



Economic Empowerment Based on Islamic Philanthropy in Surabaya

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Article Info

Article History:

Received Mar 02 th, 2023

Revised Jun 01 th, 2023

Accepted Jul 28 th, 2023

Available online on Ags 07, 2023

Keyword:

Islamic philanthropy, empowerment, economy, welfare.

DOI: 10.35891/ml.v14i2.3866

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ABSTRACT

Islamic philanthropy has an important role in alleviating poverty with a system of empowering the people's economy. The purpose of this study is to determine the economic empowerment of the people based on Islamic philanthropy. This study uses a type of qualitative research with an explanatory approach. Data collection uses observation, in-depth interviews, and documentation. Data analysis in this study uses interactive descriptive, where data obtained from the field is reduced, displayed and verified. The findings in this study are that the independent business group program carried out by YDSF has been able to increase people's income, so that they can reach the stage of prosperity. The business capital that is distributed comes from Islamic philanthropy which is empowered in productive activities.

Paper type: Research paper

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Abstrak: Filantropi Islam memiliki peran penting dalam pengentasan kemiskinan dengan sistem pemberdayaan ekonomi umat. Tujuan penelitian ini untuk mengetahui pemberdayaan ekonomi umat berbasis filantropi Islam. Penelitian ini menggunakan jenis penelitian kualitatif dengan pendekatan ekplanatif. Pengumpulan data menggunakan observasi, wawancara mendalam, dan dokumentasi. Analisis data dalam penelitian ini menggunakan deskriptif interaktif, dimana data yang didapat dari lapangan di reduksi, display dan verifikasi. Temuan dalam penelitian ini adalah program kelompok usaha mandiri yang dilakukan oleh YDSF telah mampu meningkatkan pendapatan masyarakat, sehingga bisa mencapai tahap kesejahteraan. Modal usaha yang didistribusikan bersumber dari filantropi Islam yang diberdayakan dalam kegiatan produktif.

Kata Kunci: Filantropi Islam, Pemberdayaan, Ekonomi, Kesejahteraan.

A. INTRODUCTION

Indonesia with the largest Muslim population in the world has the potential to reduce poverty, due to the obligation to pay zakat. Zakat is an integral part of one's Islam (Yafie, 1994). Not only zakat, but infaq, shadaqah and endowments (Islamic philanthropy) have the potential to reduce poverty. Islamic philanthropy has a role in alleviating poverty, although the strategy in its implementation still faces many obstacles (Atabik, 2015). As a result, the poverty rate in Indonesia is still very high.

According to BPS data, the poverty rate in Indonesia as of September 2022 was recorded at 9.57% or 26.36 million Indonesians who are below the poverty line. This poverty rate is not much different from March 2022 (9.54%). Meanwhile, the number of poor people in East Java in September 2022 was 4.236 million people, in other words, there was an increase of 55.22 thousand people in March 2022. The number of poor people in Kota Pahlawan Surabaya reached 1.3 million people and is currently 219,427 people or dropped drastically by around 83.1 percent. Antonio in (Linge, 2015) said that in Islam there are two main distribution systems, namely commercial distribution with market mechanisms as a reference and distribution on aspects of social justice by utilizing philanthropic potential which can later be used for the benefit of society in order to achieve prosperity.

The existence of Islamic philanthropy has been practiced since the inception of Islam which later developed into a very popular system for alleviating poverty. History records that in the development of Islam, Islamic philanthropy has been able to provide welfare to the state. Based on survey results, around 98% of Indonesia's population gives their wealth through philanthropic mechanisms as a form of someone's generosity on the basis of their belief in religion (Delfiyando, 2019). Therefore, it is necessary to have a structured and systematic strategy so that the potential of Islamic philanthropy can be optimize. (Lestari & Alwi, 2022) stated in his research that managers must be able to empower mustahik so that they can transform into muzakki. According to (Nizar & Sukamto, 2019) after giving the program must always be accompanied so that the skills they have are better than before.

