

The Role Of Laz As A Zakat Manager In Productive Zakat Use: Case Study Of Rumah Zakat Medan

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Info Articles	Abstract
Article History Received : 2017-07-03 Revised: 2017-07-12 Published: 2017-07-30	Productive utilization of zakat by the Zakat Collection Institution (LAZ) will bring in benefit for The establishment of Islamic principles and the enhancement of the socio-economic resources of the Muslim community in Indonesia. The productive utilization of ZIS is in line with Islamic principles that aim to achieve the welfare of the community. Moreover, this has been regulated (legislated) by the government. Rumah Zakat is one of the Zakat Collection Institutions (LAZ) that has obtained a permit and is in accordance with Article 18 of Law Number 23 of 2011 concerning Zakat Management. This institution has attempted to distribute zakat in a non-consumptive manner, namely by giving it directly to eight asnaf without being utilized so that the zakat is used up and there is nothing left. This zakat house has tried to distribute zakat in a productive way, including by providing zakat in the form of capital loans in the form of independent community businesses in the form of charity loans. The utilization of productive zakat carried out by the zakat house motivated the author to conduct more intensive research to see how the law of productive zakat, whether providing capital for independent businesses from zakat assets to mustahik is justified in sharia, whether in the utilization of productive zakat there are obstacles faced by the zakat house.
Keywords: <i>LAZ, Rumah Zakat, Utilization, Productive Zakat, Medan</i>	

I. INTRODUCTION

According to Law Number 23 of 2011 concerning zakat management in article 3, it is stated that zakat management aims to: increase the effectiveness and efficiency of services in zakat management and increase the benefits of zakat to realize community welfare and poverty alleviation. This means that the government has facilitated the creation of zakat management that can provide economic, sharia and responsible aspects for managers and zakat payers and those who receive it. In the history of zakat in Indonesia, conventional zakat management was carried out from hand to hand. This means that zakat payers or pay their zakat by giving it directly to those entitled to receive it. Thus, the handover takes place simply, quickly and directly.

Success The purpose of zakat depends heavily on its utilization and implementation. However, a closer look at the process and strategies for zakat

utilization, from the collection of zakat funds to their distribution, appears to be underperforming. This is influenced by several factors. The presence of a professionally, cleanly, and trustworthy zakat institution is a fundamental solution. Zakat will become a potential source of steady funding for the welfare of the community and the poor, as well as for the advancement of religion and its propagation (Masjufuk, 1996).

Zakat, as one of the fundamental teachings of Islam, is a teaching that truly brings blessings to all of creation (rahmatan li al-alamin). Zakat is not just a formula. Standard regulations and operational guidelines passed down through generations without any intellectual or moral value. The teachings of zakat are living principles embedded in everyday thoughts and realities, dynamically evolving throughout human life. Therefore, while adhering to the principle of al-

maslahat al-'ammah (benefit for the benefit of others), it is legitimate to reconceptualize the understanding of the concept of zakat.

The presence of Law Number 23 of 2011 concerning Zakat Management is The revision of Law Number 38 of 1999 concerning Zakat Management requires BAZ and LAZ to operate more professionally, transparently, and responsibly in ZIS management, in accordance with sharia requirements. A persistent obstacle is the often textual understanding of zakat by some scholars and the public. Some scholars disagree with the concept of zakat productivity. The reason is that zakat proceeds must be distributed to those entitled to receive it. If zakat is productive, it would seem as if zakat distribution is delayed. However, this textual understanding should be respected as a precautionary measure.

Among the evidence that states that the management of zakat is the right of the state is the hadith of Mu'adz bin Jabal when the Prophet sent him to Yemen "From Ibn Abbas, " taken from the rich among them, then returned to the poor among them." (HR Jamaah) (Ibnu Hajar, 1996).

Commenting on the hadith, Ibn Hajar al-Asqalani said that the head of state is a person who carries out the collection and utilization of zakat, either directly or through his representative. For muzakki who are rebellious, zakat can be taken by force.⁴ A similar thing was expressed by Al-Syaukani, as quoted by Sjechul Hadi Permono, that zakat must be submitted to the government through its apparatus which Allah terms as al-âmilîna alaiha (Hadi, 1992). Thus, zakat is not an obligation task that is handed over to individuals, but it is a collective task of the state through its apparatus.

In Indonesia, government attention to zakat institutions began to increase in 1997. At that time, the government was still preparing a Zakat Bill to be submitted to the House of Representatives for enactment into law. However, this effort was unsuccessful.

The Minister of Finance at that time stated that regulations regarding zakat were not necessary. This was stipulated in the form of a law, simply by a regulation from the Minister of Religious Affairs. Then, in 1968, the government issued Regulation of the Minister of Religious Affairs Number 4 of 1968 concerning the Establishment of the Zakat Collection Agency and Regulation of the Minister of Religious Affairs Number 5 of 1968 concerning the Establishment of Baitul Mal (Wealth Management Board) at the central, provincial, and district/municipal levels.

