


THE DEVELOPMENT OF ECONOMIC POTENTIAL OF PEOPLE IN PANDEMIC THROUGH EARNING ZAKAT DISTRIBUTION

Agus Arwani^A, Stenly Salenussa^B, Nurul Widyawati Islami Rahayu^C, Muhammad Fauzinudin Faiz^D, Pandu Adi Cakranegara^E, Abdul Aziz^F, Andiyani Andiyani^G



ARTICLE INFO	ABSTRACT
<p>Article history:</p> <p>Received 30 Desember 2021</p> <p>Accepted 07 February 2022</p> <p>Keywords:</p> <p>Productive zakat; People's economy; Pandemic.</p> <div data-bbox="159 1008 462 1254">  </div>	<p>Purpose: This research aimed to ascertain the people's economic progress throughout the pandemic via the distribution of productive zakat by BAZ/LAZ in Pekalongan.</p> <p>Theoretical Framework: Zakat has evolved as a tool for economic growth and poverty reduction among the peoples of the regions during times of economic distress (Yusroni & Chadhiq, 2021). Zakat provides several benefits over the standard fiscal tools now available. Numerous ideas and theories have been advanced by specialists to address the issue of poverty (Alaro & Alalubosa, 2019; Iqbal & Mirakhor, 2011). However, not all ideas can be implemented and contribute to poverty reduction. It is anticipated that professional zakat administration and profitable usage would enable poverty reduction (Hoque, Khan, & Mohammad, 2015).</p> <p>Design/Methodology/Approach: Field research with a qualitative approach collects, manages, and distributes zakat funds, incredibly productive zakat at BAZ/LAZ in Pekalongan City. The technique is triangulation.</p> <p>Findings: The results showed that BAZ/LAZ in Pekalongan City had implemented effective zakat distribution programs, namely BAZNAS, LAZ Al Ummah, LAZISMU, and LAZ Central Java, while LAZINU had not implemented the effective zakat program optimally. In general, BAZ/LAZ in Pekalongan City used productive zakat to promote the potential of the people via various sorts of productive zakat initiatives throughout the pandemic. The primary objective of productive zakat is similar to that of BAZ/LAZ in Pekalongan City. According to defined protocols, the productive zakat distribution model is carried out precisely and accurately.</p> <p>Research, Practical & Social Implications: Despite several challenges, the distribution of productive zakat continued throughout the COVID-19 epidemic. The effective zakat program emphasizes developing diverse models via creativity and innovation for people's economic growth to avoid poverty.</p> <p>Originality/Value: The findings of the model of economic development of the people run by the mustahik also vary in the efforts carried out whose main objectives are to save, infaq, and develop businesses to avoid the problem of poverty.</p> <p>Doi: https://doi.org/10.26668/businessreview/2022.v7i2.0414</p>

^A Assistant Professor, Sharia Economics Department, IAIN Pekalongan. Indonesia. E-mail: agus.arwani@iainpekalongan.ac.id
Orcid: <https://orcid.org/0000-0001-5522-1749>

^B Associate Professor, Management Department, Universitas Kristen Indonesia Maluku. Indonesia. E-mail: stenlysalenussa20@gmail.com
Orcid: <https://orcid.org/0000-0002-5264-8234>

^C Lecturer, Department of Zakat and Waqf Management, UIN Kiai Achmad Shiddiq Jember. Indonesia.
E-mail: nurulwidya.febi@uinkhas.ac.id Orcid: <https://orcid.org/0000-0003-0445-351X>

^D Lecturer, Department of Zakat and Waqf Management, UIN Kiai Achmad Shiddiq Jember. Indonesia.
E-mail: Indonesiamufaddin@uinkhas.ac.id Orcid: <https://orcid.org/0000-0001-7076-4549>

^E Assistant Professor, Management Department, Universitas Presiden Bekasi. Indonesia. E-mail: pandu.cakranegara@president.ac.id
Orcid: <https://orcid.org/0000-0001-8754-3646>

^F Associate Professor, Economics Study Program, Universitas Isla Zainul Hasan Genggong. Indonesia. E-mail: abdazizwahab65@gmail.com
Orcid: <https://orcid.org/0000-0003-4510-1334>

^G Department of Architecture, Universitas Faletahan. Indonesia. E-mail: andiyaniarch@gmail.com
Orcid: <https://orcid.org/0000-0002-9999-5874>

O DESENVOLVIMENTO DO POTENCIAL ECONÔMICO DE PESSOAS EM PANDEMIA POR MEIO DA DISTRIBUIÇÃO DE ZAKAT

RESUMO

Objectivo: Esta investigação visa determinar o progresso económico das pessoas durante toda a pandemia através da distribuição de zakat produtivo pela BAZ/LAZ em Pekalongan.

Quadro teórico: o zakat evoluiu como instrumento de crescimento económico e de redução da pobreza entre os povos das regiões em tempos de dificuldades económicas (Yusroni & Chadhiq, 2021). Zakat oferece vários benefícios em comparação com as ferramentas fiscais padrão disponíveis actualmente. Os estudiosos propuseram numerosas ideias e teorias para abordar a questão da pobreza (Alaro & Alalubosa, 2019; Iqbal & Mirakhor, 2011). No entanto, nem todas as ideias podem ser implementadas e contribuir para a redução da pobreza. Prevê-se que a administração zakat profissional e a sua utilização rentável conduza à redução da pobreza (Hoque, Khan, & Mohammad, 2015).

Design/Methodologia/Proximidade: A investigação de campo com uma abordagem qualitativa recolhe, administra e distribui fundos zakat, incrivelmente produtivos na BAZ/LAZ na cidade de Pekalongan. A técnica é a triangulação.

Resultados: Os resultados mostraram que a BAZ/LAZ em Pekalongan City tinha implementado programas eficazes de distribuição de zakat, nomeadamente BAZNAS, LAZ Al Ummah, LAZISMU e LAZ Central Java, enquanto que o LAZINU não tinha implementado o programa eficaz de zakat de forma óptima. Em geral, a BAZ/LAZ na cidade de Pekalongan utilizou o zakat produtivo para promover o potencial das pessoas através de vários tipos de iniciativas de zakat produtivo ao longo da pandemia. O principal objectivo do zakat produtivo é semelhante ao da BAZ/LAZ na cidade de Pekalongan. De acordo com protocolos definidos, o modelo produtivo de distribuição de zakat é realizado com precisão e precisão.

Investigação, implicações práticas e sociais: Apesar de vários desafios, a distribuição produtiva de zakat continuou durante a epidemia da COVID-19. O programa zakat produtivo enfatiza o desenvolvimento de diversos modelos através da criatividade e inovação para o crescimento económico das pessoas a fim de evitar a pobreza.

