

## **Is Productive Zakat Effective as an Economic Catalyst for Village Farmers?**

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### **Abstract**

This study aims to find out how the role of productive zakat through empowerment carried out by LAZ Dompot Dhuafa on improving the welfare of farmers in Kwajon Village, Ponorogo Regency, East Java. This study uses a descriptive qualitative research approach with a case study method. The data collection process was conducted through an interview method with 13 informants from which there were 11 mustahiq, 1 program assistant and 1 village head. The results of the study show that the distribution of productive zakat through farmer empowerment programs has a positive role in improving farmers' welfare. This can be seen through the increase in income obtained by farmers.

**Keywords:** *Productive Zakat; Farmer; Empowerment; Welfare.*

### **INTRODUCTION**

StravaZakat is one of the pillars of Islam that is mandatory for every Muslim, based on the Qur'an, As-Sunnah, and ijma' ulama (Febriyanti, 2020). As the third pillar of Islam after shahada and prayer, zakat according to Imam An Nawawi means fertility and purity, while according to Abu Muhammad ibn Qutaibah it means fertility and addition (Firmansyah et al., 2021). The property that is issued is called zakat because it is the cause of the fertility of the property (Jamil, 2016). Zakat is a property taken from a person who has reached nisab and is channeled for the welfare of the community, both physically and mentally. Zakat shows that property does not belong entirely to humans, but must be used according to the provisions of sharia, considering humans as caliphs on earth (Darvina et al., 2020). Everything on earth belongs to Allah SWT, so humans are obliged to carry out His commands regarding the ownership of these assets (Dolgun, 2016).

Zakat has an important function in creating social justice and economic equity, so that it becomes an unavoidable obligation (Ahmad Malik, 2016; Mian & Afzal, 2014). A person whose wealth reaches nisab is obliged to pay it even if he is not pleased and collected by the state (Utami et al., 2021), as

explained in Surah At-Taubah verse 103 Allah says, "Take zakat from some of their possessions, with it you cleanse and purify them and pray for them. Indeed, your prayers are peace of mind for them. And Allah is the Hearer and the Knowing."

Paying zakat is an obligation for every Muslim who is able and qualified according to Islamic law (Rokhman, 2022). Zakat has the potential to empower the economy of the ummah and reduce poverty, because it functions as a tool for capital formation from some of the wealth of the rich (Jaya et al., 2023). In addition, zakat can also improve the quality of human resources through the provision of facilities, training, and empowerment (Munifatussaidah & Prasetyo, 2023). Zakat is closely related to social and economic problem (Berlian et al., 2022). Zakat erodes greed, eradicates poverty, and makes the rich aware of social responsibility (Mukaddis & Abdullah, 2015). In the economy, zakat prevents the accumulation of wealth and helps create economic balance by taking from the wealth that has reached the nisab (Kakar et al., 2022).

Muslim scholars argue that the Islamic economic system is built on two important elements: the destruction of the ribawi system and the optimization of zakat (Hamzani & Khasanah, 2023). The zakat funds collected are expected to improve the welfare of the underprivileged (Wijaya & Ritonga, 2021). Zakat reflects the humanity, justice, faith, and piety of the muzakkii, and plays an important role in religion and community welfare (Wijaya & Ritonga, 2021). The proper collection and distribution of zakat by amil institutions can help alleviate poverty, create jobs, and improve the economy of the people (Jumardi et al., 2022).

To revitalize the function of zakat, the distribution of zakat needs to be changed from consumptive to productive (Syarifah, 2022). Zakat should be used for the economic empowerment of the ummah through the development of productive businesses, because the distribution of zakat that is charitable often makes mustahiq, especially the poor, dependent on zakat (Hadi Ryandono & Hazami, 2016). The distribution of zakat based on empowerment according to the potential of the region and the socio-economic mustahiq will be more effective in improving their economy (Mawardi et al., 2023).

The agricultural sector is the key to a country's food security and plays an important role in Indonesia's economic development, both for domestic and export needs (ADB, 2019). However, many farmers in Indonesia are still classified as poor and become mustahiq (Adam et al., 2018). In East Java alone, in 2023 there will be 4,188,810 poor people (Badan Pusat Statistik, 2022). This

poverty needs special attention because it hinders economic growth. The main factor that keeps farmers trapped in poverty is low capital, so they often borrow money from loan sharks to start planting (Pratiwi et al., 2023). Limited knowledge also hinders innovation in the management and selection of high-value commodities. In addition, the lack of facilities and ignorance of distribution channels force farmers to sell their crops to middlemen at low prices, which prolongs the poverty chain and hampers the welfare of farmers (Putri et al., 2023).

