

# Zakat contribution model in entrepreneurship empowerment of zakat institutions: Case study of Lazismu Pusat

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## Abstract

This study aims to find out how the strategy of distribution implemented by Muhammadiyah Zakat Management Institution (Lazismu) in the entrepreneurship empowerment program and zakat distribution program for zakat recipients. The method in this study uses a descriptive qualitative approach with data collection techniques in the form of observation, interviews, and documentation, with validity using a triangulation model. Sampling was focused on the distribution of the entrepreneurship empowerment program for the 2021 period. The sample studied was the zakat manager and 8 zakat recipients of the empowerment program. This study shows that financial assistance in the form of zakat funds can increase the income and economy of most recipients. Accordingly, this program helped the community to improve the business and realize the main goal of productive zakat, namely increasing the economy of zakat recipients and adding new zakat givers and new zakat recipients. Furthermore, the main objective is to develop and advance the economy of the poor zakat recipients. The solution offered regarding the problems faced by Zakat recipients is to maximize the role of the Leaders in monitoring and empowering zakat recipients on an ongoing basis. In addition, monitoring and supervision are carried out by holding regular recitations for zakat recipients

**Keywords:** zakat contribution; entrepreneurship empowerment; zakat institution; zakat recipient.

**JEL Classification:** O35, L31

## INTRODUCTION

Islam is a religion that *is rahmatan lil alamin*, as an embodiment of Allah's mercy and compassion for mankind. The grace of Allah SWT is revealed to his servants through the guidance of Islamic teachings. Islam teaches compassion as a form of implementation of God's merciful nature. This generosity is manifested by sharing the excess assets owned by the needy. When the excess

wealth is distributed to the needy, this property also functions as a medium for mankind to get closer to Allah SWT (Ratten, et al., 2017). In this way, wealth is not a mere personal goal of life but a *wasilah* for mutual benefit and meeting needs. For people with such insight, their wealth will bring good for themselves and for society, but on the contrary, for people who view wealth as the goal of life and as a source of enjoyment, it will turn into the core of lust which has implications for damaging and opening up various possibilities of suffering (Rizkiningsih & Zaenal, 2020).

One of the Islamic concepts in the context of equal distribution of income between the rich and the poor is the obligation to pay zakat. Zakat is part of the pillars of Islam that must be carried out by every Muslim. Zakat has two dimensions of wisdom in its implementation, namely the vertical and horizontal dimensions (Meerangani, 2019). The vertical dimension is interpreted as the embodiment of one's worship of Allah, while the horizontal dimension is interpreted as an embodiment of affection and a sense of social concern for fellow human beings. Thus, zakat is a form of social service and devotion to Allah SWT. The following verse relates to the commandment of zakat for Muslims:

وَفِي أَمْوَالِهِمْ حَقٌّ لِّلسَّائِلِ وَالْمَحْرُومِ

Meaning: "And from their properties was [given] the right of the [needy] petitioner and the deprived". (Surat az-Zariyat: 19).

In Indonesia, compared two zakat institutions that have the authority to manage zakat, namely the National Amil Zakat Agency (BAZNAS) and the National Amil Zakat Institution (LAZNAS). BAZNAS is a National Zakat Board Agency established by the government. Meanwhile, LAZNAS is a national amil zakat institution formed independently or privately by the community. According to Ad-Dimasyqi, a zakat *amil* is a person who takes care of zakat activities in the collection, recording, distribution, and utilization (Faisal & Yuliani, 2018). Regarding the management of zakat institutions, Indonesia has enormous potential because it has the largest Muslim population in the world (Doktoralina, Bahari, & Abdullah, 2019).

