Mustahiq Local Economic Empowerment Based on Islamic Philanthropy Through Zakat at Amil Zakat Institutions in Indonesia

Pemberdayaan Ekonomi Lokal Mustahiq Berbasis Filantropi Islam Melalui Zakat Pada Lembaga Amil Zakat di Indonesia

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ABSTRACT

The purpose of research on how to empower local economies based on Islamic philanthropy through zakat at amil zakat institutions in Indonesia. The research findings show that the empowerment of the *mustahiq* local economy based on Islamic philanthropy through zakat amounted to Rp 3.52 trillion or 30.59% of the total distribution and its absorption capacity of 92.77% is said to be very effective in empowering the local economy of *mustahiq* in Indonesia. Then some local economic empowerment *mustahiq* based on Islamic philanthropy through zakat, namely Fair Wealth Distribution, Increasing Access and Welfare, Economic Infrastructure Development, Entrepreneurship Empowerment. Then social solidarity, shared responsibility, and economic benefits. The program contributes to the development of a more just, sustainable, and inclusive society. By managing zakat funds wisely, running programs transparently, and involving active community participation, Local economic empowerment of *mustahiq* through zakat can help overcome economic and social disparities and improve the welfare of Muslims as a whole.

Keywords: local economic empowerment, *mustahiq*, Islamic philanthropy zakat

ABSTRAK

Penelitian ini bertujuan untuk mengetahui pemberdayaan ekonomi lokal berbasis filantropi Islam melalui zakat pada lembaga amil zakat di Indonesia. Temuan penelitian menunjukkan bahwa pemberdayaan ekonomi lokal mustahiq berbasis filantropi Islam melalui zakat sebesar Rp 3,52 triliun atau 30,59% dari total penyaluran dan daya serapnya sebesar 92,77% dikatakan sangat efektif dalam memberdayakan ekonomi lokal mustahiq di Indonesia. Kemudian beberapa pemberdayaan ekonomi lokal mustahiq berbasis filantropi Islam melalui zakat, yaitu Distribusi Kekayaan yang Berkeadilan, Peningkatan Akses dan Kesejahteraan, Pembangunan Infrastruktur Ekonomi, Pemberdayaan Kewirausahaan. Kemudian solidaritas sosial, tanggung jawab bersama, dan manfaat ekonomi. Program ini berkontribusi pada pembangunan masyarakat yang lebih adil, berkelanjutan, dan inklusif. Dengan mengelola dana zakat secara bijak, menjalankan program secara transparan, dan melibatkan partisipasi aktif masyarakat, pemberdayaan ekonomi lokal mustahik melalui zakat dapat membantu mengatasi kesenjangan ekonomi dan

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sosial serta meningkatkan kesejahteraan umat Islam secara keseluruhan.

Kata Kunci: *pemberdayaan ekonomi lokal, mustahiq , filantropi Islam zakat*

1. Introduction

The problem of poverty in Indonesia is a major problem in economic development (Akbar Alifiani, 2020). Based on the data collected, the percentage of poor people in March 2023 was 9.36 percent, a decrease of 0.21 percentage points against September 2022 and a decrease of 0.18 percentage points against March 2022. The number of poor people in March 2023 was 25.90 million people, a decrease of 0.46 million people compared to September 2022 and a decrease of 0.26 million people compared to March 2022. In March 2023, the average poor household in Indonesia had 4.71 members. Thus, the average poverty line per household is Rp2,592,657/poor household/month (Badan Pusat Statistik, 2023).

With the problem of poverty, there is a main solution that is used as a solution to be used as the main bridge, namely Islamic philanthropy through zakat. Philanthropy is a concept found in Islam, which aims for good (al-birr). Looking at the conditions of different social and economic levels of society, the idea or concept of philanthropy is one alternative for a community group to reduce social inequality between communities (Linge, 2017).

So far Islamic philanthropy, the relationship of giver and receiver is not to perpetuate superior-inferior relations, rather it is more about partnership, partnership, so that the relationship is in balance and equality, and therefore can be avoided giving accompanied by certain messages, therefore, community groups need to be critical to encourage the effectiveness of the role and responsibility of the State (Wahyu, 2017).

