was named after the group of Islamic study called Dompot Sosial Ummul Quro (Ummul Quro Social Pocket) (Rumah Zakat, no date a). It is commonly known that discussion of zakat fund in that year was a national issue when Indonesia was under monetary and political crisis. Therefore, zakat fund was considered instrumental in solving economic crisis so that some institutions were involved in zakat fund collection, including QSUQ. The government finally issued the Act of Zakat in September 1999, and QSUQ anticipated this act (Widyawati, 2011).

In March 18, 2003, Dompot Sosial Ummul Quro was transformed into Rumah Zakat Indonesia along with the issuance of Decree of Minister of Religious Affairs Number 157 recognizing that RZI was national board of zakat. However, in 2010, this organization changed its name from Rumah Zakat Indonesia into Rumah Zakat, deleting Indonesia (Rumah Zakat, no date a). This change is in view of its following vision.

This organization has vision to be “International philanthropic institution on the basis of professional empowerment” (Lembaga Filantropi Internasional berbasis pemberdayaan yang profesional). As its missions, this organization intended to: (1) play an active role in building international philanthropic network, (2) facilitate the independence of society, and (3) develop an excellent human resources to optimize all aspects of resources (Rumah Zakat, no date j). It is noteworthy that through international level this organization can be involved distribution of zakat fund not only throughout Indonesia, but also in other countries, such as Palestine to which Rumah Zakat had distributed aid (Rumah Zakat, no date a). To implement such vision and missions, the organization runs corporate values as follows: (1) trusted, i.e., to run the business in professional, transparent and reliable manner, (2) progressive, i.e., to make an innovation bravely in order to gain benefits better, (3) humanist, i.e., to be fully concerned with human issues sincerely and universally, (4) collaborative, i.e., to work together with other institution to create a better world (Rumah Zakat, no date j).

At the present, Rumah Zakat has no less than 18 branches across Indonesian provinces. This means that Rumah Zakat is a trusted institution to which Indonesian Muslims submit their zakat and other philanthropic traditions in Islam, such as endowment (waqf), alms (sadaqah) and so on. This is because this institute is open and transparent to public in terms of its financial and administrative affairs. For example, every year, RZ asks public auditors to audit its financial income and expenditure, and then finally reports it to public annually (Rumah Zakat, no date b, no date c). Furthermore, the programs Rumah Zakat proposes are in line with the needs of poor society, such as education, health, economic development, and so on.

It is for this success that this institute has been recognized by a number of institutions as a successful philanthropic organization. In 2004, this institute was awarded as the best institute of zakat management (Lembaga Amil Zakat Nasional) in Islamic Social Responsibility and the best organization in zakat development by Indonesia Magnificence of Zakat. Ten years later, 2014, this organization was also awarded as Top of Mind Zakat Management in the 3rd Indonesia Middle-Class Brand Forum (IMBF) held by SWA Magazine and Center for Middle-Class Consumer Studies (CMCS). At the same year, Coordinating Ministry of Public Welfare awarded this institute "certificate of appreciation" for its participation annually in Public Welfare Service Expedition (Expedisi Bhakti Kesejahteraan Rakyat). In 2016, Rumah Zakat was awarded as Champion of Original Brand by SWA Magazine recognizing that this institute has been a favorite of consumers and popular in Indonesia. The same award was given in 2017 for its consistency in maintaining original brand.

Those awards and certificates indicate that RZ has been a successful organization in zakat management and distribution to public. This success will be apparent also in the implementation of programs that RZ has carried out.

3.2 Main Programs

There are six main programs that RZ continuously and consistently conducted. They include "senyum juara, senyum mandiri, senyum sehat, senyum lestari, empowered Ramadan and super-qurban." The first four programs are started with the word "senyum" (smile) indicating that RZ attempts at installing optimistic attitude among the beneficiaries of zakat fund. The details of these programs can be described as follows.