Based on BPS data, the number of poor people in Ponorogo Regency from 2022 to 2023 has increased from 81.80 thousand people to 83.71 thousand people, indicating that the poverty alleviation program in Ponorogo Regency is still not optimal (Badan Pusat Statistik, 2022). Therefore, LAZ Dompét Dhuafa's initiative to run the Farmer Empowerment Program in one of the Ponorogo villages is the right step.

Zakat funds can be a solution to improve the welfare of farmers through productive distribution (Syarifah, 2022). Zakat is used for training and mentoring farmers, as well as the formation of cooperatives as a distribution channel for agricultural products so that farmers get a competitive advantage. LAZ Dompét Dhuafa runs the Independent Community Work program in Kwajon Village, Ponorogo, with a focus on organic farming training and commodity diversification such as Brown and Black Rice. Cooperatives also help farmers get cheap fertilizers and sell crops at competitive prices. Kwajon Village was chosen because of its relatively small land area compared to other villages, which is only 61.94 hectares. In addition, Kwajon village was chosen as the location for empowerment because most of the farmers are traditional farmers who only grow white rice and are still classified as *mustahiq*. In addition, many young people in this village are unemployed and often consume liquor, encouraging LAZ Dompét Dhuafa to maximize their potential to improve welfare and advance the village.

Economic empowerment through productive zakat can improve the welfare of *mustahiq* (Mawardi et al., 2023). Research by Wulansari and Setiawan, Herianingrum and Drasmawita, as well as others shows the positive role of productive zakat in increasing *mustahiq* income and welfare (Dwi Wulansari & Hendra Setiawan, 2014; Herianingrum et al., 2019). This attracted the author to research "*The Role of Productive Zakat on Improving Welfare in Farmer Empowerment in Kwajon Village, Ponorogo*". The LAZ Dompét Dhuafa

program focuses on organic farming, which has a high selling value to improve the farmer economy.

### **Literature Review**

Zakat is one of the important pillars of Islam, derived from the word which means blessing, developing, and holy (Darvina et al., 2020). In the Qur'an and hadith, zakat contains the meaning of growth and purity (Khan, 2016). In terminology, zakat is property that must be spent on mustahiq at a certain time and amount. Zakat reflects justice in the Islamic economic system as a transfer from the rich to the poor (Kahf, 2016). According to the Maliki madhhab, zakat is the expenditure of a certain part of the property that reaches nisab for the person who is entitled to it, while the Hanafi madhhab defines it as the right of property determined by the sharia solely because of Allah (Darvina et al., 2020). Zakat creates a social balance between the rich and the needy, as a form of protection from Allah the Merciful (Kakar et al., 2022).

Zakat has an important social function, namely as a means of interaction between the rich and poor. In order for zakat to be useful, its use must be selective. According to Thoriquddin, there are two types of zakat distribution: consumptive and productive, each of which is further divided into two. Traditional consumptive distribution includes zakat that is given directly to mustahiq for daily needs, such as zakat mall and fitrah. Creative consumptive in the form of assistance with goods such as school supplies or worship facilities. Traditional productive distribution includes goods that help mustahiq create their own jobs, such as sewing machines or dairy cows. Meanwhile, creative productivity involves providing funds to build public facilities or business capital for small traders (Thoriquddin, 2014).

The distribution of zakat is divided into two types, namely consumptive and productive. The distribution of zakat consumptive is considered less effective because it only provides short-term benefits, so its utilization is considered less than optimal (Perdana et al., 2023). Over time, productive zakat distribution methods developed, where zakat was used to help mustahiq live prosperously and independently, reducing the gap between rich and poor. Qardhawi emphasized that zakat should provide access to mustahiq to develop their own abilities and businesses, not just temporary assistance (Qardhawi, 2005). This is in line with the opinions of Asnaini and Humaemah, who stated that productive zakat can increase mustahiq income and have a positive impact on the macroeconomy, drive the real sector, and support economic growth (Asnaini, 2010; HUMAEMAH, 2013).

