



Implementing *Maqāṣid Syarī'ah* on Social Innovation For Sustainable Zakat Management Organization in Indonesia

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Abstract

The growth of zakat collection by zakat management organizations has increased significantly in the last two decades in Indonesia. Unfortunately, not all zakat management organizations can adapt and sustain in the long term. Social innovation encourages organizations to maintain and realize the *maqāṣid* of zakat management. The paper analyzes the implementation of the *maqāṣid syarī'ah* concept developed by Auda (2015) on the process of social innovation in zakat management organizations in Indonesia. The analysis results show that one of the creations of social innovation in the Zakat management organization in Indonesia is a community-based economic empowerment program. Zona Madina is one of the prototypes created by Dompot Dhuafa, which tried to empower community development from Zakat, *sadaqah*, and *waqf*. By using an analysis of *maqāṣid*, social innovation made by Dompot Dhuafa is consistent with *maqāṣid al-khāṣṣah* where the form of economic empowerment in zona Madina, a means of maintaining *maqāṣid al-āmmah* from Zakat. With the establishment of the zona Madina, Dompot Dhuafa realizes two things

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at once: moving the wheels of the community's economy and the sustainability of the zakat management organization. This article contributes to developing strategies for Islamic philanthropic organizations in Indonesia to be sustainable by creating social-based innovation.

[Pertumbuhan penghimpunan zakat oleh organisasi pengelola zakat meningkat signifikan dalam dua dekade terakhir di Indonesia. Sayangnya, tidak semua organisasi pengelola zakat mampu beradaptasi dan bertahan dalam jangka panjang. Inovasi sosial mendorong organisasi untuk mempertahankan dan mewujudkan *maqāṣid* pengelolaan zakat. Artikel ini merupakan implementasi konsep *maqāṣid syarī'ah* yang dikembangkan oleh Auda (2015) terhadap proses inovasi sosial pada organisasi pengelola zakat di Indonesia. Hasil analisis menunjukkan bahwa salah satu kreasi inovasi sosial dalam organisasi pengelola zakat di Indonesia adalah program pemberdayaan ekonomi berbasis masyarakat. Zona Madina merupakan salah satu *prototype* Dompot Dhuafa yang mencoba memberdayakan pengembangan masyarakat melalui zakat, *sadaqa*, dan wakaf. Dengan menggunakan analisis *maqāṣid*, inovasi sosial yang dilakukan Dompot Dhuafa sejalan dengan *maqāṣid al-khāṣṣah* dimana bentuk pemberdayaan ekonomi di zona madina merupakan sarana menjaga *maqāṣid al-'āmmah* dari zakat. Melalui pendirian zona Madina, Dompot Dhuafa mewujudkan dua hal sekaligus: menggerakkan roda perekonomian masyarakat dan keberlangsungan organisasi pengelola zakat. Tulisan ini berkontribusi dalam mengembangkan strategi organisasi filantropi Islam di Indonesia agar berkelanjutan dengan menciptakan inovasi berbasis sosial.]

Keywords: *maqāṣid syarī'ah*; social innovation; zakat management organization

Introduction

Zakat and poverty have become exciting topics since the distribution of Zakat is used for economic empowerment in various countries.¹ Zakat management in Indonesia has experienced a new chapter since the 1900s. Zakat is a realm of individual worship and has become a public issue for accountable programs.² Muslim scholars

¹ Alizaman D. Gamon and Mariam Saidona Tagoranao, "Zakat and Poverty Alleviation in a Secular State: The Case of Muslim Minorities in the Philippines," *Studia Islamika* 25, no. 1 (2018): 97–133, <https://doi.org/10.15408/sdi.v25i1.5969>.

² Greg Fealy and Sally White, "Ustadz Seleb: Bisnis Moral & Fatwa Online Ragam Ekspresi Islam Indonesia Kontemporer," Komunitas Bambu, 2012, <http://opacperpus>.

renewed Islamic philanthropic practices in management modernization, program diversification, and *fiqh* reformulation.³

In the last two decades, the national zakat collection in Indonesia has been dominated by zakat management organizations based on civil society, locally called Lembaga Amil Zakat (LAZ) rather than Badan Amil Zakat Nasional or BAZNAS.⁴ Interestingly, Islamic philanthropic funds managed by non-governmental organizations in various countries show effective work results and faster aid delivery than the government.⁵ However, as a nonprofit organization, LAZ faces challenges like nonprofit organizations, namely the issue of the institution's sustainability. The sustainability of philanthropic institutions is influenced by public trust and organizational legitimacy.⁶

The social service mission of the nonprofit organization can continue to be carried out if it gets support from the community.⁷ So, social innovation continues to be created as a solution to the complexity of social problems in society.⁸ The forms or products of social

jogjakota.go.id/index.php/home/detail_koleksi?kd_buku=025426&id=1&kd_jns_buku=SR; Asep Saepudin Jahar, "Marketing Islam through Zakat Institutions in Indonesia," *Studia Islamika* 22, no. 3 (2015): 405–42, <https://doi.org/10.15408/sdi.v22i3.2353>.

³ Amelia Fauzia, *Filantropi Islam : Sejarah Dan Kontestasi Masyarakat Sipil Dan Negara Di Indonesia*, 1st ed. (Yogyakarta: Gading Publishing, 2016).