The Indonesian state currently stands for many religious-based philanthropic institutions or organizations under the government and moves according to existing laws such as BAZNAS (National Amil Zakat Agency) and BAZDA (Regional Amil Zakat Agency). In addition, there is also an institution established by community organizations/CSOs, namely LAZIZ (Infaq Shodaqoh Zakat Charity Institute) (Latief, 2013).

The ongoing development of Islamic philanthropic institutions in Indonesia is interesting to study and analyses more deeply (Marhamah, 2017). The ongoing storage of socio-economic potential in Indonesia will be a magnet for exploring philanthropic programs.(Latief, 2013) The undeniable reality is that Indonesia as one of the countries with a population of approximately 237 million people is still too many Indonesians who live under conditions of lack of luck (poor) (Bahjatulloh, 2016).

One of Islam's teachings in economic activity is that Islam expressly forbids all economic activities to be controlled only by a few or a group of people, But it must be done collectively for common welfare so that it can prosper and empower (Yaqin, 2015). Moreover, people's helplessness is usually caused by the lack of economic access to various sectors. The existence of Zakat for the economic development of Muslims is a very important part because, through zakat, the welfare distribution mechanism in the Islamic concept is realized. One of the things that supports the welfare of life in the world, supporting life in the afterlife is the existence of socio-economic welfare (Ab Rahman et al., 2020). It is a set of alternatives to the well-being of Muslims from poverty and destitution. For this reason, it is necessary to form Islamic social institutions as an effort to overcome these social problems. In this regard, zakat can serve as one of the sources of socio-economic funds for Muslims (Noviaturahman, 2015). Based on the problems raised in this paper, the main focus is how to empower the local economy *mustahiq* based on Islamic philanthropy through Zakat at the Amil Zakat Institute in Indonesia**.**

2. Literature Review

Philanthropic management can be handled by many actors, starting from the state by establishing and managing the Amil Zakat Agency, civil society, such as the establishment and management of the Amil Zakat Institute, Zakat House, Waqf House, and can also be corporations or companies in the form and corporate social responsibility (Hudayati & Tohirin, 2019). But the issue facing the country's Muslims is not the number of philanthropic institutions, but whether the increasing generosity of Muslims can be a driver of change at the individual and collective level. So this is where the importance of distribution and utilization of Islamic Philanthropy funds for social welfare in the field of community economic empowerment through zakat institutions in Indonesia lies (Gobel, 2020).

This philanthropic institution is increasingly showing its significance, including because of its role in reducing social (economic) inequality in the field of economic empowerment of the community through "giving" activities in various forms not limited to money or goods but also work or various efforts to ease the burden of the poor and improve their welfare is referred to as philanthropy (Prihatna, 2005). zakat institutions in Indonesia need the management, distribution, and utilization of Ziswaf funds to be productive for business capital assistance in the context of empowering their *mustahik* (Ridwan, 2019).

The faith-based philanthropic institution also distributes social funds in various ways, ranging from health services for underprivileged families, economic empowerment, providing scholarships and practical skills training (Wahyu, 2017). Through this community economic empowerment activity, the zakat institution is one of the faith-based philanthropic institutions that is able to distribute funds programmatically and aimed at prolonged social problems, because the term philanthropy is used because behind it there is an ideology that is fought for (Nurhayati, 2019).

Furthermore, the manifestation of community empowerment programs has not been able to touch the roots of poverty and community powerlessness, so the success indicators of community empowerment practices have not been exposed much (Prasfapet, 2020). Even the activities of these institutions still seem charitable or even present language and reviews about empowerment so that poverty and helplessness of the community are increasing. Several cases on the ground show that often zakat institutions carry latency missions to support and collaborate with political party programs based on Islam, giving rise to new poverty and *mustahik* self-reliance (Abidin, 2013).

Through the legal system in Indonesia, philanthropic funds have now been regulated with their own legal umbrella. For zakat issues based on Law No. 23 of 2011 concerning Zakat Management with the legitimacy of the National Amil Zakat Agency (BAZNAS) as a non-structural government institution that is independent and responsible to the President through the Minister of Religious Affairs domiciled in the national capital whose main task is to manage and develop zakat management in Indonesia (Siti Nurhayati, 2019).