Indonesia has allocated poverty alleviation funds in the Social Protection and Poverty Alleviation Program through the Ministry of Social Affairs. According to data from the Ministry of Finance of the Republic of Indonesia, the budget allocation for poverty alleviation in 2019 is 378.2 trillion. However, this has not significantly reduced the number of people living below the poverty line. As the number of poor people increases, the economic disparity will be even higher. In order to reduce the economic disparity of the community, the amil zakat institution has a very important role in accordance with the existing zakat law. So that people's income can be evenly distributed, which can later reduce the gap, zakat is assessed as one of the solutions. According to Indonesia's zakat Outlook 2020 data, the results of the IPPZ study (Potential Indicators of Zakat Mapping) show that the potential for zakat in Indonesia in 2019 reaches Rp. 233.8 trillion (Out look, 2021). In this case, the potential zakat indicators are divided into five sectors, namely Income Zakat, Corporate Zakat, Livestock Zakat, Agricultural Zakat and Deposit Zakat. The large potential of zakat is expected to help the government to alleviate poverty and economic inequality (Nasional, 2021).

In 2019 based on 2019 National Zakat Statistics data, the zakat collection includes Baznas (Central, Provincial and District), LAZ and OPZ in institutional development, only reached 10.2 trillion. Based on the achievement figures for collecting zakat, this is very far from the expected potential of 233.8 trillion. The amount of zakat collected will certainly affect the total funds that can be distributed to the community. Based on 2019 National Zakat Statistics data,

the distribution of zakat funds that can be realized is 8.6 trillion. Judging from the collection and distribution figures, it has been assessed as effective, with an absorption rate of 84.95% (Sukesti & Budiman, 2018). That way, if the potential for zakat collection in Indonesia can be maximized, the distribution of zakat in Indonesia will be very large and effective in helping the economic development of the poor.

The distribution of zakat funds carried out by zakat institutions has been regulated by law, namely Law No. 23 of 2011. In this law, zakat distribution can be carried out in two ways, charitable and productive (BAZNAS, 2020). BAZNAS, as a zakat institution under the state, gives the term distribution for zakat funds that are given in a charitable manner and utilization for zakat funds distributed for productive purposes. Unlike consumptive zakat giving, productive zakat takes a long time to achieve its goals. The target of productive zakat is not only aimed at alleviating zakat recipients from material poverty but also from other aspects. Therefore, the process of mentoring, monitoring and evaluation is needed to ensure that productive programs run well. The hope is that with the main productive program in community entrepreneurship. When the business develops, there will be a change in status from *mustahik* to *muzakki* for the recipient. There are two important impacts, firstly, there will be less *mustahik*, which also means less poverty, and second, the addition of *muzakki* will also increase the collection of zakat and can increase *mustahik* numbers. Therefore, this utilization program is currently one of the flagship programs of the Muhammadiyah zakat institution in Klaten Regency (Alwi, Sari, Hamat, & Doktoralina, 2019).

The purpose of this study is to find out in-depth the model of zakat distribution and empowerment of entrepreneurship carried out by the zakat institution in order to improve the economy of the poor. In addition, the model of entrepreneurship empowerment and distribution of zakat funds is assumed to accelerate the economic improvement of zakat recipients. For this reason, it is necessary to know in-depth how the model for distributing zakat funds through entrepreneurial empowerment is carried out by Lazismu Klaten, who has been running the program since 2002 until now. This paper will be presented starting with an introduction and then the literature review and methodology in the third part. Meanwhile, the finding and discussion will be presented in sections 4 and 5, and conclusions will be presented in section six.

## LITERATURE REVIEW

Research conducted by (Savid, 2017), under the title "Productive Zakat as an Effort to Alleviate Poverty (Case Study of Zakat Distribution Management in Dompok Peduli Rakyat Darul Tauhid Metro City Unit)". This research has explained in detail the efforts to reduce poverty by managing and distributing productive zakat to the fullest. So that the distribution of productive zakat can have a very good impact, one of which is a way of alleviating the poverty of the people if the distribution and management of productive zakat is carried out effectively and on target.