Zunalis, (2019) said that productive zakat has been able to increase the income of mustahik and turn them into muzakki. According to Anjelina, (2020) also mentioned in his research that zakat for business has been able to make a real contribution to a mustahik so that his income level is relatively more stable than before. Hiyatudin & Arif, (2021) also stated that good

management of zakat funds will provide added value to the community so that they are able to prosper economically, health, educationally and socially

Therefore, philanthropic funds can be used as an instrument for society towards prosperity. The strategy is to empower the community's economy so that it can develop and even contribute to other communities. One of the amil zakat institutions that empowers mustahik's economy is the Al Falah Social Fund Foundation Surabaya (YDSF). YDSF is an Amil Zakat Institution that has managed philanthropic funds well so that people can feel the benefits.

The program provided by YDSF has been able to have a positive impact on the community. Communities who receive YDSF assistance can increase their income because they are given funds to develop their businesses. This program is held to transform mustahik into muzakki so that the value of benefits from Islamic philanthropic funds is greater.

The purpose of this research is to see how YDSF manages philanthropic funds to be used as instruments in empowering the people's economy. The benefit of this research is that it can provide literacy to the public about the importance of paying zakat, infaq, shadaqah and waqf so that they can help the poor.

B. THEORETICAL STUDY

1. Community Economic Empowerment

Empowerment comes from the word power which means ability or strength. In general, empowerment is a process of empowering a community or group of people to act to overcome their problems, as well as to raise their standard of living and welfare (Sany, 2019). Implementation of empowerment depends on the conditions and scope because there are differences in its application. In this case empowerment is interpreted as an effort to empower mustahik so that they can turn into muzakki.

Empowerment is a tactical step to shape humans to play an active role in influencing the reality they face. Thus, skills, independence and knowledge will be formed to solve problems from various aspects (Suharto, 2005). These aspects include education, health, social, and economics that lead to prosperity. Community economic empowerment is an effort to guide and improve their hard or soft skills so that they can participate in optimizing the potential of natural resources and can increase their productivity (Kartasasmita, 1996). Therefore, it is necessary to have an empowerment system that can actually be used according to the culture and problems of the empowered object

(Hermansyah, 2009). Community economic empowerment will be able to meet people's needs and can be used to assist in accelerating national development.

Empowerment programs can focus on places that are targeted for renewal, so that later they can become a barometer of the success of the empowerment carried out. Empowerment is considered successful if it meets the following criteria (Suharto, 2005):

- a. Individual freedom in carrying out activities in public places such as markets, entertainment venues and others
- b. Individual ability to meet primary and secondary needs
- c. individual ability to provide policies within the family
- d. Freedom of thought
- e. Awareness in fulfilling the requirements of a good state
- f. Active and critical on the problems being faced by society
- g. Family welfare is achieved

This indicator also applies to the economic empowerment of the people, which in turn can provide welfare. There are three things that are sufficient for economic empowerment, namely:

- a. People have a steady income
- b. Business land is built by reading opportunities around
- c. There are changes in household life so that they can be fulfilled properly (Scheyvens, 2020).

2. Islamic Philanthropy

The origin of the word philanthropy comes from the Greek, consisting of two words, namely Philos (love) and Anthropos (man). Literally philanthropy is the conceptualization of the practice of giving, voluntary service and association to help others in need as an expression of love (Amar, 2017). However, if it is related to Islam, philanthropic practices are related to zakat, infaq, alms and endowments.

The concept of philanthropy cannot be denied has an impact on the sustainability of people's lives. The broad involvement of all community activities in various fields with full willingness, participation, material contributions is an inseparable part of the concept of philanthropy. This is inseparable from the meaning of philanthropy itself, where the term philanthropy comes from the language philanthropia or in Greek philo and anthropos which means human love.

Love for humans will give birth to a tradition of caring between humans and other humans. According to Friedman dan McGarvie (2003) in (Saripudin, 2016) said that the meaning of philanthropy above has given rise to various

definitions. Philanthropy is defined as a personal voluntary action driven by a tendency to uphold the public good. This encouragement will be a trigger for humans to be able to move together with fellow human beings in order to achieve prosperity.

This prosperity is not only obtained through a relationship with God alone, such as; the obligations of prayer, fasting and pilgrimage, but also must be accompanied by relationships that have a social dimension such as the obligation to pay zakat. Zakat includes infaq and alms which function to bridge and strengthen human relations, especially the relationship between strong and weak groups (Bremer, 2004).