Poverty is narrowly defined as the lack of money and goods for the necessities of life, but broadly, Chambers identifies it as an integrated concept that includes five dimensions: poverty, helplessness, emergency, dependence, and alienation (Listyaningsih et al., 2021). According to Indonesia's Central Statistics Agency, poverty is the inability of an individual or group to meet basic needs such as food, clothing, shelter, education, and health. In 2019, the standard of living in Indonesia was set at Rp 425,250 per month or Rp 14,175 per day, and those who earned below it were considered poor (Badan Pusat Statistik, 2022). The World Bank defines poverty as a lack of options or opportunities to improve living standards, with a decent standard of living of \$2 per day or around Rp 28,000 per individual. Poverty is not only related to low income, but also includes low access to health, education, justice, and security, as well as helplessness in determining the future (World Bank, 2021).

According to Chriswardani, poverty is divided into four forms: absolute poverty, which is when a person's income is below the poverty line and is not enough for basic needs; relative poverty, which occurs due to uneven development policies that cause income inequality; cultural poverty, caused by cultural factors such as laziness or no initiative; and structural poverty, which is caused by socio-political and cultural systems that do not support poverty alleviation. Poverty is also differentiated into natural poverty, related to the scarcity of natural resources, and artificial poverty, which results from modernization and uneven development (Chriswardani Suryawati, 2005).

According to Nasikun, the causes of poverty include: policies that indirectly preserve poverty; socio-economic dualism due to colonialism that marginalizes small farmers; population growth that exceeds food availability; poor management of natural resources; natural cycles that hinder productivity; marginalization of women in access and reward for work; cultural and ethnic factors that preserve poverty; exploitative practices by intermediaries such as loan sharks; political fragmentation that causes policies to be ineffective; and international processes such as colonialism and capitalism that make countries poor (Naisikun, 2002).

Empowerment, derived from the word "power" which means effort or ability, is the process of giving power and access to resources, developed since the Middle Ages in Europe to influence modern theories (Edi Suharto, 2006). According to McArdle, empowerment is an independent decision-making process and the accumulation of knowledge and skills to achieve goals without dependence on external assistance (Hikmat, 2010). In the Islamic

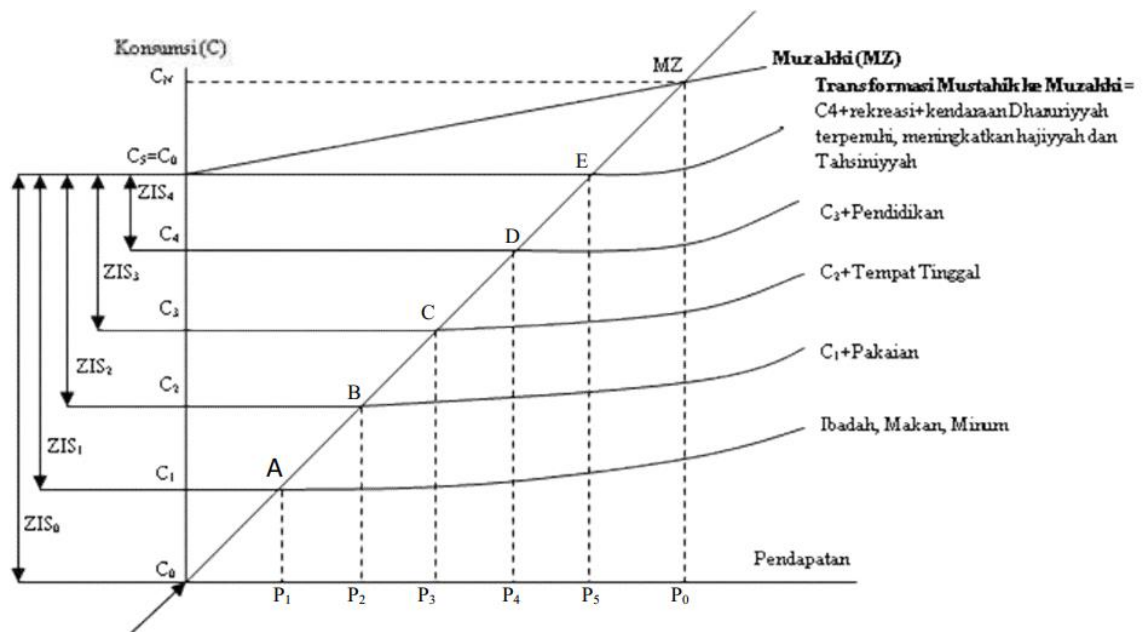
view, empowerment is a continuous effort to expand people's choices and maximize their economic potential. Empowerment is the ability of weak people to meet basic needs, increase income, and get out of helplessness through external encouragement (Edi Suharto, 2006).