Research conducted by (Kinanti, Zaenal, & Kinanti, 2018) under the title "Analysis of the role of productive zakat on the development of *mustahik* micro-enterprises (Case Study of BMT Assyafi'iyah, Gajah City, Central Lampung). This type of research is a type of field research whose nature is descriptive qualitative. This research contains an explanation of how the role of productive zakat is distributed to the business of *mustahik*. The program distributes these funds through two programs, namely the first in the form of cash as additional business capital,

the second is by revolving grants (giving livestock). The results of this study show that the role of the distribution of productive zakat has been assessed as playing a good role.

Research conducted by (Furqani, Mulyany, & Yunus, 2018) under the title "The Role of Zakat in Poverty Reduction (Case Study of the Productive Zakat Program at the National Amil Zakat Agency). This study uses a descriptive qualitative method in order to determine the effect of productive zakat, which is distributed to the empowerment program for the poor through the poverty index. This study aims to describe the extent of the role of productive zakat in empowering the poor who are identified as *mustahik* who are entrepreneurs. The results of this study indicate that overall, *mustahik* considers that the program organized by BAZNAS has been running well. This research is very relevant and almost the same as the research that will be carried out by the author, only the object of this research is carried out at BAZNAS, and this research is quite focused and detailed on the analysis method of determining respondents and increasing income.

Research conducted by (goleman, daniel; boyatzis, Richard; Mckee, 2019) under the title "The Role of Productive Zakat Funds in Mustahik Economic Empowerment in Baitul Mal, Pidie Regency". This study uses a qualitative descriptive research approach. This study aims to see how the influence of the number of productive zakat funds distributed to the main *mustahik* income in the 2017 period. This qualitative research used field data. The study shows a significant effect of the number of funds disbursed on *mustahik's* opinion. If the greater the funds disbursed, the *mustahik's* income will also increase. This study focuses more on the effect of zakat funds on increasing *mustahik's* income.

Research conducted by (Maulida & Rahmatullah, 2018) under the title "Alleviating Poverty Through Productive Zakat on Communities in Klaten with the Cibest Approach (Case Study of LAZISNU Klaten)". This study uses a descriptive quantitative research approach. This study aims to see how the effect of productive zakat funds distributed to the poverty level of *mustahik* recipients of zakat. In looking at the developments with the assistance, the researchers used the Cibets quadrant analysis on the poverty level of households receiving zakat assistance. The results of this study show that there is an average increase in *mustahik's* income, which is 45%. The classification of the Cibest quadrant shows the results of a change in the economic status of *mustahik* after receiving zakat funds. So that there is an increase in the number of *mustahik* who enter the prosperous quadrant, and there is a decrease in the poor quadrant after the assistance of zakat funds.

Research conducted by (Suprayitno, 2019) with the title "Analysis of Productive Zakat in Economic Empowerment of zakat recipient". This study uses a qualitative descriptive research approach. This study aims to see how the utilization of productive zakat funds is distributed to *mustahik* income in Lazismu Banyumas. The results of this study concluded that the utilization of zakat funds in Lazismu Banyumas was good. There are two types of empowerment programs in Lazismu Banyumas, namely productive zakat, distributed traditionally and creatively. The distribution of traditional productive zakat is usually distributed in the form of goods such as sales carts, equipment and business necessities from *mustahik*. Meanwhile, the distribution of creative and productive zakat provides business capital for fisheries, agriculture and animal husbandry groups. This study focuses on how the empowerment program in Lazismu Banyumas runs.