⁴ BAZNAS Sub Divisi Pelaporan, *Statistik Zakat Nasional 2019*, Mei 2020 (Indonesia: BAZNAS, 2020), <https://ppid.baznasjabar.org/wp-content/uploads/2023/11/STATISTIK-ZAKAT-NASIONAL-2019.pdf>.

⁵ Jonathan Benthall, "Financial Worship: The Quranic Injunction to Almsgiving," *The Journal of the Royal Anthropological Institute* 5, no. 1 (1999): 16, <https://www.jstor.org/stable/2660961>; Marie Juul Petersen, "For Humanity or the Umma? Ideologies of Aid in Four Transnational Muslim NGOs," no. February (2011): 260, <http://www.irinnews.org/Report/95564/Analysis-A-faith-based-aid-revolution-in-the-Muslim-world>; Robin Bush, "Muhammadiyah and Disaster Response: Innovation and Change in Humanitarian Assistance," 2015, 33–48, <https://doi.org/10.1007/978-4-431-55157-73>.

⁶ Pamala Wiepking and Femida Handy, "The Palgrave Handbook of Global Philanthropy," *Palgrave Macmillan*, 2016, <https://doi.org/10.1007/978-1-137-34153-2>.

⁷ Jay Weerawardena, Robert E. McDonald, and Gillian Sullivan Mort, "Sustainability of Nonprofit Organizations: An Empirical Investigation," *Journal of World Business* 45, no. 4 (2010): 346–56, <https://doi.org/10.1016/j.jwb.2009.08.004>.

⁸ Alejandro García-Jurado, José Javier Pérez-Barea, and Rodrigo Nova, "A New Approach to Social Entrepreneurship: A Systematic Review and Meta-Analysis,"

innovation create changes in four ways, namely, the creation of social, economic, environmental, and institutional values.⁹

In the context of zakat management, productive Zakat is a form of social innovation based on Indonesia's modern interpretation of poverty. Currently, Zakat is distributed to people experiencing poverty in a consumptive form and can be utilized for economic empowerment.¹⁰ This spirit of innovation in the management of productive Zakat, when viewed from the perspective of *maqāṣid syarī'ah*, is in line with the objective of zakat management, which is to realize justice and prosperity for society. Auda seeks to perfect the classical *maqāṣid* theory. The dimensions of the objectives of the *shari'a* are still limited to individual aspects and are not by today's modern challenges. In explaining Islamic law, Auda uses a system theory of six features: cognitive, comprehensive, open, hierarchically related, multidimensional, and meaningful.¹¹

This paper discusses social innovation carried out by one of the Islamic philanthropic institutions in Indonesia to realize *maqāṣid syarī'ah* from the zakat management, namely realizing social justice. PUSKAS BAZNAS records that the total number of LAZs is 78, with details of 27 national-scale LAZs, 19 provincial-scale LAZs, and 32 district/city LAZs.¹² LAZ Dompét Dhuafa (DD) was chosen as a case study because DD is categorized as an organizational growth phase.¹³

Sustainability (Switzerland) 13, no. 5 (2021): 1–16, <https://doi.org/10.3390/su13052754>.

⁹ Luis Portales, *Social Innovation and Social Entrepreneurship: Fundamentals, Concepts, and Tools*, *Social Innovation and Social Entrepreneurship: Fundamentals, Concepts, and Tools*, 2019, <https://doi.org/10.1007/978-3-030-13456-3>.

¹⁰ Arief Mufraeni, "Akuntansi Dan Manajemen Zakat Mengkomunikasikan Kesadaran Dan Membangun Jaringan," in *Akuntansi dan Manajemen Zakat Mengkomunikasikan Kesadaran dan Membangun Jaringan* (Jawa Tengah: Prenada Media Grup, 2006), http://lib.iainpurwokerto.ac.id/lib/phpthumb/phpThumb.php?src=../images/docs/!akuntansi_dan_manajemen_zakat~pdf!00001N.jpg.jpg.

¹¹ Jasser Auda, *Membumikan Hukum Islam Melalui Maqasid Syariah*, 1st ed. (Al Mizan, 2015).

¹² Badan Amil Zakat Nasional, *Outlook Zakat Nasional 2020, Puskas Baznas*, 2020, <https://www.puskasbaznas.com/publications/books/1113-outlook-zakat-indonesia-2020>.

¹³ Daniel Murphy and Dianne McGrath, "ESG Reporting - Class Actions, Deterrence, and Avoidance," *Sustainability Accounting, Management and Policy Journal* 4, no. 2 (2013): 216–35, <https://doi.org/10.1108/SAMPJ-Apr-2012-0016>.

The theory of *maqāṣid syarī'ah* and social innovation is used to analyze DD activities.

Maqāṣid Syarī'ah dan Forms of Social Innovation on LAZ Dompot Dhuafa (DD)

1. Maqāṣid Syarī'ah Concept

The discussion about *maqāṣid* developed after the period of the Prophet's companions (3rd-century Hijrah). However, from the perspective of scientific studies, the development of *maqāṣid* as a concept developed rapidly in the 5–8 Hijriah /10–14 AD centuries. Auda divides the periodization of the development of *maqāṣid* theory into three periods. These three periods of *maqāṣid* theory are divided into two groups: classical and modern or contemporary *maqāṣid* theory. In classical *maqāṣid* theory, the objective dimensions of the *shari'a* are still limited to individual aspects and are not by various current challenges. Auda believes in realizing human welfare, the scope and dimensions of *maqāṣid* theory must be expanded as developed by classical Islamic jurists. The evolution of *maqāṣid* theory shows that understanding Islamic law is open to changing times.

