

# Zakah Organization as the Fourth Sector

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## Abstract

The purpose of this study is to analyze the basic values that make up a zakat management organization. Then compare it to the basic values of other forms of organization (private sector, public sector and Non-Public Organization sector). The method used with a critical perspective approach. Through this approach, a critical analysis of the profile of the organizational entity of the current zakat managers and then each entity profile is reconstructed based on governance and organizational theories. Reconstruction stage starts by reconstructing zakat management organization as zakat management organization as business entity, organization of zakat management as public sector entity then organization of zakat management as sector of non public organization.

The result of the study shows that the basic value of zakat management organization is very different from 3 (three) other sectors. Therefore the organizational form of zakat management is not part of the three, it is the fourth sector organization, the zakat organization.

**Keywords:** management strategy, governance, zakat, sector fourth, modern

## 1. Introduction

Zakat is one of the five pillars of Islamic socio-economic (Yusuf Qardawi, 2010, p. 3). Zakat is one of the main elements of the upholding of Islamic law. Therefore the law of zakat is obligatory (fardhu) for every Muslim who has fulfilled certain conditions. Zakat is included in the category of worship (such as prayer, hajj, and fasting) which has been arranged in detail and patents based on the Qur'an and As Sunnah, as well as social and humanitarian charities that can evolve in accordance with the development of human beings.

The purpose of zakat is to improve the welfare and poverty alleviation (article 3 of Act No.23 of 2011), in the presence of zakat will uphold the poor and help him out of the hardships of life and suffering, protecting people from the danger of poverty and poverty (Ramulyo, 2000).

Zakat funds have the potential to be developed economically. In the last decade, zakat has developed rapidly when viewed from its growth. However, the growth of zakat is still very far away with the true potential of zakat. According to some studies, zakat potential in Indonesia varies between Rp 12.7 trillion and Rp 286 trillion (Outlook Zakat Indonesia, 2017). This variation is more due to different approaches in calculating the potential of zakat. This potential even reaches 16% of the state budget of the Republic of Indonesia in 2017 (amounting to Rp 1750.3 trillion).

Zakah receipts from 2002 to 2015 continue to increase. The average revenue growth reaches 39% per year. Despite the growth of zakat fund receipts, but the achievement is still far from expectations. In 2015 zakat funds collected amounting to Rp 3.7 trillion or just 1.3% of its potential of Rp 286 trillion.

Some of the reasons why zakat potential is so great are the following: 1) the low awareness of obligatory zakat (muzakki), low trust on BAZ and LAZ, and short-term, decentralized and interpersonal oriented muzakki behavior; 2) The excavated zakat bases are still concentrated in certain types of zakat, such as zakat fitrah and profession; and 3) The low incentive for zakat obligation to pay zakat, especially related to zakat as tax deduction so zakat obligation is not exposed double burden (Outlook Zakat Indonesia, 2017). According Hafidhudin in Sugiyarta Fatma Laela (2010) the gap between the potential and realization of zakat funds due to: 1) The ineffectiveness of collecting organizations of zakat; 2) high administrative fees to manage zakat; 3) Information on the importance of paying zakat that is not effective; and 4) Distrust of the muzakki (zakat payers) to the zakat management organization (OPZ). So far, Amil Zakat Human Resources who work at OPZ have inadequate competence, consequently the work program made less synergy with the needs of the ummah, the

utilization of zakat is still far from the target of poverty alleviation, low trust to OPZ. In addition, the weak coordination between OPZ (Machrus et al., 2013, p. 12).

These weaknesses are further exacerbated by the institutional selfish nature of the managers by feeling that each OPZ has the authority / authority to manage the funds of its own assembled. This resulted in neglect of coordination, neglect of cooperation, which is more fatal is important data for analysis to be less accountable. This is the weakness of zakat management. This term is known as "difficult congregation" (Sudewo, 2012). This phenomenon shows that zakat governance in Indonesia is still weak.

For this writer feel the need to do more research in order to understand the benefits of zakat especially related to governance and management strategies. Then analyzed by using a critical approach in the context of sharia economic law, how to model the empowerment of the poor through the reconstruction of zakat governance ?

## 2. Literature Review

### 2.1 Preview Research

The results of research conducted by Irfan Syauqi Beik (2009) obtained the result of the need for strong commitment and cooperation among all stakeholders of zakat both government, parliament, zakat institutions and institutions as well as society as a whole in realizing sustainable development of zakat.