Research conducted by (Mayes, Setiawan, Isbah, & Zuryani, 2017) under the title "Management of Productive Zakat with Social Entrepreneurial Insights in Alleviating Poverty in Indonesia". This study used qualitative research methods. The results of this study illustrate

that the main productive zakat in Indonesia is considered to have a strategic role in alleviating poverty. Meanwhile, conceptually, social entrepreneurship is considered to have a close orientation to the mission of productive zakat management. Both of them put forward the aspect of gotong royong/togetherness through the spirit of brotherhood (*ukhuwah*) which aims at the basic social mission (goal), as well as strengthening aspects of seriousness and sincerity to build economic independence (empowerment) for the *mustahik*. So that empirically, researchers assess that social entrepreneurship can be a solution to poverty alleviation independently and sustainably. This study looks more at the direction of zakat management on the five basic criteria of social entrepreneurship, namely social mission/goals, empowerment, ethical business principles, social impact, and sustainability (Efendi, 2017).

Research conducted by Faisal & Yuliani, (2018) entitled "Management of Productive Zakat Funds for Empowering Micro Enterprises (Case Study of Al-Falah Social Fund Foundation Malang)". This study uses a descriptive qualitative approach. This study describes how the empowerment program in the Al-Falah foundation and social services, especially in this program, is the hamlet livestock program that is a partner. This productive zakat fund is in the form of providing capital or development and providing business infrastructure, which is distributed either once or twice as business support so that the business is expected to develop and run independently. Not only in the form of providing capital but also in empowering these micro-enterprises through coaching, mentoring and supervision.

Research conducted by (Mulkan, 2019) entitled "Empowerment of Small and Micro Enterprises through Productive Zakat Funds". This type of research is quantitative research with a simple linear regression method, and the data sources are capital and turnover data from 1672 *mustahik* in Rumah Zakat. This research explains that the Zakat House UKM program assistance is distributed to zakat beneficiaries, of which 91.26% are from the poor *asnaf* group. This research is a quantitative type of research, using a simple linear regression method with data sources coming from the capital and turnover data of 1672 Rumah Zakat *mustahik*. The results showed that the Zakat House UKM assistance provided to the beneficiaries of the poor *asnaf* group was 91.26%, and capital had a strong relationship to turnover with a large influence of capital on turnover of 44.7% with the model of the large influence of capital on turnover (Prahesti & Daughter, 2018). Researchers consider that productive zakat funds have a good role in empowering *mustahik*, which will later improve *mustahik's* economic condition and affect poverty in Indonesia. This research with quantitative methods focuses on looking at changes or increases in turnover from recipients of productive zakat funds.

Research conducted by (Santoso, 2019) under the title "Management of Productive Zakat Funds for Empowering *Mustahik* at LAZISNU Ponorogo". This study uses a qualitative descriptive research approach. This study attempts to describe and provide an overview of the distribution system of productive zakat funds in Lazisnu Ponorogo. In the distribution of zakat funds in Lazisnu Ponorogo, there are two types of distribution, namely consumptive and productive. However, this research focuses on the productive distribution. What is meant by productive distribution here is the distribution of zakat to *mustahik* that has been determined and continued with sustainable empowerment. The nature of the empowerment provided can be in the form of providing business capital or knowledge of skills through training or education programs. This study concludes that the data collection carried out by the institution is accurate by requiring the submission of proposals by prospective *mustahik* to LAZISNU and identification by *amil* to *mustahik* (Ansori, 2018). The descriptive qualitative method used in this research illustrates how the distribution of productive zakat funds are distributed to

mustahik through several existing programs, namely, NUSmart, NUSkill, NUPreneur and NUFamily.

Another relevant study entitled "Analysis of the Effect of Empowering Productive Zakat Funds on Welfare of the People". The study uses quantitative research methods with simple regression analysis techniques. Hypothesis testing conducted in this study used t-statistics to test the partial regression coefficient with a significance level of 5%. In addition, the classical assumption test was also carried out, including the heteroscedasticity test, normality test, and autocorrelation test.