In modern *maqāṣid* theory, the aspects and scope of *maqāṣid* needs are developed more broadly and universally, not only oriented toward individuals but also toward human rights. *Maqāṣid syarī'ah* is used as an approach to find social solutions to various complex problems that exist in society today. Although basically what Auda has done has been done by scholars of classical *maqāṣid* theory, for example, the concept of *maṣlaḥah* by Al-Shatibi, in the context of finding solutions to problems, Auda moves from the direction of deduction, namely by looking at current phenomena by returning to the text in Al-Shatibi. Qur'an and *Sunnah*.

In the context of innovation by LAZ DD, modern *maqāṣid* departs from the problems at LAZ DD and returns to goals that align with the Al-Qur'an and *Sunnah*. Auda views *maqāṣid* as important in determining Islamic law using a systems approach. Systems theory comprises infinite sub-systems with interacting, open, hierarchical, and purposeful characteristics. The six features of systems theory are as follows:

- a) Cognitive Features. In this feature, Auda proposes that the Islamic legal system separates revelation and cognition. It means that *fiqh*

- has shifted from claims in the field of divine knowledge to cognition or the human mind's understanding of religious knowledge.
- b) Comprehensiveness Features. In this feature, the weakness of classical jurisprudence, which uses a reductionist and atomistic approach, is expanded into the principle of holism with the application of thematic interpretation. In this way, understanding is no longer limited to legal verses; all verses of the Qur'an are considered when deciding Islamic law.
 - c) Openness Features. This feature functions to expand the reach of *'urf* (customs). If previously *'urf* was intended to accommodate customs that were different from Arab customs (the emphasis was only on place, time, and region), *'urf* in the current context has more emphasis on the worldview and scientific insight of a faqih, apart from space, time, and scientific competency-based areas. The implication of this reform in Islamic law is to reduce literalism, which has recently become widespread again, and to open up the Islamic legal system to advances in the natural, social, and cultural sciences. Apart from that, Islamic law can also achieve self-renewal through its openness to other sciences that will shape a faqih's worldview, namely philosophy.
 - d) Hierarchy features are interrelated. The interrelated hierarchical features provide improvements to the two dimensions of *maqāṣid sharī'ah*. First, improvements to the range of *maqāṣid*. Suppose previously traditional *maqāṣid* was particular, thus limiting the scope of *maqāṣid*. In that case, the hierarchical feature classifies *maqāṣid* hierarchically, which includes general *maqāṣid* which is examined from all parts of Islamic law, special *maqāṣid* which is observed from the entire content of a particular chapter of Islamic law, and particular *maqāṣid* which is studied from a specific text or law. This division implies that all parts of Islamic law produce a *maqāṣid* treasure. Second, improvement of people who are covered by *maqāṣid*. If traditional *maqāṣid* is individual, the interrelated hierarchical features give a social and public dimension to contemporary *maqāṣid* theory. The implication is that *maqāṣid* reaches society, nation, and even humanity. Furthermore, general *maqāṣid* is prioritized when facing a dilemma with individual *maqāṣid*.
 - e) Multidimensional Features. In this feature, the multidimensionality approach offers a solution to the dilemma of conflicting postulates

(*ta'āruḍ al-adillah*). It could be that the arguments that seem to be contradictory are reconciled (*al-jam*) in a new context, namely *maqāṣid*. The implication is that Islamic law becomes more flexible in dealing with contemporary problems. The propositions that have not been used so far can be used again through this multidimensionality feature, provided that they can achieve *maqāṣid*.

- f) Purposefulness Features (*al-maqāṣid iyyah*). This feature is aimed at primary sources, namely the Al-Qur'an, and hadith, and is also aimed at rational sources, namely *qiyās*, *istihsān*, and others. The authenticity of hadith refers not only to the coherence of *Sanad* and *Matan* but also includes systematic coherence. Therefore, "systematic coherence" could be the method many modern reformers propose. Opinions stating the authenticity of the hadith of the Prophet Muhammad. It needs to be based on the extent to which the hadiths are in harmony with the principles of the Qur'an. Systematic coherence must also be added as a requirement for the authenticity of the Prophet's *hadiths*.

The six features of the Auda system described above are used to analyze LAZ DD's activities as a zakat manager in Islam. Auda argues that *maqāṣid* of Islamic law is the core objective of all linguistic and rational *ijtihād* methodologies. Furthermore, the realization of *maqāṣid*, from a system perspective, maintains openness, renewal, realism, and flexibility in the Islamic legal system. Therefore, the validity of *ijtihād* and the validity of law must be determined based on the level of realization of *maqāṣid syarī'ah* so that the *ijtihād* process becomes effective.

LAZ DD meets the criteria of social innovation in activities carried out consistently since its founding until now.¹⁴ The characteristics of social innovation consist of fulfilling needs, the solution is new and has never been done by another party before, the element of change produces a transformation in society, and the community's contribution to making changes.¹⁵

¹⁴ Indah Piliyanti, "Inklusivitas Dan Inovasi Sosial Lembaga Filantropi Islam di Indonesia," *UIN Sunan Kalijaga* (UIN Sunan Kalijaga, 2022), www.aging.com.