The potential for the development of Islamic philanthropy is enormous in the form of Muslim generosity through zakat, *infak, sadaqah*, and waqf. The survey results show that almost all Indonesian Muslims (99%) have donated.(Ade, 2021) In line with the spirit of generosity of Muslims, Islamic philanthropy in Indonesia is also experiencing significant development marked by increasing enthusiasm in philanthropy and influenced by the revitalization of the vision of the world of Islamic philanthropy, Prihatna (2005) who try to transform the old paradigm of philanthropy with a new paradigm that is more creative and innovative (Linge, 2017). Islamic philanthropy in the form of ZIS if managed productively, will be able to carry out maximum functions, such as the provision of public facilities, economic empowerment, and so on (Kasdi, 2016).

3. Method

The type of research used in this research is a literature study, sourced from several journal literature reviews that are considered relevant to the research theme. The nature of the research used in this study is qualitative. The source of data used in this study is secondary data, data obtained from several sources relevant to the empowerment of the local economy *mustahiq* based on Islamic philanthropy through Zakat at the Amil Zakat Institute in Indonesia**.** Data sources from institutions that have presented data before, including data sources from Outlook Zakat, Books, Journals, websites, and others that support research. The data collection technique used in this study is the collection of pre-existing data, Then the researcher processed the data from the data obtained. Then data collection through documentation from related sources. The data analysis technique used in this study is data reduction and conclusion drawing.

4. Result and Discussion

Based on data on local economic empowerment *mustahiq* based on Islamic philanthropy through Zakat at zakat institutions in Indonesia Both in terms of collection and distribution can be seen as follows:

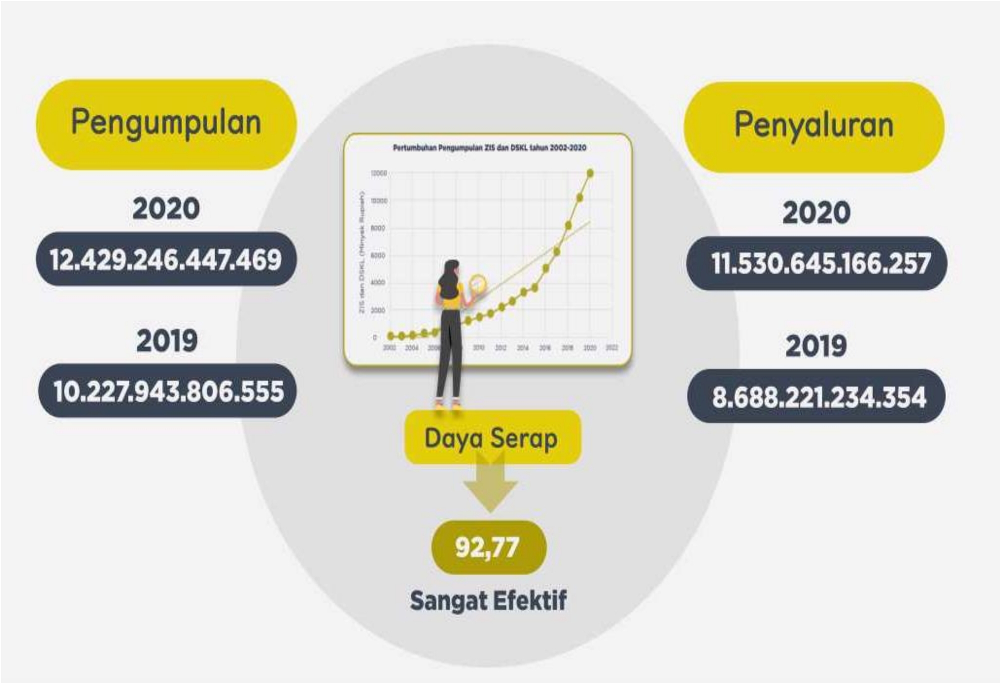

Figure 1 Zakat management model through collection and distribution

Source: BAZNAS (2021)

Figure 2 The Effect of Zakat on Micro and Macro

Source: BAZNAS (2021)