During the period of this study, namely July 2015 - December 2017, there were no deviations from the classical assumptions, and this means that the existing data has met the requirements for the use of a simple regression equation model, and this study concludes that productive zakat has an insignificant positive effect on the welfare of mustahik or the Ummah. which is measured using the BAZNAS Puskas Welfare Index with a significance level of more than 5%. (Herlita & Khaliq, 2021)

## **METHODOLOGY**

This study used a qualitative method research design with a case study strategy (Figure 2) model (Yin, 2018). The case study research was carried out to determine a decision or a series of activities: why it was taken, how it was carried out, and with what results. The main focus of case studies, in general, includes individuals, organizations, processes, programs, environments, institutions, and events. This study aims to explore further the activities carried out by the object of research in the field directly (Neuman, 2014).

In addition to this, this method can also be a medium to find something new that is not obtained when using a questionnaire or survey model. Furthermore, interviews were conducted with the manager of the entrepreneurship fund distribution program and economic empowerment, in this case, the chairman of Lazismu Klaten and the head of the entrepreneurship empowerment program, the administration and recipients of the entrepreneurship program that has been running and is still active (Robert K. Yin, 2018).

Furthermore, the confirmation of the empowerment program that has been distributed is conveyed to the recipients of the business empowerment program, in this case, the *mustahik* recipients of the entrepreneurial capital funds that have been running their business for one year.

Step 1, plan (Making research planning): carried out to estimate the time, cost and suitability of the research topic.

Step 2, design (Creating a research design): determine the model and steps to be carried out in the research.

Step 3, prepare: prepare instruments and other equipment according to research needs. At the same time, validation tests are carried out to competent parties (share).

Step 4, collect (collection of data): collect data according to the research plan as well as design a collection model.

Step 5, analyze (perform data analysis: the steps taken are data reduction, data display and conclusions.

Step 6, share (make a research report): Submitted to the parties related to the research.

Determination of the research sample using purposive sampling technique accompanied by clustering. The recipients of the entrepreneurship program funds involved in this study were

selected by considering the representation of the recipients of the Lazismu Klaten entrepreneurship program funds. Then, to ensure the reliability of the questionnaire (list of questions), consultations with senior researchers and question and answer with fellow researchers (peer de-briefing) will be carried out to improve the quality of research accuracy (John W. Creswell, 2014).

## FINDINGS

Sources of data in this study came from primary data obtained from interviews with; LAZISMU Manager and zakat recipient of Lazismu who received entrepreneurship assistance funds. The following are narrative data from interviews that have been carried out:

Table 1. the number of Interviewed

No	Interviewed	Role	Address
1	Lazismu Manager	Manager of Lazismu	Bogor
2	Angkringan seller	Zakat Recipient	Bekasi
3	Tailor	Zakat Recipient	Bekasi
4	Meatball seller	Zakat Recipient	Jakarta Selatan
5	Gorengan seller	Zakat Recipient	Bogor
6	Welding shop	Zakat Recipient	Jakarta pusat
7	Herbal seller	Zakat Recipient	Jakarta selatan
8	Electronic Service	Zakat Recipient	Jakarta selatan

From the data table above, it can be concluded that the empowerment of the distribution of Lazismu entrepreneurship funds is distributed to small businesses that are already running and meet the requirements as recipients of zakat. Furthermore, all of the businesses interviewed are still running their business activities. In addition, Lazismu's entrepreneurship fund distribution program is spread in almost all areas of the Klaten district, Central Java.

The entrepreneurial empowerment program started in 2002 after the establishment of LAZISMU Klaten. The establishment of the Lazismu Klaten entrepreneurship empowerment program was motivated by the condition of the community in need and requests from the community, especially those who are not economically capable but want to be entrepreneurs.

### Distribution Model

The distribution of aid is in accordance with the theory and provisions in Islam, which refers to the distribution of zakat to 8 *asnaf*. From these provisions, LAZISMU only takes and determines from some *asnaf*, especially from the poor and needy. This is in accordance with the provisions of the zakat law number 23 of 2011, in particular articles 25 and 26 concerning the distribution of zakat funds.