¹⁵ Luis Portales, *Social Innovation and Social Entrepreneurship: Fundamentals, Concepts, and Tools*, *Social Innovation and Social Entrepreneurship: Fundamentals, Concepts, and Tools*, 2019, <https://doi.org/10.1007/978-3-030-13456-3>.

2. History and DD's Development

The name 'Dompét Dhuafa' is the organization's commitment to helping people experiencing poverty. This narrative was built to signal to the public that the establishment of DD has a specific purpose in providing special assistance to the 'draft.' In general, the mass media campaigned for special donations for flood victims, tsunami victims, or other aid regardless of ethnicity, religion, and certain groups.

DD with organizational legitimacy as a foundation was recorded in document No. 41 dated 14 Sept 1994. Apart from being an institutional National Zakat *amil* institution, DD also received legitimacy as a *waqf nazir* from the Indonesian waqf board. DD received a permit to be a social welfare institution from the Ministry of Social Affairs. At the international level, DD has a special consultative status from one of the United Nations agencies, the Economic and Social Council.

In the context of distribution and zakat utilization, in early 1994, the founders of DD committed to dividing the portion of the collection of zakat funds obtained into two main programs: 50% for social and 50% for empowerment. As an Islamic instrument, the founders argue that Zakat can help people experiencing poverty through economic empowerment models. This goal is stated in the organization's vision: an Islamic philanthropic institution dedicated to empowering people experiencing poverty with a cultural approach through charitable activities and prophetic social entrepreneurship. DD has 27 networks in various regions in Indonesia, five branches, nine service offices, and 157 domestic and 29 overseas service zones. In addition, DD has created 118 programs, 11 free health service clinics, 63 health posts, seven health outlets, eight hospitals, eight education units, seven Dayamart outlets, and 14 business units.¹⁶

During the COVID-19 pandemic 2020, the total fundraising of DD IDR 370.007.990.385 increased in 2021 to IDR 414.789.421.668.¹⁷ But in 2022, the fundraising of DD decreased to IDR 392.680.000.000.¹⁸

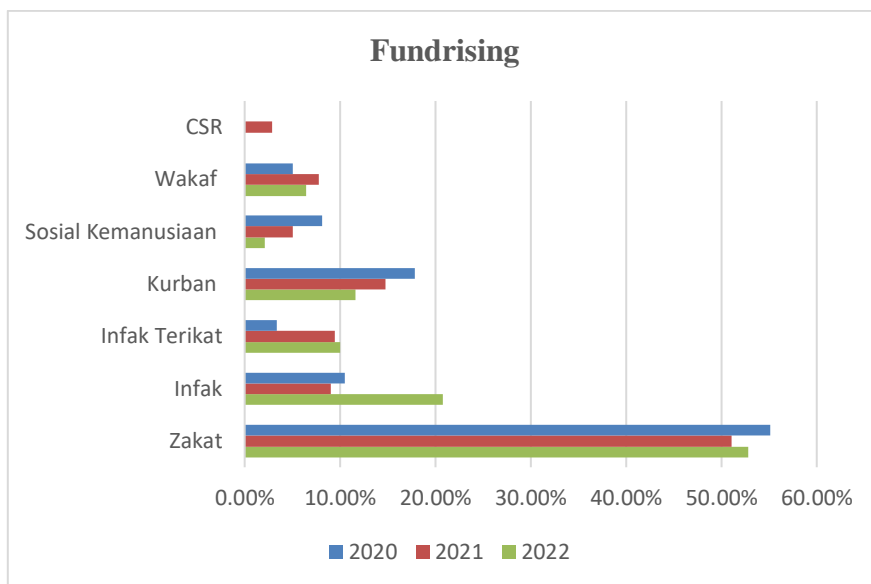
¹⁶ Dompét Dhuafa, "Public Expose 2021" (Indonesia: Dompét Dhuafa, 2021), <https://publikasi.dompetedhuafa.org/download/public-expose-2020-laporan-kinerja-dompetedhuafa-tahun-2021/>.

¹⁷ Dompét Dhuafa.

¹⁸ Dompét Dhuafa.

Figure 1 describes the fundraising development in DD in the last three years.