Originalidade/Valor: Os resultados do modelo de desenvolvimento económico liderado pelo mustahik também variam nos esforços feitos cujos principais objectivos são a poupança, o infaq e o desenvolvimento empresarial para evitar o problema da pobreza.

Palavras-chave: Zakat Produtivo, Economia Popular, Pandemia

EL DESARROLLO DEL POTENCIAL ECONÓMICO DE LA GENTE EN LA PANDEMIA A TRAVÉS DE LA DISTRIBUCIÓN DEL ZAKAT

RESUMEN

Propósito: Esta investigación tiene como objetivo determinar el progreso económico de la gente a lo largo de la pandemia a través de la distribución del zakat produtivo por BAZ/LAZ en Pekalongan

Marco teórico: El zakat ha evolucionado como una herramienta para el crecimiento económico y la reducción de la pobreza entre los pueblos de las regiones en tiempos de dificultades económicas (Yusroni & Chadhiq, 2021). El zakat proporciona varios beneficios en comparación con las herramientas fiscales estándar disponibles en la actualidad. Los especialistas han propuesto numerosas ideas y teorías para abordar la cuestión de la pobreza (Alaro y Alalubosa, 2019; Iqbal y Mirakhor, 2011). Sin embargo, no todas las ideas pueden aplicarse y contribuir a la reducción de la pobreza. Se prevé que la administración profesional del zakat y su uso rentable permitirían reducir la pobreza (Hoque, Khan, & Mohammad, 2015).

Diseño/Methodología/Enfoque: La investigación de campo con un enfoque cualitativo recoge, administra y distribuye los fondos del zakat, increíblemente productivo en BAZ/LAZ en la ciudad de Pekalongan. La técnica es la triangulación

Resultados: Los resultados mostraron que BAZ/LAZ en la ciudad de Pekalongan habían implementado programas efectivos de distribución del zakat, a saber, BAZNAS, LAZ Al Ummah, LAZISMU y LAZ Central Java, mientras que LAZINU no había implementado el programa efectivo de zakat de manera óptima. En general, BAZ/LAZ en la ciudad de Pekalongan utilizó el zakat produtivo para promover el potencial de la gente a través de varios tipos de iniciativas de zakat produtivo a lo largo de la pandemia. El objetivo principal del zakat produtivo es similar al del BAZ/LAZ de la ciudad de Pekalongan. De acuerdo con los protocolos definidos, el modelo de distribución del zakat produtivo se lleva a cabo con precisión y exactitud.

Investigación, implicaciones prácticas y sociales: A pesar de varios desafíos, la distribución del zakat produtivo continuó durante la epidemia de COVID-19. El programa de zakat produtivo hace hincapié en el desarrollo de diversos modelos a través de la creatividad y la innovación para el crecimiento económico de las personas para evitar la pobreza.

Originalidad/Valor: Los resultados del modelo de desarrollo económico del pueblo dirigido por los mustahik también varían en los esfuerzos realizados cuyos objetivos principales son el ahorro, el infaq y el desarrollo de negocios para evitar el problema de la pobreza.

Palabras clave: Zakat Productivo, Economía Popular, Pandemia

INTRODUCTION

Indonesia has the world's most significant Muslim population. As a result, Indonesia has a substantial potential for zakat and waqf. If zakat is collected in Indonesia, it will reach 233.8 trillion; however, it is now only collected at 10 trillion (Baznas, 2020). This occurs due to various factors, including; Most people or muzak who pay zakat directly to mustahiq do not go through official zakat amil institutions (Rachman & Salam, 2018; Sari, Bahari, & Hamat, 2013). Many of their findings also did not go through amil zakat agencies because they still doubted the credibility of these agencies (Anuar, Alwi, & Ariffin, 2019). If through the National Amil Zakat Agency (Baznas), we will be more focused and precise in distributing it to areas whose people are affected by the economic crisis (Ariska & Ja'far, 2021). Paying zakat to zakat collection institutions will reduce the potential for overlapping zakat received by mustahiq to distribute wealth more quickly and accurately.

During this pandemic, there was a decrease in the number of muzakki which resulted in reduced zakat receipts (Fadhilah, 2021; Yasni & Erlanda, 2020). The Covid-19 pandemic has reduced the income and receipts of muzakki (Mutafarida, Mawardi, Yasid, & Ghozali, 2021), who previously used to pay zakat often, now muzakki have turned into mustahiq after being affected by the pandemic. Before the Covid-19 hit, the zakat collection collected was relatively small. It will be even less due to this pandemic. Unfortunately, in Indonesia, a few Muslims still understand the obligation to pay zakat; namely, in addition to zakat fitrah, there is a professional zakat obligation (Khotimah et al., 2021). This is still not realized due to a lack of socialization and understanding of the zakat. In addition, people are more burdened to pay taxes than zakat. Unlike in Malaysia, paying zakat can ease the obligation to pay taxes.

Coronavirus Disease 2019 or Covid 19 is a virus infection caused by the SARS CoV-2 viral. It presents with symptoms similar to the common cold and may progress to severe sickness and pneumonia, resulting in difficulties breathing (Yoshimoto, 2020). Covid is responsible for various infections ranging from the common cold to more severe conditions such as Middle East Respiratory Syndrome (MERS-CoV) and Severe Acute Respiratory Syndrome (SARS-CoV). This virus is very contagious and has infected various nations, including Indonesia. Coronavirus Disease 2019 or Covid 19 spread is not only harmful to

health. This virus has also had a detrimental effect on the economics of nations across the globe. The worldwide economy has suffered a downturn due to the World Health Organization's (WHO) decision to declare the covid outbreak a pandemic affecting the global industry.

The *COVID-19* pandemic has harmed the economic development of the entire world. Based on the source of the government-owned *covid 19.go.identity*, in March 2020, Indonesia received the first case of *covid*, and after eight months, the virus persisted, and there were additional cases of *covid* and as of November 30, 2020, as many as 538,883 people were positive for *covid*, with victims 16,945 people died and 450,518 people recovered (Kemenkes, 2020).

The outbreak of *Covid-19* has also caused economic instability in Indonesia. The existence of social or physical distancing and regulations for the Determination of Large-Scale Social Restrictions, from now on written as PSBB, have caused the business sector to not run as usual. The impact of this pandemic continues to spread and has an impact on Indonesia both in the real sector and the monetary sector. As a result, the Indonesian economy experienced a slowdown, and even economic growth reached -5.32% in the second quarter (BPS, 2020).