Rumah Zakat is one of the Zakat Collection Institutions (LAZ) that has obtained a permit and is in accordance with Article 18 of Law Number 23 of 2011 concerning management Zakat. This institution has tried to distribute zakat in a non-consumptive manner, namely by giving it directly to the eight asnaf without utilizing it so that the zakat is exhausted. This zakat house has tried to distribute zakat productively, including by providing zakat in the form of capital loans for independent community businesses in the form of charity loans. Furthermore, the collected zakat funds and the funds returned by the above borrowers will be distributed to other mustahik and so on until all groups of the poor are independent in managing and building their economic lives. In addition, the zakat funds produced by the zakat house are used to build a free maternity home. Any mother who cannot afford it is given the right to free maternity care.

One interesting thing about the Medan branch of the Zakat House and this is what makes it...as a zakat institution that is different from others, where the zakat house managers not only provide independent business capital to the community or free delivery costs but they are responsible for the morals of the community they help, namely by guiding the mustahik and their families to attend religious events that they hold such as religious studies and others, not only that, they even require all staff, zakat amils at the zakat house to

maintain their morals such as a ban on smoking while on duty and at the zakat house and are also required to attend these religious events.

II. RESEARCH METHODS

This study employed an empirical juridical research method with a socio-legal approach. The research examined the implementation of productive zakat management at Rumah Zakat Medan and its conformity with Islamic legal principles governing zakat distribution and utilization. Data were obtained from both primary and secondary sources. Primary data were collected through interviews with Rumah Zakat Medan management and observations of productive zakat programs, while secondary data were gathered from legislation, Islamic legal literature, scholarly journals, and institutional documents. The collected data were analyzed qualitatively to evaluate the effectiveness of productive zakat utilization, the obstacles encountered in its implementation, and the efforts undertaken to empower mustahik and improve community welfare.

III. RESULTS AND DISCUSSION

1. History of the Establishment of Rumah Zakat Medan

Rumah Zakat is different from other zakat collection institutions. With a mission to build independence and community service, Rumah Zakat is now at a higher level; namely as an international-class socio-religious organization. By instilling three new organizational values: trusted, progressive, and humanitarian, and carrying a new positioning; namely Sharing Confidence. The meaning of Rumah Zakat's Sharing Confidence brand positioning is Rumah Zakat's strong belief in sharing and creating a better global civil society, by becoming a leading organization in this region that ensures effective and sustainable programs in empowering communities to achieve a better life.

In short, Rumah Zakat believes that by sharing with each other, a community will be achieved. A better society. Along with these changes, Rumah Zakat's identity has also undergone a transformation. This identity draws inspiration from Rumah Zakat's long journey as a humanitarian organization building independence and community service.

Overall the design depicts an organization that is committed to continuing Giving and sharing with the community. The house with its doors symbolizes an open organization that provides goodness to and from the community. The house's shape, which resembles an upward-pointing arrow, symbolizes Rumah Zakat's progressive movement and its continued development of community independence. Meanwhile, the heart signifies the love that underpins Rumah Zakat's humanitarian and empowerment activities.

Judging from the history of the establishment of the Medan branch of the zakat house, it cannot be separated from history. The establishment of the central zakat house itself, as conveyed by Mr. Rusdi Shaleh Koto as the Head of the Medan zakat house branch, where from the center will be born branches of zakat houses throughout Indonesia. To more easily understand the history of the establishment of the zakat house, the author will explain that the beginning of the establishment of the Zakat House was when in 1998, Abu Syauqi, who was one of the young preachers of Bandung, together with several colleagues in the Majelis Ta'lim Ummul Quro study group agreed to form a social institution concerned with humanitarian aid. July 2, 1998, an organization called Dompot Sosial Ummul Quro (DSUQ) was formed. The secretariat is located on Jl. Turangga 33 Bandung and also serves as a place of study. The congregation of the study group is growing. The Al Manaar Mosque on Jl. Puter Bandung is used as a regular study place.

DSUQ changed its name to Rumah Zakat Indonesia DSUQ following the issuance of Decree

of the Minister of Religion of the Republic of Indonesia No. 157 on March 18, 2003, which certified this organization as a National Zakat Collection Institution.

Throughout 2011, Sharing Confidence remained the institution's positioning. This means, "With a strong belief in sharing and creating a better global family, Rumah Zakat strives to become a leading organization in the region." which ensures effective and sustainable programs in empowering communities to achieve a better life."

To strengthen this change, the Merangkai Senyum Indonesia movement was also launched, a series of activities aimed at significantly improving Indonesia's Human Development Index (HDI), particularly in the areas of education, health, and quality of life. These three initiatives are summarized through the empowerment approaches of Healthy Smile, Champion Smile, and Independent Smile.

