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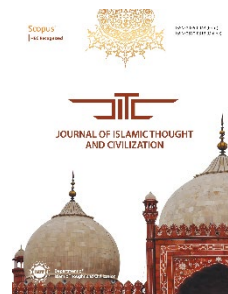
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Enhancing Sustainability through Agricultural *Zakāt*-Based Philanthropy Movement: A Comprehensive Study on Social Welfare Capital

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Abstract

Zakāt on Agriculture, as one aspect of Islamic finance and philanthropy, is crucial in supporting community welfare and promoting sustainable agricultural practices. This research examines the philanthropy movement driven by agricultural *zakāt* at Desa Mangga in the Langkat Regency, Indonesia. It adopts a qualitative approach, employing a phenomenological study through in-depth interviews. This research involved three key groups as research subjects: 10 amil *zakāt* (who are responsible for *zakāt* administration), 15 *zakāt* payers, and 35 *zakāt* recipients. The research findings reveal that philanthropic activities involving agricultural *zakāt* at Desa Mangga can be categorized into consumption-oriented and production-oriented activities. In contrast to the traditional approach of distributing *zakāt* mainly to relieve financial burdens, Desa Mangga has adopted a more proactive strategy in managing agricultural *zakāt* funds. The funds are directed towards productive businesses such as palm sugar production, stalls, and farmland management. As achieving complete economic independence continues, the effective allocation of agricultural *zakāt* funds at Desa Mangga progressively empower recipients to become more economically self-reliant. Nevertheless, it is crucial to highlight that, in practice, the concept of empowerment within *zakāt* philanthropy at Desa Mangga has yet to reach its full potential. Charitable activities still dominate the distribution of *zakāt* funds, inadvertently fostering dependency among *zakāt* recipients.

Keywords: agricultural *zakāt*, empowerment, philanthropy, sustainable social capital, *zakāt* funds

Introduction

Zakāt based philanthropy plays a fundamental and prominent role in the Islamic tradition, emphasising its significance as a powerful mechanism to address social welfare issues.¹ The term *zakāt* is originally derived from the Arab word 'zakāh,' which means 'purification' and 'growth'. It is one of the Five Pillars of Islam and a primary obligation for Muslims.² This act of charity, which is firmly rooted in the teachings of the Qur'ān and the sayings of the Prophet Muhammad, embodies the principles of social responsibility and compassion embedded in Islamic ethics.³ Within Islamic teachings, *zakāt* is manifested in two main forms: *zakāt fitrah*, which involves the donation of staple

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¹Jejen Hendar, "Philanthropy of Islam in Indonesia as Poverty Reduction Effort," *Unishams-International Conference/ e-Proceeding*, (2019).

²Dayana Parvanova, "Book Review: Fauzia, A, "Faith and the State: A History of Islamic Philanthropy in Indonesia," *ASEAS - Austrian Journal of South-East Asian Studies* 6, no.2 (2013): 398-401.

³Muslikhah, Isnani Umi, and M. Falikul Isbah, "The Potential and Limits of Fandom-Based Charitable Activism in Indonesia," *SOSHUM Journal of Social Sciences and Humanities* 12, no.3 (2022): 216-27.

foods or the equivalent value of staple foods to people in need, usually during the holy month of Ramadan,⁴ and *zakāt mal*, which entails donating a portion of one's wealth, following established guidelines, not necessarily tied to *Ramadan*.⁵

The concept of *zakāt* in Islamic teachings extends to include agricultural products as the basic category of wealth included in this charitable obligation.⁶ This is mainly because agriculture is the basis of wealth production. The practice of giving *zakāt* on agricultural products, including rice crops, serves a crucial dual purpose in the Islamic tradition. Firstly, it ensures satiety by providing for the basic needs of those less fortunate. Secondly, it accommodates practicality by allowing for the storage of surplus produce and offers a quantifiable measure for *zakāt* calculation. The determination of the *niṣab*, the minimum threshold requiring the payment of *zakāt*, specifically in the context of rice farming, remains a subject of scholarly debate. Some scholars assert that the *niṣab* for *zakāt* on rice equates to 1,306 kilograms of grain or 653 kilograms of rice, while others contend it to be 1,410 kilograms of grain, equivalent to 815 kilograms of rice.⁷

In Indonesia, rice farming is a dominant activity, given its pivotal role as a staple food for the Indonesian population. This has led to the widespread cultivation of rice in many agricultural areas. One of the agricultural areas in Indonesia is Desa Mangga in Langkat Regency, North Sumatera. Desa Mangga, with a population of 2,941, is mostly populated by farmers who own rice farms. This village has the potential for three crops of rice annually, making it possible to collect agricultural *zakāt* funds on three occasions each year. At Desa Mangga, one operational social capital model is the utilization of *zakāt*, specifically involving agricultural products. This approach proves notably practical and efficient when compared to other forms of *zakāt*, given that it circumvents the need for a one-year waiting period (*ḥawl*) for wealth assessment, and it boasts a lower minimum wealth threshold (*niṣāb*) requirement, even though the mandated contribution amount may be comparatively higher.⁸

Nonetheless, these farmers struggle with income instability due to various factors, including limited access to education, scarcity of critical information on aspects such as prices, markets, technology, and climatic conditions, as well as constraints on agricultural investments. In addition, the inadequate financial resources and sometimes insufficient harvests pose challenges in meeting basic needs, forcing them to rely on loans from cooperatives, communities, or social assistance

⁴Anwar, "The Law of Productive Zakat in Islam and Its Impact towards Economy," *International Journal of Engineering Technologies and Management Research* 4, no.2 (2017): 10–21. <https://doi.org/10.5281/zenodo.293800>.