"Senyum juara" (smile of champion) is directed towards field of education (Rumah Zakat, no date d). RZ believed that education plays an important role in development of human resources. This is due to the fact that education is believed to be instrumental for the progress of nation and at the same time can break vicious circles of poverty. Through this program, RZ is committed to the improvement of education in terms of qualification of students, teachers, quality of infrastructures and so on.

There are five programs in the sectors of education in which RZ involved. First, scholarship for students to support and facilitate their compulsory education. However, RZ also endorses the students to continue their education at higher level. This means that RZ has serious attention to the continuation of students' education. Therefore, this scholarship is awarded to students of elementary school, as well as of high school and tertiary level.

Second, scholarship for student of school named School of Champions (*sekolah juara*) and managed directly by RZ. Through this program, students can go to school for free and get all facilities provided by school such as educational equipments, trainings, skills as well as religious education. All these facilities are intended to ease the students achieve their highest academic performance so that they can be champions. Moreover, RZ believed that through religious education the students will have religious characters that guide them in their life.

Third, school of champions (*sekolah juara*) is a school established by RZ, among other things, through zakat fund. This school is free from any charge especially for students from underprivileged family. They can enjoy all facilities provided by the school to support their learning.

Fourth, teacher of champions (*guru juara*). This program is intended to improve qualification of teachers of rural areas by giving them assistance. This assistance can take forms of training, supporting facilities and equipments for teaching, as well as economic aid for teachers. This is due to the fact that school and education in rural areas are left behind by school and education in urban areas. Therefore, through this program RZ expects that there is a gap between education conducted in urban and rural areas so that equality of education can be met.

Fifth, car of champions (*mobil juara*). Basically, this car functions as a travelling library that provides books and educational equipments for students, such as computer, internet access and so on. RZ believes that this program will be instrumental to facilitate rural students to meet their needs in terms of internet access and so on. Again, through this program it is

expected that there is no gap between education in urban and rural areas.

Sixth, assistance to school. The objective of this program is to help certain schools that need assistance in terms of their building, learning equipments, library, laboratory, and so on. However, RZ also provides assistance for renovation of school if it is necessary.

“Senyum mandiri” (smile of independent) basically is a program intended to solve economic problem of society on the one hand and to reduce poverty on the other (Rumah Zakat, no date f). This program consists of three activities. First, small and medium-sized enterprises (SMEs) directed to underprivileged families. In this regard, RZ serves as guide, mentor, assistant, or coach to run micro and small businesses of society. This means that RZ provides what the society needs to develop their businesses. To some extent, RZ aids through capital assistance and facilities in accordance with beneficiaries’ needs.

Second, productive agriculture. This program is a kind of program of empowerment intended especially for young famers. In this regard, RZ facilitates farmers in provision of means of production, machinery tools, seeds and even helps them through monitoring. The objective of this program is to encourage the young generation to be active in agriculture which finally will reduce unemployment. Third, productive livestock. This program is intended to help the cattlemen get additional income from breeding through distribution of seeds and provision of facilities.

“Senyum sehat” (smile of healthy) is a program intended to improve public health of society (Rumah Zakat, no date h). This program consists of free circumcision for children especially from underprivileged family. In addition, RZ also provides assistance for society through direct aid, distribution of fund to meet their health needs. Besides, this organization also provides a free ambulance for needy peoples. This ambulance serves delivery service for people to and from hospitals, or even to cemetery for the dead. Another service provided by RZ is free clinic of health. This clinic gives general service for needy peoples as well as health service for children and mothers, including family planning, childbirth and so on for free of charge. In addition, RZ also provides aids of payment of health insurance for underprivileged family at certain health clinics under cooperation with this organization. The last is nutrient garden which is intended to help people meet their nutrition especially in terms of vegetables and fruits.

