



## The role of islamic philanthropic institutions in overcoming the economic turbulence of pre-welfare communities in the covid-19 pandemic situation

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### ABSTRACT

The number of poor people has increased due to economic uncertainty in the Covid-19 pandemic. This study aims to analyze the impact of Covid-19 on the Indonesian economy and the role of Islamic philanthropic institutions in overcoming poor people in the Covid-19 situation. This research was conducted by collecting primary data from several professional zakat institutions in Semarang, Central Java using observation and interview methods. The data collected in this study were analyzed using NVivo 11 data processing software. The findings of this study include the impact of Covid-19 on the Indonesian economy through a decrease in the ability of industries or companies to employ employees, resulting in a decrease in household income and a decrease in purchasing power of consumers in the aggregate. Another finding is the role of Islamic philanthropic institutions in overcoming pre-prosperous communities in the midst of Covid-19 through charity programs and empowerment programs.

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***Peran lembaga filantropi islam dalam menanggulangi turbulensi ekonomi masyarakat pra-sejahtera dalam situasi pandemi covid -19.*** Jumlah penduduk miskin meningkat akibat ketidakpastian ekonomi di tengah pandemi Covid-19. Penelitian ini bertujuan untuk menganalisis dampak Covid-19 terhadap perekonomian Indonesia dan peran lembaga filantropi Islam dalam mengatasi masyarakat miskin dalam situasi Covid-19. Penelitian ini dilakukan dengan mengumpulkan data primer dari beberapa lembaga zakat profesi di Semarang Jawa Tengah dengan metode observasi dan wawancara. Data yang terkumpul dalam penelitian ini dianalisis menggunakan perangkat lunak pengolahan data NVivo 11. Temuan penelitian ini antara lain dampak Covid-19 terhadap perekonomian Indonesia melalui penurunan kemampuan industri atau perusahaan dalam mempekerjakan karyawan, sehingga mengakibatkan penurunan pendapatan rumah tangga dan penurunan daya beli konsumen secara agregat. Temuan lainnya adalah peran lembaga filantropi Islam dalam mengatasi masyarakat pra sejahtera di tengah Covid-19 melalui program zakat dan program pemberdayaan.

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## 1. Introduction

Since COVID-19 cases have increased in Indonesia, various problems have emerged and have paralyzed socio-economic activities in the community, especially in areas with the highest rates of spread. According to the [World Health Organization](#), as of August 2, 2020, from 216 countries there were 17,660,523 cases and 680,894 declared dead. Meanwhile, according to the task force for handling COVID-19 in Indonesia, as of August 16, 2020, there were 139,594 positive cases, 93,103 patients recovered and 6,150 patients died (COVID-19: 2020). Various policies were issued by the government to anticipate the increase in cases of COVID-19.

The government issued several policies, such as implementing large-scale social restrictions (PSBB), social distancing, working from home for employees, building special hospitals, closing public places and worship. The implementation of PSBB as a response to COVID-19 refers to Ministry of Health Regulation No. 9 of 2020 which includes school and workplace holidays, restrictions on religious activities, restrictions on activities in public places, restrictions on socio-cultural activities, restrictions on transportation modes, and restrictions on other activities specifically related to defense and security aspects. The government also emphasized the difference between PSBB and regional quarantine where people are not allowed to do activities outside their homes.

This policy has a direct impact on all levels of society. This situation makes human activity limited and has an impact on the decline in conventional economic activity so that it has an impact on the income of workers which is inversely proportional to the increase in the price of necessities ([Septian, 2020](#)). The COVID-19 pandemic has created a shortage of goods, the emergence of prejudice and discrimination against victims of COVID-19, increased crime, the weakening of the tourism sector, and the number of poverty and unemployment is increasing ([Alifa, 2020](#)). Based on data from the Ministry of Manpower, as of April 20, 2020, 1,304,777 formal workers were laid off from 43,690 companies. Meanwhile, informal workers experienced layoffs as many as 241,431 workers from 41,236 companies in Indonesia ([Kementerian Ketenagakerjaan, 2020](#)). According to the Central Statistics Agency, the number of poor people in March 2020 was 26.42 million people or 9.78 percent ([Badan Pusat Statistik, 2020](#)). This number has increased since September 2019 by 1.63 million people or 0.56 percent.