As of December 2011, Rumah Zakat has had a network of 44 head offices and branches spread across 18 provinces and 34 cities/regencies in Java, Sumatra, Kalimantan, Sulawesi, and Papua with a strong and integrated head office-branch relationship pattern. This includes the Medan branch of Rumah Zakat which was established in 2011 and has two branch offices, the first is located at Jl. Setiabudi No. 32D Medan Sunggal – Medan and the second is at Jl. Mustafa No. 78 A Medan. In order to achieve good performance in collecting, distributing and utilizing zakat, the zakat house determines a constructive vision and mission for Muslims as follows.

To ensure the above vision, mission, and brand values are implemented effectively, Rumah Zakat Medan not only involves the amils who work at Rumah Zakat but also involves the participation of mustahik in developing the zakat program at Rumah Zakat Medan. The participation of mustahik in developing zakat, as explained by Mr. Rusdi Saleh Koto, is reflected in the active

participation of mustahik in participating in various religious events and activities held by Rumah Zakat Medan, such as holding religious studies. All mustahik zakat are required by Rumah Zakat Medan management to attend religious studies without exception (Rusdi, 2013).

2. Productive Utilization of Zakat: A Review of Islamic Law

In a wayetymology in the dictionary Oxford Advanced Learner's Dictionary of Current English productive comes from English "productive" which meanable to produce (bring forward) (Hornby, 1987) that is, being able to develop, being able to make progress or being able to produce development and progress. Generally productive (productive) means producing a lot of work or goods (Joyce, 1986). Productive also means producing a lot, giving a lot of results (Dagun, 2000). In Arabic, productive is called "al-intaj". Thus, in Arabic, productive zakat is called *al-zakah al-intaj* (Warson, 1997).

The term "productive" in this paper has more of an adjective connotation. The adjective's meaning becomes clearer when combined with the word it characterizes. In this case, the word being characterized is zakat, "productive zakat." This refers to productive zakat, zakat whose distribution is productive, as opposed to consumptive.

Judging from the terminology, according to Asrifin An Nakhrawie, productive zakat is zakat that can produce something, zakat that provides profitable results and will continue to grow (Asifin, 2011).

According to Asnaini, productive zakat is the giving of zakat that can enable the recipients to produce something continuously, with the zakat assets they have received. In other words, productive zakat is zakat where the zakat assets or funds given to the mustahik are not spent but are developed and used to help their businesses, so that with these businesses they can meet their living needs continuously (Asnaini).

Based on the definition mentioned above, the essence of productive zakat is more about how or the method of delivering zakat funds to the target in a broader sense, in accordance with the spirit and objectives of sharia. The method of distribution is appropriate, effective in its benefits with a versatile and productive system, in accordance with the message of sharia and the role and socio-economic function of zakat.

If we draw an analogy, productive zakat is the same as giving a fishing rod to the vulnerable, namely fishermen who are less fortunate. They are not given fish directly, but rather how to ensure that the collected zakat is not consumed for consumption but is first utilized productively so that the fishermen can continuously enjoy the results of the productive zakat. So by giving a fishing rod to a fisherman, he can catch fish with the hook from the productive zakat.

In practice, productive zakat can be in the form of working capital, in the form of money that can be used as capital or in other forms such as livestock that can be used as work land or other things.

The opposite of productive zakat is consumptive zakat. Consumptive zakat is zakat given to the underprivileged in the form of goods for consumption. This type of zakat is usually given in the form of food or cash for daily living needs. In productive zakat there is an effort to develop Zakat assets, but in consumptive zakat, it is stagnant and immediately depleted. Productive zakat can grow, but consumptive zakat cannot.

Furthermore, productive zakat trains a person to actively seek wealth so that he can fulfill the needs of life, while in consumptive zakat there is a kind of learning to expect gifts from others so that one is lazy to make an effort. Utilizing zakat productively so that it can truly become an effort to Helping the poor out of hardship is not a concept readily accepted among Muslims. In practice, productive zakat seems to be rarely practiced by most aghniyâ, or perhaps such

a thought has never crossed their minds. Most aghniyâ give their zakat in cash, directly in the form of money.

The productive utilization of zakat in the form of working capital is certainly related to its legal status. In other words, whether the distribution of zakat in the form of work to the poor is justified by sharia or not. This is because in the distribution of zakat, there is a requirement for the amil to immediately distribute the zakat, without withholding it, let alone utilizing it. In Islamic jurisprudence, this issue is discussed comprehensively in a special chapter entitled "Adu al-Zakat" and "Ta'khiru al-Zakat" a chapter on expediting zakat payment and the prohibition on delaying or postponing zakat payment. The majority of scholars believe that it is obligatory to expedite zakat payment. Below, the author presents the opinions of scholars who state the obligation to expedite zakat payment. First, Imam al-Ghazali "If someone stops paying zakat even though he is obliged to pay it then he has committed immorality." (Abu Hamid, 2007). Second, Abu Bakar Syata' al-Dimyati "It is mandatory to pay zakat immediately because zakat is the right of those who receive it and he is able to pay it, if someone does not pay zakat immediately then he is guilty and he is responsible for the zakat property if it is damaged." (Dimyati 2007). Third, Khatib Syarbaini "Wajib Paying zakat immediately, that is, after the assets are collected and there are groups who receive zakat, if someone stops paying zakat then he is guilty and responsible if the zakat assets are damaged." (Khatib, 2009). Fourth, Imam Nawawi "Pay the obligatory zakat immediately after the assets are collected." (Muhyiddin, 2006).