Figure 1. Fundraising



Source: Public Expose DD tahun 2020 – 2022

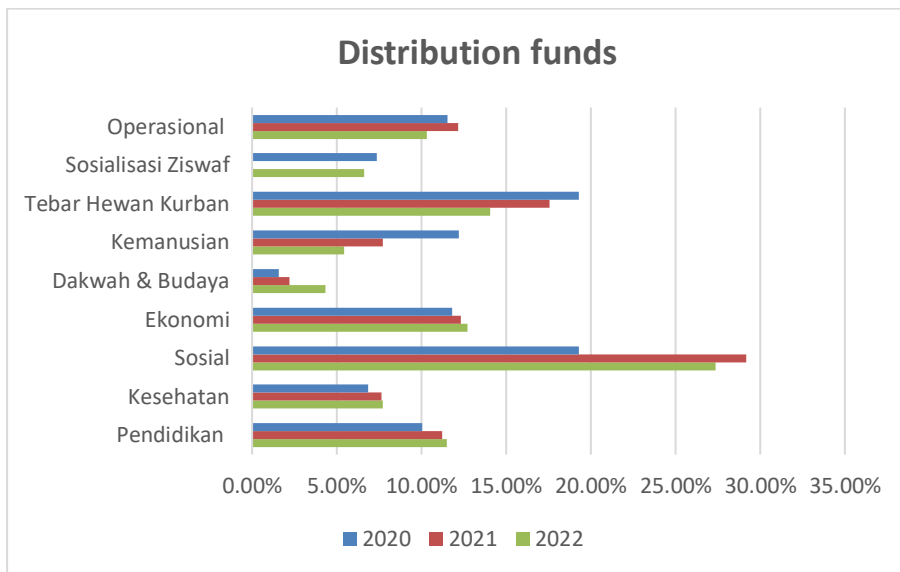
Figure 1 shows that Zakat has dominated the fund rise of DD in the last three years because the organization’s primary function is to collect Zakat from the Muslim community. Followed by Qurbani and Infaq as the second source of funds after Zakat. Figure 2 below shows in terms of distribution and utilization, in 2020, DD distributed Zakat and non-zakat funds amounting to IDR 330.425.427.795¹⁹ and increased to IDR 342.792.604. 918 in 2021.²⁰ In 2022, the distribution and utilization of Zakat and Sedekah funds will increase again 2022 to IDR 378.560.000.000.²¹

Figure 2. Distribution funds

¹⁹ Dompét Dhuafa.

²⁰ Dompét Dhuafa.

²¹ Dompét Dhuafa.



Source: Public Expose DD tahun 2020 – 2022

The figure shows the distribution of DD funds over the last three years. The social program takes the most significant portion in fund distribution because, in 2020, there was a COVID-19 pandemic, and the program was continued in 2021. In terms of DD beneficiaries in 2022, it has reached 3,078,212 people, while nationally from 1993 - 2022, the number of DD beneficiaries has reached 31,321,200 people originating from various distribution and empowerment programs carried out by DD from Zakat non-zakat fund.²² The history and development of LAZ DD show the contribution of DD as the first organization to modernize the Islamic philanthropic sector in Indonesia with professional management. Regarding zakat distribution, DD has created community empowerment models as a social solution.²³

There are several indicators of DD’s professionalism as a zakat institution, including the organization's formal structure, the fact that human resources get a salary, and the institution’s primary objective

²² Dompot Dhuafa.

²³ Amelia Fauzia, “Islamic Philanthropy in Indonesia: Modernization, Islamization, and Social Justice,” *Austrian Journal of South-East Asian Studies* 10, no. 2 (2017): 223–36, <https://doi.org/10.14764/10.ASEAS-2017.2-6>.

being nonprofit. The organization is independent because the funds come from donors.²⁴ The establishment of DD as a modern and professional management of zakat funds is a form of social innovation from the organization's founders to address various social and economic problems in Indonesia, particularly efforts to reduce poverty.

Developing managed funds from Zakat, waqf, and various programs created by DD is one of DD's successes in gaining the community's trust. This statement is in line with the results of a study by²⁵ on philanthropic practices in various countries, charitable institutions strongly correlate with the number of donations managed. In other words, related to previous research concludes that the stronger DD gains legitimacy from the community, the greater the amount of Zakat and non-zakat funds the institution manages.

3. Zona Madina and the Creation of a Community-Based Empowerment

Duafa empowerment is the keyword of the programs created by DD as a manifestation of the organization's vision and mission. Value creation in social innovation from DD empowerment programs requires a supporting ecosystem and the development of organizations with various organizational legitimacy. From the hundreds of programs DD has created since the organization's founding, several programs are forms of social innovation that have significantly impacted changes in the Islamic philanthropic sector in Indonesia.

Some of the programs created by DD and recognized as masterpieces include: First, accessible health services. Second, stocking sacrificial animals, locally called *tebar hewan kurban* was originally a program called *tebar 999 hewan kurban* in 1994. Third, establishing *aksi cepat tanggap* is a program created to respond to disasters. Fourth, the Building and Developing Human Development Institute, locally called LPI, was established in 2004 to manage DD-funded programs. Smart Ekselensia is an educational program with a five-year accelerated boarding school program for high school students with exceptional

²⁴ Tuti Alawiyah, "Religious Non-Governmental Organizations and Philanthropy in Indonesia," *Indonesian Journal of Islam and Muslim Societies* 3, no. 2 (2013): 203–21, <https://doi.org/10.18326/ijims.v3i2.203-221>.

²⁵ Wiepking and Handy, "The Palgrave Handbook of Global Philanthropy."

achievements from many cities in Indonesia. Fifth, the establishment of *Baitul Maal wat Tamwil* (BMT). BMT is a solution to accommodate the needs of low-income people who want to set up a business. BMT is positioned as a DD partner in helping super micro-enterprises in Indonesia.²⁶

The increasing amount of Islamic philanthropic funds from the community from year to year has encouraged DD to create innovations for the sustainability of the programs it manages. Various empowerment programs managed by DD are realized in the Zona Madina area. Zona Madina is an integrated empowerment development program managed by DD. Zona Madina was established on 26 Feb 2009 and was built on 8.5 hectares of *waqf* land in the Jampang area, Kemang, Bogor Regency.

