Measuring The Regulations of Islamic Philanthropic Institutions in Community Welfare Programs

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ABSTRACT

This article aims to describe the implementation of the regulations of Islamic Philanthropic institutions, also known by the practice of social activities by giving and sharing voluntarily with the aim of welfare and social justice based on the principles of Islamic teachings. So that a standard concept for the implementation of rules was found that could be used as a key factor in creating welfare and justice in accordance with Islamic principles. The fact that the growth and development of Islamic philanthropic institutions in carrying out community welfare programs is growing rapidly, one of which is in Banten Province, on the grounds that the poverty rate is quite significant. Using an empirical juridical method with descriptive analysis techniques, using Islamic devotional theory to answer research problems. Islamic philanthropic institutions such as Baznas, Dompet Dhuafa and similar institutions in Banten have met accountability standards, but due to limited literacy to local needs and community involvement, the programs implemented are not in accordance with the basic needs of the community. The absence of regulations on Islamic philanthropic institutions causes the assessment of social welfare achievements to be immeasurable.

Keywords: *Philanthropic Institutions, Welfare Programs, Regulations*

Introduction

The existence of philanthropic institutions makes a great contribution to the sustainability of life in the health aspect of society, including Islamic philanthropy. The National Amil Zakat Agency (Baznas) is one of the Islamic philanthropic institutions with the highest management assets from similar institutions such as Dompet Dhuafa, Laz Harfa, Rumah Zakat and others. These institutions have their own policies and management while still complying with the applicable laws and regulations while carrying the message of Islamic teachings in the form of concern for the poor.

For more than two decades, research on Islamic economics and finance has become famous. A recent survey paper by Paresh Kumar Narayan et al,[1] highlighting recent studies on the role of Islamic philanthropic systems such as *to zakat* (payments made annually under Islamic law on certain types of property and used for charitable and religious purposes), *infaq* or *amal* (voluntary charity), *waqf* (endowment) and others in addressing socio-economic problems, especially poverty and income inequality, have grown and affirmed their important role in overcome these problems.

This is in line with the existence of regulations and legal instruments that support the effectiveness of the role of Islamic philanthropy in poverty alleviation in Indonesia. Two of them are Law No. 38 of 1999 and Law No. 23 of 2011 concerning *Zakat* Management and Law No. 41 of 2004 concerning *Waqf* as a result of the struggle of Indonesian Muslims to strengthen regulations for *zakat* since 1968. The former, which was later updated with Law No. 23 of 2011, is considered very strategic and helps strengthen Islamic philanthropy. Meanwhile, later the main aim to encourage the progress of *waqf* management is also considered to be able to support the maximization of *waqf* in improving the socio-economic welfare of the Muslim community.[2]

The existence of legal certainty and legal products is very important in supporting the implementation of *zakat, infaq, ṣadaqah,* and *waqf* to improve people's welfare and economic empowerment.[3] The existence of legal certainty and legal products is very important in supporting the implementation of *zakat, infaq, ṣadaqah,* and *waqf* to improve people's welfare and economic empowerment.[4] Thus, it will encourage economic growth and will encourage investment.[5] It is also a fiscal policy instrument that functions to ensure that

[1]Paresh Kumar Narayan et al., "Price Discovery and Asset Pricing," *Pacific- Basin Finance Journal* 40 (2016): 224–35.

[2]Abdurrohman Kasdi, "Filantropi Islam Untuk Pemberdayaan Ekonomi Umat (Model Pemberdayaan ZISWAF Di BMT Se-Kabupaten Demak," *Iqtishadia: Jurnal Kajian Ekonomi Dan Bisnis Islam STAIN Kudus* 9, No. 2 (2016): 227–45.

[3] Azwar Iskandar and Khaerul Aqbar, "Reposisi Praktik Ekonomi Islam: Studi Kritis Praktik Ekonomi Islam Di Indonesia.," *NUKHBATUL'ULUM: Jurnal Bidang Kajian Islam* 5, Nomor 1 (2019)

[4]Zainal Abidin, "Meneropong Konsep Pertumbuhan Ekonomi (Telaah Atas Kontribusi Sistem Ekonomi Islam Atas Sistem Ekonomi Konvensional)," *Al-Ihkam: Jurnal Hukum Dan Pranata Sosial* 7, No. 2 (2014): 113–26.