Zakat has evolved as a tool for economic growth and poverty reduction among the peoples of the regions during times of economic distress (Yusroni & Chadhiq, 2021). Zakat provides several benefits over the standard fiscal tools now available. Numerous ideas and theories have been advanced by specialists to address the issue of poverty (Alaro & Alalubosa, 2019; Iqbal & Mirakhor, 2011). However, not all ideas can be implemented and contribute to poverty reduction. It is anticipated that professional zakat administration and profitable usage would enable poverty reduction (Hoque, Khan, & Mohammad, 2015).

The economic system's present indifference to the poor is cited as a reason for the difficulties in alleviating poverty. Financial institutions act as discussion forums for the transfer of money from the community (Gomber, Koch, & Siering, 2017). Persons with extra finances do not perform their jobs adequately, as seen by the vast number of unbanked people, who lack collateral for credit loans and face challenges due to a lack of skills and entrepreneurship. Less capable of becoming the source of poverty (Pratama, 2015). The following is data on the number of poverty in Pekalongan City from 2013-2020:

Table 1 Total Poverty of Pekalongan City 2013.-2020

Year	Line. Poverty	Population. Poor	
		Total Amount (Thousands)	Percentage
2013	322,313	24.10	8.26%
2014	338,398	23.60	8.02%
2015	352,717	24.06	8.09%
2016	375,600	23.65	7.92%
2017	390,555	22.51	7.47%
2018	415,172	20.52	6.75
2019	425,026	20.21	6.60
2020	502,031	22.16	7.17

Source: BPS Pekalongan City, 2020

The data above provides information that the poverty rate in Pekalongan has decreased from year to year from 2013 to 2014. The decline in the poverty rate reached 0.24% but increased again in 2015 with an increase of 0.07% than in 2016- 2017. The poverty rate decreased by about 0.62%. Then in 2017-2018, the poverty rate increased by about 0.01%. Then in 2018-2019, the poverty rate decreased by around 0.31%. Then in 2019-2020, the poverty rate increased by around 2.05%. From 2013-to 2018, the poverty reduction rate was quite good, although the numbers were still relatively small. In 2020, there was a significant increase due to the Covid-19 pandemic, but at least there was an increase from the successful performance of the Pekalongan city government in terms of poverty alleviation. The other in the form of community empowerment programs. To measure and educate public awareness in implementing health protocols, further research is needed(Cardiah, Andiyan, & Rahma, 2021).

Empowerment of the people is an effort to increase the people’s ability to realize independence and escape from the shackles of poverty and backwardness. The concept of empowerment in terms of development is generally always associated with the concepts of independence, participation, networking, and justice(Kurniawati, 2013). In terms of empowerment, it is not just dependent on the government; several organizations and non-governmental institutions contribute significantly to impoverished empowerment, one of which is the Amil Zakat Agency (BAZ) or Amil Zakat Institution (LAZ).

BAZ/LAZ is a non-profit organization that manages zakat, which was formed to empower the poor by using effective zakat programs(Kasri & Putri, 2018). As an example of how zakat is used to empower the underprivileged economically, zakat monies promote mustahik to establish their enterprises. The occurrence occurs via the development of current microenterprise capital or the pioneering of new microenterprises. Additionally, the program included capacity development activities such as mentorship and training. The impoverished will gain more independence in conquering poverty due to their gifts(Kholiq, 2012).

The ZIS management body is exciting because the collection of ZIS collection funds continues to be higher. However, on the other hand, this poses a challenge for the exploitation (Endahwati, 2014) of ZIS funds to be effective (Fahham, 2015) and have an overall effect (Hermawan & Rini, 2018) on the community (Fadilah, 2011).

The reason for choosing Pekalongan City as the research location is because the poverty level of Pekalongan is still relatively high from the HDI percentage, the people of Pekalongan City are involved in the batik industry and other businesses, and the people of Pekalongan tend to often pay zakat to Baznas or Laz for those who can afford it.

Additionally, Pekalongan City has the potential to enhance the quality of human resources in the economic, educational, and health sectors and decrease income disparity. The zakat function of alleviating poverty is likely to be accomplished with an effective zakat collecting mechanism and effective zakat usage. Therefore, zakat management organizations that are given the mandate to collect zakat need to know the factors that influence individual participation in paying zakat so that from the funds collected, programs to alleviate poverty can be implemented. This research conducted in one construction company in Indonesia, the company was facing several problems, many projects that already ended have delays (Andiyan, Putra, Rembulan, & Tannady, 2021).

In alleviating poverty in Pekalongan City, one of them is the distribution of zakat, which Baznas and the amil zakat institution manage. Zakat management institutions (LPZ) in Pekalongan include BAZNAS, LAZISNU, LAZISMU, Laz Al Ummah, and Yatim Mandiri Pekalongan City, which were formed to empower the poor by using effective zakat programs.

Productive zakat can be relied on as one of the income and wealth distribution mechanisms by providing convenience for the poor to get business capital. However, one study said that the obstacles and problems accompanying this effective zakat distribution program, some mustahik still feel constrained by the limited amount of capital loans (Hidajat, 2018). The effective zakat program, which should be fully oriented towards empowering the community so that they can be lifted from poverty, hopes to change those who are zakat recipients (mustahik) as zakat payers (muzakki) (Rofiq, 2004). the distribution of productive zakat given is still lacking.

In terms of use, zakat in Pekalongan City has the potential to be a source of income for raising people's living conditions, given that the majority of the population is Muslim and the city is recognized as the city of santri.

Yogi Citra Pratama, a student at Syarif Hidayatullah State Islamic University Jakarta, explains in his research, *The Role of Zakat in Combating Poverty (Case Study: Productive*

Zakat Program in the National Amil Zakat Agency), that "although zakat funds collected are still insignificant, they have a tangible effect on poverty alleviation efforts through productive zakat events." Zakat is an efficient financial vehicle for defending the poor's capital and an ideal tool for empowering the poor(Pratama, 2015).

Irsyad Ardiyanto's research entitled "Management Strategy. Zakat in Poverty Alleviation" explains that "a trustworthy, transparent, and professional version of ZIS management and distribution has been carried out by Rumah Zakat Indonesia (RZI) so that RZI is one of the ZIS management bodies that gain public trust. By developing an integrated ICD application, the distribution of ZIS can empower the poor. To control empowerment application software, RZI has established SOPs in order to control transparent and accountable zakat empowerment programs. Incorporated Network Development (ICD) is a multi-aspect approach rolled out by RZI to alleviate poverty for its mustahik in an integrated manner with the work base of certain areas "(Andriyanto, 2011; Irsyadillah & Raihani, 2020).