Research conducted by Nana Mintarti, Andi Rohman Kurniadi, and Purwo Adi Utomo (2009) obtained the findings, among others: (1) Result of empowerment of zakat based society still felt not optimal to reach expected target; and (2) The use of performance indicator has not been done optimally by zakat practitioners.

Research conducted by Miftah (2008) obtained the conclusion of the important role of zakat can be realized if there is a paradigm change in the concept of zakat management and Change the concept of zakat management must totality and thorough.

Research conducted Faisal (2011) obtained the result that despite the zakat legislation has been made in Indonesia but the various deficiencies attached to the zakat institution so that social functions and the main target of zakat worship is not achieved optimally.

Research on the role of the State in the management of zakat, according to Susetyo (2008) obtained the result that Indonesia is not an Islamic State and does not constitute Islam despite its majority leadership of Islam, the centralization of zakat by the State can not be done automatically.

Research conducted by Al Arif (2013) obtained the conclusion of the role of zakat will be more optimal if able as a deduction of income tax and not just a deduction of taxable income.

### 2.2 The Legal Basis of Zakat

According to the language (lughat), zakat means: growing; growing; fertility or increase (HR At-Tirmidzi). or it may mean cleaning or purifying QS. At-Taubah: 103, "Take zakat from some of their property, with the zakat you purify and purify them". The meaning of zakat is to cleanse them from the gross and excessive love of wealth, and nourish good qualities such as love, caring for others and developing their property (Bakry, 1988). The other grounds of zakat are found in Surat At-Taubah verse 18 which means "Surely, the mosques of Allah are only those who believe in Allah and the Last Day, establish prayer, pay zakat and fear no one but Allah". Zakat is a certain amount of property that God requires and is handed over to eligible persons (Qardhawi, 2002). While Hafidhuddin (2002) states that Zakah is a property that has fulfilled certain conditions issued by its owner to the person entitled to receive it.

According to Islamic law (syara 'terms), zakat is the name of a specific intake of certain property, according to certain attributes and to be given to certain groups (Al Mawardi in Al Hawiy). The term zakat is also equated with shadaqah and infaq. "The alms will not diminish wealth" (HR Tirmizi), and some fiqh scholars say that sadaqah is obliged to be called zakat, while sadaqah sunnah is called infaq. Others say infaq must be called zakat, while infaq sunnah is called shadaqah. Based on the above understanding it can be concluded that zakat is a liability for a particular person on certain property, managed to be given to certain persons.

The purpose of zakat is to achieve economic justice (Zakiyuddin, 2006). Zakat is a simple transfer of the part who has the right to receive. The purpose of zakat is also to improve the welfare and poverty alleviation (article 3 of Law No.23 of 2011), with zakat raising the degree of poor people and helping them out of life's difficulties and suffering, protecting the people from the dangers of poverty and destitution (Ramulyo, 2000).

The execution of zakat management is based on the word of Allah in QS Al-Taubah verse 60 which means "Indeed the zakat is only for the poor, the poor, the amil zakat, the softened (mualaf), to free the slave of the

*slave, to free the debtor, for those who are in the way of Allah and for those who are on the journey as a duty from Allah. Allah is Knower, Wise*". Based on the verse, it is known that the management of zakat is not solely done individually, from muzakki handed directly to mustahiq, but is implemented by an institution that deals specifically with zakat, which meets certain requirements called amil zakat. Amil zakat is the duty to socialize the community, to collect, retrieve, and distribute zakat properly and correctly. Zakat management by amil zakat has several advantages, to ensure the certainty and discipline of paying zakat, maintaining the self-esteem of the zakat mustahiq when dealing directly with zakat from obligatory zakat (muzakki), achieving efficiency and effectiveness and proper targeting in the use of zakat price according to priority scale which is somewhere.

Alim (2015) organizational management of zakat has an important role in the management of zakat, receive zakat from muzaki and channel it to mustahiq. One of the great ideas of managing zakat management as stipulated in Law No. 23 of 2011 and animating the whole article is integrated management. The state in this case BAZNAS is authorized to manage zakat (Aziz, 2014). The word "integrated" becomes the principle that underlies the zakat management activities in our country, whether by the National Amil Zakat Bodies (BAZNAS) at all levels and the Amil Zakat Institution that gets legality in accordance with the provisions of the legislation. The role of zakat managers in overcoming the widening inequality, demanding to be an organization must implement a good accountability system. Thus, governance becomes an important factor in the optimization of resources owned by organizational management of zakat, so as to be able to manage zakat in accordance with Islamic Sharia (Compliance fully with islamic law and principle), assurance of comfort (Assurance), level of trust or trust (Reliability) (Tangibles), empathy (Empathy), and manager's response to service user's complaint (Responsiveness) (Abdul Qawi Othman in Aziz, 2014). Thus, to meet a good governance system, the organizers of zakat managers must meet the standard of good governance.