All the scholars mentioned above recommend that every Muslim immediately pay zakat without delaying it, especially after the zakat nisab has been fulfilled and there is a group of zakat recipients. In this case, a person should not delay

paying zakat, because delaying it means that he will receive sin and is an immoral act.

Textually, the previous scholars above did not mention it in detail. Whether the zakat assets obtained are distributed consumptively or productively. Only contemporary Islamic jurists today focus their discussion on the permissibility and the prohibition on producing zakat. Among contemporary fiqh scholars who are quite strict in prohibiting productive zakat are Shaykh Wahbah Zuhaili, Abdullah Ulwan, Muhammad A'ta al-Sayyid and Muhammad Taqiyyuddin Usmani (Majalah Majma).

Although previous scholars did not mention a specific discussion regarding productive zakat in their works, in the practice of zakat distribution there are indications that point to the permissibility of utilizing zakat productively, where some previous scholars permitted giving zakat to the poor in the form of work tools that are appropriate to the person's profession, which can be used as capital for their work and to pursue their business, so that the results can meet their needs in the long term, not just for a moment. Among the scholars who have this opinion are:

Imam Muyiddin Nawawi

"If a poor person's habit is to work, then he is given something to fulfill his work or to buy tools appropriate to his work. A trader, baker, builder is given zakat according to their profession, tailors, carpenters, laundresses and so on who are workers are given zakat that can be used to buy tools. Work tools that are appropriate to their work. If a poor person is unable to work, cannot carry out an action, in the form of trade or other types of work, then he is given zakat for his entire life according to the general standard. Imam Mutawalli is of the opinion that he should buy a house building that can meet his needs. Imam Baghawi, Imam Ghazali and so on from the residents of Khurasan are of the opinion that he should be given zakat for a year's living expenses (Muhyiddin, 2007).

In the current context, Imam Nawawi's opinion above states that the division Zakat is divided into two categories: productive and consumptive. However, Imam Nawawi limited the distribution of productive zakat to the poor and needy who are able to work but lack the capital to support their profession. This further underscores the urgency of productive zakat. Those who normally work but lack the capital to purchase the necessary tools can receive zakat in the form of capital to purchase their equipment.

Meanwhile, according to Imam Nawawi, consumptive zakat is given to the poor and needy who are no longer able to work due to age. If forced to work, it will have harmful effects on them, such as illness or even death. In this case, the scholars provide three options for those who are unable to work: they are given zakat for their entire life according to general standards, or they can buy a house that can meet their needs, or they can be given zakat for a year's sufficiency.

In contrast to Imam Nawawi's statement above, Imam Abu Ishaq al-Syirazi provides limitations in the productive use of zakat. This means that even though Imam Abu Ishaq allows it utilize zakat productively but there are certain conditions that must be met before the zakat is productive.

Imam Abu Ishaq al-Syirazi's statement is:

"It is not permitted for amil as well as the authorities (government) to utilize zakat which is an obligatory act before it reaches the people who are entitled to receive it, because these poor people are Ahlu Rushd (people who are clever at utilizing their zakat themselves), they are also not allowed to control the zakat, thus they are not allowed to utilize the zakat assets before obtaining permission from them."

Imam Abu Ishaq al-Syirazi's statement above is actually not much different from Imam Nawawi's. Basically, both allow the productive use of zakat, only Imam Abu Ishaq is somewhat strict in this matter, he stipulates that zakat assets must

not be used productively before obtaining permission from the mustahik zakat. Because it cannot be denied that there are those in the Muslim community who are adept at utilizing zakat assets that are their right, but perhaps they do not have the capital to meet their work needs. With the zakat assets, they can utilize them themselves. Furthermore, in the author's opinion, asking for permission to utilize zakat is a reasonable thing, considering that zakat assets are their right. Therefore, they have more rights to those zakat assets.

This is different from the case with ahlu baladah, namely people who do not have the skills to utilize the zakat assets, so that when they receive zakat, the zakat is simply used up. For this group, the amil and the government have the right to utilize their zakat productively for their survival, with the note that both the amil and the government should be transparent in utilizing the zakat productively so that ahlu baladah can have trust in the amil zakat and the government.