[5] Juhari, "Reinstrumentasi Fungsi Zakat Menuju Pengentasan Kesenjangan Sosial Ekonomi Umat," *Al-Ihkam: Jurnal Hukum Dan Pranata Sosial* 1, No. 1 (2012): 113– 26.

economic activities can run at the level of meeting primary needs.[6] Therefore, the governments of Muslim countries need to pay serious attention to optimizing *zakat* as a source of growth and equitable distribution of wealth. There needs to be a big step to reconstruct the spirit *of zakat* while preventing a lack of focus as happened in the past.

Some progress has been made to achieve this goal in some countries. However, there are still many development programs that have not been successful. A lot of work in an effective program is also needed. In fact, as part of efforts to alleviate poverty in Islamic countries, *zakat* is an important form of charitable funds.[7] In the Indonesian context, *zakāt* has promising potential to contribute to the reduction of poverty and injustice.[8] This can be seen from the data *on zakat*, *infaq,* and *ṣadaqah* in Indonesia which shows an increase in zakat collection *from* 2002 to 2019.

Islamic philanthropic institutions including *zakat, infaq,* or *amal* (voluntary charity), *waqf* (waqf), and others increase every year from 17 years. In 2005 and 2007 there was an increase of almost 100 percent due to national disasters in the country (Aceh Tsunami in 2004 and Yogyakarta Earthquake in 2006). The average growth of collections from 2002 to 2019 was 36.24 percent. Another important point is the high growth of Islamic philanthropic collections compared to the growth of GDP per capita (US Dollar). The average increase in annual Islamic philanthropic growth between 2002 and 2019 is higher than the average GDP growth in the same period which only reached 12.23 percent.

In addition, the fact that the growth of Islamic philanthropy has not been significantly affected by global economic shocks suggests that in the future, Islamic philanthropy has great potential to contribute to national development. Thus, national economic policies should include Islamic philanthropy in efforts to reduce poverty or inequality while utilizing Islamic philanthropy as a fundamental strategy for financial stability and sustainable development.[9]

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[6] Muhammad Nejatullah Siddiqi, *Teaching Economics in Islamic Perspective* (Scientific Publishing Centre, 1996).

[7]Faisal Faisal, “Sejarah Pengelolaan Zakat di Dunia Muslim dan Indonesia (Pendekatan Teori Investigasi-Sejarah Charles Peirce dan Defisit Kebenaran Lieven Boeve),” *Analisis: Jurnal Studi Keislaman* 11, no. 2 (2011): 241–72

[8] Habib Ahmed, “Zakah, Macroeconomic Policies, and Poverty Alleviation: Lessons from Simulations on Bangladesh,” *Journal of Islamic Economics, Banking and Finance* 4, no. 2 (2008): 81–105.

[9]Evi Aninatin Ni’matul Choiriyah et al., “Zakat and Poverty Alleviation in Indonesia: A Panel Analysis at Provincial Level,” *Journal of Islamic Monetary Economics and Finance* 6, no. 4 (2020): 811–32.

In Banten province, philanthropic institutions that have been running in community social activities have been carried out in the last ten years, one of which is the program at Baznas both at the provincial and district levels. In addition, there are also other institutions such as Dompet Dhuafa, Laz Harfa and Rumah Zakat.

This study will examine the implementation of regulations of Islamic philanthropic institutions, especially in answering how Islamic philanthropy contributes to aspects of socio-economic health, namely poverty alleviation, and the reduction of income inequality in the country both in the short and long term.

This research allows for a symmetrical causal relationship between the role of Islamic philanthropy and poverty alleviation in Banten. The reason behind this is because the variants of Islamic philanthropy including *zakat, infaq,* and *waqf* in Islam mostly work to help people get out of poverty. In this respect, the combination of commercial and social finance for this study is novel compared to previous works that mostly focused on socio-economic/financial or commercial economics/finance alone.