Khusnul Huda's research entitled "Fiqh of Productive Zakat Management as an Effort to Develop Mustahiq Resources (Case Study of BAPELURZAM)" explains that "the implementation of productive zakat management in BAPELURZAM Muhammadiyah Weleri Kendal Branch Manager is carried out by making Muslims aware of zakat either through lectures, sermons, pamphlets, brochures, billboards, and others. The form of zakat uses the initial concept of calculating the nishab in an integrated manner; namely, the nishab is calculated from all assets owned by the muzakki. The relevance of productive zakat management at BAPELURZAM Muhammadiyah Weleri Kendal Branch Manager for improving human resources is in the process of developing sustainable scholarships, working capital, or (productive) investment so that later it is mustahik and develops its degree towards muzakki" (Huda, 2012). The extension is an active procedure requiring contact between the extension worker and the individual to establish a behavior change process(Sulandjari et al., 2022).

Rosi Rosmawati's research entitled "Development of the Potential of Productive Zakat Funds through LAZ to Improve Community Welfare" explains that Dompot Dhuafa has a productive utilization economic program by providing a productive utilization economic program business capital to the people with the Qardhul Hasan principle. Based on the realization of the business capital financing program in terms of the strategic plan, the business capital financing program successfully increased partner income. Thus, the increase in zakat benefits carried out by LAZ Dompot Dhuafa was quite successful, as shown from the development of financing for Qardhul Hasan as a mustahik, who has donated part of his income.

This illustrates that zakat funds used in qardhul Hasan financing have increased mustahik's independence. In addition, zakat funds that are still small can provide many benefits to the poor in large numbers with the revolving fund system that is carried out (Rosmawati, 2014). This study examines the effect of investor intrinsic motivation variables, option, competence, full of meaning, and Progress on Islamic stocks investment decision making in the Indonesia Stock Exchange (Husnatarina et al., 2022).

Rachmat Hidajat's research, entitled "Application of Productive Zakat Management in Improving the Economy of the Ummah at PKPU Makassar City," explains that there are obstacles and conflicts in practice that accompany this effective zakat distribution program, some mustahik still feel constrained by limited capital loans. The Makassar Branch of the Amil Zakat PKPU forum seeks to organize productive zakat events through training related to development management so that mustahiq can permanently survive and implement management functions, starting with program planning. Organizing is done by generating an organizational structure and division of tasks. The productive zakat program application uses a revolving fund system, distributing capital loans to mustahiq in a qardhul hasan manner. The supervision of mustahiq is carried out using rendezvous once a month for the target group (Hidajat, 2018).

According to research undertaken by a professor at Sebelas Maret University's Faculty of Economics, Muh Juan Suam Toro et al., "the paradigm of delivering zakat to the productive economic sector should theoretically have a favorable effect on the welfare of the poor." OPZ already owns land in Surakarta City, as shown by the presence of economic empowerment initiatives in each OPZ, although on a modest scale and using various empowerment methods. Ten of the thirteen OPZ have been given to the productive sector in varying degrees. Meanwhile, the four OPZs selected experienced barriers in applying economic empowerment software (productive sector) that may be roughly grouped into three categories: unestablished systems, institutional emphasis, and human resources. The study's intriguing conclusion is that the trend toward creating zakat institutions is application-based to attract donors.

Additionally, there is a trend toward mobilizing infaq sadaqah money rather than zakat monies. According to the Management, infaq, sadaqah funds have broader uses than zakat money. Additionally, these monies were mainly utilized to distribute conventional and creative consumptive goods, as opposed to productive goods. Thus, if Management continues to concentrate on the two distribution models, the influence will be limited to reducing the depth of poverty, not the rate of poverty (Toro, Hasim, Gunadi, & ..., 2013).

According to Irfan Syauqi Beik and Laily Dwi Arsyianti's research, zakat administered by Muslim organizations (BAZNAS and LAZ) may help lower the occurrence, depth, and severity of poverty in Indonesia. "When examining the performance of amil institutions in this nation, various studies have shown the beneficial effect of zakat distribution events in lowering poverty incidence, poverty depth, and poverty severity. This demonstrates that the country's amil institutions have performed well in handling zakat revenues. It must be continually enhanced in the future. At the very least, four measures must be taken. To begin, socialization and ongoing public education on the idea of zakat are necessary. Thorough knowledge is the first step in increasing people's desire to pay zakat. Second, bolster regulatory support from the government. This is critical because government regulatory assistance will have a sizable and meaningful influence. Thirdly, accelerating the organizational ability of BAZNAS and other zakat institutions led by BAZNAS. This is critical for effective zakat administration. Fourthly, the need for developing international zakat cooperation (Beik & Arsyianti, 2013). This study analyzes the company's approach for surviving the product by using promotional media to boost sales during a pandemic by utilizing the marketplace as a promotional medium (Ratmono et al., 2022).

Khusnul Fikriyah and Ahmad Ajib Ridlwan, in their research, explain that LAZ (a non-profit organization that manages zakat) has the function of collecting and distributing zakat, infaq, and sadaqah in Indonesia and has the potential to develop as an effort to equalize the distribution of national income, as well as a solution for poverty alleviation. General empowerment programs by LAZ include education, health, socio-humanity, and economics. The results show that empowerment programs in the education and health sectors are well implemented, while other aspects, including economic and socio-humanitarian, still need more improvement. In general, this economic empowerment program positively impacts the community, especially for those who receive assistance. Mustahik, who wants to develop their business and improve the quality of their economy, feels grateful for this program. However, most of them often find it challenging to apply their training material, such as essential accounting management, marketing skills, and other business management materials. Thus, the economic empowerment program by LAZ in Surabaya is generally implemented but not entirely appropriately implemented. Many aspects need to be improved, including schemes, inputs (prospective mustahiq), and monitoring (Fikriyah & Ridlwan, 2018).

Lubis, M., & Azizah, A. H in a study entitled "The article "Towards attaining efficiency in zakat management systems: interface design for optimization in Indonesia" argued that the Zakat Management System (ZMS) has enormous potential for improving the welfare of those

in need. The attention of the government. Using the appropriate technical advancements to handle the zakat process may maximize efficiency and potential. As a result, various interrelated elements, including individuals, the environment, culture, language, literacy, and regulation, must be addressed to maximize the efficacy of interaction and communication amongst stakeholders. This research examines multiple publications and papers that address diverse issues confronting zakat institutions at each of the five (five) phases of zakat collecting, organization, distribution, and distribution. Interaction design may offer a clear picture of a system's limitations, allowing for more informed decision-making by providing suitable methods for producing efficient operations(Lubis & Azizah, 2018).