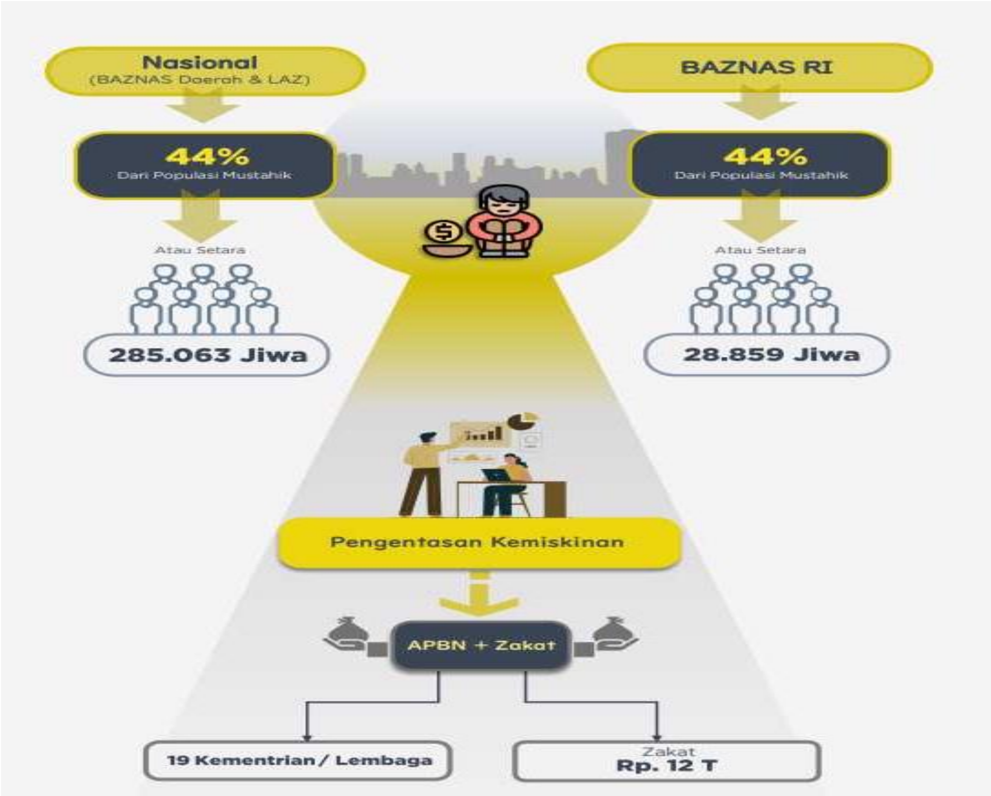

Figure 3 BAZNAS Against Mustahik Population

Source: BAZNAS (2021)

The national collection is the total funds collected by various OPZs throughout Indonesia for a year. Those included in OPZ throughout Indonesia are BAZNAS, Provincial BAZNAS, District/City BAZNAS, National LAZ, Provincial LAZ, and official District/City LAZ which have the obligation to report collection and distribution to BAZNAS in accordance with the mandate of Law Number 23 of 2011 concerning Zakat Management. In addition, the national collection above also includes OPZ in guidance and unreported zakat fitrah.

No	Tingkat OPZ	2019	%	2020	%
1	BAZNAS	296.234.308.349	2,9	385.126.583.224	3,1
2	BAZNAS Provinsi	583.919.722.674	5,7	489.538.808.289	3,9
3	BAZNAS Kabupaten/ Kota	3.539.980.546.674	34,6	1.735.824.169.041	14,0
4	LAZ	3.728.943.985.109	36,5	4.077.297.116.443	32,8
5	OPZ dalam pembinaan dan zakat fitrah yang tidak terlaporkan	2.078.865.243.749	20,3	5.741.459.770.472	46,2
	Total	10.227.943.806.555	100	12.429.246.447.469	100

Figure 4 National ZIS Collection by OPZ Type

Source: BAZNAS (2021)

Public awareness regarding paying ZIS has begun to increase, this is reflected in the increase in OPZ collection in Indonesia every year. This gives a positive signal for all OPZs in Indonesia to maximize their function and role in grounding Zakat in Indonesia. Based on data processed by BAZNAS, the number of national gatherings has increased significantly from 2002 to 2020, the following data can be presented.