In addition, both in classical and modern literature, *zakat* collection is always seen as the responsibility of the government. It is considered an effective instrument to realize financial goals that are expected to affect the development of the state and the social welfare of the community as stated in *al-Amwal* by al-Dawudi and Rawls' theory of social justice.[10] Other previous studies are from Irfan Syauqi Beik[11], Rahmatina A Kasri[12], Qurroh Ayuniyyah et.al.[13] For the case of Indonesia; Fuadah Johari et al.[14] For the case of a new convert *(convert)* in Malaysia; Hisyam Handal Abdelbaki[15] for the Bahrain case; Arif Widodo[16] on the role of

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[10] Mohamad Ramdon Dasuki, "Teori Keadilan Sosial Al-Ghazali dan John Rawls (Studi Perbandingan dalam Konteks Politik dan Hukum)," *Tanggerang Selatan: Cinta Buku Media*, 2015; Ai Nur Bayinah, "Role of Zakat as Social Finance Catalyst to Islamic Banking and Economic Growth," *International Journal of Zakat* 2, no. 2 (2017): 55–70.

[11] Irfan Syauqi Beik, *Economic Role of Zakah in Reducing Poverty and Income Inequality: A Case Study in the Province of DKI Jakarta, Indonesia* (Jakarta: LAP Lambert Academic Publishing, 2013).

[12]Rahmatina A Kasri, "Effectiveness of Zakah Targeting in Alleviating Poverty in Indonesia," *Al-Iqtishad: Jurnal Ilmu Ekonomi Syariah* 8, no. 2 (2016): 169–86.

[13]Qurroh Ayuniyyah et al., "Zakat for Poverty Alleviation and Income Inequality Reduction: West Java, Indonesia," *Journal of Islamic Monetary Economics and Finance* 4, no. 1 (2018): 85–100.

[14] Fuadah Johari, Muhammad Ridhwan Ab Aziz, and Ahmad Fahme Mohd Ali, "The Role of Zakat in Reducing Poverty and Income Inequality among New Convert (Muallaf) in Selangor, Malaysia," *Online Journal of Research in Islamic Studies* 1, no. 3 (2014): 43–56.

[15] Hisham Handal Abdelbaki, "The Impact of Zakat on Poverty and Income Inequality in Bahrain," *Rev. Integr. Bus. Econ. Res* 2, no. 1 (2013).

[16]Arif Widodo, "The Role of Integrated Islamic Commercial and Social Finance in Reducing Income Inequality in Indonesia," *Journal of Islamic Monetary Economics and Finance* 5, no. 2 (2019): 263–86.

integrated Islamic commercial and social finance in reducing income inequality in Indonesia; and Naziruddin Abdullah et al.[17] using the Basic Needs Shortage Index (BNDI) in Pakistan.

Previous works have indeed made a huge contribution to these works *for zakat* and the formulation of a coherent policy about *zakat*, but there are certain aspects that can be further developed. Given that most of the studies on the role of *zakat* were carried out using primary data at the micro level, Irfan Syauqi Beik,[18] for example, focused on the Jakarta area as the object of study, while Qurroh Ayuniyyah et al.[19] study the effectiveness of *zakat* distribution both for consumptive and productive purposes in three different regions in West Java. Therefore, they have not covered a wider area. This implies the need to use data that covers another region, namely Banten, which aims to provide comprehensive analysis, especially from a macro context.

Therefore, the previous works seem to focus mainly on social aspects such as Islamic finance *for zakat* while excluding Islamic commercial finance in the analysis.[20] In this regard, Ascarya[21] has emphasized the basic principles that have been deeply embedded in the framework of Islamic finance. Ascarya[22] explained that Islamic finance cannot accept the difference between social and commercial finance in the system as applied to the conventional system. As such, it is urgently needed to answer the question of soaring inequality by considering the integration between these two aspects in Islamic finance.[23]

On the other hand, Nazamul Hoque et al.[24] shows that developing entrepreneurship through *zakat* for poverty alleviation is a new approach to consider because instead of

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[17]Naziruddin Abdullah, Alias Mat Derus, and Husam-Aldin Nizar Al- Malkawi, "The Effectiveness of Zakat in Alleviating Poverty and Inequalities: A Measurement Using a Newly Developed Technique," *Humanomics*, 2015

[18] Beik, *Economic Role of Zakah in Reducing Poverty and Income Inequality: A Case Study in the Province of DKI Jakarta, Indonesia*.

[19]Qurroh Ayuniyyah et al., "The Comparison between Consumption and Production-Based Zakat Distribution Programs for Poverty Alleviation and Income Inequality Reduction," *International Journal of Zakat* 2, no. 2 (2017): 11–28.

[20]Arif Widodo, "The Role of Integrated Islamic Commercial and Social Finance in Reducing Income Inequality in Indonesia," *Journal of Islamic Monetary Economics and Finance* 5, no. 2 (2019): 263–86.

