



Economic Management in Improving the Financial Quality of Islam

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ABSTRACT

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Muslims are currently left behind in the economic field. This is what then causes various crises that if not immediately sought a solution will cause Muslims to be more backward. The research aims to analyze economic management in improving the financial quality of Muslims. This research uses a library study approach by analyzing various authoritative books and journals. The results of the penelitaina show that Muslims actually have a very large capital in terms of more independent economic development. Muslims have ZISWAF (zakat, infak, sedekah, and waqf) as a form of Islamic doctrinal teachings. The problem only needs good and reliable governance and in this case management science is the most important keyword that must be applied. In addition, it is necessary to empower the community for the sake of improved the quality of human resources that are more effective, especially in managing zakat.

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1. Introduction

Economics is one of the most important aspects of life. Almost all human activities are carried out through economic support. So it can be said that only people who have economic stability are able to achieve happiness and adapt to the times. Mastery in the economic field is absolutely necessary to be able to master other fields. Therefore, it is not surprising that indicators of developed and developing countries and even underdeveloped countries are measured based on the economic stability of their countries.

It must be admitted that the Covid-19 pandemic, which has not yet ended, has had an impact on decreasing income in various sectors and in the end, a multi-dimensional economic crisis. The pandemic that occurred destroyed and devastated the economic system, many workers were laid off, resulting in increasing unemployment. Trading activities were paralyzed due to the low purchasing power of the people. Transportation is hampered, thus impeding access. Education is carried out from home, causing low enthusiasm for learning. And so on, the world economy is in chaos because of the epidemic that has not ended.

There are many important issues related to the economy. The availability of job opportunities is the most important thing that the government must focus on in making it happen. If job opportunities are open, it will be able to help them build economic independence. At the same time, the spirit of working is a necessity in terms of realizing a decent economy, but there are still many people who don't want to work hard. Some of them have the mentality of waiting for fate while begging. The author believes that the most basic problem in today's economy is the low quality of Human Resources (HR), so it is indeed difficult to find a place to work and obtain a decent economy.

Islam as the best and most perfect religion gives life instructions that the economic aspect is very important. Many verses in the Qur'an indicate how Muslims must really fix the economy. Doing worship to Allah is indeed an important thing, after that it is done then worshipping through work to get a decent economy is also Allah's command (Surah Al-Jum'ah/62:10). In addition, Islam prohibits economic activities that are haram and contain elements of usury (Surah Al-Baqarah/2: 273). Furthermore, Islam also forbids obtaining property in a dishonorable way (Surah Al-Maidah/5: 38). It is not permissible to buy and sell prohibited goods and those related to gambling (Surah Al-Maidah/5: 90-91). It is not permissible to cheat in



reducing the dose (Al-Mutaffifin/83: 1-6). In addition to the principles above, there is also a Hadith of the Prophet related to economic principles, namely the Prophet forbade hoarding of goods so that there is a shortage.

Some of the principles of Islamic economics above become ideal principles in economic development. These rules are used as a means to meet the needs of many people's lives (Antonio, 2001: 8). If the above principles are adhered to then Islamic economics will be realized. Because in principle Islamic economics and Western economics have the same principles (Syamsuri, 2018: 121). From this it can then be assumed that Islam is actually an undeniable rahmatanlil'alamin.

The key to Islamic economic stability lies in management. Good financial governance is the most important condition in developing a more advanced Muslim economy. In management principles the well-known popular principles are planning, organizing, implementing, and monitoring/evaluating. In simple terms it can be interpreted as a governance process. In Islamic terminology, it is known as siasah, idara, and tadbir (Tanthowi, 2003: 8), which have roughly the same meaning, namely regulation, governance, or regulation.

By using the analysis of literature studies, the description below will explain about economic management in improving the financial quality of Muslims by making zakat as a means of improving the Islamic economy. At least this theme is very important to be brought to the fore, because like it or not today, the economic situation of Muslims is quite apprehensive, and far behind.

Several previous studies that can be used as theoretical footings in this paper include research conducted by Didi Suardi (2020: 68), that in modern society the concept of welfare is the condition of a person who is able to meet his needs and more than that, welfare in question is material welfare, moral and social. Next, according to Sumarni's view (2020: 117), that in addition to economic management, it can improve the economic level of Muslims, it can also bring Muslims out of the economic crisis, especially during a pandemic like today. The gap or what distinguishes this research from previous research is that this research will specifically discuss management functions in the economy and how to use zakat in improving the economic quality of Muslims.