Tahun	ZIS (Milyar rupiah)	Pertumbuhan (%)
2002	68,39	0,00
2003	85,28	24,70
2004	150,09	76,00
2005	295,52	96,90
2006	373,17	26,28
2007	740	98,30
2008	920	24,32
2009	1200	30,43
2010	1500	25,00
2011	1729	15,27
2012	2212	27,94
2013	2639	19,30
2014	3300	25,05
2015	3650	10,61
2016	5017,29	37,46
2017	6224,37	24,06
2018	8.117,60	30,42
2019	10.227,94	26,00
2020	12.429,25	42,16
Rata-rata		**34,75**

Figure 5 National Collection Growth 2002-2020

Source: BAZNAS (2021)

Based on figure 5, the growth of Zakat, Infak, Shodaqoh and DSKL in 2002-2020 has a positive trend. Collection in 2020 experienced a growth of Rp. 4,311.65 billion or 42.16 percent compared to 2019. An interesting growth trend in 2005 and 2007 where the growth of ZIS and DSKL reached more than 95 percent due to those years the Aceh Tsunami (2005) and Jogja Earthquake (2007). This event illustrates that one of the factors for the increase in the number of collections is caused by an event or natural disaster. The same thing also happened in 2020, where during the COVID-19 pandemic, the number of donations increased than usual, as stated in PWPS Puskas BAZNAS (2021) and Policy Brief Puskas BAZNAS (2020).

Figure 6 ZIS and DSKL Growth Chart 2002-2020

Source: BAZNAS (2021)

The spirit of zakat is always campaigned by all OPZ to *muzakki* with various zakat campaigns. In this digital era, OPZ also collaborates with various digital platforms to make it attractive and easy for *muzakki* to pay zakat. BAZNAS launched the Muzaki Corner platform, as one of the facilities to facilitate ZIS payments made by *muzakki*. It is hoped that with the facilities provided in zakat payments, it can maximize the potential of zakat collection in Indonesia. With the synergy between OPZ, it is hoped that the potential for large ZIS collection can be maximized, so that it can have an impact on society, especially in Indonesia and those in the world who are experiencing various problems both economic and social problems.

The practice of distributing national zakat funds by OPZ runs in accordance with the command of Allah SWT in the Qur'an Surat At-Tawbah verse 60. The following is a table of ZIS funds disbursed based on *asnaf*.

No	Tingkat OPZ	2019	%	2020	%
1	BAZNAS	270.716.950.765	3,1	357.673.037.626	3,1
2	BAZNAS Provinsi	481.796.534.289	5,5	444.926.604.298	3,9
3	BAZNAS Kabupaten/Kota	2.586.872.888.351	29,8	1.590.768.396.569	13,8
4	LAZ	3.519.873.720.039	40,5	3.527.539.299.233	30,6
5	OPZ dalam pembinaan dan zakat fitrah yang tidak terlaporkan	1.828.961.140.910	21,1	5.609.737.828.531	48,7
	Total	**8.688.221.234.354**	**100**	**11.530.645.166.257**	**100**

Figure 7 National ZIS Distribution Based on OPZ Type

Source: BAZNAS (2021)

Overview of distribution carried out by OPZ experiencing program innovation. This is related to changes that occur in all aspects of life due to the spread of the COVID-19 Pandemic. OPZ as one of the spearheads in dealing with pandemic problems is required to play an active role. Everything is done so that the Indonesian people can go through difficult times in facing the pandemic. Of course, the distribution is still by paying attention to 8 (eight) groups (*asnaf*) *mustahik* zakat namely fakir, miskin, amil, *muallaf, riqob, gharimin, sabilillah*, and *ibn sabil*. Many Indonesians have been affected by the pandemic. One of them is from the economic side, where business actors must be willing not to operate to prevent the spread of this COVID Virus.

In handling the COVID-19 pandemic, BAZNAS collaborates with other institutions from the Ministry of Religious Affairs, Ministry of Health, BNPB, and Forum Zakat (FOZ). Based on BPS data (2020), poverty in March 2020 increased compared to 2019, from 9.78 percent in 2019 to 10.17 percent in 2020. Thus, the number of poor *mustahik* that OPZ has to deal with increases. The distribution of zakat is carried out on 4 (four) main programs, namely education, health, humanity, and da'wah and advocacy. Meanwhile, utilization is focused on 3 (three) programs that intersect with distribution programs, namely economy, education, and health. The number of beneficiaries in 2020 counted 16.5 million people with the largest beneficiaries of charitable programs, namely Social Humanitarian Programs amounted to 49.9 percent while the lowest beneficiaries were productive ones, namely economic programs which only amounted to 5.2 percent.