[21]Ascarya, "Integration of Islamic Commercial and Social Finance in Micro- Small Scale" (Surabaya, 2016)

[22] Ascarya...

[23]Arif Widodo, "The Role of Integrated Islamic Commercial and Social Finance in Reducing Income Inequality in Indonesia," *Journal of Islamic Monetary Economics and Finance* 5, no. 2 (2019): 263–86.

[24] Nazamul Hoque, Mohammad Aktaruzzaman Khan, and Kazi Deen Mohammad, "Poverty Alleviation by Zakah in a Transitional Economy: A Small Business Entrepreneurial Framework," *Journal of Global Entrepreneurship Research* 5, no. 1 (2015): 1–20.

financing and resources, the cause of poverty is a lack of entrepreneurship. Another previous study by Nazamul Hoque et al.[25] investigate how the Gross Domestic Product of a Region and *for the zakat* index can contribute to poverty alleviation.

Other research produced findings that showed that there are two motives in the management of social funds, namely social and economic. Furthermore, economic motives are more dominant and expect the provision of feedback. As a result, social fund management institutions become less effective and most programs do not follow the actual needs of stakeholders.[26] In the research on the management of social funds in orphanages, the level of compliance of orphanages of religious institutions is more guaranteed than sharia compliance from orphanages that are managed individually, so this study recommends the management of orphanages.[27]

Research on sharia compliance is also carried out on the management of halal tourism in Bandung, as a result of which halal tourism managers in addition to having to apply sharia principles as the fatwa of DSN MUI and local regulations by promoting the aspect of rahmatan lil alamiin.[28]

Recent studies by Choiriyah et al.[29] investigate the significance of the BAZNAS *Welfare Index* (IKB) as an impact *measure for zakat* poverty alleviation at the provincial level in Banten. IKB is an instrument used by BAZNAS to identify how much impact it *has on zakat* distribution for *welfare zakat* recipients (*mustahiq*). Analysis of panel-data in Choiriyah et al. (2020) found that it had an impact *on zakat* was closely related to the decrease in the ratio of the number of poor people. This study found the role of *zakat* in contributing to improving human resources and the quality of life of the poor and vulnerable. The increase can be seen in the provision of education, health facilities, and social services. In other words, *to berzakat*

[25]Nazamul Hoque, Abdullahil Mamun, and Abdullah Mohammad Ahshanul Mamun, "Dynamics and Traits of Entrepreneurship: An Islamic Approach," *World Journal of Entrepreneurship, Management and Sustainable Development*, 2014.

[26] Nor Hadi and Jadzil Baihaqi, "The Motive of CSR Practices in Indonesia: Maqasid Al-Sharia Review," *Qudus International Journal of Islamic Studies* 8, no. 2 (2021): 327–52, https://doi.org/10.21043/qijis.v8i2.8856.

[27] Muh Ruslan Abdullah, Zaiton Osman, and Muhammad Saleh Ridwan, "Legal Compliance of Islamic Philanthropic Institutions in Fulfilment of Children's Needs A R T I C L E I N F O," *Jurnal Syariah Dan Hukum*, vol. 21, 2023.

[28] Ending Solehudin and Hisam Ahyani, "Legal Compliance on Sharia Economics in Halal Tourism Regulations," *Petita: Jurnal Kajian Ilmu Hukum Dan Syariah* 9, no. 1 (2024), https://doi.org/10.22373/petita.v9i1.224.

[29]Evi Aninatin, Ni'matul Choiriyah, Abdul Kafi, Irma Faikhotul Hikmah, "Zakat and Poverty Alleviation in Indonesia: A Panel Analysis at Provincial Level."

has played a major role in reducing the population living below the poverty line even though IKB is still found to be insignificant in improving the quality of life of the poor at the provincial level in Indonesia.

If previous research discussed aspects of legal/sharia compliance in social institutions, halal tourism, orphanages and others in managing social funds, this study focuses on the compliance of Islamic Philanthropic Institutions in managing their programs in the field of social welfare. This is important to be researched because this Islamic philanthropic institution is responsible for two things, the party that mandates its funds in the form of zakat, infak and shodaqah as well as its Sharia compliance, because it is related to the lives of many people, namely social welfare. This research will contribute to the future of the management of Islamic philanthropic institutions.