⁵Raja Adzrin Raja Ahmad, Ahmad Marzuki Amiruddin Othman, and Muhammad Sufiyudin Salleh, "Assessing the Satisfaction Level of Zakat Recipients Towards Zakat Management," *Procedia Economics and Finance* 31, (2015): 140–51. [https://doi.org/10.1016/s2212-5671\(15\)01141-7](https://doi.org/10.1016/s2212-5671(15)01141-7).

⁶Abdul Khaliq, Mukhtar Lutfi, Rahmawati Muin, and Asri Jaya, "Use of Zakat Funds for Productive Purposes in Indonesia," *Jurnal Ekonomi Islam* 6 no.1 (2023), <https://journal.unismuh.ac.id/index.php/ar-ribh>.

⁷Imam Gracia Marshall and Sri Herianingrum, "Zakat Management: Update-To-Down Zakat Governance in The Amil Zakat Agencies in Indonesia, Malaysia and Brunei Darussalam," *AFEBI Islamic Finance and Economic Review (AIFER)* 6, no.1 (2021), <https://www.bps.go.id/pressrelease/2019/07/15/1630/gini-ratio-maret-2019->.

⁸Ainiah Abdullah, "Model Perhitungan Zakat Pertanian (Studi Di Kecamatan Kuta Makmur Aceh Utara [Model of Agricultural Zakat Calculation (Study in Kuta Makmur District, North Aceh)]," *At-Tawassuth* 2, no.1 (2017): 69-93.

programs.⁹ In order to address this issue, there is a need to promote the use of social capital as an alternative solution. The precise percentage of *zakāt*'s impact on poverty alleviation remains uncertain due to several influencing factors, including the amount collected, the effectiveness of management, target recipients, and the socio-economic context of beneficiaries. While the exact percentage eludes measurement, some studies indicate a positive influence of *zakāt* on reducing poverty. For instance, the research conducted by Suryani¹⁰ highlights *zakāt*'s substantial role in poverty reduction, where collected funds are used for financial assistance and business development programs for the poor.

The management of agricultural *zakāt* funds at Desa Mangga is an interesting topic for in-depth research, offering the opportunity to gain a comprehensive understanding of the underlying phenomenon. Therefore, this research aims to investigate the role of agricultural *zakāt* -based philanthropy in addressing socio-economic challenges among local rice farmers at Desa Mangga, Langkat Regency, Indonesia. The research explores how *zakāt*, which is based on Islamic principles, serves not only as humanitarian aid but also as an effective tool for wealth redistribution and community empowerment. The research examines the effect of *zakāt* management on farmers' welfare and economic independence, while contributing to a broader understanding of philanthropy as a form of social capital, encouraging community engagement, building trust, and sustainable empowerment.

1.1. Global Impact of Zakāt : Enhancing Social Welfare and Sustainability

Numerous studies emphasize the significant improvement in the welfare of *zakāt* recipients (*mustahik*) and their contribution to government anti-poverty initiatives.¹¹ While the exact percentage remains elusive, these findings underscore *zakāt*'s positive impact on poverty alleviation efforts. Several international *zakāt* institutions, including Islamic Relief Worldwide, Muslim Aid, and Human Appeal, operate on a global scale to utilize *zakāt* funds for poverty alleviation and community empowerment. Islamic Relief Worldwide conducts *zakāt* programs in countries such as Somalia, Syria, and Yemen, with a focus on humanitarian aid, economic recovery, and women and children's empowerment. Similarly, Muslim Aid extends its *zakāt* initiatives to nations like Bangladesh, Gaza, and Sudan, concentrating on education, healthcare, and economic empowerment for the disadvantaged. Human Appeal implements *zakāt* programs in countries like Afghanistan, the Philippines, and Palestine, with a primary aim of poverty reduction and support for vulnerable populations across various sectors, collectively contributing to global efforts in enhancing social welfare and sustainability.

1.2. Sustainability

In the realm of social movements, this type of generosity, often referred to as philanthropy, encompasses acts of giving, providing services, and forming voluntary relationships to support those

⁹Satriawan, Bondan, and Henny Oktavianti, "Upaya Pengentasan Kemiskinan Pada Petani Menggunakan Model Tindakan Kolektif Kelembagaan Pertanian (Efforts to Alleviate Poverty in Farmers Using the Agricultural Institutional Collective Action Model)," *Jurnal Ekonomi Pembangunan* 13, no.1 (2012.): 96-112.

¹⁰Diyah Suryani, and Lailatul Fitriani, "Peran Zakat Dalam Menanggulangi Kemiskinan (The Role of Zakat in Tackling Poverty)," *Al-Iqtishod: Jurnal Pemikiran Dan Penelitian Ekonomi Islam* 10, no.1 (2022): 42-63.

¹¹Aam Slamet Rusydiana, and Salman Al Farisi, "The Efficiency of Zakah Institutions Using Data Envelopment Analysis," *Al-Iqtishad: Journal of Islamic Economics* 8, no. 2 (2016), <https://doi.org/10.15408/aiq.v8i2.2876>.

in need.¹² This generosity represents expressions of altruism, love, care, and compassion.¹³ In the last five years, charitable activities in Indonesian society have experienced rapid growth.¹⁴ particularly when the country faces economic crisis, natural disasters, and the ongoing Covid-19 pandemic.¹⁵ Even in crisis situations, people continue to show charity and empathy towards the suffering of others. Instead, these condition has strengthened people's awareness and concern for others.¹⁶ However, the traditional charitable approach employed by Amil *Zakāt* often falls short of embracing the essence of empowerment, which is at the core of true philanthropy.¹⁷

Philanthropy plays a vital role in strengthening the capacity of social organizations to execute community-focused initiatives.¹⁸ Contributions from philanthropic sources provide crucial resources for enhancing infrastructure, acquiring equipment, and investing in human capital, all of which contribute to improving service quality and delivery within communities.¹⁹ Moreover, philanthropy can nurture stronger connections between social organizations and the communities they serve, fostering a sense of value and engagement among community members in social activities. Over time, this engagement can lead to increased community participation in such endeavors and bolster trust in the organizations involved. In this context, philanthropy serves as a valuable form of social capital, reinforcing the interconnectedness among individuals, organizations, and society at large.²⁰ Consequently, philanthropy is evolving beyond traditional charitable acts and direct aid distribution, shifting toward structured and sustainable empowerment initiatives aimed at fostering the long-term independence of beneficiaries.