As for contemporary scholars who permit the productive use of zakat, namely: Sheikh Yusuf al-Qardhawi stated that the Islamic state may establish factories, companies, limited liability companies, and so on, and then turn them into the property of the poor, wholly or partially. This would allow the businesses to generate profits and finance all their needs. However, they should not be given the right to sell or transfer ownership to others, making it resemble waqf property for them (Yusuf, 1991).

Apart from Yusuf Qardhawi, there is also Sheikh Abdul Aziz al-Khiyat, former dean of the Faculty of Sharia in Jordan, who expressed his view that developing zakat assets in various forms of goodness, whether industry or trade, is important for realizing mashlahat (al-Khiyat).

In Indonesia, the majority of Islamic scholars, religious figures, Islamic scholars (kyai), and Islamic legal experts strongly advocate the productive use of zakat. Among them, KH Sahal

Mahfuzh in Pati, through the Islamic Boarding School Community Development Agency (BPPM), manages zakat funds to the poor through this basic needs approach. Because according to him (Sahal, 2003).

The basic needs approach aims to identify the basic needs of the community (the poor), as well as to understand the underlying causes of poverty. If a poor person has sewing skills, they are given a sewing machine; if they are skilled at driving a pedicab, they are given a pedicab. Therefore, motivating the poor is also fundamental, so that they are willing to work hard and not just wait for the rich to help them. And he did this in real terms, as he said: "Once I tried it with a pedicab driver in Pati Regency. I saw him diligently hanging around the market working as a pedicab driver. When it was time for zakat distribution, I gave him zakat. The results of the Shawwal zakat were in the form of zakat mal, zakat fitrah, and infaq. I collected all of it and used some to buy him a pedicab. Previously, he had only driven a pedicab owned by a non-native, but now he has two. The business has grown, and he no longer has to drive a pedicab to catch up on payments. By driving a pedicab until three in the afternoon, the income is enough to eat and maintain his health, after which he can gather together to attend religious studies. In this way, although he did not become rich, there has been a clear change."

KH Sahal also institutionalized zakat funds through cooperatives. The collected zakat funds Zakat is not given directly in cash; the recipients of zakat are given cash, but it is then withdrawn as savings for the poor to accumulate capital. According to him, this method allows the poor to create jobs with the capital collected from zakat assets (Sahal, 2003).

3. Medan Zakat House Program

In managing zakat, LAZ Rumah Zakat Medan implements programs that are sound, transparent, and beneficial for all parties, especially those who are entitled to receive it.

Rumah Zakat Medan manages zakat through a major program called Big Smile, a movement to foster national optimism through a series of empowering smiles for a happier Indonesia.

With the BIG campaign, Sharing Is Style, Rumah Zakat, as a community partner in sharing, strives to bridge every synergy in a fun way, making it a new, more meaningful lifestyle. BIG Smile Indonesia strives to contribute to the global development goals (MDGs) in Indonesia, thereby creating more smiles across the country. Rumah Zakat strives to contribute through four program areas:

Healthy Smile provides various health services for underprivileged communities who do not have access to free healthcare. The program is being rolled out in this healthy smile, among others: Free Maternity Home (RBG), Free Maternity Services (LBG), Health Alert, Toddler Nutrition Alert, Circumcision Program, Family Healthy Fleet (Amara), Grief Ease Ambulance (Arina), and Posyandu Revitalization.

Senyum Juara is an empowerment program in the field of education which includes: Champion Elementary School, Champion Middle School, Ceria Elementary-High School Scholarship, Student Scholarship, Champion Elementary-Middle School Scholarship, Champion Laboratory (Lab Juara), Champion Car, Champion Nutrition, and Champion Camp.

Smile Mandiri is a program that helps families achieve independence. Among the programs being rolled out are: Independent Small Business Groups (KUKMI), Empowering Center (EC), Independent Business Facilities, Water Well, Skills Training and Empowerment Local Potential, as well as the Gaduh Sheep and Cattle Breeding Center.

Senyum Lestari is a program that works in the field of environmental conservation. The programs implemented are: Nusantara Nutrition Alert, Disaster Alert, Sustainable Village, Water

Well. All of these programs are implemented with a holistic approach Integrated

Community Development (ICD). ICD is an integrated empowerment process in a specific area and time that includes education, health, economy and infrastructure towards individual and community independence managed by Rumah Zakat together with stakeholder partners.

4. Rumah Zakat Medan's Obstacles in Utilizing Productive Zakat

LAZ Rumah Zakat Medan makes every effort to manage zakat in utilizing productive zakat. Based on the author's interview with Mr. Rusdi Shaleh Koto, Head of the Medan Zakat House Branch, the author obtained various information about zakat management in utilizing productive zakat as well as the obstacles faced by Rumah Zakat Medan. These obstacles come from both internal and external sources. To simplify the information regarding the obstacles faced by Rumah Zakat Medan, the author will classify them based on the author's interview with Mr. Rusdi Shaleh Koto.