Methods

In this study, the approach used is a qualitative research method. By collecting data from baznas, Dompet Dhuafa, Laz harfa and Rumah Zakat in the province of Banten with the intention of interpreting the phenomenon that occurred, in which case the researcher played a key instrument. Sampling of data sources was carried out by purposive and snowball methods, combined collection techniques, and inductive/qualitative data analysis. Interviews were conducted with several Islamic philanthropic institutions in Banten province. Observation is also carried out by being directly involved with the Islamic philanthropic institution in realizing its program. Data analysis is the process of compiling data from interviews, observations and documentation in a systematic manner, by grouping data and selecting data that is important and needs to be studied and drawing conclusions so that it is easy to understand. This study uses qualitative data analysis methods, as stated by Miles and Hubberman, namely data collection, data reduction, data presentation, and drawing conclusions or verification.

Result and Discussion

Philanthropic institutions are often expressed in various ways, one of which is helping people in need. However, philanthropic philosophy does not always have the same meaning between one culture and another. Philanthropic institutions that are growing rapidly are now very interesting to be analyzed more deeply and studied thoroughly. In philanthropic institutions, there is a lot of potential in the field of socio-economic fields that continue to be a magnet in exploring programs. The movement in this philanthropic institution is still synonymous with efforts to alleviate poverty and strengthen social capital. Because this is a response to the realization of community empowerment that has not been optimally carried out by the government. Even when solving the problem only on the surface, it does not go all the way to the root of the problem[30].

Awareness of the conditions and situations in the economic and political fields gave rise to the idea of building philanthropy based on zakat, infaq, alms and waqf funds. That way, it can be believed that the funds of this Philanthropic Institute can contribute actively and positively to the economic development of a country. Although Philanthropic Institutions have not been significantly present in contributing to poverty alleviation, at least with these philanthropic institution's fund-based programs, the benefits have been felt by the wider community. Philanthropic institution funds or more commonly referred to as ZISWAF (Zakat, Infaq, Shadaqah and Waqf) are interesting studies lately, especially when it is associated with poverty alleviation issues[31]. (fn journal 397). Philanthropic institutions have a very important role in economic development because the ZISWAF instrument is a transfer mechanism from more able groups to less fortunate people. This ZISWAF instrument also plays a very important role in effective networking on social media. The transfer of income from more privileged groups to underprivileged communities can increase demand and desire in order to meet basic needs.

The private sector and the voluntary sector are often positioned diametrically in organizational theory, because the two sectors have different goals and functions. The first consists of profit-oriented companies, such as national and multinational corporations; while the latter consists of non-profit organizations. Recently, there have been indications that profit-oriented companies and NGOs can forge partnerships.[32]

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[30]Qi Mangku Bahjatulloh, "Pengembangan Pemberdayaan Ekonomi Masyarakat Melalui Kegiatan Filantropi (Studi Kasus Lembaga Tazakka DIII Perbankan Syariah IAIN Salatiga)," *Inferensi* 10, no. 2 (2016): 473, https://doi.org/10.18326/infsl3.v10i2.473-494.

[31] Solihin, "Philanthropic Fund Management and Empowerment of the Poor," *Journal of Sharia Economic Dynamics* 9, no. 2 (2022): 122–32, https://doi.org/10.53429/jdes.v9i2.397.

[32] Jejen Hendar, "Islamic Philanthropy as a Form of Islamic Corporate Social Responsibility (ICSR)," *Anterior Journal* 19, no. 2 (2020): 7–11.

Poverty in Banten is still an actual issue. Moreover, in the era of regional autonomy during the reform order, the problem of poverty was still a very important issue. Therefore, poverty alleviation is one of the orientations in the national development policy in the field of human resources, in addition to socio-economic disparity reduction programs, and unemployment reduction programs. As stated by Sumodiningrat that: "National development in the field of human resources is *people-centered development*, where development policies are oriented to programs to overcome socio-economic gaps, unemployment, and poverty".

Empirically, both the process and paradigm of national development in Indonesia in overcoming poverty have undergone a shift from initially referring to the growth paradigm to the paradigm of equity. In connection with the Human Poverty Index (*Human Proverty Index*), which can be seen from one of the indicators of human poverty, namely the purchasing power indicator, the purchasing power of the Indonesian population is low, when compared to other countries in Asean.