¹²Leszek Aftyka, "Philanthropy in Ancient Times: Social and Educational Aspects." *Journal of Vasyl Stefanyk Precarpathian National University* 6, no.1 (2019): 149-54, <https://doi.org/10.15330/jpnu.6.1.149-154>.

¹³Prokopis A. Christou, Elias Hadjielias, and Anna Farmaki, "Reconnaissance of Philanthropy," *Annals of Tourism Research* 78 (September), (2019), <https://doi.org/10.1016/j.annals.2019.102749>.

¹⁴Zainal Abidin, and Ani Cahyadi, "Commentary on Indonesia Philanthropy Rank," *SERAMBI: Jurnal Ekonomi Manajemen Dan Bisnis Islam* 5, no. 2 (2023): 111-18. <https://doi.org/10.36407/serambi.v5i2.962>.

¹⁵Laily Dwi Arsyianti, and Salina Kassim, "Charity Behavior During COVID-19 Pandemic: Explaining the Peculiarity," *Turkish Journal of Islamic Economics* 8, (Special Issue), (2021): 321-38, <https://doi.org/10.26414/a2367>.

¹⁶Sulaeman, "A Conceptual and Empirical Study on the Development of the Islamic Donation-Based Crowdfunding Platform Model for Micro Small and Medium-Sized Enterprises (MSMEs) in Times of Covid-19 Pandemic in Indonesia," *Asian Journal of Islamic Management (AJIM)* 2, no.2 (2020): 107-22, <https://doi.org/10.1108/AJIM.vol2.iss2.art4>.

¹⁷Ahmad Atabik, "Peranan Zakat Dalam Pengentasan Kemiskinan (The Role of Zakat in Poverty Alleviation)," *Jurnal Zakat Dan Wakaf* 2, no.2: (2015):339-61.

¹⁸Julie Cencula Olberding, and Suk-hee Kim, "Experiential Philanthropy in Social Work Education: Assessing Outcomes for Students as Active Learners, Community Members, and Social Activists," *Journal of Social Work Education* 5, no.3 (2023): 865-81, <https://doi.org/10.1080/10437797.2021.1997681>.

¹⁹Baiq Radikawati, Syaiful Anam, and Y. A. Wahyuddin, "Peran Organisasi Filantropi Internasional Dalam Mendukung Pembangunan Daerah Lombok-Nusa Tenggara Barat (Studi Kasus: Yayasan Lombok Care) (The Role of International Philanthropic Organizations in Supporting the Regional Development of Lombok-West Nusa Tenggara (Case Study: Lombok Care Foundation)," *IJGD: Indonesian Journal of Global Discourse* 2, (2020): 45-66.

²⁰Imron Hadi Tamim, "Filantropi dan Pembangunan (Philanthropy and Development)," *Community Development* 1 no.1 (2016): 121-36.

The philanthropic movement, regarded as a form of social capital, plays a crucial role in addressing key Sustainable Development Goals (SDGs), particularly those focused on poverty alleviation, hunger eradication, healthcare access, economic growth, and reducing inequality.²¹ Sustainable social welfare, a central aspect of the SDGs, hinges on consistent funding to meet ongoing needs and foster community independence, reducing reliance on aid. Encouraging productive engagement within communities is pivotal, as increased productivity amplifies the impact of social welfare activities. Productivity enhancement involves effective management, meticulous planning, resource optimization, and regular activity evaluation. By integrating productivity practices into social welfare initiatives, organizations can achieve more efficient and effective outcomes. However, it's imperative to maintain a balance: productivity should align with social impact rather than merely concentrating on quantifiable outputs, ensuring the broader interests and needs of society are never overlooked.

2. Methods

This research was conducted using a qualitative approach with phenomenological studies through in-depth interviews. This study was held at Desa Mangga, Langkat Regency, Indonesia. Desa Mangga has a total area of 350 hectares, consisting of 160.90 hectares of paddy fields, 103 hectares of dry land, 74.40 hectares of plantation land, and 11.70 hectares of public facilities. The area of technically irrigated rice fields reaches around 50 hectares, allowing for planting 3 times a year. The village is inhabited by 3,216 people, with 1,623 men and 1,593 women, and comprises 1,009 households. The reason for choosing this place is that Mangga Village is a food self-sufficient village in Langkat Regency that practices the Agricultural Zakāt Tradition. The research subjects include the *muzakki* group (*zakāt* payers) who are farmers at Desa Mangga, and the *mustahik* group (*zakāt* recipient community groups). Among the *zakāt* recipients, there were 29 males and 16 females, with a total of 45 recipients. These recipients were categorized based on *mustahik groups*, namely the *Poor* category has the most recipients, with 17 men and 15 women, with a total of 32 recipients. The *Fakir* group followed with 2 male and 1 female recipients, totaling 3 recipients and the last *Amil zakāt* group comprised 10 male recipients. Meanwhile, the complementary informants in this research included people around the research location who had knowledge about the process and flow of the agricultural *zakāt* -based philanthropy movement at Desa Mangga.