Schuler, Hashemi, and Riley developed an empowerment indicator called *the "empowerment index"*, which includes: freedom of individual mobility, ability to purchase daily necessities and secondary goods, participation in household decision-making, freedom from family domination, legal and political awareness, involvement in campaigns and protests, and economic guarantees such as asset ownership and savings. This indicator is used to measure the level of empowerment of a person or community after receiving program interventions, reflecting their ability to be independent in making decisions, meeting needs, and participating in group activities (Hashemi et al., 1996).

Law No. 11 of 1999 defines social welfare as the fulfillment of the material, spiritual, and social needs of citizens to live a decent life and develop themselves (Rafi'i & Zaid, 2021). In the perspective of Islamic economics, social welfare includes a material and spiritual balance as well as life in this world and the hereafter, which is called *falah* (glory and triumph of life) (Miyasto et al., 2019). Social welfare is achieved by the fulfillment of physical, spiritual, and social needs, the existence of organized efforts, and the support of social welfare institutions (Edi Suharto, 2006). The Poors, the two main groups of zakat recipients, are often discussed in the issue of welfare. The poorer have no income, while the poor have insufficient income (Malahayatie, 2016). Islam emphasizes the importance of paying attention to the poor as proof of faith, with zakat playing an important role in creating community welfare (Kakar et al., 2022).

Ryandono creates a model to show transformation of *mustahiq* into *muzakkii* called *the Manhard model* that use sharia maqashid-based indicators to measure the level of *mustahiq* transformation after empowerment by zakat institutions, focusing on their ability to meet basic needs (Kusuma & Ryandono, 2016).

### **Figure 1. Manhard Model**



The model above describes the transformation of mustahiq into muzakki through the empowerment of zakat, infaq, and alms, which is seen from the increase in consumption and income. After mustahiq receives ZIS funds, they can meet basic needs (*dharuriyah*) such as food, clothing, and shelter. These needs must be fulfilled so that they can continue to the needs of *hajiyyah* (ease of life) and *tahsiniiyat* (satisfaction of life). If mustahiq succeeds in meeting the needs of *dharuriyah* and *hajiyyah*, they are no longer categorized as mustahiq, indicating the success of the productive zakat empowerment program (Kusuma & Ryandono, 2016).

### METHODOLOGY

This research is descriptive qualitative research that aims to describe the role of productive zakat on the welfare of farmers in the empowerment program implemented by LAZ Dompot Dhuafa in Kwajon Village, Ponorogo. Using a case study approach, this study involves interviews and direct observation to obtain valid results. This research focuses on the analysis of the process in a social context, with the aim of understanding in depth how productive zakat contributes to improving the welfare of farmers. This research was conducted at LAZ Dompot Dhuafa Surabaya branch with an empowerment location in Kwajon Village, Bungkal District, Ponorogo Regency, East Java, from June 19 to July 3, 2020. LAZ Dompot Dhuafa was chosen because it has a special division that is professional in empowering the people, especially in the Ponorogo area where the majority of the population are poor farmers. Kwajon Village was chosen because there are many

unemployed youth even though they are in a large agricultural area, so that their potential can be empowered. This study aims to assess the impact of the LAZ Dompét Dhuafa empowerment program on the welfare of farmers in the village.