The percentage of poor people in Banten Province in March 2023 was 6.17 percent, a decrease of 0.07 percentage points compared to September 2022 but an increase of 0.01 percentage points compared to March 2022. The number of poor people in March 2023 was 826.13 thousand people, a decrease of 3.53 thousand people compared to September 2022 but an increase of 12.11 thousand people compared to March 2022. The percentage of urban poor in September 2022 was 5.89 percent, rising to 6.00 percent in March 2023. Meanwhile, the percentage of rural poor in September 2022 was 7.29 percent, dropping to 6.79 percent in March 2023. Compared to September 2022, the number of urban poor in March 2023 increased by 36.99 thousand people (from 586.21 thousand people in September 2022 to 623.19 thousand people in March 2023). Meanwhile, in the same period, the number of rural poor people decreased by 40.52 thousand people (from 243.45 thousand people in September 2022 to 202.93 thousand people in March 2023). The Poverty Line in March 2023 was recorded at Rp618,721,-/capita/month with the composition of the Food Poverty Line of Rp448,240,- (72.45 percent) and the Non-Food Poverty Line of Rp170,481,- (27.55 percent). In March 2023, on average, poor households in Banten had 4.92 household members. Thus, the average size of the Poverty Line per poor household is IDR 3,044,107/poor household/month[33].

In alleviating poverty, Baznas in Banten Province conducts various cooperation programs. The major work program of Baznas Banten to alleviate poverty in the economic sector is devoted to providing business capital assistance with the Z-Chiken business brand.

Both philanthropic institutions and social institutions must In carrying out their activities in each work program, BAZNAS Regency/City in Banten Province has been regulated in the regulation of the National Amil Zakat Agency of the Republic of Indonesia Number 3 of 2018 concerning the Distribution and Utilization of Zakat. It is explained in Chapter II concerning the Distribution of Article 4 paragraph 1 that the distribution of zakat is carried out in the following areas: a. Education; b. Health; c. Humanity and d. Da'wah and Advocacy.

When planning work programs, BAZNAS Regencies/Cities in Banten Province always see RenSar (Strategic Plan) as a reference for the five-year work program that has been launched by the managers. The next stage is a discussion meeting on the benefits of the work program that will be implemented, whether it will have a significant impact on providing benefits for the mustahik and is relevant to the existing rules. The meeting is commonly referred to as the RKAT (Annual Budget Work Plan) meeting to find out the details of activities in the work program that will be carried out in the coming year. The final stage is the preparation of a Decree on the activity plan to be carried out, all activities carried out by Baznas have legal standing and each person in charge of activities is fully responsible to the chairman of Baznas both in the province, district and city.

The Baznas Philanthropy Program in Banten has a contribution to the lives of the surrounding poor people. The practice of Philanthropy in Poverty Alleviation that is developing is nothing but an effort to alleviate individuals, families, and communities from a poor condition (papaan) to a condition of being (not poor), as well as relieving poor families from the shackles of daily life. So far, philanthropy, which is part of the community tradition in Banten province, has been able to improve the welfare of the poor, the majority of whom are workers and farmers. The level of welfare is shown by the level of people's purchasing

[33] BPS, "Poverty Profile in Banten March 2022," *Central Statistics Agency*, no. 37 (2022): 1–8.

power to access primary and secondary needs, for example, the housing of workers is not made of bamboo and most of the floors are made of ceramics.

In the Tirtayasa region, PPAYA helps poor families is marked by the emergence of philanthropic groups through direct action with social-humanitarian activities without remodeling the existing structure and culture. The emergence of philanthropic groups as a social activity based on religiosity and social is an action that responds to the problem of poverty in Banten Province. 10 Philanthropic practices in Baznas in Banten are integrated into the social life system of rural communities which are synonymous with high social solidarity characters. This solidarity is shown by the tradition of mutual cooperation, harmony and so on. The social process of rural communities brings together the rich and poor in an interactional harmony. The ways of philanthropic practice that develop in Banten society if associated with the poverty framework, philanthropy has two patterns of poverty philanthropy carried out in a direct way in the form of fund and in-kind philanthropy. This means that philanthropic practices are carried out by philanthropic groups (philanthropists) directly to the target group and are not organized into an organizational forum. Philanthropy works according to the works of mechanical solidarity and organic solidarity as a form of individual consciousness as well as collective consciousness. So far, poverty alleviation in local communities in Banten is still traditional, interpersonal and unorganized. The characteristics of its traditionality lie in the way philanthropy is carried out individually, and the patterns of fundraising (fundraising) are also through a personality system that places community leaders as leaders.