### 2.3 Public Sector Organizations

The public sector is often understood as anything that is related to the public interest and the provision of goods or services to the public paid through taxes or other state income regulated by law (Mohamad, 2009). According to Dewi (2014) public sector organizations related to strategies and policies taken to meet the needs of the public. Various organizations covered in the public sector are central and local governments and state-owned enterprises (BUMN and BUMD). Indra (2010) presents several types of public sector organizations in Indonesia, namely central government organizations, local government organizations, political party organizations, NGO organizations, foundation organizations, educational organizations such as schools, health organizations such as puskesmas and hospitals, mosques, churches, monasteries and temples.

Furthermore, Indra (2010) disclose the characteristics of public sector organizations as follows:

Table 1. Characteristics of public sector organizations

Aim	For gradual welfare, both in basic needs, and other needs both physical and spiritual
Activity	Public services such as in the areas of education, health, security, law enforcement, public transportation and the provision of food
Sources of financing	Derived from public funds in the form of taxes and user charges, profits of state enterprises, government loans, and other legitimate income and not contrary to prevailing laws
Pattern of Accountability	Responsible for the community through community representation bodies, such as in governmental organizations covering the House of Representatives (DPR), the Regional Representative Council (DPD), and the Regional House of Representatives (DPRDs) as well as in foundations and NGOs such as board members
Organizational Culture	Bureaucratic, formal and tiered
Budget Arrangement	Conducted with the community in program planning. Decrease in public program budget is published for public scrutiny and discussion. And finally endorsed by community representatives in the DPR, DPD, DPRD, party syuro party, NGO board, or board of foundations
Stakeholders	Can be specified as Indonesian, employees of organizations, creditors, investors, international institutions such as the World Bank, the International Monetary Fund (IMF), United Nations Development Program (UNDP), USAID, and foreign governments.

Source : Bastian (2010).

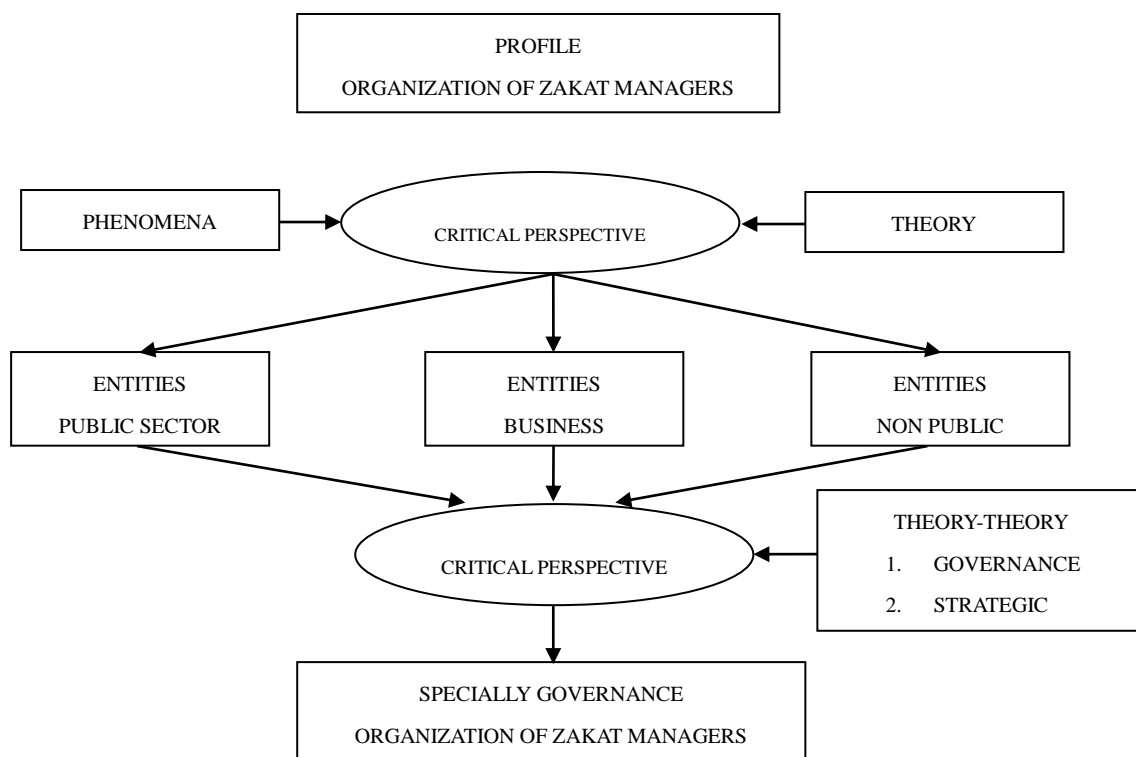
According to Mohamad (2009) based on the characteristics of public organizations can be divided into two, namely pure nonprofit organizations and quasi nonprofit organizations. Mohamad (2009) explains that pure