As shown in Figure 1, the distribution of *Zakāt* recipients by age range is depicted along with any noteworthy trends. It is clear that the age range "40-44" distinguishes itself as the category with the greatest number of the recipients, including both men and women. The number of recipients also tends to decline as the age categories get older after this high, with the exception of the "60-64" and "65-69" age brackets, when male recipients are on the rise. According to these statistics, *Zakāt* appears to largely benefit people in their forties, but it also benefits older people, particularly men in their late sixties and into their sixties, illustrating how the demographics of receivers change as people get older.

In addition, during the research period, the National Amil Zakāt Institution (LAZNAS) of Dhjalaluddin Pane Foundation was conducting program interventions at the research location. These interventions were still in its early stages. It was an exploratory stage, and some local figures were organized to be the local champions of the intervention program that they were running. The program aimed at the productive utilization of *zakāt*. Mr. Nazarudin (research informant) was one of the local champions of the program organized by the institution. As an early-stage intervention, this institution

²¹Imron Mustofa, "Nalar Filosofis Sustainable Development Goals (SDGS) Dalam Tata Kelola Filantropi Islam Berbasis Masjid di Surabaya (Philosophical Reasoning of Sustainable Development Goals (Sdgs) in the Governance of Mosque-Based Islamic Philanthropy in Surabaya)," *Jurnal Hukum Bisnis Islam* 11 no.1, (2021), <https://doi.org/10.21043/ijtishadia.v9i2>.

primarily focused on increasing the awareness among zakāt givers and recipients about the productive utilization of agricultural zakāt. However, the collection, distribution, and utilization process continued to be managed by local *amil zakāt* at the research location.

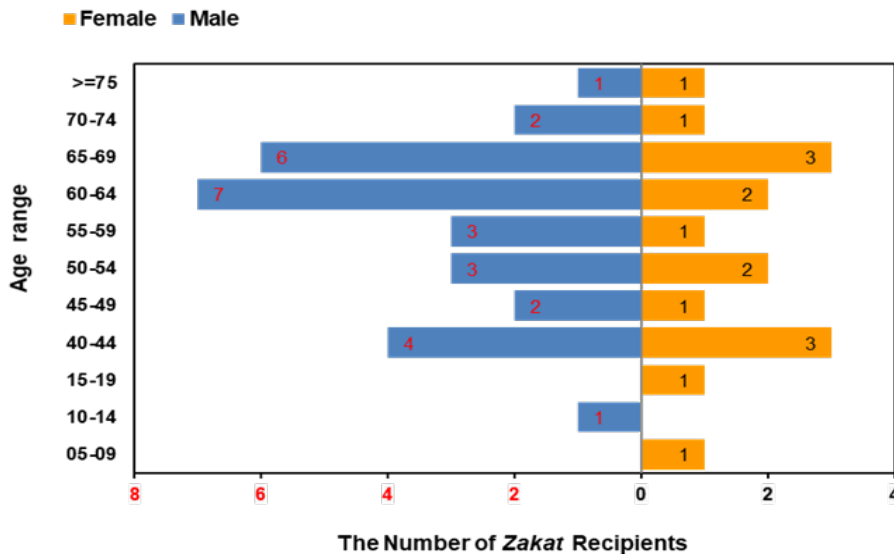


Figure 1. Classification of *Zakāt* Recipients by Age Range

3. Result and Discussion

The significant potential in agriculture in Desa Manga brings substantial opportunities for agricultural *zakāt*. This is due to the fact that agricultural products are included in the category of assets that are required to be paid as *zakāt*. The knowledge of the Muslim community at Desa Mangga about agricultural *zakāt* is still basic. Nevertheless, in a cultural context, the majority of Muslim residents there generally understand the obligation to pay *zakāt* and know that agricultural products are included in the assets upon which *zakāt* must be paid. The calculation and distribution of agricultural *zakāt* is usually handled by people who are appointed and trusted as *zakāt* distributors (*amil*).

Agricultural *zakāt* becomes mandatory for farmers when their harvest reaches a certain threshold, which is, 1,306 kg of dry grain or 653 kg of rice. To illustrate, at Desa Mangga, which has 167 hectares of rice fields, only 50 hectares have irrigation systems that can support three growing seasons annually. These well-irrigated paddy fields have the potential to produce an average of 6,388 kg of grain per hectare, with a total potential rice yield of 309,400 kg in each harvest period. If all farmers in the village fulfill their agricultural *zakāt* obligations, the potential agricultural *zakāt* collected would be approximately 15,970 kg for each harvest period. This calculation is based on setting the value of *zakāt* at 5% of the harvest, taking into account the various irrigation methods used at Desa Mangga, including irrigation dams.

However, not all farmers achieve a harvest that is obligatory to pay *zakāt*, due to limited agricultural land, crop failure, or due to being non-Muslims. Given this diversity of circumstances, this research explores the patterns and dynamics of *zakāt* contributions over a five-year period.