Based on the process of collecting zakat, infak and Shodaqah funds published by Baznas Banten Province, the presentation of zakat collectors, especially zakat maal, is quite significant,

In the process, both in the collection, management and distribution of problems, Baznas in the Regency and City in Banten Province must be found. According to one of the Baznas Administrators in Serang Regency, Oo Subagyo[34], 95 percent of the zakat fund collection managed by the district baznas comes from UPZs in local government offices. That means, district and city Baznas only rely on the receipt of professional zakat and zakat fitrah from Civil Servants in local government agencies.

[34]Baznas of Serang Regency Oo Subagyo, "Interview on October 4," 2023.

Business capital assistance is a form of support from Baznas Banten in encouraging the economic health of the mustahik in Banten Province. According to Ahmad Hidayat, this kind of assistance[35] is one of the realizations of the distribution of zakat funds. Whatever the beneficiaries of this are catfish farmers, food stalls, fried food traders, tailors and so on. Every mustahik who is given assistance is encouraged to give infak and give alms according to his ability.

Based on the distribution report conducted by the Banten Provincial Baznas in 2023, the distribution segmentation is given a portion of 45 percent to the poor in various distribution programs including business capital assistance. Meanwhile, the other 45 percent is distributed through UPZs in government agencies, both vertical agencies such as the Ministry of Religious Affairs, as well as local government institutions, both provincial and district.

In the table, it is also stated that the distribution of funds in Baznas is also in the form of infak and alms, a form of incidental assistance given to the poor who need consumptive financial assistance. As for the distribution of social religion, baznas distributes it in social religious activities. For example, assistance for the cost of the Islamic Holiday Commemoration carried out by community organizations or by the community in general organized by mosque worshippers.

The benefits felt from this business capital assistance program were also recognized by Mahfudoh[36], a traveling trader of children's snack food. He felt helped because he was facilitated by a cart that was suitable as an operational vehicle in his business activities.

The benefits felt from this business capital assistance program were also recognized by Mahfudoh[37], a traveling trader of children's snack food. He felt helped because he was facilitated by a cart that was suitable as an operational vehicle in his business activities.

The same thing was also felt by Juhenah[38], a trader who now has a complete stall in providing basic necessities. Even though previously, he felt quite difficult with minimal capital. The Covid 19 disaster caused Juhenah to find it difficult to get business capital, while

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[35] Baznas Banten, September 13, 2023 Ahmad Hidayat, "Interview" (Serang, n.d.).

[36] Small Business Actors in Tirtayasa, Serang Regency, Banten Mahfudoh, "Interview, November 17," 2023.

[37] Small Business Actors in Tirtayasa, Serang Regency, Banten Mahfudoh, "Interview, November 17," 2023.

[38] MSME Actors of the Z-Mart Program from Baznas Banten Province Juhenah, "Interview, October 16" (Serang, October 16, 2023).

her husband, who works as a freelance daily laborer, was unable to do much. His income, which is only mediocre to meet his daily needs, is not able to support his wife's business in the form of additional capital. Through the Z-Mart program, which is business capital assistance, Juhenah who initially only sold coffee sachets with a segment of children, pedicab drivers and *ojol* drivers, now her stall has been filled with nine basic necessities for household needs. With capital assistance through Z-mart, he now has a sales turnover that has increased rapidly enough to add to his daily needs and can send his children to higher education.

The Karitas strategy in this study is described as a poverty alleviation strategy through the provision of assistance in the form of foodstuffs, materials and cash. This karitas strategy at the practical level touches the levels of life with the form of life service. We can see it in the practice of philanthropy in districts and cities in Banten as well as in zakat. Zakat is given today to the poor, both very poor and poor families. The use of zakat by some recipients is used for consumption purposes when family income for daily needs is not smooth. In addition, the karitas strategy is in accordance with the goal of philanthropists, which is to ease the burden of life. Reducing the burden of living not only includes food needs, but also concerns health and education problems. According to Prihatna as quoted by Tamim,[39] karitas philanthropy has scope for urgent needs and occurs repeatedly.