Manara, AS, Permata, ARE, and Pranjoto, RGH concluded in a study titled Strategy model for enhancing the capacity of zakat via the crowdfunding-zakat system to alleviate poverty in Indonesia that Indonesia achieved economic development objectives through Presidential Regulation No. 18 of 2007. Indonesia's yearly program focuses on economic development to provide job opportunities and alleviate poverty. Regarding income distribution, zakat has strategic potential and ought to be promoted in Indonesia as a means of income distribution. According to statistics collected and distributed by Zakat Management Institutions, the comprehensive cash collection increased by 10.62 percent in 2015 compared to 2014. The purpose of this research is to explore the Strategy Model for Expanding Zakat Potential Through Crowdfunding - the Indonesian Zakat System for Poverty Alleviation(Waemustafa & Abdullah, 2015). His study created a novel approach for measuring poverty alleviation in Pakistan, concentrating on low-income families' consumption/expenditure on basic requirements, government spending on zakat, and the number of zakat receivers as three significant drivers. In (Syafiq, 2016), The realization of zakat in a modern economy must also be backed up by the Management of a modern zakat management organization, which means that the fundraising strategy and distribution must be aligned with modern Management and strategies for attaining business objectives(Pitchay, Thaker, Mydin, Azhar, & Latiff, 2018) They demonstrate via their study that crowdfunding is utilized to generate money for the development of Waqf land in Malaysia. They offer a sustainable model that may address the liquidity issues experienced by Waqf institutions while developing Waqf property—using qualitative research techniques in conjunction with a literature review methodology. The crowdfunding-zakat method facilitates the collection of zakat money from the broader community, which is consistent with numerous places in Indonesia that have shown potential and beneficial effects on income distribution(Manara, Permata, & Pranjoto, 2018).

Restuningsih, W., and Wibowo, S. A. explained that poverty is a significant issue in Indonesia in a study titled *The Effectiveness Of Productive Zakat Funds On The Development Of Micro-Businesses And The Welfare Of Zakat Recipients (Mustahiq) (A Case Study At Rumah Zakat, Dompot Dhuafa, And Lazismu In Yogyakarta City)*. As a result, welfare is only the nation's and people's hope. Microbusiness is thought to be the best method for eliminating poverty since it can employ many employees with low and medium education. However, the hurdles that micro-business actors often confront include a lack of cash and business support methods. Rumah Zakat and Dompot Dhuafa Yogyakarta, as members of the Amil Zakat Institution (Lembaga Amil Zakat, abbreviated LAZ), run a program to support microbusiness players in growing their enterprises. This initiative aims to boost the earnings of mustahiq micro-businesses (zakat beneficiaries) by using productive zakat monies, hence increasing welfare. This research used a qualitative method and included interviews, documentation, observation, questionnaires, and a literature review. The findings of this research reveal that Mustahiq's consumption, business revenue, and company profits have increased due to receiving productive zakat money accompanied by a business aid procedure (Restuningsih & Wibowo, 2019).

MNH Ryandono & AS Nanda published a paper titled *The Transformation Of Mustahiq Into Productive Zakat Recipients*. In Surabaya, he noted that many zakat institutions are inactive in terms of implementing initiatives that strengthen mustahiq (zakat receivers). Zakat institutes often place a greater emphasis on spiritual growth. Indeed, studying and guiding the potential of mustahiq is critical to producing and strengthening its economic strength. Thus, the purpose of this research is to ascertain how mustahiqah receivers of productive zakat are transformed into business capital at amilzakat organizations in Surabaya. This qualitative study uses a descriptive methodology and interview-based data gathering approaches. Mustahiq is the primary resource for individuals since they get productive zakat for business capital (Ryandono & Nanda, 2020).

Riyadi, AH, Abdukad, AAS, Saif, BM, Takow, HA, and Sharofiddin, A. concluded in a paper titled *The Effect of Using Zakat Fund on Financing Production to Achieve Social Welfare: Indonesia as a Case Study* that Indonesia had the exceptional potential for the development of Islamic social finance. Apart from possessing the world's most significant Muslim population, Indonesia is also the world's most giving nation (World Giving Index 2018). However, the reality of Islamic social finance management, particularly zakat, continues to fall short of expectations. Indonesia is anticipated to receive just 28% of its possible zakat contributions in 2018. This problem is aggravated because only 84% of the monies received

get dispersed (Baznas, 2020). One of the causes for this is the lack of an effective Zakat program among zakat institutions driven by community needs. As a result, there is a need for collaboration between zakat institutions and Islamic microfinance institutions with expertise establishing SMEs, the majority of which are cash-strapped. This article will explain how zakat institutions and sharia microfinance may work together to maximize the distribution of productive zakat to the community. This article employs a qualitative approach, evaluating journal references, reports from zakat institutions, and other pertinent material. According to the present study, Indonesia's Management of productive zakat monies is still insufficient, as indicated by the low level of zakat fund distribution. This article advises on how Zakat and Islamic microfinance institutions might collaborate to administer productive zakat that benefits the targeted poor, alleviates poverty, and enhances people's welfare (Riyadi, Abdukad, Saif, Takow, & Sharofiddin, 2021).

As a result of the above, the researcher wishes to ascertain how successfully the distribution of productive zakat by BAZ/LAZ in Pekalongan City has been carried out and the degree to which economic empowerment has played a role. The community via BAZ/productive LAZ's zakat program in Pekalongan City strengthens the local economy and its influence on the degree of community welfare after receipt of productive zakat from BAZ/LAZ in Pekalongan City.

RESEARCH METHODS

This type of research means *field research* with a qualitative approach. The qualitative approach is research characterized by or has the characteristics of the data stated in a reasonable condition or *natural setting* utilizing not changing the shape of symbols or numbers (Huda, 2012). Meanwhile, based on Burhan Bungie, qualitative research methods are research methods that use inductive thinking, namely capturing information or social reality using observations in the field, analyzing it, and doing theorizing based on what is observed (Sugiyono, 2012). The research location is BAZ/LAZ in Pekalongan City, which collects, manages, and distributes incredibly productive zakat funds. Methods of data collection using observation, interviews, and documentation

It is accomplished by examining data about objects or variables included in notes, transcripts, books, newspapers, magazines, inscriptions, meeting minutes, and agendas, among other sources (Sugiyono, 2012). This approach is utilized to unearth the data necessary for researchers to conduct BAZ/LAZ study in Pekalongan City. Between 2018 and 2021, the population represents the number of administrators from BAZ/LAZ in Pekalongan City and the

number of mustahik who get productive zakat. This research used a convenience sample of twenty persons. Later in the investigation, this study will use source and triangulation procedures to gather accurate data.

RESULTS AND DISCUSSION

Development Potential of Economics People Society in BAZ / LAZ Kota Pekalongan

The development will be realized smoothly when from parties concerned can manage it well by the existing system. The factor of empowered human resources also influences the success of empowerment efforts. The distribution of productive zakat to the community can positively impact if the distribution is appropriate and on target. The poor in the local area are the primary targets that become productive zakat mustahik, especially for people who want to advance in developing their business.