nonprofit organizations are public organizations that provide or sell goods and / or services with a view to serving and improving the welfare of the community, while quasi nonprofit organizations are public organizations providing or selling goods and / or services with a view to serving community and profit (surplus). Dewi (2014) public sector organization which is pure nonprofit organizations like NGO, hospital, health center, school, political party and house of worship. Government agencies and state / regional enterprises are examples of quasi nonprofit organizations.

Public sector organizations as an activity that provides good services in the form of products or services to the public (community) has a different purpose with the organization of the private sector (business). The activities of public sector organizations are engaged in public services such as education, health, security, and transportation. Indra (2010) states that public sector organizations aim to meet the welfare of society, while the goal of private sector organizations is to seek profit. Furthermore, Indra said that because ownership and profit motives are different, culture or culture in public sector organizations is different from the culture of business organizations (private). In public organizations, management and members of the organization work to achieve a goal of fulfilling public services. In a private organization (business), all of its activities and human resources focus on the advantages of competition between organizations and the resulting product.

Public sector organizations have a wide range of working areas, from big cities to the smallest corners of the village. The extent of coverage proves the magnitude of the role and influence of public sector organizations in society. A well-performing public sector organization can improve people's lives. Therefore, there needs to be more attention to the improvement of the performance of public sector organizations.

2.4 Conceptual Framework



3. Research Methods

The philosophy view in this research is konstruktivism or also called as interpretivism which is a perspective, and is an approach for qualitative research. The purpose of qualitative approach is an assessment that starts on the process and meaning that is not studied closely. This view has the assumption that individuals seek an understanding of the world in which they live and work..

4. Result of Research and Discussion

Each organization has characteristics and characters that vary according to their respective objectives. Companies as profit organizations, often known as the first sector aims to get the maximum profit. Government as a non-profit organization, often known as the second sector, aims to prosper the community (not benefit).

While the third organization (often referred to as the third sector) is Non Government Organization (NGO) aims not to earn profit (not for profit).

#### *4.1 Non Government Organization (NGO)*

The characteristics and character of non-governmental organizations (NGOs) are:

First, the NGO is a non-governmental organization, which clearly distinguishes it from the bureaucracy. NGOs established legally have no connection with state or government organizations.

Second, NGOs are established and run on the basis of voluntary principles. NGOs are established with elements of volunteerism. For example there are a number of people (whether it is a large group or a small group of people) who set up an NGO by voluntarily providing (unpaid) time for the benefit of the organization. However, NGOs may have employees (executives, program staff, support staff, etc.) paid on salary/benefits/other compensation for their duties. But there are still a number of people who are the founders or board of directors who do not receive a salary, but just a reimbursement for the expenses they make in the execution of their duties.

Third, NGOs operate their activities not for the purpose of sharing profits (non-profit), which distinguishes them from business entities. NGOs are not established to seek profit distributed to founders or their administrators.

Fourthly, NGOs are intended as institutions serving the general public, not members or their own activists, as do by cooperatives or professional associations. NGOs are established to serve the interests of the people, the poor, the dhuafa, the displaced, the violated the rights of citizens who are unable to develop their own potential or achieve their full rights through direct or indirect actions. NGOs also voiced their concern for various government policies and actions that harm the community as a whole.

#### *4.2 Organization of Zakat Management (OPZ)*

The Zakat Management Organization (OPZ) is an organization that manages zakat funds that are devoted and aims to raise the dignity of mustahik and muzaki. Zakat funds collected, earmarked for particular (asnaf) (QS At Taubah: 60). Zakat management has special characteristics that are not the same as the characteristics of the management of investment funds (business) or social funds (government and NGO). Characteristics of zakat management are inherent, among others, on the basic value and management of zakat funds itself.