The subject of this study is farmers who are members of the Makmur Sentosa Cooperative, formerly known as the Tunas Remaja Farmers Group, who have benefited from the LAZ Dompét Dhuafa empowerment program. This study focuses on 55 cooperative members with the main criteria: farmers aged 25-60 years, do not own their own land or only own small land, have participated in the empowerment program for at least 4 years, and are still classified as *mustahiq*. The object of the research is an empowerment program run by LAZ Dompét Dhuafa. Data collection techniques are an important step in research to obtain data to be analyzed. In this qualitative study, researchers used several techniques:

1. Structured Interviews - Used to dig up information from informants without affecting their answers. The researcher interviewed farmers who are members of the Makmur Sentosa Cooperative and related parties, with instruments such as interview sheets, voice recorders, and cameras.
2. Observation - The researcher made direct observations at the empowerment site in Kwajon Village for 2 weeks, recording and analyzing the observed phenomena.
3. Documentation - Collecting secondary data in the form of written notes, drawings, or other works to complete interviews and observations.

Data obtained from interviews, observations, and documentation will be tested for validity, processed, and strengthened with relevant literature. The data analysis process begins before the researcher enters the field, continues during data collection, and afterwards. The analysis techniques used followed the Robert K. Yin method, namely pattern matching, data description, and time series analysis (Yin, 2014). This study uses data explanatory techniques because it is most suitable for descriptive case studies, with the aim of seeing if there is an improvement in farmers' welfare after the LAZ Dompét Dhuafa empowerment program. To ensure the validity of the data in the study, a triangulation test was carried out which included reconfirmation with other informants, verification of data by the reader of the manuscript, and rational analysis of experience (Morse et al., 2002). The researcher not only interviewed the main informant, namely farmers, but also other informants such as village



officials, cooperative heads, and program assistants to compare and ensure the validity of the data obtained.

## RESULTS AND DISCUSSION

The target of the LAZ Dompot Dhuafa Empowerment Program is farmers who want to develop agricultural businesses but lack capital and knowledge, as well as individuals who have the potential to become independent farmers. This program aims to empower them to be independent, creative, and productive.

### **The Situation of Kwajon Village Before the Program**

Kwajon Village, which is in Bungkal District, Ponorogo Regency, most of the population are farmers, as said by the Village Head and several other informants. Prior to the empowerment program from LAZ Dompot Dhuafa, farmers in Kwajon Village generally used traditional methods and chemicals for agriculture. In addition, many village youth are unemployed and engage in negative activities such as getting drunk and gambling, indicating a lack of work morale. The empowerment program aims to overcome this condition and improve the welfare of farmers and encourage youth to be more productive.

### **Implementation of the Empowerment Program by LAZ Dompot Dhuafa**

#### 1<sup>st</sup> Informant

The first informant was Mr. Suryanto, Chairman of the Cooperative and farmers empowered by LAZ Dompot Dhuafa. According to Mr. Suryanto, LAZ DD provided capital assistance of 104 million rupiah to build a warehouse. After the construction, member farmers receive business capital of Rp 1,932,400 per person in the form of cash, which is handed over to the management of the Farmer Group to be managed. This money is used to buy fertilizer from distributors stored in warehouses, and farmers can pick up fertilizer as needed and pay after harvest. In addition to capital assistance, LAZ DD also provides training and support in the formation of cooperatives, which started from Poktan and then changed to the Makmur Sentosa Cooperative. Thus, assistance from LAZ DD includes cash for capital and training to improve farmers' skills.

#### 2<sup>nd</sup> Informants

The second informant, Mr. Imam Pamudji, a 31-year-old farmer, felt very helped by the empowerment program from LAZ Dompot Dhuafa. He explained

that the training provided, such as soil PH and healthy rice, has improved the skills and knowledge of farmers, so that they can now be considered as modern farmers. In addition, the cooperative formed by LAZ Dompot Dhuafa offers a fertilizer purchase scheme with post-harvest payment using grain, which is very helpful in capital. Farmers also get a higher selling price of grain than if selling to middlemen, which is Rp 6,000 per kilogram compared to the middleman price which is only Rp 3,200-Rp 4,200 per kilogram. The informant was satisfied with this empowerment model, which he considered better than direct cash handover, because in addition to improving economic welfare, this program also provided satisfaction for farmers.

### 3<sup>rd</sup> Informants

The third informant, Mr. Danu, a 27-year-old farmer, has benefited from the empowerment program since 2014. He revealed that the fertilizer purchase scheme through cooperatives, where fertilizers can be borrowed at the beginning of planting and paid for when harvested with grain, is very convenient for farmers because it does not require large capital at the beginning. In addition, the sale of grain to cooperatives is considered more profitable than selling to middlemen before, who offer lower prices. Mr. Danu also argued that zakat funds are better managed by groups and used as a joint business, because it is more useful than giving cash directly to farmers.