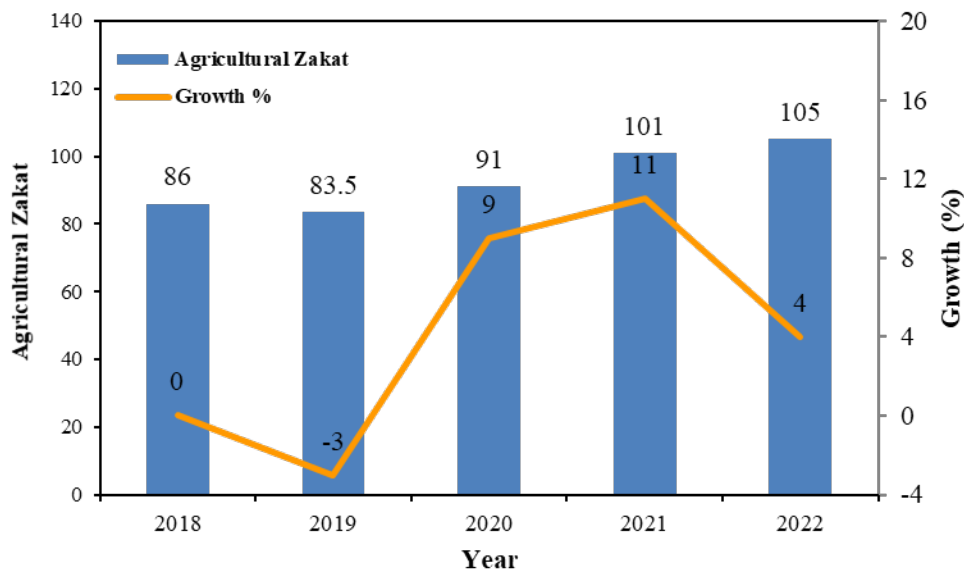


Figure 2. Agricultural *Zakāt* Collection Trends at Desa Mangga

The data in Figure 3 shows patterns Agricultural *Zakāt* Collection at Desa Mangga over a five-year period, from 2018 to 2022. These patterns indicate an upward trend in agricultural *zakāt* collection over time, with a brief dip in 2019 that was followed by a quick recovery. This growth suggests an increase in *zakāt* contributions and community awareness, which may be a result of Desa Mangga's increased focus on charitable efforts and economic development programs.

In addition, even though there are 45 individuals eligible to receive *zakāt*, it is actually distributed to only 35 individuals belonging to the poor and needy categories. The remaining 10 individuals, categorized as *amil zakāt*, do not receive or claim their *zakāt* entitlements. *Amil zakāt* refers to those individuals or groups responsible for managing the *zakāt* process, from collecting funds to distributing them. This group includes collectors, treasurers, supervisors, and individuals responsible for keeping records and calculating the *zakāt* amounts allocated to recipients²²

The reason why the *amil zakāt* (those responsible for *zakāt* administration) in this village don't take their own *zakāt* entitlements can be explained by two factors. First, the *amil zakāt* individuals in this community are also farmers who pay their own agricultural *zakāt*. They feel hesitant to accept *zakāt* that essentially comes from their own contributions. Second, at Desa Mangga, the tradition of distributing *zakāt* from agricultural products is quite straightforward and based on community customs. Typically, farmers (*muzakki*) directly share a portion of their harvest with close relatives or neighbors who are considered eligible *zakāt* recipients (*mustahik*), with *amil zakāt* serving merely as witnesses. Consequently, despite being eligible to receive *zakāt*, the *amil zakāt* at Desa Mangga never actually claim their own *zakāt* rights.

3.1 Meaning of *Zakāt* as a Philanthropic Movement

²²Wisnu Nugraha, and Muhammad Zen, "Peran Amil Zakat dalam Meningkatkan Kesadaran Zakat Profesi Pada Laznas Al-Azhar Jakarta Selatan (The Role of Amil Zakat in Raising Professional Zakat Awareness at Laznas Al-Azhar South Jakarta)," *Al Maal: Journal of Islamic Economics and Banking* 1, no.2, (2020) : 176-186, <https://doi.org/10.31000/almaal.v1i2.2274>.

The farmers at Desa Mangga realize that as part of the commandments in Islamic teachings, *Zakāt* is an obligation that must be fulfilled. Not only as a form of devotion to God, but farmers who pay *zakāt* on agricultural products also understand that *zakāt* is also a form of their social responsibility to others who need a helping hand. This reflects the understanding that the responsibility of *zakāt* is not only related to personal worship obligations, but also a social action that has an impact on society in general. Rahmat (63 years old) explained: "We do not live in this world alone, but there are many people out there who need some of our sustenance, when we pay *zakāt* then we can also help reduce the burden on our Muslim brothers and sisters who are in need." (Interview result with Mr. Rahmat, July, 17th 2023)²³

This interview indicates that the obligation of *zakāt* is not only a form of worship related to the vertical dimension, but also a form of social worship that needs to be adapted in accordance with current situations and conditions. Islamic teachings provide ample room for good deeds towards fellow human beings. *Zakāt* is not the end of the purpose, but a tool to achieve a greater goal, namely creating social justice in an effort to reduce poverty and realize the implementation of worship based on the principles of Islamic teachings, which is proof of one's obedience to his / her God

Moreover, this spirit of social responsibility among Muslims and the implementation of a social security system are evident in the practices of farmers at Desa Mangga when they pay *zakāt* on agricultural crops during each harvest period. This practice is a concrete example of the application of Islamic teachings in collecting *zakāt* from those who are able among the believers, as well as determining the beneficiaries. This condition is in line with previous research conducted by Monica & Abidah (2021), related to the immediacy of the distribution of *zakāt* assets to those who deserve it.

The understanding of the farmers at Desa Mangga related to the social impact included in the implementation of *zakāt* also shows the farmers' understanding of the meaning of *zakāt* as a philanthropic movement that is not just a charitable movement, but rather a form of empowerment movement that becomes sustainable social capital. They do this with the aim of starting an effort to increase the implementation of *zakāt* potential to achieve welfare for *zakāt* recipients (*mustahik*), so that they are expected to become *zakāt* givers (*muzakki*) in the future. One of the farmers who used *zakāt* is Mr. Nazaruddin (43 years old). "I decided to allocate my *zakāt* funds to a local resident who possesses expertise in palm sugar production but lacked the necessary capital to expand his business. My intention in providing him with this *zakāt* assistance is to facilitate the growth of his business, leveraging his existing skills and knowledge in the field." (Interview result with Mr. Nazaruddin, July, 17th 2023)²⁴

Based on the interview result, Mr. Nazaruddin's recent decision to allocate his *zakāt* funds towards supporting a resident in developing a palm sugar production business aligns closely with the insights he gained during the *amil zakāt* training he attended in 2019, organized by the Djalaluddin Pane Foundation *Amil Zakāt* Institution. Through this training, he learned about the concept of productive utilization of *zakāt* funds as a means to alleviate the poverty of its recipients, emphasizing the importance of directing *zakāt* towards ventures that generate sustainable income rather than merely addressing immediate consumptive needs.