2. Method

This research approach chooses qualitative as the right method by using a library research approach. Literature research is research whose data is obtained and processed from various written sources (Subagyo, 1991: 109). The steps taken in this research are reading then understanding and exploring sources related to the research theme. Thus, the use of sources in the form of authoritative books and journals is a must.

3. Results and Analysis

3.1 Zakat Management

Actually, Muslims have a very big opportunity in developing Islamic educational institutions, so we can say that it is very inappropriate if today there are Islamic educational institutions that are poorly managed or not worthy of being called Islamic educational institutions. What has been conveyed in the above section is actually only a small part of philanthropy in Islam, namely zakat. There are still waqf, infaq, alms, mosque funds and many others. Therefore, the task of Muslims now is to manage this potential as well as possible.

If the previous section discussed strategic aspects in improving the finances of Muslims, this section will explain technical issues regarding the optimization strategy of zakat in improving the economic quality of Muslims. Zakat is one part of Islamic philanthropy that contributes a lot to the economy of Muslims. According to Yusuf Qardhawi as quoted by Didin Hafidhuddin zakat is worship amaliyah ijtimaiyah meaning zakat is worship in the field of property that has a strategic, important and decisive function in the development of community welfare (Hafidhuddin, 2002: 8).

According to Fahrurrozi (2012: 140), that the strategy for collecting zakat funds for the economic empowerment of the people is as follows:

- a Monitoring the performance of amil and staff. The most important first step in managing zakat funds in economic empowerment is to change the amil paradigm (zakat manager). Zakat managers must understand that zakat funds must be distributed to things that are more productive and useful for the

benefit of the people. One example is by distributing zakat funds to underprivileged students in their education.

- b) Community empowerment program innovation. Zakat funds that have been collected are then channeled for economic empowerment of Muslims. Technically, it may be exemplified in the distribution of zakat funds in the form of small business capital assistance for the community.
- c) Establish cooperation with various parties. The zakat managers who have been given the mandate should open as many relationships as possible to certain communities who have the opportunity to want to pay zakat which will then be managed by amil.

Meanwhile, the allocation of zakat funds through the education sector can be done by creating an integrated scholarship program that aims to improve the standard of living and education of orphans and the underprivileged (Tho'in, 2017: 172-174). It aims to provide opportunities for underprivileged children to receive education. Another thing that can be done through productive allocation of zakat funds is by establishing an orphanage boarding school. Namely an educational institution with a pesantren system that is specifically given to orphans.

From some of the opinions above, it can be concluded that the management of zakat funds can be carried out in various ways in the context of economic empowerment of Muslims, including in terms of education. In the author's opinion, if this zakat fund can be optimized, the quality of the economy and education of Muslims will be better.

In management management, there are 4 things that are an important part of zakat management by an institution, namely collection, management, utilization and distribution.

1) Collection

The collection is an activity carried out to obtain ZIS funds from muzakki. The collection of zakat, infaq, alms and waqf funds taken from the community is the role, function and task of the collection field. In carrying out these fundraising activities, the collection section can organize various activities. According to Sudewo (2004: 18) there are two collection activities, namely fundraising management and donor services. With the service for donors, they do not feel disappointed because they feel unnoticed. Recording the names of donors is felt to be very important because this involves the relationship between muzakki, amil, and mustahiq. The potential of zakat that exists in the institution is very influential on this relationship. In Indonesia, the potential for zakat is quite large and many researchers consider that zakat is able to be part of the solution to welfare problems.

2) Management

There is no difference between the financial structure of zakat and the financial structure of other institutions, the financial structure of zakat consists of two fields, namely accounting and treasurer. There are two verifications carried out, namely verification of receipts and expenditures. Verification of receipts starts from the time the funds are transferred from the muzakki to the zakat institution. Verification of outgoing funds is scrutinized from the time it is submitted until the disbursement of funds. While recording the entry and exit of money is a function of the accounting field. In its actual work, accounting sorts out two aspects, namely financial accounting and management accounting. Financial accounting is made according to the statement of accounting standards, while management accounting is done according to the needs of the institution. Administrative and accounting management are the main requirements for management in zakat institutions. The management of zakat must have clearer work plans and administrative systems and cannot run the institution only at will. Moreover, zakat is part of the obligatory worship that must be carried out by Muslims and its management is also part of achieving the goals of the zakat law itself. This is where the importance of Islamic management in the management of zakat.