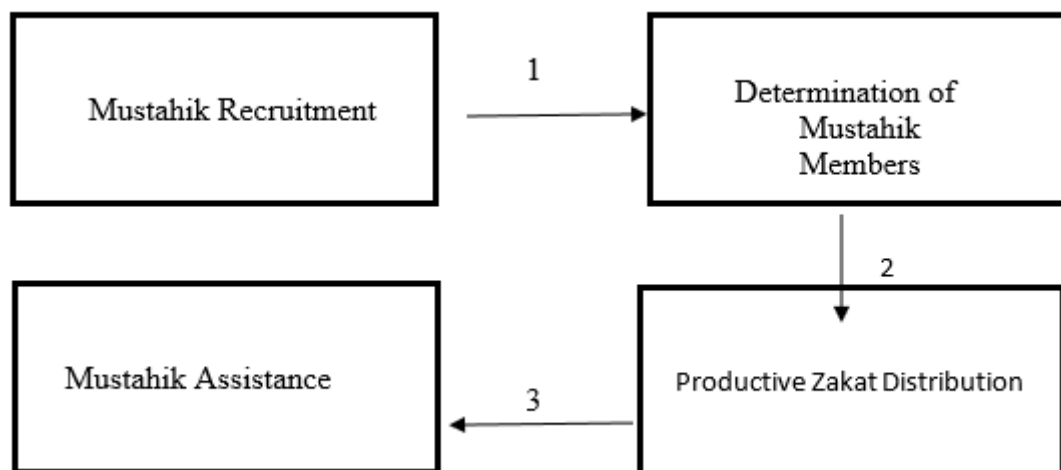
BAZ/LAZ develops in Pekalongan City through economic programs that are deemed beneficial for the community's economic welfare, both in the form of distributing carts, operating stalls, and providing free working capital, as well as a variety of capital in the form of money that can also be given for free. This gift to mustahik is not for the benefit of BAZ/LAZ of Pekalongan City but is intended to be re-productive to ensure the survival of mustahik's capital.

This is because BAZ/LAZ of Pekalongan City is a non-profit organization whose only mission is to distribute alms and perform out sharia-mandated obligations as amil zakat. The model for using zakat for economic empowerment of the underprivileged is a program that uses zakat monies to assist mustahik in becoming self-sufficient. Programs are implemented in development financing for existing micro-businesses or pioneering efforts for new micro-businesses.

Business development is carried out through business management development, revolving capital assistance, and appropriate technology. To improve the Islamic economy, at least there must be motivation for the community to work hard and have a high work ethic because Islam is essentially a religion that teaches and encourages its people to seize the wealth of life both in material and spiritual. Development economics is done by developing a charity that is productive in a way, serves as a capital venture. Fund charity that developed it is expected to help improve the business and economy of mustahik able to develop the business, and also the return can be saved to the needs of the days to come. Economic development is the fundamental ingredient that enables a society to exist dynamically, meaning by evolving and progressing. The empowerment of the community

becomes the wellspring of what is referred to as national resistance. (Pekalongan City, 2021, interview with BAZ/LAZ Manager)

Figure 1 Implementation Scheme for Developing the Economic Potential of the People through Productive Zakat Empowerment



Form a Mentoring Program to Empower Mustahik

Program mentoring to empower mustahik was conducted by BAZ / LAZ Kota Pekalongan already covers aspects of the material and the spiritual. The program includes:

a. Doing Gathering and Society

The gathering is done to establish communication and relations are good between BAZ / LAZ Pekalongan with mustahik. Usually, once a month, BAZ/LAZ of Pekalongan City holds a meeting for all mustahik where when the mustahik association is given direction and also motivation to be more enthusiastic in running their business, this monitoring also aims to increase the relationship between mustahik so that one mustahik is one with another. Others can *share* or share their respective experiences. That way, the BAZ/LAZ of Pekalongan City can find out the complaints and obstacles that mustahik may experience.

b. Mustahik Monitoring

Monitoring is done by using two ways. Namely, monitoring is directly and monitoring rukhiyah. Direct monitoring is monitoring that is carried out by going directly to the mustahik's business place to check the daily cash and sales from the mustahik business, this aims to find out the development of the business run by the mustahik and also find out the complaints and obstacles experienced by the mustahik so that the solution can be solved together -same.

Not only descend directly to the place of business mustahik, the BAZ / LAZ Kota Pekalongan then perform monitoring rukhiyah, namely monitoring that is done by way of periodical monitoring of mustahik spiritual activities, both in terms of deeds, fasting, prayer, chanting, and other. It is intended to make life mustahik looking for treasure in the world and helpful in the hereafter.

Then from the monitoring of mustahik, it is usually done twice a month, but it depends on the mustahik itself if you want to meet BAZ/LAZ Pekalongan City

It can also mustahik meet at the office BAZ / LAZ Kota Pekalongan without waiting for the BAZ / LAZ Pekalongan to come to a place of business, because of some mustahik who were interviewed said that monitoring the place of mustahik directly over said rarely.

c. Getting used to Infaq

BAZ / LAZ Pekalongan always try urge mustahik accustomed to doing infak every day of Friday, in addition to train to become private who cares for others, habituation donation is made so that later when mustahik already become a success is expected to be obedient to pay zakat and set aside part of the property to those in need.

In habituation of infaq, the BAZ/LAZ of Pekalongan City does not force mustahik to do infaq every time they meet but instead encourages them to get used to infaq with an appropriate nominal.

d. Mustahik Family Monitoring

BAZ / LAZ Kota Pekalongan not just focus only on mentoring business that is run by mustahik. However, also pay attention to the condition of the family of mustahik. This is done to determine whether the mustahik family also needs scholarships, essential food assistance, and health costs.

For monitoring the families of mustahik, the BAZ/LAZ of Pekalongan City has indeed distributed assistance in the form of scholarships and necessities for mustahik who still feel deprived. In-Law no. 23 of 2011 concerning the Management of zakat, article 27 explains that the utilization of zakat for productive businesses is carried out if the basic needs of mustahik have been met. (Article 27 of Law No. 23 of 2011 concerning Zakat Management) For this reason, it is necessary to monitor the condition of the mustahik's family so that the mustahik does not feel deprived at least to meet his daily basic needs.

Several parties believe that zakat funds can lift people out of poverty. The requirement of zakat must be optimized as well and can be collected by the institution amil zakat trustworthy and professional. (Fikri, 2014) With this empowerment, it is hoped that it will create understanding and awareness and shape the attitudes and behavior of

individual and group life towards independence. Thus, empowerment is an effort to strengthen social and economic conditions to strengthen people's ability through assistance funds for productive businesses so that mustahik can increase their income. When they are able, they can pay their obligations (zakat) from the results of their efforts.