This choice made by Mr. Nazaruddin also reflects the core value of altruism in *zakāt* philanthropy. *Zakāt* not only serves as a financial contribution but also fosters empathy and

²³Rahmat (63 years old) is a farmer who pay agricultural zakat not only on the basis of religious obligations and orders, but also have an understanding that zakat is also a form of their social responsibility to others who need a helping hand.

²⁴Nazaruddin (43 years), a Farmer who paid zakat on agricultural products with the pattern of utilization of zakat funds for productive activities of zakat recipients.

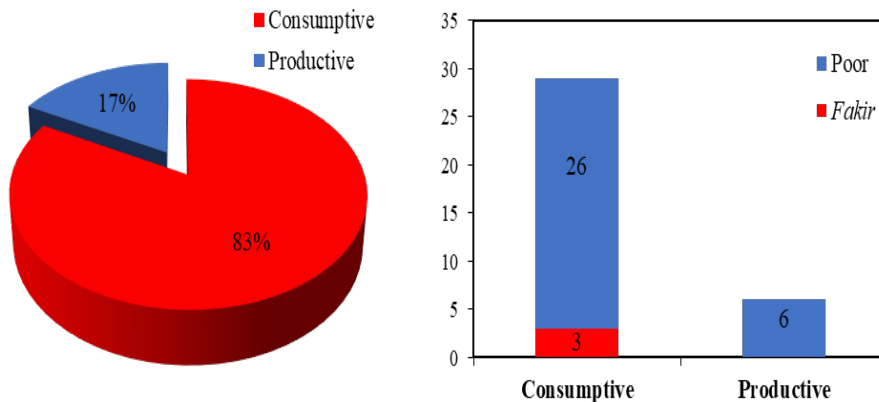
compassion within the giver, encouraging them to understand and empathize with the suffering of those in need (*mustahik*). It motivates individuals like Mr. Nazaruddin to make sacrifices in order to reduce the suffering of others, exemplifying the altruistic nature of *zakāt* and its broader impact on both the giver and the recipient. The connection with others through the spirit of altruism can produce a feeling that their lives have meaning and provide benefits to others and the surrounding environment. A sense of meaning in life can bring optimism, a feeling of peace, serenity, and motivation to fill life with things of value.²⁵

Furthermore, *zakāt* utilization is a way to optimize the use of *zakāt* without reducing its value and function. The utilization of *zakāt* refers to the optimal use of resources (*zakāt* funds) in order to provide maximum benefits to the community, and to have a social and economic impact (both in terms of consumption and production). Utilization is directed to achieve empowerment through various programs that to have a positive impact on society, especially on those who are underprivileged and qualify as *zakāt* recipients. Generally, *zakāt* utilization involves the investment of *zakāt* funds in various forms.

The utilization of *zakāt* funds at Desa Mangga is in accordance with the principles outlined by Qardhawi (2004). Qardhawi's writings advocate the establishment of businesses using *zakāt* funds, where ownership and profits are directed for the sustainable benefit of the poor, so that their needs can be met. According to Qardhawi (2004), effective utilization of *zakāt* depends on two main principles: first, ensuring distribution among the eight eligible recipient groups and increasing the benefits of *zakāt* to improve their living standards, and second, ensuring that the utilization of *zakāt* is tailored to the specific needs of the recipients.

3.2 Exploring *Zakāt* Utilizations: Consumption vs. Productive Allocation

This research also examines the contrasting dynamics between consumption and productive allocations of *Zakāt*. This exploration investigates various aspects of how *zakāt*, an important pillar in Islamic philanthropy, is utilized in various contexts. By examining consumption allocation versus productive allocation simultaneously, it provides valuable insights into the strategic distribution of *zakāt* funds and its wide-ranging impact on recipients and the wider society. The allocation of *Zakāt* Utilization at Desa Manggais shown in Figure 3



²⁵Iman Musbikin, “*Melogikakan Rukun Islam Bagi Kesehatan Fisik dan Psikologi Manusia* (Logicizing the Pillars of Islam for Human Physical and Psychological Health),” Jogjakarta: DIVA Press. (2008).

Figure 3. *Zakāt* Utilization Category: Consumptive vs. Productive Allocation

Figure 3 presents information on the utilization of *zakāt* at Desa Mangga, which shows two different categories of allocation: consumptive and productive. The data highlights that among 35 *zakāt* recipients, 6 individuals showed productive financial behavior by using *zakāt* funds as capital for entrepreneurial and agricultural businesses. In contrast, the other 29 recipients directed their *zakāt* funds towards consumptive purposes. The discussion that follows addresses these two main ways of distributing *zakāt*, highlighting their different characteristics, underlying principles, and the wider social implications they have.

3.2.1 Productive Allocation of *Zakāt*

Three out of eight *zakāt* recipients as subjects in this study exhibit behaviours in accordance with the structure, objectives, and productive principles of *zakāt*, making them fall into the category of productive behavior. Their productive approach is evident in how they utilize *zakāt* funds, channeling them not only toward meeting their own basic needs and those of their dependents but also toward bolstering business initiatives. These findings underscore and reinforce the insights from prior research, notably emphasizing that *zakāt* transcends mere assistance to the vulnerable, striving instead to elevate human worth beyond mere material wealth. Additionally, the study lends support to ²⁶ findings, indicating that the productive application of *zakāt* can effectively mitigate the prevalence and severity of poverty within families. The study's findings align with ²⁷ research, which shows that productive utilization of *zakāt* enhances recipients' business capital and personal capabilities, serving as a basis for self-development and entrepreneurship.