Regarding the distribution and utilization, especially in the entrepreneurship empowerment program, this is in accordance with the points in the third part of Law No. 23 of 2011 in Article 27, namely the LAZISMU entrepreneurial empowerment program, which has the main goal of alleviating poverty through entrepreneurial empowerment programs as stated by Mr. Wahyudi as chairman of the Executive Board.

*“The source of funds is from muzaki, which is then divided into eight asnaf, by prioritizing the poor, in addition to consumptive purposes as well as for productive businesses or entrepreneurship empowerment. For example, from poor families, they are given funds so that their business activities can increase to support their families and improve their economy, which in turn can reduce poverty as well.”*

(Interview with Zakat Manager on December 19, 2021, at the LAZISMU Pusat)

### **Training and Socialization Program in Lazismu Pusat**

Lazismu Pusat entrepreneurship empowerment training and socialization activities. The socialization has been carried out by Lazismu but has not run optimally because it is constrained by the number of employees who are not sufficient to carry out socialization in all areas in Indonesia. This is in accordance with the explanation of Zakat Manager.

*"Our obstacle is lack of supervision, lack of guidance/training because we have limited employees and are already busy with their respective tasks that must be completed."*

(Zakat Manager, on December 20, 2021 at the LAZISMU Pusat).

### **The Results of Interviews with Zakat Recipients**

Interviews were conducted with 19 recipients of the entrepreneurship empowerment program spread across various regions in the Klaten Regency. Interviews were conducted with recipients of the entrepreneurship empowerment program funds based on the 2020 period. Interviews were conducted with *angkringan* business owners.

First, the zakat recipient of *angkringan* business is located at Bogor. Received assistance of IDR 3,500,000.

*"I received information related to this program directly from Mr. Heri Raharjo. I used the assistance funds to increase business capital, to buy angkringan grobak because previously, I used a table. This program is good and has a positive impact, especially in increasing income."* (Interview, December 22, 2021, at 10.15, the recipient of program funds for additional capital for the *angkringan* business).

Second, zakat recipients in the meatball business and tofu meatballs located in Jakarta Selatan received the assistance of IDR 3,000,000. The funds were used to increase business capital for the meatball and tofu trading business.

*"The application to Lazismu Klaten is for additional capital and can be more productive. This assistance is more useful for us because it fulfills the need for shopping for tofu and meat to make tofu and tofu meatballs, so assistance in the form of money is more useful because it is easy to receive."* (Interview, December 23, 2021, at 11.05, the received the funds to increase business capital for meatballs and tofu meatballs).

Third, zakat recipient in electronic service business having their address in Bogor, received assistance in the amount of IDR 3,500,000. The funds were used to increase business capital for electronic and used goods services.

*"Aid funds to buy service equipment so that now there is fixed equipment. So this effort, inshaa Allah, will continue in the future. Estimates of its development still exist but cannot be ascertained depending on the management. After the Covid-19 subsided, thank God, there has been an increase in the business I am engaged in."*(Interview, December 23, 2021, at 16:30, the recipient of the program to increase business capital for electronic and used goods services).

Fourth, zakat recipient of the salted egg business at Bekasi, received the assistance of IDR 3,000,000 is used to increase business capital for salted eggs.

*"Assistance funds to increase business capital selling salted eggs, but the business is rather quiet, continues to be managed by my sister-in-law"*. (Interview. December 24 2021 at 16.50, the recipient of program funds for additional salted egg business capital).

Fifth, zakat recipient of the chicken farming business having his/her address at Jakarta. Get assistance of Rp. 3,500,000., is used to increase the capital of the Arab chicken farming business.

*“Aid funds to buy Arabic chicken because the previous chickens were old and all sold. The impact is positive because we can increase the income from the chicken, even if it's a little bit.”* (Interview, December 23, 2021, the recipient of program funds to increase business capital for Arabic chicken).

Sixth, the zakat recipient of the street food vendor at Bogor received IDR 3,000,000 to increase the capital of the *angkringan* business.