Second, Empowerment strategy. From research in the field, the type of philanthropy that uses empowerment strategies is the provision of cultivated land and economic empowerment through livestock cultivation, handicrafts and capital assistance. The empowerment perspective pays attention to the potential of available human resources. The largest proportion of empowerment elaborates the potential of human resources with the potential of natural resources. This tendency departs from the experience factor and knowledge capacity possessed by philanthropic groups. Agriculture as a livelihood as well as a community culture is the main indicator of the way of life of rural communities, especially in the management of land or land as a source of production. This also affects the behavior patterns of the poor in rural areas who have limitations in various aspects both economic, social and cultural. The culture of '*nerimo*' also plays a role in culturing poverty as a form of acceptance of living enough for food and health, so that they do not have to work as migrant

[39]Imron Hadi Tamim, "The Role of Philanthropy in Alleviating Local Community Poverty," *The Sociology of Islam* 6, no. 1 (2023): 54–78.

workers or migrate out of the area if the income in their own area is enough to meet household consumption.

Philanthropy for poverty alleviation in Banten basically adheres to the basic needs approach. The approach to meeting basic needs is a top priority. The approach used in karitas philanthropy uses the social service paradigm. In the social service paradigm, the types of services include the fulfillment of basic needs. The social services paradigm in philanthropy is fundamentally different from the social service paradigm in the developmentalist perspective or the modern philanthropic perspective, but substantially has the same orientation and goal, namely poverty. Social services in interpersonal philanthropy are carried out to ease the burden on poor families. examples of philanthropy to poor families in the health sector; 1) providing donations to finance treatment to poor neighbors, 2) transportation assistance to hospitals by wealthy farmers who own cars, and so on. Donations to finance hospital care are usually done personally, sometimes also coordinated by the environment. This has become a tradition in the rural community in Banten where the rich have a social and moral responsibility to help their neighbors or poor families who are hit by disasters.

The practice of philanthropy that develops in the tradition of Banten society both through karitas and empowerment mechanisms has a direct and indirect impact on poor families. The indirect impact is shown through the empowerment mechanism. Many cultivated land and fish cultivation given to poor families have an impact on increasing the income of poor families. Juhenah[40] , for example, feels that the capital of her grocery stalls is more than enough, so that the availability of staples for the community can be fulfilled if shopping at her store, even though Juhenah previously only sold coffee with a very limited buyer segment.

Meanwhile, the impact of philanthropy can be directly seen in the practice of community philanthropy which is karitas and does not have an implication on increasing the income of poor households. Although it does not have a direct impact on increasing income, philanthropy touches on the aspect of meeting needs directly, both food and non-food needs.

[40] Juhenah, "Interview, October 16, 2023."

From all the descriptions that have been described above, it shows that Islamic philanthropy with its various aspects aims at social justice. However, considering that social justice itself has various dimensions, it is impossible for all of it to be overcome by Islamic philanthropy without the intervention of leaders and leadership who are in favor of the welfare of the people.

The task of the current generation is to reduce energy and attention to the aspects of political, economic and socio-cultural interests so that they think more about concepts and efforts to overcome the challenges of modernity, namely the challenges that arise from the running of the 'market mechanism' that tends to be repressive and shackles society. The reality of people who become poor is mostly not because they are lazy to work. Many poor people actually work hard 24 hours a day. They become poor because they live in a system that creates poverty and supports the oppression of the poor. Traditional ways of poverty alleviation look helpless and inadequate in the face of the global capitalist system and the structural impoverishment by the state against its people.

Islamic philanthropy continues to play an important role in efforts to eradicate poverty and strengthen a number of social justice institutions, including through civil society. By optimizing ZIS/Waqf institutions, civil society will become strong and able to compete with institutions funded by the government. The function of Islamic philanthropy should be more expanded (universal) in its orientation, not only stop at clothing and food. Considering the many other issues related to social justice such as women's empowerment and gender equality, as well as discrimination against women and children that is increasingly rampant.

Conclusion

From all the descriptions described above, it can be concluded that as Islamic philanthropy with its various aspects aims to realize social justice. The set of rules owned by this institution can give trust to the community to entrust their assets through philanthropic institutions. . Therefore, at least Islamic philanthropy has a strategic role in paving the way for realizing social justice through civil society, including with the aim of law enforcement and policies that encourage social justice. It has not been found in this study how the relationship between the declining poverty rate and the existence of Islamic philanthropic institutions today.

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