No	Bidang	Jumlah Mustahik	%
1	Ekonomi	871.059	5,25
2	Pendidikan	1.177.337	7,10
3	Dakwah	3.916.128	23,62
4	Kesehatan	2.340.580	14,12
5	Sosial Kemanusiaan	8.273.216	49,90
	Total	**16.578.320**	**100**

Figure 8 Number of Beneficiaries by Program in 2020

Source: BAZNAS (2021)

The effectiveness of ZIS distribution is measured by the activity ratio, namely Allocation to Collection Ratio (ACR). This ratio is used to measure the effectiveness of distribution against collection. Based on the exposure in the previous section, the total collection and distribution of ZIS nationally in 2020 is as follows:

No	Tingkat OPZ	Pengumpulan	%	Penyaluran	%	Daya serap (%)
1	BAZNAS	385.126.583.224	3,10	357.673.037.626	3,10	92,77 Sangat Efektif
2	BAZNAS Provinsi	489.538.808.289	3,94	444.926.604.298	3,86	
3	BAZNAS Kabupaten/ Kota	1.735.824.169.041	13,97	1.590.768.396.569	13,80	
4	LAZ	4.077.297.116.443	32,80	3.527.539.299.233	30,59	
5	OPZ dalam pembinaan dan zakat fitrah yang tidak terlaporkan	5.741.459.770.472	46,19	5.609.737.828.531	48,65	
	Total	**12.429.246.447.469**	**100**	**11.530.645.166.257**	**100**	

Figure 9 Collection and Distribution of Zakat for the Empowerment of Local *Mustahik*

Source: BAZNAS (2021)

Based on figure 9. above, the highest ZIS fundraising is managed by LAZ which includes National LAZ, Provincial LAZs and official district/city LAZs are registered with a portion of 32.8 percent or Rp4.07 trillion. The amount of funds successfully distributed amounted to Rp 3.52 trillion or 30.59 percent of the total distribution. While BAZNAS RI, BAZNAS Province and BAZNAS Regency / City collected funds of Rp. 2.61 trillion or 21 percent of the total revenue, and disbursing funds of Rp 2.39 trillion or 20.76 percent of the total national distribution. On the other hand, the collection and distribution of OPZ in unreported formation and zakat fitrah is close to 50 percent.

The administration of zakat management is still BAZNAS' homework as the coordinator of zakat management in Indonesia. Based on the table above, the absorption of ZIS funds distributed to *mustahik* in 2020 reached 92.77 percent. This calculation refers to the concept of Allocation to Collection Ratio (ACR) contained in the Zakat Core Principle (ZCP). ACR is part of the financial ratios managed by OPZ. ACR is a concept of comparing the proportion between the collection carried out by OPZ and the funds distributed by OPZ. If you look at the absorption capacity which reached 92.77 percent in 2020, OPZ's ACR performance in that year was said to be very effective (very effective value >90 percent). The quality of zakat distribution needs to be maintained through increasing the capacity of OPZ zakat distribution both through consumptive and short-term programs, as well as through productive, empowering and long-term impact programs.

The results of the survey "Islamic philanthropy for social justice in Indonesia" found that 99.3% of Muslims in Indonesia do social generosity in the form of donations of money and goods as well as donations of time and energy (Linge, 2017). *Shodaqoh* in the form of money is given by 93.60% of Muslims, zakat fitrah is paid by 98.50% (Muslims include those with weak economies), zakat mal 34.70%, and *waqaf* 22.80%. These figures show that the potential of Islamic philanthropy is enormous and already helps the poor and finances most religious social activities (Amelia Fauziah, 2010).

Based on data from the Indonesian Zakat Forum (FOZ), it turns out that zakat, *infak* and *shodaqoh* funds collected in 2005 amounted to 300 billion rupiah and in October 2006 ZIS funds were collected 240 billion rupiah in addition, the collection of funds from ZISWAF amounting to 250 billion rupiah, 80% of which is zakat funds of which 50% of funds are received during Ramadan, meaning that the stagnation of ZIS in Indonesia makes its own home work to be immediately developed and managed properly. If this is allowed then the potential of this ummah fund will backfire on Muslims who really socialize the importance of zakat, *infak* and *shodaqoh* (Abidin, 2012).