As a result of the COVID-19 pandemic, the community's economic and social activities are hampered so that they are vulnerable to a decline in income, especially in rural communities. The potential for an increase in the number of unemployed and poor people is the government's concern to find a way out. Therefore, the government guarantees the poor in the village during the COVID-19 pandemic crisis by providing Direct Cash Assistance (BLT Desa). During the COVID-19 pandemic, the government disbursed funds for the poor/underprivileged by getting IDR 600,000 per month within three months. According to the Ministry of Villages, Underdeveloped Regional Development, and Transmigration, regarding the implementation of the Village BLT program that Village BLT is a temporary policy that exists due to the COVID-19 pandemic which must emphasize accurate data collection. In addition, if the Village Government does not budget for the Village Fund BLT, it will be subject to sanctions ranging from a 50% cut for the next stage of Village Fund distribution to the termination of Phase III Village Fund distribution.

The government issued a total budget for handling the impact of COVID-19 for IDR 677.20 trillion, with details for the health sector of 87.55 trillion and the national economic recovery of IDR 589.65 trillion. This budget is prioritized to ensure public health and safety including medical personnel, ensure social protection and safety nets for vulnerable communities, and protect the business world.

Based on the [CAF World Giving Index](#) (2019) report book, Indonesia is ranked 10th with a score of helping others by 42 percent, donating 69 percent of materials, and carrying out volunteer activities 40 percent. The report also states that over the past decade Indonesia and Kenya have become good countries overall (helping others, donating materials, and volunteering) with an average index increase of 19 points. This illustrates that the Indonesian state has the characteristics of a generous society. So that it is a social capital that can be developed to contribute to helping the country's economy. Departing from the generous character of the Indonesian people, in Indonesia, the Islamic social finance sector has developed.

One alternative to the Islamic finance sector is facing a crisis is to maximize the potential of zakat, *infaq*, alms, and waqf as philanthropic instruments. As a result of the COVID-19 pandemic, both directly and indirectly, it can cause poverty ([Septian, 2020](#)). Under Law No. 23 of 2011 concerning the Management of National Zakat, BAZ (Badan Amil Zakat) and LAZ (Lembaga Amil Zakat) is mandated to increase the benefits of zakat by realizing community welfare and poverty alleviation. Direct aid distribution can be done by collecting zakat, *infaq*, alms, waqf units (both cash and non-cash) to affected communities. Therefore, BAZ and LAZ have an important role in overcoming the economic crisis, especially for the underprivileged during a pandemic.

Departing from the problems above, where the COVID-19 pandemic has an impact on the welfare of the community. So this study seeks to convey the perspective of the role of Islamic philanthropic institutions in this case BAZ and LAZ in helping the state overcome the problems of underprivileged communities affected by COVID 19. Therefore, the purpose of this study is to analyze the impact of COVID-19 on the Indonesian economy and analyze the role of zakat institutions in dealing with underprivileged communities in the COVID-19 situation. This research is important to do to see a scientific perspective on how to deal with the impact of COVID-19 on underprivileged communities and the role of Islamic philanthropic institutions in dealing with it. So that they can add and contribute to expanding scientific references regarding the role of Islamic philanthropic institutions in handling the economic impact of the COVID-19 pandemic.

## 2. Literature Review

### Islamic Philanthropy

The term philanthropy comes from the Latin "philanthropic" or the Greek "Philo" and "Anthropos", which means "human love". Philanthropy is widely interpreted as an expression of compassion for fellow human beings by giving. Islam as *rahmatan lil'alam* is a religion that regulates all aspects of life, both relationships with Allah SWT (*hablum minallah*), human relations (*hablum minannas*), and relationships with the natural surroundings. Philanthropy is a form of concern for others both materially and non-materially ([Amar, 2017](#)). Philanthropy can be interpreted as generosity towards others. A philanthropist is personally inclined to want to make a difference ([Duncan, 2004](#)). Philanthropy in Islam is regulated in the Qur'an and hadith. The concept of giving in Islam can be implemented through zakat, *infaq*, alms, and waqf. The form of generosity in the development of the Islamic tradition is divided into two, namely obligatory generosity such as zakat, and non-obligatory generosity such as *infaq*, alms, and waqf ([Latief, 2010](#)).

Zakat is a form of Islamic obligation that must be fulfilled. Zakat is a right that must be fulfilled to be given to certain groups and at a certain time ([Arifin, 2011](#)). This zakat will be distributed to eight *mustahiq* (zakat recipients), as in Q.S At-Taubah (9:[60]) that:

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمَلِينَ عَلَيْهَا وَالْمَوْلَاةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغُرْمِينَ وَفِي سَبِيلِ اللَّهِ وَالْبَنِ  
السَّبِيلِ قَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

Meaning: "Indeed, zakat is only for the poor, the poor, zakat administrators, converts who are persuaded by their hearts, to (liberate) slaves, people who are in debt, for the way of Allah and for those who are on their way, as a decree ordained by Allah, and Allah is All-Knowing, All-Wise."