Development of productive zakat by making zakat funds as business capital aims to empower the recipient's economy so that the poor can run or finance their lives consistently. The charity fund will result in improved revenue, improve the business, develop a business, and set aside income to save. However, what needs to be considered here is that the Management needed an escort, so what becomes the destination giving zakat productivity can be achieved(Nasrullah, 2016).

In the practice of mentoring done by BAZ / LAZ Pekalongan, from interviews to several mustahik, others say that the form of assistance that BAZ / LAZ Kota Pekalongan does is still not optimal. In the period mentoring a year, just simply no one to two times the meetings are done at home mustahik, the rest of monitoring and mentoring done together during the gathering which was held a month once. However, not all mustahik said the assistance that is given less. Some of the mustahik who managed to say that the BAZ/LAZ of Pekalongan City often provides assistance and motivation both in terms of religion and behavior at the mustahik's house. It means BAZ / LAZ Kota Pekalongan is just mentoring the maximum on mustahik who can develop their potential and have faith for the more advanced.

One of the studies conducted by a lecturer at the Faculty of Sharia and Islamic Economics at IAIN Surakarta explained that the obstacles experienced by zakat management institutions in the empowerment process were one of them because the system was not yet established. The community empowerment program, especially in the economic sector, is profound. So, the system needs to be appropriately built for preparation, implementation, mentoring, and evaluation. These steps will determine the sustainability of the program. So, if the economic empowerment program system is not well prepared, it will fail(Toro et al., 2013).

Target Development of Economy's people through Zakat Productive BAZ / LAZ in Kota Pekalongan on Future Pandemics

Table 2 Target, Line, Form, and Target of productive zakat distribution during the pandemic

BAZ / LAZ	Main Goal	Track	Shape	Target
BAZAS	Eight asnaf especially the poor and needy	mosque	Submission	Already realized
Laz Central Java	Fakir Miskin	Opening a Business or Owning a Business	Submission	It has been realized
LAZISNU	8 Asnaf	Owning a Business	Submission	Not yet realized
LAZISNU	8 Asnaf	Owning a Business, Recommendations Muhammadiyah	Submission	Already Realized
LAZ Al Ummah	8 Asnaf	Having a business, a mother who does not have a husband	Submission	Already Realized

Source: Interview processed, 2021

Based on table 2, BAZ/LAZ in Pekalongan City has implemented effective zakat distribution programs, namely BAZNAS, LAZ Al Ummah, LAZISMU, and LAZ Central Java, while LAZINU has not implemented the effective zakat program optimally. In general, the development of the potential of the people through productive zakat has been carried out by BAZ/LAZ in Pekalongan City during the pandemic through various forms of different productive zakat programs. The main target of productive zakat is generally the same as BAZ/LAZ in Pekalongan City, namely 8 Asnaf. Model productive zakat distribution carried out strictly to precisely target the procedures set BAZ / LAZ in Kota Pekalongan. During the COVID-19 pandemic, the distribution of productive zakat was still carried out by BAZ/LAZ.

Zakat Distribution Model, Constraints and Strategies for Economic Development of the Ummah during a Pandemic

Table 3 Productive Zakat Distribution Model during a Pandemic

BAZ / LAZ	Distribution Model	Obstacles	Strategy	Success/ Decreased
BAZNAS	mosque	There are not many obstacles to the distribution of zakat obstacles	Intensify supervision and monitoring, and evaluation of productive zakat	Mustahik business is still running but has decreased slightly

LAZ JATENG	Support Economy	The main obstacle to closing a business	Intensification of monitoring and evaluation of productive zakat mustahik	The mustahik business is still running but has decreased slightly, not so significantly
LAZISNU	None yet	Not running	Not running	Not running
LAZISMU	Creative Zakat	During the pandemic, no mustahik experiences business closure	Intensification of monitoring and evaluation of productive zakat mustahik	Mustahik business is still running but has experienced a slight and insignificant decrease
LAZ Al Ummah	DIFFERENT	Experiencing several obstacles, initially before the pandemic mustahik could be muzakki, while during the pandemic some of them Which before muzakki becomes mustahik again	Monitoring, evaluation, and assistance are intensified.	No experience of business closure will but experienced a decrease in the results of the business

Source: Interview processed, 2021

Based on table 3, it can be seen that the zakat distribution model in BAZ/LAZ in Pekalongan City is varied, creative, and innovative. During the pandemic, covid-19 condition mustahik zakat generally does not experience the problems that significantly were associated with the closure of businesses productive, although experiencing constraints decline in revenue business productive. The strategy carried out by BAZ/LAZ in Pekalongan City is to overcome the obstacles faced by mustahik during the covid pandemic by conducting supervision through monitoring and evaluation of mustahik's business activities, intensifying assistance for mustahik who experience worrying conditions so that these obstacles can be resolved. As for the success of BAZ/LAZ in Pekalongan City during the COVID-19 pandemic, in general, the success was manifested by a few mustahik who experienced business closures. The focus of the program zakat productive with models that varied by the creativity and innovation BAZ / LAZ in Kota Pekalongan as businesses effective selling, open stall, business laundry, provide assistance business equipment and capital increase at its core for the development of economy people society town of Pekalongan to be spared from poverty problem.

Economic Development Model for Productive Zakat Mustahik People BAZ/LAZ Pekalongan City During the Pandemic

The interview results showed that the distribution of productive zakat in BAZ/LAZ of Pekalongan City had been carried out well to those in need. Model productive zakat distribution conducted by BAZ / LAZ Kota Pekalongan through the takmir mosques with several jobs are different, which is at the core of the purpose for community economic development and alleviating poverty. Overall, the form of productive zakat is in the form of mustahik business capital. The productive zakat mustahik to get productive zakat by carrying out the procedure for submitting to BAZ/LAZ, which is carried out strictly. The results of the submission of productive zakat will be given to mustahik if they meet the requirements. The result of the distribution of zakat productive to mustahik used to develop the business that owned the mustahik. The economic development model for the productive zakat mustahik people includes batik businesses, especially hajj and umrah uniforms, necessities, tailors and breakfast sales, beverage and cigarette sellers, laundry, food stalls, repair shops and tire patches, and sales of snacks.

Besides that, BAZ/LAZ also provides assistance and monitoring to mustahik so that the process of utilizing productive zakat is appropriate for its use for business development and economic development of the people, especially mustahik. During the pandemic, covid-19 mustahik experienced many obstacles faced for running the work and effort productive to lower the income the mustahik will but until the year 2021 higher still able to survive. The process of mentoring and monitoring both, directly and indirectly is still carried out by Baznas, although not as often as before the pandemic, with the aim that the distribution process is well controlled and services to mustahik are adequately maintained. Relations Mustahik and Baznas remain intertwined with both the time of the pandemic with such problems are faced by mustahik zakat productive Baznas still could be adequately resolved. To solve the business problem because of the pandemic covid-19, mustahik productive zakat is still trying to keep saving so that productive zakat stays managed with good. DURING THE PANDEMIC, the BAZ/LAZ S productive zakat mustahik business conditions are still running even though their income has decreased.