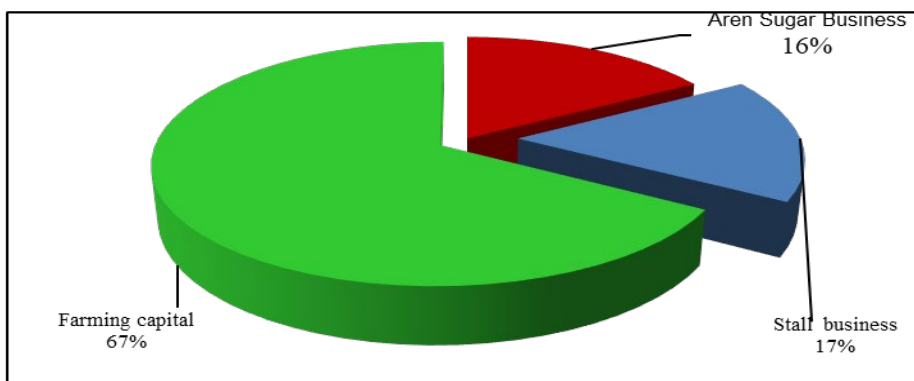


Figure 4. Productive Businesses Leveraging Agricultural *Zakāt* at Desa Mangga

²⁶Irfan Syauqi Beik, “Analisis Peran Zakat Dalam Mengurangi Kemiskinan: Studi Kasus Dompot Dhuafa Republik. (Analysis of the Role of Zakat in Reducing Poverty: Case Study of Dompot Dhuafa Republik),” *Jurnal Pemikiran Dan Gagasan*, (2009).

²⁷Isro'iyatul Mubarakah, Irfan Syauqi Beik, and Tony Irawan, “Dampak Zakat Terhadap Kemiskinan Dan Kesejahteraan Mustahik (Kasus : BAZNAS Provinsi Jawa Tengah) (The Impact of Zakat on Poverty and Welfare of Mustahik (Case: BAZNAS Central Java Province),” *Jurnal Al-Muzara'ah* 5, (2017).

Figure 4 illustrates the allocation of agricultural *zakāt* at Desa Mangga, showing a dynamic spectrum of support for productive enterprises. "Aren Sugar Business" and "Warung Business" exhibit nearly identical percentages in terms of *zakāt* fund allocation, while "Farm Business Capital" emerges as a broader category. This data emphasizes the versatile role of agricultural *zakāt* in society, encouraging entrepreneurship and agricultural productivity.

This action is strongly influenced by internal factors owned by the *mustahik*, such as the level of knowledge, skills, and abilities they have. Productive utilization of *zakāt* funds at Desa Mangga is indeed carried out by *zakāt* recipients who have expertise and interest in the field of business, such as palm sugar production business. Meanwhile, external factors such as the environment, social situation, economic aspects, and other elements also have a significant role as supporters for *zakāt* recipients to utilize *zakāt* funds for consumptive needs.

However, in its practice, the provision of *zakāt* fund assistance at Desa Mangga still prioritizes the fulfillment of urgent consumptive needs before using the remaining funds for productive activities. When *zakāt* funds are managed productively, this can serve as an effort to support the economic improvement of *zakāt* recipients, especially for the poor and disadvantaged groups. The results of these findings also strengthen the research findings of Rozalinda (2016) which demonstrated that capital assistance, supervision, and mentoring positively impact the income, consumption, savings, and *infaq of mustahik*.

3.2.2 Consumptive Allocation of Zakāt

According to the findings of this research, out of the 35 *zakāt* recipients surveyed, 29 of them allocate *zakāt* funds for consumption needs. This usage pattern is significantly influenced by the characteristics and prevailing environment of the *mustahik* themselves. It is a common practice among the residents of Desa Mangga to employ *zakāt* individually, resulting in the utilization of *zakāt* funds solely for immediate, short-term consumption requirements, without yielding substantial added value. The low utilization of *zakāt* for productive purposes at Desa Mangga can be attributed to the absence of mentoring or guidance programs from BAZNAS Langkat Regency. This absence obstructs the effective redirection of *zakāt* toward productive endeavors. Among the 35 *mustahik* at Desa Mangga, only six have successfully allocated *zakāt* toward productive activities, maintaining active business operations.

The utilization of agricultural *zakāt* at Desa Mangga is quite significant in helping *zakāt* recipients. All *zakāt* recipients in this village are among the poor and needy who work as casual workers, such as construction workers, farm laborers, and farmers who cultivate land to meet their basic needs. For example, the family of Mr. Imran (53 years old) previously relied on seasonal and irregular work as a farm laborer. However, through productive utilization of *zakāt* in palm sugar production, they managed to increase their daily income.

The results of this study confirm the findings of Jehle (1994) in Pakistan, using the AKS Gap Index, which states that institutional management of *zakāt* is more effective than personal management. The same thing is also seen in Abidin's study²⁸ which analyzed the effectiveness of Rumah *Zakāt* program with BIG SMILE branding strategy. The study successfully showed an increase in the accumulation of *zakāt* funds. Thus, the program approach provided becomes easier to distribute. The personal distribution of *zakāt* funds as happened at Desa Mangga will be difficult to measure the level of effectiveness on the welfare of *zakāt* recipient families, because it is more likely

²⁸Zainal Abidin, and Ani Cahyadi, "Commentary on Indonesia Philanthropy Rank," *SERAMBI: Jurnal Ekonomi Manajemen Dan Bisnis Islam* 5, no.2 (2023): 111-18. <https://doi.org/10.36407/serambi.v5i2.962>.

to be used for consumptive things. If it is done institutionally, then the function of utilizing *zakāt* funds will be stronger, especially if it is used for productive things.