The first development in the Zona Madina area was establishing integrated health care, then selecting a free school named *Smart Ekselensia* as an educational prototype funded by Islamic philanthropic funds. Smart Ekselensia is a quality education program for low-income people with a boarding school model. *Smart Ekselensia* applies a five-year accelerated class model for the junior and senior high school pathways. After the health and education programs were developed, the zona Madina led to the economic and cultural sectors complementing the existing empowerment sectors.

4. Sources of Funds and Managers

Initial funding for the Zona Madina development area started with a cash *waqf* to establish the Smart Ekselensia school and an integrated healthy home. The operational support for education comes from Zakat and non-zakat funds. After the education and health sectors had been installed, other sectors were developed to complement the Zona Madina area. Some of the *waqfs* that DD has designed for the Zona Madina empowerment area include cash *waqf*, social *waqf*, productive *waqf*, social business *waqf*, property *waqf*, insurance *waqf*, stock *waqf*, and securities *waqf*.²⁷ Apart from Zakat, alms, and *waqf* funds, corporate social funds are also available from DD partners.

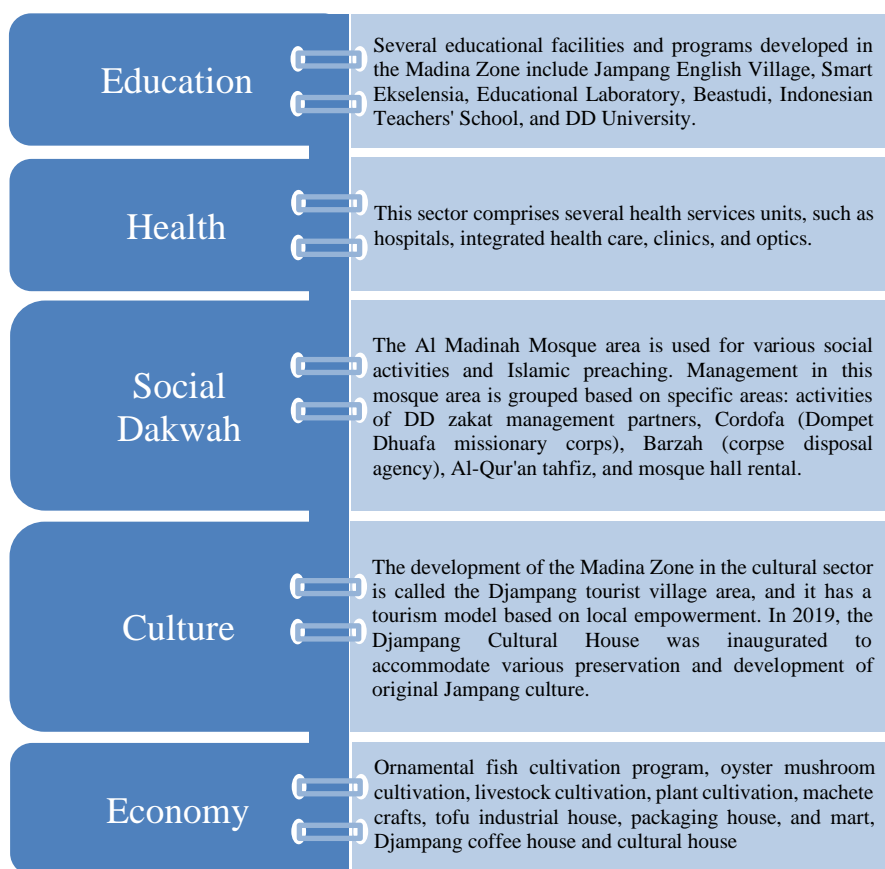
5. Development Sector of the Zona Madina

²⁶ Erie Sudewo, *DD Way*, 1st ed. (Jakarta: Republika Penerbit, 2017).

²⁷ Said, "Evolusi Wakaf ; Inovasi Pengelolaan Wakaf Produktif Dompot Dhuafa," n.d.

The purpose of developing the Zona Madina area, as stated in the profile of the Zona Madina, is to be the center of Islamic civilization in the West Java region.²⁸ The zona madina is an effort to rebuild Islamic civilization as it was during the Prophet's time when the epicenter of change departed from the mosque. So, the development of the zona madina is the spirit of reviving Islamic civilization in the modern era by using Islamic philanthropic funds. The development of the Zona Madina area consists of five sectors: education, health, social dakwah, culture, and economy.

Figure 3. Zona Madina Development Sector



²⁸ Dompot Dhuafa, "Profil Zona Madina Dompot Dhuafa," accessed December 12, 2023, <https://zonamadina.com/profil/>.

Source: Adapted from Piliyanti²⁹

6. Beneficiaries of the Zona Madina

The beneficiaries of the development of the Zona Madina area consist of communities in empowerment development sectors. First, in the education sector, other than the draft, which is *Smart Ekselensia* students, this education sector requires jobs for teachers and other management tools, such as the management of boarding-based schools around the Zona Madina.