In addition, the potential of national zakat in Indonesia in 2021 is estimated to reach 3.4 percent of total GDP or around Rp 217 trillion. The potential for zakat receipts comes from various sectors such as private companies, households, SOEs, as well as savings and deposits. However, the potential of zakat described above has not been supported by achievements in collecting zakat in the field. Judging from the data collected zakat by the Zakat Management Organization (OPZ) in 2020, zakat, *infaq*, and *shodaqoh* (ZIS) that have been collected have only reached around 5 trillion rupiah (Azwar Iskandar, Bayu Taufiq Possumah, 2020). This shows that there is still a fairly high gap between the potential and realization of zakat collection. Although there is still a high gap between potential and realization, public awareness of zakat through OPZ is recorded to continue to increase. The average growth of ZIS collection nationally is around 20.06% per year. The increase in ZIS collection growth shows that the higher level of public trust in zakat management. The collection of national ZIS funds has increased along with the increase in distribution growth. The BAZNAS Canter for Strategic Studies (2018) stated that ZIS distribution nationally in 2016 reached 2.931 trillion rupiah. In other words, the absorption rate reached 58.42 percent. This can be interpreted as the absorption of funds by the Zakat Management Organization (OPZ) is considered quite effective (Cahya, 2020).

The utilization of zakat managed by zakat institutions in Indonesia is not only limited to certain activities based on conventional orientation, but can also be used for people's economic activities, such as in community economic empowerment programs by providing productive zakat to those in need as business capital (Syarifudin, 2018) For this reason, it is necessary to use community economic empowerment programs in the structure of Islamic philanthropic funds distribution and philanthropic institutions must be organized to have neatness in their structure in order to survive for a long period of time which actually lies not in wrong and right or effective and ineffective, but rather on the priority scale of programs needed by the community (Noviaturahman, 2015).

The empowerment of the *mustahiq* local economy through the zakat program is one of the strong approaches in encouraging the welfare of the *mustahiq* local economy. The concept is rooted in Islamic religious teachings that encourage Muslims to distribute their wealth fairly and provide assistance to those in need. Zakat, as a form of charity required by Islam, has an important role in correcting social and economic imbalances in Muslim societies (Ade, 2021).

In this context, *mustahiq*'s local economic empowerment through zakat programs aims to mobilize the economic potential of Muslims in a way based on the principles of justice, social solidarity, and shared responsibility. The program involves raising funds through zakat (obligatory) and *shodaqoh* (voluntary) from those who can afford it, as well as using the funds to provide assistance to the needy, build economic infrastructure, provide training and education, and support Muslim entrepreneurship (Kasdi, 2016).

Through the empowerment of the *mustahiq* local economy from the zakat program, we can create a more just, equitable, and empowered society. In strengthening the concepts of social justice and shared responsibility, the program plays an important role in reducing economic inequality, providing assistance to those in need, and building a strong economic infrastructure.(Amanda et al., 2021) By harnessing the potential of zakat to advance the well-being of Muslims, we can achieve the goal of inclusive economic and social sustainability for all Muslim communities (Puspitasari Gobel, 2020). Aims to improve the welfare of Muslims by utilizing funds collected through zakat. Zakat is an obligation for Muslims who possess certain wealth, while *shodoqoh* is a voluntary contribution given for social and humanitarian purposes.

The zakat program has several important aspects in empowering the local economy *mustahiq* (Ardiansyah & Nafik, 2014):