The importance of equality in Islam is evident in the redistribution of resources through Islamic charitable bodies or institutions such as zakat, waqf and alms. These agencies and institutions will manage well for the benefit of mankind. In other words, the management of zakat, infaq and shadaqah will be maximized by prioritizing the principle of expediency.

3. Welfare

Welfare is a condition of fulfilling basic needs which is reflected in housing, fulfillment of daily needs, adequate education and cheap and quality health (Sukmasari, 2020). Welfare can also be interpreted as individual achievement in meeting basic physical needs. Because well-being is subjective in size which differs from one individual to another.

The freedom of society from the shackles of ignorance, fear, hunger and disease will bring it to the true level of prosperity. Freedom from these shackles is regulated by the state as stated in the 1945 Constitution Article 33 confirms that the poor and neglected children are cared for by the state, unfortunately these hopes and aspirations are still far from reality. Even though people have the right to prosper by meeting their social, material and spiritual needs.

Among the aspects that are often used as indicators of welfare are income, population, health, education, employment, consumption, housing, and socio-culture. If we use these indicators, the question will arise whether the fulfillment of these indicators guarantees someone welfare? If so, why do some people who already have luxury homes, vehicles, deposits and various other forms of property have to feel anxious, afraid, and some even end their lives by committing suicide? Based on the facts above, there seems to be something lacking in measuring people's welfare.

Therefore, it is necessary to have a system that is truly relevant to the conditions of society so as to be able to fulfill their welfare. Welfare that is able to provide happiness to the community so that they are able to live their lives

well. Islam itself has three indicators to measure welfare and happiness in Islam, namely monotheism, consumption, and the disappearance of all forms of fear and anxiety. These three indicators must be fulfilled by the state to provide welfare to the community.

C. METHOD

Qualitative research is part of a research approach known as a procedure for conducting research in order to produce descriptive data, either in the form of words written in documents or spoken words by someone and behavior that can be observed by other people (Moleong, 2009). By using an explanative approach. Where, researchers try to explain whether philanthropy is able to empower the people's economy. This study uses primary data taken from the observation and interview process and secondary data taken from documentation.

This study uses data collection with observation techniques, interviews and documentation. According tot (Moleong, 2009) Observation is a technique for observing the object of research about the real situation so that it can provide information. Interview is a technique of obtaining data to be used as research material by asking questions to informants (Sugiono, 2010). Documentation is part of data collection techniques obtained from notes, transcripts, books, etc. for research purposes (Basrowi & Suwardi, 2008).

Data analysis techniques in this study using interactive data analysis. Data obtained from the field is reduced, displayed, and verified. Data reduction is data reduction defined as a selection process, focusing attention on simplifying, abstracting, and transforming raw data that emerges from written records in the field. Data display is the presentation of data in this qualitative research presented in the form of a brief description or can be accompanied by a chart, then explains the relationship between categories (groups), and so on (Wijaya, 2018). Data verification is in the form of new findings that have never been discovered by others before.

D. RESULT AND DISCUSSION

1. Islamic Philanthropy Value Chain

The value chain is one way of looking at a business object with several series of activities to transform inputs into outputs that have value so as to attract consumers. This concept will provide facilities in the form of a framework with an institutional visualization method that can provide added value for entrepreneurs. The output is to provide success in the form of a more

significant advantage so that it can gain a competitive advantage and survive from time to time. In other words, activities in the value chain are able to make a real contribution to institutions or companies in obtaining maximum profits and being fully competitive.

Philanthropic institution, there are several stages, namely collection, processing and distribution. Fundraising is an activity to collect philanthropic funds from muzakki which will then be used to run programs that have been prepared previously. Fundraising at YDSF based on an interview with Widodo as the head of the collection division said that the fundraising process was carried out both online and offline. As for those who are offline, usually the part in charge goes around to donate to companies, where YDSF already has regular donors. For those who are online, you can go through the website, social media, or there are YDSF partners, then you can use the WhatsApp facility, and you can also transfer to YDSF accounts.