“Senyum lestari” (smile of sustainable) is a program initiated to respond environmental issues (Rumah Zakat, no date e). Through this program RZ intends to improve environmental qualities and to reduce social problems caused by environmental crises. To realize this program, RZ carries out some following agenda. These include independent sanitation post, water and sanitation for all, water well and trash bank. According to RZ, “senyum lestari” can help people get so healthy environment and atmospheres that ensure their life.

Two other main programs of RZ are empowered Ramadan (Rumah Zakat, no date g) and *superqurban* (super sacrifice) (Rumah Zakat, no date i). If the former is conducted from the beginning of Ramadan month until the end of it, the latter is carried out when Adha fest comes. During Ramadan, Muslims are obliged to fast from early morning and will break fasting in afternoon. RZ takes this moment to collect zakat fund and at the same time to distribute it through breaking fast together, and aid the poor peoples. At the end of Ramadan, RZ also takes this moment to provide gifts for poor family in the eve of *Id al-fitr*.

On the other hand, when *Id al-Adha* comes, it is usual for people sacrifice certain animals, especially sheep and cow. The lamb and beef are then distributed immediately to poor peoples. As a result, the lamb and beef are out with end of *Id al-Adha*. From this condition, RZ initiates to make this sacrifice beneficial for long period, especially after *Id al-Adha*. Instead of distribution directly, RZ makes those flesh become cornet that will be useful in other times when it is necessary.

3.3 Realizing Welfare through Zakat

So far we have discussed the role and programs implemented by RZ. This section discusses the relation of such programs to the concept of welfare as recorded in the Act of Zakat of 2011. This act does not stipulate clearly what it means by welfare, and this leads to different understandings and concepts among the boards of zakat.

Rather than discussing conceptual framework of welfare, RZ puts emphasis on how such concept can be realized. It can be seen from the programs that it has conducted as have been discussed above. Moreover, RZ prefers to refer to Sustainable Development Goals proposed by United Nations than to other references (Division For Sustainable Development Goals, no date).

For example, in the field of education, RZ attempts at meeting second goal of Sustainable Development Goals. According to this goal, there are three aspects

that should be emphasized: students, infrastructures, and teachers. It is these aspects that RZ tries to realize so that everybody has access to education at every degree, with good and fine schools, and with qualified and competent teachers. Finally, through this program there will no gap between education in rural and urban areas ('Interview with Muhammad Isa, Branch Manager of Rumah Zakat, Bandung September 2018', no date).

In the field of economics, RZ has empowered small and micro-sized business in order to help people to be independent economically. This in turn reduces poverty that happens to society. Again, RZ claims that this program is in line with the first goal of Sustainable Development Goals ('Interview with Muhammad Isa, Branch Manager of Rumah Zakat, Bandung September 2018', no date).

In the field of health, RZ believes that health program supports the third goal of Sustainable Development Goals on health and wellbeing. In this regard, the target issued by RZ is to ensure the health and wellbeing of society at different levels of life.

Finally, through "senyum mandiri", RZ in fact expects to reduce poverty which is also one of the targets of Sustainable Development Goals initiated by United Nations. Moreover, through this program it is expected that society can be saved from poverty, backwardness and so on ('Interview with Muhammad Isa, Branch Manager of Rumah Zakat, Bandung September 2018', no date).

Based on the above discussion, RZ prefers to realize welfare in real life of society than to discuss it. Moreover, from 17 goals proposed by United Nations, RZ emphasizes only the first four. This is due to the limitation of fund collected from zakat and other kinds of philanthropic endeavors. This indicates that zakat fund collected by RZ is very instrumental for realization of welfare in society although with small fund.

4 CONCLUSIONS

Rumah Zakat has proved that if zakat fund managed very well, it can be instrumental for development of society. This development in turn will realize the objective of zakat as stipulated in the Act of Zakat of 2011. Moreover, these objectives are relevant to the purposes of Sustainable Development Goals to which Rumah Zakat refers. This implies no doubt that zakat fund can be an important and instrumental to improve quality of life in Muslim society.

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