1) Centralization of Zakat Management Based on Law No. 23 of 2011.

The government's desire is for zakat collection to be carried out centrally, by uniting various LAZs in one institution, with a pattern of collectors and distributors zakat. Zakat collectors are institutions resulting from the merger between BAZ and LAZ, both regional and central. This means that the unification will merge between BAZ and LAZ which now exist in one institution which then functions as a zakat collector. Meanwhile, zakat distribution is carried out by one institution at the central level.

The idea of centralization is based on the empirical reality of zakat management, where up to now there are hundreds of LAZs from the national to regional levels, they operate independently and disparate. Therefore, the government has difficulty recording the amount of zakat collected by the various LAZs, even

though the management of collected zakat funds needs to be recorded to determine the true amount of zakat collected each year and what it is used for. The idea of centralizing zakat management does not mean eliminating the role of the community; rather, it should be limited to a collaborative relationship between the government and the community in zakat management.

2) Public Awareness Regarding the Utilization of Productive Zakat

According to Mr. Rusdi Shaleh Koto, discussions about productive zakat are becoming increasingly heated, both among academics and practitioners, and even among the general public. The emergence of discussions about productive zakat seems to be inseparable from public disappointment that zakat, supposedly a crucial element in alleviating poverty, has yet to yield visible results in reducing poverty rates in Indonesia. This is because the existing zakat distribution system has been used solely for consumptive purposes.

3) The aspect of zakat reform from classical fiqh to modern understanding.

The reform in the aspect of understanding is by changing the perspective of the community. Islam's view of zakat. A perspective with a stronger Islamic nuance must be supplemented with Another perspective that allows zakat to be utilized. Economic and social perspectives can be added to the zakat obligation. While most Muslims still view zakat as an act of worship unrelated to social and economic issues, zakat should now be viewed as a source of economic strength for the Muslim community that can be used to address various social problems.

4) Attitude of Lack of Public Trust in LAZ

In the New Order government which was full of corruption, collusion and nepotism, it turned out that Traumatizing the community. The trauma of the New Order era seems to still linger in our society. This is evident in the very low level of

public trust in the government. To this day, the public still believes the government is closely linked to corruption, collusion, and nepotism. Therefore, it is very difficult for the public to trust the government, let alone hand over zakat to LAZ, which in this case is an organization licensed by the government to manage zakat.

There are still concerns in the community that the zakat they have paid to LAZ will not reach those entitled to receive it. This has led people to prefer mosques in their respective neighborhoods as places to pay zakat. Besides being closer, they also know the mosque administrators well.

5) Efforts to Change the Status of Mustahik to Muzakki.

In the author's interview with Mr. Rusdi Saleh Koto, he admitted that currently Rumah Zakat Medan is not optimal and perfect in changing the status of mustahik to muzakki, this can be seen from the total number of mustahik who received assistance and benefits from Rumah Zakat for 2012 which was around 3,329,818. This number is according to him still too high in the effort to change the status of mustahik to muzakki. Rumah Zakat has an ideal to eradicate poverty and change the status of mustahik to muzakki.

6) Extension Intensity

The intensity of outreach carried out by LAZ Rumah Zakat Medan has not been carried out systematically. Sustainable; This outreach aspect serves as the key to success in terms of acceptance and needs to be handled full-time. LAZ has conducted outreach using various available mass media, but the intensity of outreach has not been implemented properly on a continuous basis. This could be a weakness of LAZ Rumah Zakat Medan.

7) Human Resources Recruitment

Human Resource Recruitment Does Not Match BAZ Management Needs BAZ Management is not limited to the thought/understanding of zakat sharia; solely because it also involves social and economic aspects. As with the demands of society that require transparency, ease of service

and responsiveness to the socio-economic development of the community, especially when faced with a prolonged crisis. Human resource needs should be adjusted to the needs to overcome this, so that human resource recruitment must meet the criteria and needs such as Religious Law Experts, Management Experts, Accounting, Marketing/Publication, which currently cannot be met. This is a weakness in LAZ Rumah Zakat Medan.

8) There are no strict sanctions for people who are reluctant to pay zakat

It cannot be denied that people are more inclined to pay taxes because there are sanctions administration for tax delayers while there are no sanctions for zakat. The sanctions regulated in the Zakat Management Law are only sanctions for zakat managers. In the occurrence of violations committed by zakat managers who do not distribute to mustahik according to Islamic law. This is contained in Article 39 of Law No. 23 of 2011, Article 39, namely: Any person who intentionally violates the law by not distributing zakat in accordance with the provisions of Article 25 shall be punished with imprisonment of up to 5 (five) years and / or a maximum fine of Rp. 500,000,000 (five hundred million rupiah). The laws and regulations in force in Indonesia have not yet included and provided sanctions for wealthy people who are reluctant or delay paying zakat. With the absence of sanctions for Muslims or bodies owned by Muslims, the Zakat Management Law is less strong, because according to Islamic religious provisions, the government actually has the power to force its citizens to pay zakat.