### 4<sup>th</sup> Informants

The fourth informant, Mr. Heri, a 33-year-old farmer, has benefited from the empowerment program since 2014. He explained that the assistance from LAZ Dompot Dhuafa was not given in the form of cash to farmers, but was used for the development of Farmer Groups, such as the construction of warehouses, slap machines, and fertilizer purchases. Farmers can buy fertilizer at a cheaper price and make payments after harvest using grain. This scheme is very helpful in capital. In addition, farmers also get other benefits such as tractor rental, planting tools, medicines, and training. Mr. Heri assessed that this empowerment program was right on target and very helpful to farmers.

### 5<sup>th</sup> Informants

The fifth informant, Mr. Aris, a 35-year-old farmer, explained that the mechanism for taking fertilizer in the cooperative is very convenient. Farmers can take fertilizer at the beginning of planting and pay for it after harvest with grain according to the market price at that time. This is very helpful for capital, because before there is a cooperative, farmers must prepare large capital for the

initial planting needs. Mr. Aris also stated that there is an increase in the economy after the empowerment program, especially because the sale of grain to cooperatives is more profitable than to middlemen, especially for farmers who grow healthy rice. In addition, the training from LAZ Dompot Dhuafa focuses on organic farming, which encourages farmers to switch to healthy rice. Mr. Aris prefers if zakat funds are managed by a group, because he is worried that if it is handed over directly to individuals, the results will not be optimal.

#### 6<sup>th</sup> Informants

The sixth informant, Mr. Subandi, a 38-year-old farmer and village official in Kwajon Village, also benefited from the empowerment program. He said that the fertilizer purchase scheme with a borrow and pay after harvest system is very easy, avoiding it from debt to the store as before. Mr. Subandi also acknowledged that there was an increase in the economy after the program, especially because selling grain to cooperatives is more profitable than selling to middlemen. He is more supportive if zakat funds are managed by cooperatives in groups, because according to him, the distribution of funds directly to individuals can be risky to be used for consumptive purposes and not focus on agriculture.

#### 7<sup>th</sup> Informants

The seventh informant, Mr. Slamet Widodo, a 37-year-old farmer, has been receiving the benefits of the empowerment program since 2015. He explained that the scheme of taking fertilizer at the beginning of planting and paying after harvest with grain greatly eases the capital burden of farmers. Even though agricultural conditions are uncertain, Mr. Slamet feels helped by the fertilizer assistance. In addition, he prefers to sell his crops to cooperatives to support the development of cooperatives, which also provide more favorable prices than middlemen. Regarding the distribution of zakat funds, Mr. Slamet is satisfied with this empowerment model, because the funds managed are more useful than if they are given in the form of cash that runs out quickly.

#### 8<sup>th</sup> Informants

The eighth informant, Mr. Wajib, a 45-year-old farmer, has been receiving the benefits of the empowerment program since around 2015. He explained that fertilizers can be borrowed from cooperatives and paid for when harvested with grain, which facilitates capital and access to fertilizers. Before the program, he

bought fertilizer at the store. Although the rice fields are small, the yield is sufficient for daily needs, although it fluctuates depending on the season and conditions. Sometimes, Mr. Mandatory sells his crops to cooperatives, although sometimes he sells to local traders because he feels bad, even though the cooperative offers higher prices.

#### 9<sup>th</sup> Informants

The ninth informant, Mr. Evam, a 46-year-old farmer, has benefited from the empowerment program since its inception in 2013. He explained that capital assistance from LAZ Dompét Dhuafa is managed by cooperatives and adjusted to the needs of farmers, such as fertilizers, medicines, or seeds. Previously, farmers were often forced to borrow money from middlemen with burdensome interest, so they had to sell their crops to middlemen. Now, with cooperatives, farmers can borrow fertilizer without interest, which is very helpful for capital. Although the selling price of grain in cooperatives and middlemen is almost the same, the profits from the cooperative are distributed as surplus to members, which is perceived as an economic improvement. Mr. Evam considers this empowerment program to be good because it benefits both parties – farmers get results, and those who help also benefit.