##### *4.2.1 Core Value*

The basic value of zakat management at least includes the enforcement of the pillars of Islam, the implementation of worship, the existence of state roles, and the muzaki and mustahiq intermediaries. The management of zakat should be based on the enforcement of the pillars of Islam. Zakah is not because an aghniya has a social life or concern for others. Zakat issuance means to uphold the pillars of Islam which means to uphold the Islamic Dienul and not to do it means to remove one of the pillars of Islam which means destroying DienulIslam. Therefore every true Muslim aqidahnya agree with the policy of Khalifah Abu Bakar Ashiddiq r.a. who fight against people who do not want to pay zakat. As for that the zakat pennaianship can cultivate the social soul and caring is between the wisdom of obligatory zakat.

Zakah management should be based on the value of worship. Implementation of worship will be valid if it meets its requirements and harmony. Similarly in managing zakat. Among the conditions that one can manage zakat is when there is a delegation from the state. The Unitary State of the Republic of Indonesia is not an Islamic state. However, through the Law on Zakah Management has set how to manage zakat in our beloved Country.

Zakah management should be based on the value of the state's existence of state roles. When the state is feasible and capable, zakat management should always be done by the state. The journey of zakat management since the time of the Prophet Muhammad (peace and blessings be upon him) until now illustrates so brightly about the role of this country. Alhamdulillah that Law No. 23 Year 20011 on Zakat Management states that zakat management is implemented by BAZNAS with the role of the community still accommodated through LAZ in order to help BAZNAS.

The management of zakat should be based on the value that amil is a muzaki intermediate with mustahik. The main focus of the managers of zakat is how to make its aggregates who pay more zakat and who perform through the higher amil and mustahik get his rights with honor and gain benefits to live better than his right. Although amil is one mustahiq, but not elegant and to be wrong if the focus of managers of zakat is to comfort themselves and institutions.

##### *4.2.2 Fund Management*

Characteristics of zakat management are also attached to the zakat fund itself, either from the source side, how

to obtain it, its designation, or its presentation. It is commonly understood that the assets and the results of the business obliged to pay zakat must meet certain conditions. Among these terms are halal, full-owned, developing (namaa), to nishab, debt free, and haul. This complete requirement does not apply to any property invested, donated, caring donations, or humanitarian donations.

In addition to the terms of the source, zakat funds are also different from other funds in how to obtain it. Zakat should be taken (forced) not collected on a voluntary basis from the giver and upon receipt of amil is obliged to pray muzaki. This is the understanding that zakat managers have in reciting verse 103 of the Al-Quran Surah Attaubah. This suggests that for zakat the role of the state should not be denied because only the state has the right to force.

Characteristics of zakat management are inherent in the provision of zakat funds. The Qur'anic verse of the provision of zakat (QS Attaubah: 60) is longer than the Qur'anic verses on the taking of zakat (QS Attaubah: 103). The recipient of zakat (*mustahiq*) has been established directly by Allah swt, the poor, poor, amil, muallaf, riqob, ghorimin, fi sabilillah, and ibn sabil. No zakat can be given to people or parties outside the eight groups. This does not apply to non-zakat funds.

Characteristics of the management of zakat also closely related to the transfer of zakat funds. The disposal of zakat funds to mustahiq must be accompanied by transfer of ownership status. Any mustahiq who receives zakat funds should not be burdened as a debtor over the zakat funds it receives. In the practice of zakat management, often this provision is difficult to implement if synchronized with the mission of zakat aimed at empowering mustahiq or known as productive zakat. However, this does not mean that these characteristics should be forgotten, let alone eliminated. Here is an interesting challenge for the managers of zakat to prove that they deserve the title of amil as enshrined in the Qur'an.

## 5. Conclusion and Suggestions

### 5.1 Conclusion

Each form of organization has a basic value. This basic value becomes the basic form of organization to achieve organizational goals. Organizational management of zakat is an organization built on the basis of Islamic values oriented not only the world but also the hereafter. Source of funds comes from something kosher and in accordance with syar'i (zakat, infak, alms), and intended on something certain (8 groups). It is this characteristic difference that makes the modeling of zakat managing organization not on the first, second and third sector of the organization group, but the fourth sector. Understanding the form of organization of the fourth sector of zakah organization, the basis for determining the strategic management in the context of successful management of zakat in the empowerment of the poor.

### 5.2 Suggestions

The development of zakat organizational management concept as the fourth sector (zakah organization) is merely a concept in characteristic and characteristic based on the basic values of the organization. The future needs to be studied on a wider scope, covering aspects of relationships with government, companies, communities and other stakeholders.

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