Nusapati measured the social value of the impact of managing Islamic philanthropic funds managed by DD for education programs, especially for intelligent scholars. The measurement results show that the social return on investment (SROI) measurement model shows the number 32: 1, which means that every IDR 1 of Islamic philanthropic funds used for Smart Ekselensia generates a social value of IDR 32. The beneficiaries of the Smart Ekselensia school are students and the community in the Zona Madina area. This study shows that Smart Ekselensia has successfully created a positive impact on the beneficiaries of the DD education program, especially Smart Ekselensia and all school stakeholders, including the community around the school.³⁰

Second, in the health sector, beneficiaries of the health program in the Zona Madina are designated for *data*, especially free health services. Apart from health care, DD is developing the health sector by establishing hospitals. This hospital is intended for low-income people and the broader community with the social enterprise hospital development model. It affects the need for medical personnel, such as doctors, nurses, and other experts, ultimately expanding employment opportunities for this sector.

Developing the health sector with a social enterprise model in the Zona Madina requires hospital management based on the laws and regulations in force in Indonesia. Health services also pursue the development of the health sector with a social enterprise model in

²⁹ Piliyanti, "Inklusivitas Dan Inovasi Sosial Lembaga Filantropi Islam Di Indonesia."

³⁰ Achmad Ichsan Nusapati, Efri Syamsul Bahri, and Ai Nur Bayinah, "The Measurement of Social Value Impact of Ziswaf Using Social Return on Investment Model at Smart Ekselensia Indonesia," *Al-Iqtishad : Jurnal Ilmu Ekonomi Syariah* 12, no. 1 (2020): 129–48, <http://journal.uinjkt.ac.id/index.php/iqtishadh>.

England due to various factors: changes in the tightening of the health sector's budget in England on the one hand and the desire of institutions to provide quality services for the community on the other hand. The social enterprise model is the middle way to sustainability for the institution. England's health sector management model is managed by a third sector (nonprofit) in collaboration with the government.³¹

Developing various health access facilities for *Duafa* managed by DD is a form of organizational initiative for health services in Indonesia. Cheap, easily accessible, and complimentary medical assistance for low-income families and small-scale businesses provided by LAZ reflects the efforts of the Muslim middle class in Indonesia to translate Islamic discourse on social welfare more concretely. The rise of clinics managed by Islamic philanthropic institutions uses the foundation of Islamic discourse about the welfare of the people. In this case, health sector services for *Duafa* from Islamic philanthropic funds result from the emergence of interpretations of the meaning and function of Islamic assistance in Indonesia today.³²

Third, in the social and dakwah sectors, the beneficiaries of this sector are the *dakwah* candidates from the dakwah program, and the development of Islamic dakwah is the primary beneficiary. In addition, the development of the Al-Madinah Mosque area has various development sub-sectors, including building leasing. The multiple services opened in this sector have paved the way for opening new business fields for mosque managers.

Fourth, in the cultural sector, local cultural artists become beneficiaries of this field. In addition, cultural arts-based activities held at the Djampang Cultural House are a sub-sector for the sustainability of Djampang culture in the future. Fifth, in the economic sector, the primary beneficiaries are assisted communities (farmers, breeders, traders in the micro business sector) in DD-assisted economic empowerment in various regions. In addition, the community around the Zona Madina area gets business assistance, which drives the

³¹ Sara Calvo et al., "Educating at Scale for Sustainable Development and Social Enterprise Growth: The Impact of Online Learning and a Massive Open Online Course (MOOC)," *Sustainability (Switzerland)* 12, no. 8 (2020), <https://doi.org/10.3390/SU12083247>.

³² Hilman Latief, "Health Provision for the Poor: Islamic Aid and the Rise of Charitable Clinics in Indonesia," *South East Asia Research* 18, no. 3 (2010): 503–53, <https://doi.org/10.5367/sear.2010.0004>.

economy and creates jobs. The opening of café Madaya in 2019 created new jobs due to empowering coffee farmers in various regions.

Discussion

As a model for regional development due to community-based empowerment established by LAZ DD, the Zona Madina area uses Zakat, alms, and productive waqf resources. It shows that the Muslim community, with professional management of Islamic philanthropic funds, can contribute to various public service sectors in assisted communities and around the zona Madina.

Zakat, alms, and productive waqf funds managed by LAZ DD to develop empowerment programs in the education, health, culture, social dakwah, and economic sectors have created a multiplier effect in the zona Madina. According to previous studies, the material independence of beneficiaries of the economic empowerment program showed a significant increase of up to 90 percent. Beneficiaries with moderate income categories stated that the income earned could not cover the needs of family life. Meanwhile, beneficiaries with respondents who have high material independence are beneficiaries with unfavorable economic conditions because they own a business. Hamzah and Hidayah also stated that respondents acknowledged that productive Zakat from the Zona Madina benefited them. Economic empowerment from productive Zakat is designed with business training and assistance to encourage people to open businesses/develop existing businesses from assisted communities.³³

The existence of the zona Madina also means showing the attention of institutions funded by Muslim funds to the development of Islamic dawah. The practice of generosity in Islam is closely related to the third pillar of Islam, Zakat. Zakat not only shows obligations towards religious teachings but also impacts society's social life. Thus, in this context, the development of the zona madina is a form of maintaining religious identity, such as the establishment of mosques and prayer rooms as places of worship.³⁴ However, interestingly, even

³³ Hamzah Hamzah and Fifi Fata'tiatul Hidayah, "The Empowerment of Productive Zakat Influence on Independence of The Community," *International Journal of Nusantara Islam* 7, no. 2 (2020): 203–18, <https://doi.org/10.15575/ijni.v7i2.10000>.