#### 10<sup>th</sup> Informants

The tenth informant, Mr. Slamet Hariyanto, a 56-year-old farmer, has benefited from the empowerment program since 2014. He received assistance in the form of infrastructure, fertilizers, medicines, and seeds, but there was no cash fund. The harvest is always sold to cooperatives that collaborate with the program. Previously, agriculture in Kwajon Village used a lot of fertilizers and chemical drugs, but after guidance from Dompét Dhuafa, farmers began to switch to a healthy rice planting pattern that was close to organic. Although the rice fields are not large, Mr. Slamet feels an increase in the economy, mainly because of the reduced initial planting capital thanks to the fertilizer borrowing system in the cooperative and better crop yields. He also felt that it was more profitable to sell grain to cooperatives than to middlemen. Overall, Mr. Slamet is satisfied with this empowerment program, although he still feels that his agricultural products can be maximized.

#### 11<sup>th</sup> Informants

The eleventh informant, Mr. Tumirin, a 69-year-old farmer from Kwajon Village, also received fertilizer assistance from the cooperative with a system of borrowing at the beginning and paying after harvest. He felt very helped

because he used to have to go into debt for planting capital. Currently, Mr. Tumirin grows red rice and white rice, where the sale of red rice is more profitable if sold to cooperatives, while the price difference of white rice is small, so it is sometimes sold to middlemen. He also received surplus from the cooperative of each Annual Meeting Members, which contributed to the improvement of his family's economy.

#### 12<sup>th</sup> Informants

The twelfth informant, Mr. Sunarto, the Head of Kwajon Village, explained that the fertilizer subsidy program that can be paid during harvest has been running for 3-4 years. This program helps farmers by reducing the capital burden and allowing them to buy fertilizer cheaper than in stores. In addition, the diversification of agricultural products in the village has grown, with farmers starting to grow healthy rice, red rice, and beans instead of just white rice. Mr. Sunarto also noted the improvement of the economy through the absorption of labor, especially youth who were previously unemployed, thanks to various productive activities managed by cooperatives. According to him, this productive zakat distribution model is very appropriate because the benefits are felt by many villagers.

#### 13<sup>th</sup> Informants

The thirteenth informant, Mr. Husin, is a 35-year-old program companion from LAZ Dompét Dhuafa who assists cooperative activities. The empowerment program began after a survey in 2010 and was officially implemented in 2013. Initially, this program aimed to empower youth who were unemployed and engaged in negative activities such as getting drunk. Through the provision of papaya calina seeds and fertilizer for free, village youth began to switch to agriculture and abandon bad habits. To keep the spirit of young farmers going, LAZ Dompét Dhuafa collaborates with them, buying dry grain at a higher price. The cooperative, which initially only made a profit of Rp 400,000 a year, now earns Rp 37 million a month, and the youth have begun to rent village land to be managed.

#### **Researcher's Observations**

The researcher attended the monthly social gathering which had been stopped for 3 months due to Covid-19. Researchers observed that the majority of cooperative members present were youth, with only a few members over the age of 40. The Chairman of the Cooperative provided information about the development of cooperatives during the pandemic and social activities. At the

end of the event, liquid organic fertilizer (LOF) was distributed to farmers according to their individual needs, so that each farmer received a different amount of LOF.

### **Obstacles During the Program**

During the empowerment program implemented by LAZ Dompot Dhuafa in Kwajon Village, several obstacles appeared. First, there is a difference of opinion between the central LAZ Dompot Dhuafa and the Program Companion regarding the needs of farmers. For example, in the RAB it was initially planned to build a saung, but the Program Companion refused because it did not have an economic impact, and preferred to build a fertilizer warehouse. In addition, LAZ Dompot Dhuafa wants assistance in the form of fertilizer to be given free of charge, but the Program Companion is worried that the main capital could run out after the program ends.

Second, the traditional mindset of farmers is an obstacle. Initially, farmers refused to plant organic rice and red rice for fear of failure and returned to conventional methods. However, after some time and examples of success, they began to switch to the method.

Third, cooperatives face business constraints. Some farmers do not pay for the fertilizer that has been taken, so the cooperative has to give sanctions. In addition, the mobile rice mill that was originally purchased turned out to be at a loss, so it was replaced with a more efficient sitting milling machine

Fourth, social obstacles arise in the formation of the Makmur Sentosa Cooperative. There was rejection from the surrounding community, especially because the members of the farmer group were mostly young people who were considered unemployed and drunkards. However, despite the distrust, the youth are still enthusiastic about building cooperatives until they are growing and progressing.