*“The reason I used to apply for additional capital was that the business was almost closed. This program has many benefits, at least it can provide fresh air, for assistance, especially this business can be maintained”.* (Interview, December 24, 2021, the recipient of program funds for additional business capital for *angkringan*).

Seventh, zakat recipient of selling fried food at Bekasi, received IDR 3,500,000 for business capital selling fried foods.

*“Aid funds to buy materials such as wheat, oil and spices to sell. Financial assistance has helped to improve my business, which has been running so far.”* (Interview, December 24, 2021, the recipient of program funds for additional capital for the fried food trading business).

Eighth, the zakat recipient of a grocery shop at Jakarta Selatan received IDR 3,000,000 for additional capital for the Grocery Shop business.

*“Aid funds to develop a grocery business, brother. Incidentally, the business that I run is stagnant. Alhamdulillah, the additional capital has been running until now.”*

(Interview, December 23, 2021, the received program funds to increase the capital of a grocery store).

## **DISCUSSION**

### **The Model of the Empowerment Program**

The term Empowerment is familiar to most people. Usually, this empowerment is realized in the form of a program or activity institutionally by an institution or community. One of the subjects that are often associated with empowerment programs is the community because the community is an important element in developing an awareness of the community itself. According to Wuradji, what is meant by Empowerment is a participatory, transformative and sustainable process of awareness to the people or society by increasing understanding and ability related to handling various basic problems and improving the standard of living to be as expected (Gursoy, Altinay, & Kenebayeva, 2017).

Meanwhile, empowerment is a continuous process and movement that aims to strengthen participation, raise potential, build civilization and generate independence from the community (Acheampong, 2017). Based on Law No. 6 of 2014 concerning villages, what is meant by community empowerment is an effort or effort to improve knowledge, attitudes, skills, abilities, behavior and community awareness with the aim of developing community welfare and independence.

Related to the several meanings above, it can be concluded that community empowerment is an effort and effort to improve the competence or ability of a community so that the community has additional competencies or abilities that are expected to bring progress and independence to the community itself. In general, community empowerment programs take two forms, namely in the form of providing training and providing material assistance such as

capital funds, etc. According to Suharto, several principles must be adhered to in the community empowerment program, which is distributed in the form of aid funds for socio-economic activities as follows (Mulyaningsih & Ramadani, 2016). (1) Acceptable, can be easily accepted and utilized by the beneficiary community, (2) Accountable, can be managed by the community and can be accounted for openly, (3) Profitable, can be a source of income for the community and make people understand more about managing activities economically, (4), Sustainable, the results can be enjoyed by the community in a sustainable manner and can be preserved, (5) Benefit for the wider community, yield conservation and management can be developed and rolled out easily by the community for a wider scope.

According to Drijver and Sajise, there are five basic principles in developing the concept of community empowerment, namely (Ashraf, 2019): (1) The bottom-up approach, in this principle, starts from the manager to the stakeholders having an agreement on common goals, as well as developing ideas and carrying out various activities in order to achieve the formulated goals, (2) Participation, everyone involved has the power and responsibility at every stage of planning and management, (3) Applying the concept of sustainability so that it can continue to be disseminated and developed in the wider community. The sustainable development program is projected to be accepted by the community economically and socially, (4) Integration, namely the integration of strategies and policies from local to national levels. (5) Economic and social benefits are one part of the expected management program. In essence, all kinds of assistance aimed at empowering the community must improve the standard of living of the community. The program can also provide lessons for the community to manage it well.

### **The Basic of Entrepreneurship**

Entrepreneurship is a word that is often used today, so it is no stranger to hearing by some people. Entrepreneurship itself is the equivalent of the English word entrepreneurship and the German word *unternehmer*. Moreover, entrepreneurship itself comes from the French language '*entrepredre*', which means adventurer, creator, business manager. This term was first introduced by someone named Richard Cantillon in 1755. This term became better known when used by an economist named J.B Say in the 1803s, which was described as an activity that could increase the level of productivity of economic resources. Not only the productivity level will be higher, but it can also produce more valuable and more valuable products (Hadziq, 2017).