³⁴ Hilman Latief, "Islamic Charities and Social Activism Welfare, Dakwah and Politics in Indonesia" (Universitas Muhammadiyah Yogyakarta, 2013).

though the zona Madina is an institutional innovation to show Islamic identity, the local wisdom of the DJampang culture has yet to be eliminated. The local wisdom of the village of DJampang is promoted in various activities, and even in 2019, the cultural development sector was complemented by the establishment of the Djampang Cultural House.

The development of the DD integrated empowerment area in DJampang Village drives the wheels of the economy and becomes a source of community livelihood. In this context, the zona Madina has contributed to inclusive economic growth, particularly in reducing poverty and expanding access and opportunities for people experiencing poverty to obtain health services, quality education, and community-based economic empowerment.

The empowerment program with Islamic philanthropic funds managed by DD is a form of social innovation as a solution for *duafa*.³⁵ The impetus to show Islamic identity in DD with the creation of the zona Madina shows the institution's commitment to supporting Islamic philanthropic funds in the form of Zakat, alms, and endowments from the Muslim community in Indonesia. This trend can also be seen in the activities of charitable institutions in Jordan. The existence of charitable institutions apart from providing social services also contains a symbolic struggle for the meaning of Islamic values as the institution's identity. This practice is a form of expression that shows Islamic values in the public sphere, whereas non-Islamic cultural values and Western culture are also a part of daily life in Jordan.³⁶

However, even though DD, with various empowerment programs, has contributed to inclusive development if calculated nationally, DD beneficiaries have only reached 3.15 million people or only 11.92% of the total number of poor people in Indonesia, which reached 26.42 million.³⁷ The results of the DD calculation stated that with the calculation of the total poor population in March 2020, there were still 23.27 million who had not been touched by the poverty

³⁵ Jahar, "Marketing Islam through Zakat Institutions in Indonesia."

³⁶ Quintan Wiktorowicz and Suha Taji Farouki, "Islamic NGOs and Muslim Politics: A Case from Jordan," *Third World Quarterly - Journal of Emerging Areas* 21, no. 4 (2000): 685–99, <https://doi.org/10.1080/01436590050079065>.

³⁷ Badan Pusat Statistik, "Profil Kemiskinan Di Indonesia," *Berita Resmi Statistik*, no. 56 (2019): 1–12, <https://www.bps.go.id/pressrelease/2020/01/15/1743/persentase-penduduk-miskin-september-2019-turun-menjadi-9-22-persen.html>.

alleviation program, or 88.08%.³⁸ This figure does not include the latest data due to the impact of the COVID-19 pandemic, where the majority affected by the pandemic are urban residents.

Coordinated collaboration between organizational sectors—government, private, and third sectors—has a positive impact on socially inclusive growth. The poorest and disenfranchised population can participate in social and economic progress.³⁹ LAZ DD, as the first professional LAZ in Indonesia, has demonstrated various social innovations from the establishment of the institution to the present. The phenomenon of various economic empowerment programs at LAZ DD can be categorized into the meaningful features of Auda's Islamic legal system theory. This feature of meaning can be seen from establishing the zona Madina as a form of economic development and support for social activities in LAZ DD. Likewise, the objective of the economic empowerment sector with Zakat is a form of a meaningful feature in which the economic empowerment program impacts inclusive economic development for people with low incomes.

In expanding the reach of the *maqāṣid*, the establishment of the zona Madina in this study is in line with the *maqāṣid al-khāṣṣah* in which the form of economic development from economic empowerment programs is a means of maintaining *maqāṣid al-‘āmmah* from Zakat. With the establishment of the Zona Madina. LAZ DD can drive the wheels of the economy and institutional independence. Likewise, in various zakat-based economic empowerment programs in the zona Madina and various regions in Indonesia, there is a suitability of *maqāṣid al-khāṣṣah* as a wash for the maintenance of *maqāṣid al-‘āmmah* in LAZ DD.

The purpose of institutionalizing Zakat is in line with the objectives of the sharia or *maqāṣid syarī‘ah*, one of which is an effort to assist the government in achieving sustainable development in Indonesia. Zakat management through *organisasi pengelola zakat* is an effective way of realizing community welfare through economic empowerment programs designed to alleviate poverty.⁴⁰

³⁸ Dompét Dhuafa, “Public Expose 2021.”

³⁹ Gerard George et al., “Understanding and Tackling Societal Grand Challenges through Management Research,” *Academy of Management Journal* 59, no. 6 (2016): 1880–95, <https://doi.org/10.5465/amj.2016.4007>.

⁴⁰ Mari Adachi, “Discourses of Institutionalization of Zakat Management System in Contemporary Indonesia: Effect of the Revitalization of Islamic Economics,”

Conclusion

In modern *maqāṣid syarī'ah*, the discussion of *maqāṣid* does not only stop at the conception of value but is used as an approach to understanding Islamic law. *Maqāṣid syarī'ah* is used as an approach to finding social solutions to various complex problems that exist in today's society. This innovation is a new expression in zakat management that is in line with *maqāṣid syarī'ah*, especially in the implementation of several features of system theory: openness, comprehensiveness, and purposefulness. In expanding the reach of *maqāṣid*, the inclusiveness of LAZ DD in the establishment of the zona Madina is the implementation of special *maqāṣid* as a means of realizing the general *maqāṣid* of Zakat, namely justice, equality, tolerance, and human convenience.

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