### **The Role of Productive Zakat in Improving Welfare**

The success of the productive zakat empowerment program by LAZ Dompot Dhuafa in Kwajon Village can be seen from the increase in the income of the farmers involved. The informants revealed that selling grain to cooperatives provides a higher price than middlemen, with cooperatives paying a minimum of Rp 5,000 per kilogram of grain, while middlemen only offer Rp 3,200-Rp 4,200. This improves the welfare of farmers economically, and

farmers also get a share of the cooperative surplus. In conclusion, this empowerment program has succeeded in helping farmers improve their welfare.

### **Discussion**

According to Ginanjar Kartasasmita, economic empowerment is an effort to optimize resources to increase the economic productivity of the community, both human and natural resources (Kartasasmita, 1997). Zakat management based on Law No. 23 of 2011 aims to increase the effectiveness and efficiency of zakat services as well as community welfare and poverty alleviation (Alamri et al., 2023). LAZ Dompét Dhuafa, through a professional strategy, seeks to improve the welfare of its farmer partners in Kwajon Village, Ponorogo, by managing ZIS funds appropriately according to mustahiq needs.

LAZ Dompét Dhuafa focuses on empowering groups, such as the Youth Tunas Farmers Group, which not only receive training in organic farming and planting red and black rice, but also be guided in religious aspects. Before the empowerment program, a survey was conducted to understand the condition and potential of the area, so that this program is expected to increase farmers' income.

In addition, LAZ Dompét Dhuafa also provides business assistance to the Makmur Sentosa Cooperative, with the help of a gradual rice milling machine to improve production efficiency and farmers' welfare. This program also aims to improve the faith of young people who were previously involved in bad habits such as drunkenness and gambling, by holding regular recitations.

As explained in QS. Ar-Ra'd:11, Allah will not change the fate of a people unless they try to change themselves (Quran.com, 2016). This is relevant to the success of the empowerment program, which depends not only on external assistance, but also on the strong determination of farmers to improve their standard of living. The success of the program in Kwajon Village proves the positive impact of the combination of LAZ Dompét Dhuafa's efforts and the farmers' desire to change.

### **Research Limitations**

1. The limitations of this study are as follows:
2. The researcher only conducted observations and interviews for 2 weeks, so he did not directly witness the entire process of planting until rice harvesting.

3. The research only focuses on the aspects of *hifdzun maal* (economy) and *hifdzu diin* (faith), while the aspect of *hifdzul aql* (knowledge) which is also important in the success of the LAZ Dompét Dhuafa empowerment program is not discussed.
4. The limited number of interviews with the village community causes the answers given to be incomplete, so researchers need to make more efforts to interpret the informants' answer.

## CONCLUSION

The LAZ Dompét Dhuafa empowerment program in Kwajon Village targets farmers, especially youth. Through business capital managed by the Farmer Group, this program helps youth who were previously unemployed and drunk to become farmers. In addition, farmers get capital facilities through the fertilizer loan system, can sell grain to cooperatives at a better price than middlemen, and receive surplus from cooperative profits. From this, it can be concluded that the LAZ Dompét Dhuafa empowerment program plays a positive role in improving the welfare of farmers in Kwajon Village, as seen from the increase in farmers' income and the loss of the habit of drunkenness among youth.

This research is expected to be an input for the government and amil zakat institutions to evaluate and improve the management of zakat to improve the welfare of the people. Some of the steps that can be taken include:

1. Optimizing the utilization of productive zakat to reduce poverty and improve the welfare of the people, so that the distribution of zakat becomes more effective and efficient.
2. Creating an innovative and targeted model of productive zakat utilization, accompanied by continuous assistance, or coaching to mustahiq. This mentoring can be in the form of increasing knowledge, skills, or expertise, which aims to develop the potential of mustahiq and help them improve their welfare.

## Author's Contribution

1. Author 1/Main Author: Conception and design of the research; data collection; data analysis and interpretation; Initial draft writing of articles, revision of articles for important intellectual content, interpretation of results.
2. Author 2: Data analysis;



3. Author 3: contribution to conclusion and copyeditor

### **Declaration Of Competing Interest**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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