5. Solutions to the Obstacles Faced by Rumah Zakat Medan

To bring these important missions to life, the Zakat House makes efforts...efforts to overcome the obstacles faced by LAZ Rumah Zakat Medan, these efforts include:

1) Socialization of Zakat Law No. 23 of 2011

In Law No. 23 of 2011 concerning Zakat Management, the role and duties of LAZ must be under the coordination of BAZNAS. Even to establish an LAZ currently requires permission from BAZNAS. This is not intended to dwarf or diminish LAZ itself, but rather to unify zakat management within a single body, BAZ. Therefore, LAZ currently stands under the coordination of BAZNAS. All forms of LAZ duties, from collection, distribution, and utilization, must be reported to BAZNAS.

To this end, the government, specifically the Ministry of Religious Affairs, has conducted outreach on the Zakat Management Law at both the regency and city levels. In Medan, through the Rumah Zakat Medan (Zakat House) LAZ, outreach is conducted through seminars. In addition, outreach can be conducted through religious activities, such as religious study groups, Friday sermons, lectures on holidays, local and national seminars, and many others.

2) Community Outreach

Apart from holding outreach to community leaders, outreach was also held. To encourage the general public to pay zakat through BAZ (Islamic Zakat Institution) or LAZ (Islamic Zakat Institution) located near their homes, such as Rumah Zakat Medan. This outreach comes not only from the Ministry of Religious Affairs but also from Islamic scholars and organizations in Medan. In addition to aiming to increase public understanding of zakat, particularly zakat mal, this outreach is also the responsibility of the community. Islamic scholars and organizations in Medan City. This outreach can be conducted through community study groups, mass media, Friday sermons, and lectures on Islamic holidays.

The main purpose of this zakat outreach program, besides encouraging wealthy individuals to pay zakat through official institutions, is also to provide a modern understanding, namely a renewal of zakat understanding from the classical to the modern,

without abandoning the classical understanding entirely. This renewal of understanding involves providing the public with an understanding of the urgency of productive zakat management that can alleviate poverty and, at the very least, minimize poverty rates in Indonesia, particularly in Medan.

Management Productive zakat has a large role in overcoming poverty because zakat is generally a legalized path by religion in the formation of capital that is not solely from the utilization and development of natural resources alone, but also comes from obligatory donations from wealthy people who set aside a small portion of their wealth. The wealth originating from these wealthy people is not directly given to the mustahik zakat but is first managed productively, the results obtained from the productive use of zakat will be continuously distributed to the mustahik zakat until finally the mustahik can turn into muzakki.

The final goal of the outreach carried out by Rumah Zakat Medan will be changing the status of zakat payers to muzakki. Rumah Zakat Medan hopes that mustahik will not remain mustahik forever, but rather that they must make an effort to change their status to muzakki. If there is no change from year to year in the status of mustahik who never change, Rumah Zakat Medan will continue to conduct evaluations to discuss the obstacles faced by mustahik who cannot become muzakki.

3) Coordination with Mosque Administrators

It is undeniable that mosques in Medan, in particular, play a significant role in the distribution of zakat. Even today, many people are unaware of the existence of official zakat management institutions. Due to their ignorance, the community has resorted to paying zakat through nearby mosques. The author himself was once an administrator at a mosque in Medan, where when paying zakat fitrah, the community also paid zakat on their own wealth. This proves that many people are still unaware of the

existence of official zakat management institutions such as the Medan Zakat House.

To avoid all of that, the Medan Zakat House management continuously makes efforts to the community, so that the public is aware of the existence of the Medan Zakat House LAZ. Alhamdulillah, these efforts are not in vain, until now the Medan Zakat House has donors both individuals and government and private institutions. However, this raises a new problem, namely the mosques through their administrators who have long been collecting zakat feel sidelined, so that it can cause polemics for each party.

To avoid any feeling of being sidelined in mosques that have beenAs a zakat administrator, Rumah Zakat Medan (LAZ Rumah Zakat Medan) coordinates with mosques in Medan City. These mosques remain zakat collectors, but distribute the funds in collaboration with LAZ Medan City. This effort not only ensures that mosques do not feel neglected, but also ensures that the distribution of zakat, infaq, and shadaqah is more equitable and does not concentrate in one area.

4) Implementing an Open Reporting System

In response to the public's lack of trust in Zakat Management Organizations, Rumah Zakat Medan, as the Zakat Management Organization, has implemented an Open Reporting System, meaning that reports can be published. For example, Rumah Zakat Medan provides written reports to each muzakki (payer of zakat) and UPZ (Zumah Zakat Management Organization) in each institution. With this Open Reporting System, it is hoped that public suspicion of fraud by Zakat Management Organization administrators will be reduced. Publication is essential for OPZs, as well as an effort to socialize the implementation of the Zakat Management Law to the general public. This publication can be done through various mass media such as television, newspapers, bulletins, radio, and others.