Meanwhile, to build YDSF's trust, it reports what programs are carried out through YDSF's social media, where all donors can automatically see YDSF's activities through this social media. To build donor trust, YDSF also pays attention to its services, which are accuracy in picking up, friendliness of the staff on duty, and finally YDSF holds recitations, reciting the Koran together with donors. Meanwhile, to increase public trust, YDSF is almost the same as donors, who often convey YDFS programs, hold activities which involve the community.

2. Philanthropy-Based Economic Empowerment

Distribution of funds is a process of managing funds collected from the public which are then distributed to those entitled to receive them. The form of distribution can take various forms of activity, one of which is da'wah, education, mosques, orphans, the important thing is that they are still in the 8 ashnas category and are also distributed in the form of productive businesses by providing venture capital.

YDSF as a National Amil Zakat institution which is professionally managed also provides a productive business program, where people who lack funds are empowered by providing business capital. This program is given to people who really have the potential to be able to develop and meet the criteria set by the institution.

Apart from that, there are other programs that are a driving force for the empowerment program, namely the obligation for members to attend regular weekly recitations held by YDSF. This study not only increases the spirituality of mustahik, but also serves as a controlling process for mustahik to make them

more trustworthy. YDSF also organizes trainings aimed at honing mustahik's soft skills so they can develop their literacy in the field of business.

With this program, mustahik will interact with each other and establish ukhuwah Islamiyah and strengthen friendship networks between mustahik so that they can provide value in the sustainability of their lives. Such conditions will be very useful in the empowerment process because the empowered object is built on the basis of a strong desire to achieve prosperity.

3. Welfare of the people based on Islamic philanthropy

Prosperity is not only obtained through vertical relationships, but can also be obtained through horizontal relationships. Vertical relations include prayer, fasting, and pilgrimage, and other religious worship. While the horizontal relationship includes the payment of zakat. Zakat includes infaq and alms and other religious services. Islamic philanthropy has two dimensions, namely vertical and horizontal, where there are spiritual and social dimensions which will later provide kindness to others.

With the existence of amil Zakat, Infaq and Sadaqah institutions such as YDSF which prioritize philanthropy or concern for others can provide solutions to the problem of poverty in Indonesia. The YDSF institution not only manages Zakat, Infaq and Shodaqoh but also assists mustahiq in managing it in order to improve the mustahiq's economy and create social welfare in the economic field.

That institutions like these that people are waiting for to improve their welfare, not only to give them their rights but also to help and are willing to guide people who are economically disadvantaged so that they are able to improve their economy. This is felt by a mustahik named Sumia, a fried food seller. Sumia said in his interview that YDSF had given him a cart to use as selling material. So that now Sumia does not only sell fried foods, but also has a variety of drinks that are used as sales products to increase consumer appeal so that they can increase their income. Sumia has also been able to give part of her fortune to orphans.

Subsequent interviews with Suharti, who received business capital assistance through the Suharti Independent Business Group (KUM) program, the capital assistance provided by YDSF was very helpful because in return there was no interest charged and no guarantees. Before receiving venture capital assistance, Suharti could only sell 3 side dishes and after obtaining venture capital from YDSF her business could sell 6-7 side dishes. In other words, Suharti's business has a very significant development. Suharti's stall

customers are also increasing, and the most important thing is, Suharti has transformed from mustahik to muzakki by becoming a donor at YDSF.

There is also Mak Yah, who received assistance from YDSF in the form of Rp. 800,000 per month to meet his living expenses. Which one, Mak Yah, is already alone. Mrs. Binti as a community in the young Gubeng area records widows, as well as the elderly who will later make a proposal and submit it to YDSF to get assistance to meet their needs. From these interviews we found that the YDSF institution has an influence in helping to improve the community's economy and also helping improve their welfare. This is proof that Islamic philanthropy is able to empower the people's economy and can improve welfare.

E. CONCLUSION

Community economic empowerment has been proven to have a positive impact on the welfare of mustahik. The Amil Zakat Al Falah Surabaya Institute (YDSF) has proven this by utilizing Islamic philanthropy for productive activities with a system of economic empowerment for the people. The empowerment program developed in the form of an Independent Business Group (KUM) has been able to develop its business better. Where, people are given the opportunity to get venture capital which is then put to good use. Apart from that, YDSF also provides regular recitation programs to increase the spirituality of mustahik and provides training which can later become a support for mustahik in running their business.

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