4. Discussion

The debate over agricultural *zakāt* is a complex topic, especially considering factors such as amount, management and sustainability. Most scholars agree that agricultural *zakāt* is imposed on certain agricultural products, including rice. However, in the context of farmers with limited land and low production, there is ongoing discussion on how to calculate this *zakāt* accurately. For that, it is necessary to consider the production scale and the farmer's income. It should be underlined that agricultural *zakāt* is only obligatory on farmers when the harvest reaches an amount of 1,306 Kg of dry grain or 653 Kg of rice. It is important to consider both the production scale and the farmer's income to ensure fairness and sustainability in *zakāt* calculations.

In the context of Mangga Village, the potential for agricultural *zakāt* is significant. With an area of rice fields using irrigation of 50 hectares x 6,388 Kg of grain per hectare, the potential for *zakāt* collected is 15,970 Kg (5% *zakāt* required) for one harvest period, with an estimated price of dry grain of Rp. 4,400 / kg, then if converted in cash, this translates to about Rp. 70,268,000. Desa Mangga has three harvest periods in one year, so there is a potential *zakāt* of Rp. 210,804,000. However, in 2022, the actual *zakāt* collected was only Rp. 105,000,000. This discrepancy arises because not all farmers achieve harvest thresholds that obligate to pay *zakāt* due to limited agricultural land, crop failure, or even not being obliged to pay *zakāt* because they are not Muslims. This indicates that, in the practice of agricultural *zakāt* in Mangga Village, farmers already understand the rules of compulsory *zakāt*, and there is no longer any debate about it. In the context of sustainability, it is essential to consider the long-term impact of the agricultural *zakāt* policy. This includes considering how *zakāt* can help farmers sustain their production and reduce their economic vulnerability in the long run. Some *zakāt* recipients in Desa Mangga have utilized *zakāt* funds productively.

Challenges to the sustainability of the *zakāt* system and its contribution to improving people's social welfare may vary depending on each country or region's social, economic and political context. However, in the context of Mangga Village, the biggest challenge lies in inefficient management and distribution. Sometimes, a portion of *zakāt* funds may not be adequately managed or distributed, thus reducing its positive impact on people's social welfare. Several factors contribute to this inefficiency, such as lack of transparency can cause this due to insufficient infrastructure for efficient distribution. Not to mention that the governance of *zakāt* in Desa Mangga is still very cultural without a clear structure of amil *zakāt* in a formal institutional manner, so the role of amil is considered less than optimal; this ultimately leads to the utilization of *zakāt* funds managed by *zakāt* recipients also tends to consumptive use, so that recipients have not felt the sustainability impact of *zakāt*. However, 6 out of 35 *zakāt* recipients showed productive behavior by allocating *zakāt* funds as capital for business and agricultural activities. They utilize *zakāt* funds to fulfil their own and their family's basic needs and some are used as business capital, reflecting productive actions that have a positive impact.

Zakāt recipients in Desa Mangga with expertise and interest in business, such as palm sugar production, utilize *Zakāt* funds productively. However, in practice, the priority of providing *zakāt* fund assistance in Desa Mangga is to fulfil urgent consumptive needs before considering using the remaining funds for productive activities. Ideally, when *zakāt* funds are managed productively, this can help improve the economy of *zakāt* recipients, especially those who belong to the poor and needy groups.

4.1. Conclusion

The agricultural *zakāt* is not only a form of devotion to God, but also a manifestation of their social responsibility to others who need a helping hand. The provision of *zakāt* in Desa Mangga has

begun to adjust the needs of *zakāt* beneficiaries, not all *zakāt* is intended to meet consumptive needs, 6 out of 35 *zakāt* recipients behave in line with the system, objectives and principles of productive *zakāt*. The positive impact of this agricultural *zakāt* philanthropy practice does not only affect the individual *muzakki* (those who give *zakāt*), but also the *mustahik* (those who receive *zakāt*). Furthermore, this impact can indirectly affect social conditions within the local community.

Some productive aspects in the management of agricultural *zakāt* at Desa Mangga include efforts to increase the productivity of *zakāt* recipients' businesses and ensure that the managed *zakāt* can improve the welfare of *zakāt* recipients. Nevertheless, although there is an effort to apply the principle of empowerment in the implementation of *zakāt* philanthropy practices at Desa Mangga, it cannot be said to be fully successful in accordance with the concept of empowerment. As a result, charity practices still dominate in the distribution of *zakāt* funds, which can actually increase the dependence of *zakāt* recipients. There are several things that can be done in the management of more productive agricultural *zakāt* at Desa Mangga; First, the development of agribusiness for *zakāt* recipients accommodated by *amil zakāt*, such as the development of agricultural, plantation, livestock or fishery businesses. Second, training and mentoring by *amil zakāt* accompanied by district *zakāt* institutions and other *amil zakāt* institutions to *zakāt* recipients in developing agricultural businesses or other more productive businesses. Third, *amil zakāt* can accommodate facilities and infrastructure needed to support agricultural businesses or other productive businesses, such as the procurement of superior seeds, fertilizers, pesticides, agricultural or livestock tools, and so on.

Conflict of Interest

The authors of the manuscript have no financial or non-financial conflict of interest in the subject matter or materials discussed in this manuscript.

Data Availability Statement

The data associated with this study will be provided by the corresponding author upon request.

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