Productive Zakat Mustahik Economic Welfare

According to Law No. 11 of 2009 on Community Welfare, community welfare is a condition of providing people material, spiritual, and social requirements in order for them to live comfortably and grow in order to perform their social duties. To analyze the welfare

of mustahik who receive zakat aid productively, the authors used direct interviews to understand the mustahik field better, see conditions more realistically, and ascertain the impact and constraints mustahik who receive zakat aid productively at BAZ / LAZ in Kota Pekalongan. To calculate the mustahik welfare parameters, the author employs the reference standards established by BAZ / LAZ in Kota Pekalongan, namely: (Wawacancara processed, 2021)

1. Mustahik's income has increased and is stable
2. Be able to meet the needs of the family
3. Able to save
4. Can for infaq

According to Islam, economic welfare is a component of Islamic law; the objective of Islamic economics is to accomplish human aspirations to obtain satisfaction in this world and the next, as well as a decent and honorable life (Chapra, 1997). Islam places more emphasis on spiritual orientation in material endeavors and creates harmony between individuals and groups' inner and outer urges. In achieving the welfare of mustahik carried out by BAZ/LAZ in Pekalongan City, at least it has reflected the form of maintaining sources of welfare according to Islam, namely the achievement of benefit both in this world and in the hereafter. To accomplish the aims of syara and reap the benefit, Al Ghazali discusses the sources of wellbeing in his work *Ihya' Ulumuddin*, including the upkeep of religion, soul, mind, lineage, and property (Purwana, 2014).

Table 4 Level Welfare Mustahik after Got Help Zakat Productive of BAZ / LAZ in Pekalongan On Future Pandemics

No	Mustahik name	BAZ/LAZ	Welfare Criteria				Note:
			Penda ents Up	Fulfillment of Daily Needs	Save	infaq	
1	Taqwa	BAZNAS		v			K
2	Musyafa	BAZNAS	v	v	v	v	S
3	Bukhari	BAZNAS		v		v	K
4	Nyoto	BAZNAS	-	v	-	-	K
5	Hanifah's mother	BAZNAS	-	v	-	-	K
6	Fauzan	BAZNAS	v	v	v	v	S
7	Tri Heriyadi	BAZNAS	-	v	-	v	K
8	Khusaini	BAZNAS	-	v	v	v	S
9	Ali Arifin	BAZNAS	v	v	v	v	S
10	Aditya Purnawan	LAZISMU	v	v	v	v	S
11	women	LAZ Al Ummah	v	v	v	v	S
12	Agus	LAZ Al Ummah		v		v	K

13	Carmun	LAZ Al Ummah	v	v	v	v	S
14	Farikhah	LAZ Al Ummah	v	v	v	v	S
15	Anik	LAZ JATENG		v		v	K

Source : Interview processed, 2021

Description :

S = Prosperous

K = Less Prosperous

Table 4 shows that of the five twelve-fifteen mustahik who were interviewed, eight people mustahik can be said prosper. Meanwhile, the other seven mustahiks still cannot be prosperous because the income they generate can only meet their daily needs, so they cannot save and donate.

Mustahik can be said to be prosperous if they have at least three welfare criteria, and mustahik who are said to be less prosperous are mustahik who only have a maximum of two welfare criteria determined by BAZ/LAZ in Pekalongan City. Productive zakat assistance from BAZ/LAZ in Pekalongan City is quite a positive effect on increasing mustahik's monthly income so that the community's economy can be improved and help ease the burden experienced by mustahik. In past pandemics, state welfare mustahik experienced a decline would be, but not significant.

This success is, of course, in addition, determined by the ability of the mustahik business itself (Trianto, 2020), but also determined on the role of empowerment that BAZ / LAZ does in Pekalongan, how effective in fostering communication and coaching periodically to mustahik. It is undeniable that this form of empowerment is lacking will make efforts mustahik less than optimal. They have the ability, but in implementing the assistance required by the mustahik less, especially for mentoring and monitoring to business premises, mustahik still can not be realized smoothly to the entire mustahik recipient of zakat productive from BAZ/LAZ in Pekalongan City.

Assistance and monitoring are critical for mustahik, as they will feel cared for and directed while they operate their company. This is consistent with the findings of Khusnul Fikriyah and Ahmad Ajib Ridlwan's study, which concluded that LAZ's economic empowerment initiative was executed mainly but not entirely completed efficiently. Numerous components, including strategies, inputs (prospective mustahiq), and monitoring methods, need improvement (Fikriyah, Ridlwan, & Suryaningsih, 2019).

However, on the other hand, several factors make mustahik still less successful and feel the benefits of productive zakat assistance from BAZ/LAZ in Pekalongan City. Based on interviews, the amount of capital disbursed is still insufficient, so the opportunity to

develop the business to a better level is still not optimal. In addition, the assistance provided by BAZ/LAZ in Pekalongan City to all mustahik is still not optimal.

The BAZ/LAZ in Pekalongan City itself has a problem, namely the lack of administrators in zakat distribution. The number of activities and programs that quite a lot, become a factor less focus on the empowerment that is done.

CONCLUSION

BAZNAS, LAZ Al Ummah, LAZISMU, and LAZ Central Java have all developed effective zakat distribution programs in Pekalongan City. However, LAZINU has not done so optimally. In general, BAZ/LAZ in Pekalongan City used productive zakat to promote the potential of the people via various sorts of productive zakat initiatives throughout the pandemic. The primary objective of productive zakat is similar to that of BAZ/LAZ in Pekalongan City. According to defined protocols, the productive zakat distribution model is carried out precisely and accurately. Despite several hurdles, the BAZ/LAZ continued to provide fruitful zakat throughout the COVID-19 outbreak. The program zakat is productive with models that vary according to creativity and innovation. BAZ / LAZ is centered on developing the economy and people's society in Pekalongan to avoid poverty. Community economic development models that operate mustahik also differ in business, with the primary purpose of saving money, donating, and developing the company to escape poverty.

Implications The theoretical component of the agenda that will result from these discoveries is that the study may be conducted at a new location with an enormous scope. Additional research should be conducted in all public sector entities. Additionally, additional research may be conducted to enhance the model produced in this study to offer an overview of the people's economic growth model via productive zakat. The practical consequences of these findings are that the institution amil zakat may promote development, innovation, and creativity in developing people's economic potential via the distribution of zakat productivity.

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