According to Peter F. Drucker, entrepreneurship is the ability to create something new and different (Chell, Spence, Perrini, & Harris, 2016). Hisrich explained more broadly that what is meant by entrepreneurship is the process of creating something different from before by requiring time and effort along with the use of money, physical, and risk. It aims to increase or generate value, then generates remuneration in the form of money, satisfaction and personal freedom (Ratten, Alamanda, et al., 2017)

According to the Islamic view, entrepreneurship is included in aspects of life that are classified as muamalah issues, namely issues related to the relationship between humans and other humans that are horizontal and will still be accounted for in the hereafter. In Surah An-Najm, verses 39-42 remind people:

وَأَنْ لَّيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَىٰ وَأَنَّ سَعْيَهُ سَوْفَ يُرَىٰ ثُمَّ يُجْزَاهُ الْجَزَاءَ الْأَوْفَىٰ وَأَنَّ إِلَىٰ رَبِّكَ الْمُنْتَهَىٰ

*Meaning “And that there is not for man except that [good] for which he strives (39), And that his effort is going to be seen (40), Then he will be recompensed for it with the fullest recompense (41) And that to your Lord is the finality (42) (Surat an-Najm verses 39-42)*

According to Thomas W. Zimmerer, the following are some of the benefits of entrepreneurship (Zimmerer, T., Scarborough, N.M., & Wilson, 2002) (1) Giving opportunity and freedom to control one's destiny. People who have their businesses will have the opportunity and freedom to develop their businesses. With these freedoms and opportunities, people can struggle to achieve their goals and objectives, (2) Provide opportunities to make changes. More and more people are starting their businesses because they can seize opportunities to make changes they think are very important. This will have an impact on family or close people, (3) Provide opportunities to reach your full potential. Various businesses managed and owned by an entrepreneur are a means for self-actualization. A successful entrepreneur can not be separated from creativity, innovation, enthusiasm and vision that is grown, (4) Have the opportunity to achieve optimal profit. When people have their business stalls, they will know how much profit they are currently getting and what opportunities they can develop. With this motivation, the community can maximize their abilities to optimize their profits, (5) Have the opportunity to play an active role in the community and get recognition for their efforts. This arises because of the form of recognition and trust formed when customers receive years of service. The considerable role of an entrepreneur who plays a business role in his environment and has a real impact on the surrounding social and economic functions is an advantage or reward obtained by the managers of small companies, (6) Have the opportunity to do something you like and create a sense of pleasure in doing it. Most successful entrepreneurs choose to enter a particular business because they are interested in and like the job.

## CONCLUSION

The distribution of funds for Lazismu Klaten entrepreneurship empowerment is carried out by providing business capital assistance to zakat recipients who already have businesses. Furthermore, several types of businesses provided with capital assistance by Lazismu experienced better development, namely increasing the income received, as revealed by the recipient of the assistance. In addition, several businesses that have closed due to the Covid-19 pandemic can reopen their businesses after receiving the entrepreneurial venture capital assistance provided. Overall, the entrepreneurial empowerment program distributed by Lazismu can run smoothly and get good appreciation from the zakat recipient community to improve the family economy, especially through their businesses. In addition, the provision of entrepreneurial empowerment capital can have an impact on improving the economy of the poor, especially the recipients of assistance.

Some of the obstacles faced by Lazismu Klaten in the distribution of this program among them were obstacles in the distribution to determining the recipients of assistance who most needed it. Another obstacle faced was the follow-up program after the funds were given in the form of mentoring, training and supervision to improve the business of the recipients. This is due to the limited number of administrators and implementers, so they are not sufficient to assist all recipients of the empowerment assistance provided.

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