3) Utilization

The creativity of the utilization division is the thing that drives the progress or decline of a zakat institution, namely how the zakat institution distributes zakat funds with innovations that are certainly getting better and can fulfill the purpose of distributing zakat funds to mustahiq. The essence of zakat itself is the utilization of mustahiq empowerment programs. Some of the utilization activities that can be developed are economic development, human resource development and social services. This means that zakat funds can be used for consumptive and productive purposes. This distribution is given to people who are entitled to receive zakat, namely 8 groups of asnaf.



4) Distribution

Distribution activities are closely related to utilization, because what will be distributed is adjusted to utilization. But also can not be separated from the collection and management. However, zakat institutions also need to pay attention to distribution management. There are several provisions in distributing zakat funds to mustahiq, namely, prioritizing domestic distribution, equitable distribution, building trust between the giver and recipient of zakat. This management pattern should be applied so that the distribution of zakat is in accordance with the Shari'a and is able to achieve its goals, namely the benefit of the people. The distribution of zakat needs to be regulated properly so that there is no overlap in the distribution process.

3.2 Improving the Economic Quality of Muslims

Empowerment is a shared construction by many disciplines and fields of community development, psychology, education, economics, and the study of social movements and organizations. Empowerment is a multi-dimensional social process that helps people gain control over their own lives. It is a process that grows strength.

In terms of improving the economic quality of Muslims, according to Huraerah (2008: 56), there are several strategies that need to be carried out including the following:

- a Helping the community in finding the problem.
- b Conduct an analysis (study) of the problem in a participatory manner. This activity is usually carried out by brainstorming, forming discussion groups, and holding periodic (continuous) community meetings.
- c Determine the priority scale of the problem, in the sense of sorting and selecting each of the most urgent problems to be solved.
- d Looking for solutions to problems that are being faced, among others, with a socio-cultural approach that exists in society.
- e Implement concrete actions to solve the problems at hand.
- f Evaluate the entire series and process of empowerment to assess the extent of its success and failure.

Meanwhile, in Kartasasmita's view (1995: 68) that efforts to improve the economy and community empowerment are as follows:

- 1) Creating an atmosphere or climate that allows the community's potential to develop (enabling). Here the starting point is the recognition that every human being, every society has potential that can be developed.
- 2) Strengthening the potential or power possessed by the community (empowering). In this context, more positive steps are needed apart from just creating a climate or atmosphere. Empowering also means protecting. In the process of empowerment, the weak must be prevented from becoming weaker because they are less powerless in the face of the strong.
- 3) Empowering also means protecting. In the process of empowerment, the weak must be prevented from becoming weak, because of the lack of power to face the strong. Therefore, protection and partiality to the weak are very basic in the context of community empowerment. Protecting does not mean isolating and covering from interaction because it will not strengthen, but weaken. Protecting must be seen as an effort to prevent unequal competition, as well as exploitation of the strong over the weak.

Concern for poverty is nothing new, and has been a focus for centuries by historians, sociologists and economists. The causes have been identified, ranging from deficiencies in the administration of income support, to inequities of the social and economic system. Various efforts have been put forward, from reforming the social security system to changing the shape of the socio-economic system. Since poverty is a multidimensional problem, the solution to poverty requires a coordinated set of actions. A global war against poverty, in addition to domestic efforts, demands aid from rich countries to poor countries.

Economic empowerment of the people is an effort to build power (community) by encouraging, motivating, and raising awareness of its economic potential and trying to develop it. Community empowerment is the basic element that allows a society to survive. In a dynamic sense, namely developing oneself and achieving progress. Community empowerment is the source of what is known as National Resilience.

So it can be narrowed that the economic empowerment of the ummah means an effort to increase the dignity of the Islamic community from underprivileged conditions, and escape from the trap of poverty and economic backwardness. In other words, as an effort to build people's independence in the economic field. Economic empowerment for the poor has become a national program that involves all parties, as well as zakat institutions.

4. Conclusion

Muslims actually have very large capital in terms of more independent economic development. In Islam, there are many economic terms which, if maximized, their management will be able to bring Muslims out of a multi-dimensional crisis. How can Muslims not have ZISWAF (zakat, infaq, alms, and waqf) as a form of Islamic doctrine. Muslims only need good and reliable governance and in this case management knowledge is the most important keyword that must be applied. In addition, it is very necessary to empower the community for the sake of improving the quality of human resources that are more effective, especially in managing zakat.

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