By taking steps to overcome the obstacles faced Rumah Zakat Medan, a non-profit

organization, will make Rumah Zakat Medan an even better organization by providing services to the community without regard for status. Most importantly, Rumah Zakat Medan's service to the community will ultimately build public trust in Rumah Zakat Medan's zakat management.

The success of LAZ in establishing zakat as a foundation for the community's economic strength depends heavily on its ability to change public perceptions about zakat and its management system. Zakat is the third pillar of Islam, a religious practice designed to foster individual piety. As a religious ritual, zakat payment is still viewed by some as merely an act of worship intended to accumulate rewards for good in the afterlife.

The religious nuances of zakat teachings make discussing zakat as business capital, for example, a topic that feels foreign to the culture of zakat as a religious site. Zakat is more oriented as compassionate assistance to the poor, an opportunity for the rich to seek rewards for the afterlife. This nuance of reward is very evident in the giving of *sadakah*, which is voluntary, ritualistic, zakat, which emphasizes rigid procedures that are considered requirements for the validity of zakat. Sometimes the emphasis on these procedures is more than the essence of giving zakat itself.

IV. CONCLUSION AND SUGGESTIONS

A. Conclusion

Zakat is a teaching that provides a foundation for the growth and development of the socio-economic life of Muslims. This teaching encompasses economic values in the lives of Muslims. This teaching encompasses economic, social, religious, moral, spiritual, worldly, and hereafter values. If all these dimensions can be realized, zakat can become a powerful source of economic strength for the development of the community. Based on this, religion establishes

amilin (institutions) or officials to manage zakat effectively.

From the several descriptions that the author has explained extensively, several conclusions can be drawn. First, that the task of LAZ as a manager in the utilization of productive zakat according to Law No. 23 of 2011 is to assist in the collection, distribution and utilization of zakat. LAZ based on this law assists BAZNAS in the implementation, collection, distribution and utilization of zakat. Second, the utilization of productive zakat at LAZ Rumah Zakat Medan Branch through programs that have been implemented. The program they call Big Smile. This program seeks to contribute to the global development goals (MDGs) in Indonesia. So that more smiles are created throughout the country. The Big Smile program is divided into four program areas, the first is: Healthy Smile is the provision of various health services for underprivileged communities who cannot access free health care. The programs rolled out in this healthy smile include: Free Maternity Home (RBG), Free Maternity Services (LBG), Healthy Alert, Toddler Nutrition Alert, Circumcision Program, Family Healthy Fleet (Amara), Grief Relief Ambulance (Arina), and Posyandu Revitalization. Second, Champion Smile is an empowerment program in the field of education which includes: Champion Elementary School, Champion Middle School, Ceria Scholarship for Elementary-High School, Student Scholarship, Champion Scholarship for Elementary-Middle School, Champion Laboratory (Lab Juara), Champion Car, Champion Nutrition, and Champion Camp. Third, Independent Smile is a program that leads families towards independence. The programs rolled out include: Independent Small Business Group (KUKMI), Empowering Center (EC), Independent Business Facilities, Water Well, Skill Training and Empowerment of Local Potential, as well as Gaduh Sheep and Cattle Breeding Center. Fourth, Sustainable Smile is a program that works in the

field of conservation. The programs implemented are: Nusantara Nutrition Alert, Disaster Alert, Sustainable Village, Water Well.

Third, in managing productive zakat, there are obstacles faced by LAZ Rumah Zakat Medan. These obstacles are: Centralization of Zakat Management Based on Law No. 23 of 2011, Public Awareness Regarding the Utilization of Productive Zakat, Aspects of zakat renewal from classical fiqh to modern understanding, Lack of Public Trust in LAZ, Efforts to Change the Status of Mustahik to Muzakki, Intensity of Counseling, Human Resource Recruitment, No Strict Sanctions for People Who Are Reluctant to Pay Zakat.

Fourth, in overcoming the obstacles faced by LAZ Rumah Zakat Medan, efforts were made including: Socialization of Zakat Law No. 23 of 2011, Public Education, Coordination with Mosque Administrators, Implementing an Open Reporting System.

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B. Suggestions

Rumah Zakat Medan should strengthen its productive zakat programs by enhancing community outreach, improving transparency in zakat management, and increasing public awareness regarding the socio-economic benefits of productive zakat. Greater collaboration with government institutions, mosques, and community organizations is also necessary to optimize zakat collection and distribution. Furthermore, continuous monitoring and mentoring of zakat beneficiaries should be intensified to ensure that productive zakat achieves its primary objective of transforming mustahik into economically independent individuals and, ultimately, into future muzakki. Strengthening human resource capacity and public trust in zakat institutions is equally important to improve the effectiveness and sustainability of productive zakat management.

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