1. Fair Distribution of Wealth: Zakat and *shodoqoh* serve as instruments for equitable distribution of wealth in society. Zakat is collected from those who are economically capable and allocated to those in need. In this way, zakat and *shodoqoh* programs help reduce social and economic inequalities and provide access to resources for the underprivileged.
2. Improved Access and Welfare: Funds collected through zakat and *shodoqoh* are used to provide assistance to the needy, such as the poor, orphans, the poor, and people affected by disasters. The program can also provide access to education, housing, healthcare, and skills training. By improving access and welfare of underprivileged communities, zakat and *shodoqoh* programs play a role in improving the quality of life and reducing poverty rates.
3. Economic Infrastructure Development: One important aspect of economic empowerment through zakat and *shodoqoh* programs is the development of economic infrastructure. The funds collected can be used to build economic facilities and infrastructure such as the establishment of micro and small businesses, providing business capital, developing cooperatives, and other supports that help drive the local economy and create job opportunities.
4. Entrepreneurship Empowerment: Zakat and *shodoqoh* programs can also be used to empower Muslims through the provision of capital assistance and entrepreneurship training. By facilitating entrepreneurship, individuals can develop their own enterprises, create jobs, and become agents of economic change in their communities. Empowering entrepreneurship helps reduce dependence on formal employment, increase income, and strengthen the economy of Muslims as a whole.

By empowering the local economy of *mustahiq* through the zakat program, the Muslim community can utilize existing resources to improve well-being and create a positive impact in social and economic life (Muhammad & Arief, 2017). By managing funds wisely and running programs transparently, fairly, and effectively, economic empowerment through zakat and *shodoqoh* can play a significant role in building a more inclusive, equitable, and sustainable society.

Key to local economic empowerment through zakat programs include equitable distribution of wealth, social solidarity, shared responsibility, and economic and social benefits resulting from this program (Mohammad Ridwan, 2019). Here is the explanation:

1. Fair Distribution of Wealth: The concept of fair distribution of wealth is one of the core principles in Islam. In the context of zakat and *shodoqoh* programs, equitable distribution of wealth means allocating funds collected from those who are economically capable to those in need. This principle reduces social and economic inequality in society by providing better access to resources and opportunities for the less fortunate. The equitable distribution of wealth through zakat and *shodoqoh* promotes social justice and equality in society.
2. Social Solidarity: The concept of social solidarity involves mutual care and mutual assistance between community members. In the context of zakat and *shodoqoh* programs, social solidarity reflects the commitment of Muslims to help others by making financial contributions to those in need. Social solidarity encourages empathy, care, and social responsibility for the welfare of the wider community. Through zakat and *shodoqoh*, Muslims can strengthen social bonds and build a mutually supportive society.
3. Shared Responsibility: The concept of shared responsibility emphasizes that economic empowerment is not only the responsibility of individuals or families, but also the responsibility of the whole society. In zakat and *shodoqoh* programs, all Muslims have a collective responsibility to distribute their wealth fairly and help those in need. This shared responsibility creates awareness of social obligations and strengthens community bonds. By exercising shared responsibilities, Muslim communities can achieve a better economic and social balance.
4. Economic and Social Benefits: Zakat and *shodoqoh* programs provide significant economic and social benefits to the community. Economically, the program can help reduce poverty by providing direct assistance to those in need. This program can also strengthen micro and small economies through providing business capital to potential individuals or groups. In addition to economic benefits, zakat and *shodoqoh* programs also have social benefits which include improving the quality of life, social equality, solidarity, and strengthening bonds between individuals and communities.

By applying this concept, *mustahiq*'s local economic empowerment through zakat programs can achieve extensive economic and social benefits. Through equitable distribution of wealth, social solidarity, shared responsibility, and the resulting economic benefits, the program contributes to the development of a more just, sustainable, and inclusive society. By managing funds wisely, running programs transparently, and involving active community participation, economic empowerment through zakat and *shodoqoh* can help overcome economic and social disparities and improve the overall welfare of Muslims.

5. Conclusion

The conclusion of the research findings shows that the empowerment of the *mustahiq* local economy based on Islamic philanthropy through zakat amounted to Rp 3.52 trillion or 30.59 percent of the total distribution and its absorption capacity of 92.77 percent is said to be very effective in empowering the local economy of *mustahiq* in Indonesia. Then some models of local economic empowerment *mustahiq* based on Islamic philanthropy through zakat are Fair Wealth Distribution, Increased Access and Welfare, Economic Infrastructure Development, Entrepreneurship Empowerment. Then social solidarity, shared responsibility, and economic benefits. The program contributes to the development of a more just, sustainable, and inclusive society. By managing zakat funds wisely, running programs transparently, and involving active community participation, local economic empowerment through zakat can help overcome economic and social disparities and improve the overall welfare of Muslims. The limitations in this research are still in the normative and concept research stage so that further research becomes an impact study using quantitative research.

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