According to Tafsir Ibn Katsir the verse above implies that zakat is only intended for the poor, the poor, 'amil zakat (zakat administrators), converts (because they are still soft in the heart), *riqab* (servants/slaves), *gharim* (people who are debt), *fi sabilillah* (people who fight on the battlefield) and *ibn sabil* or a traveler (Abdullah, 2004). In addition to zakat, Islam also strongly encourages Muslims to donate. Infaq as stated in Q.S Al-Hadid: 57 [11] that:

مَنْ ذَا الَّذِي يُقرضُ اللَّهَ قَرْضًا حَسَنًا فَيُضْعِفُهُ لَهُ وَأَلَّهُ أَجْرًا كَرِيمًا

Meaning: "Whoever wants to lend Allah a good loan, Allah will multiply the loan for him, and he will get a lot of rewards."

According to Tafsir Ibn Katsir, the verse means that whoever spends his wealth in the way of Allah, for example, a living to his family or in other forms sincerely and sincerely, Allah will replace his sustenance many times over (Abdullah, 2004). In addition, waqf is an instrument of Islamic philanthropy that bases its function on the elements of virtue (*birr*), goodness (*ihsan*), and brotherhood (*ukhuwah*). The main characteristic of waqf that is very distinguishing is when the waqf is fulfilled, there is a shift in private ownership towards the ownership of Allah SWT which is expected to be eternal, providing sustainable benefits (Linge, 2015). Waqf can be divided into cash waqf and non-cash waqf.

### Pre-Prosperous Society

Pre-prosperous families are families who have not been able to meet basic needs, such as spiritual needs, clothing, food, shelter, health, and education. According to the Central Bureau of Statistics, indicators of pre-prosperity or poverty can be caused by four factors, namely:

- a. COVID-19 pandemic. As a result of this pandemic, poverty cases are increasing because it has an impact on changes in behavior, economic activity, and income of the population.
- b. Growth in household consumption spending on GDP slowed. Expenditure in the first quarter of 2020 only grew 2.84%.
- c. The tourism sector slumped. There was a decrease of 64.11% in March 2020 due to COVID-19.
- d. Increase in retail prices of necessities such as rice, meat, cooking oil, eggs, and sugar.

### Previous Literature

This research is based on the description of previous research, namely: First, the research conducted by Iskandar, Possumah, and Aqbar (2020) entitled "The Role of Islamic Economics and Social Finance during the COVID-19 Pandemic", the results of this study indicate that there are six roles of the economy and Islamic social finance during the COVID-19 pandemic, including first, the distribution of direct cash assistance from zakat, *infaq*, and alms, both from zakat collection units and from the community. Second, the strengthening of cash waqf, either with cash waqf schemes, productive waqf, or waqf linked Sukuk, needs to be improved. Third, providing capital to businesses is used as a means to reduce the impact of the crisis. Fourth, business / MSME capital can also be followed by *qardhul hasan* loans. Fifth, rescuing MSME groups that are in crisis or are threatened with bankruptcy due to the economic impact of the COVID-19 outbreak, can be categorized as the *asnaf* (zakat recipients), namely as poor groups, struggling in the way of Allah (*fi sabilillah*), or people who are in debt (*gharimin*). Sixth, the optimism of the Islamic economic and financial system

as a system that is full of values as well as a guide from the Creator is believed to be able to realize productive economic activities within the framework of justice.

Second, research conducted by Amar (2017) entitled "Implementation of Islamic Philanthropy in Indonesia" shows that philanthropy is manifested in the form of zakat, *infaq*, alms, and waqf, and has a strategic position as a reflection of a balance point in implementing Islamic teachings. This study also illustrates that the level of awareness of the obligatory zakat (*muzakki*) in Indonesia increased by 5.2 percent compared to the previous survey results (2004) which amounted to 49.8 percent. This phenomenon proves the existence of public awareness of their obligations as obligatory zakat. This increased awareness can also be seen from the obedience of *muzakki* in fulfilling their zakat obligations. The survey shows that most respondents who claim to be *muzakki* (95.5 percent) fulfill their obligations by paying zakat.

Third, research conducted by Linge (2015) entitled "Islamic Philanthropy as an Instrument of Economic Justice" shows that the effectiveness of philanthropy in reducing social inequality cannot be separated from the role of philanthropic institutions that manage these activities. The potential that comes from philanthropy is very large by implementing the distribution of capital to those who cannot afford it, so that they can play a role in economic activities, as producers in increasing income. The professionalism of the management of philanthropic institutions is closely related to the success of the ideology of philanthropy as a behavior of social generosity that can increase justice in society. So that the management system and sourced from philanthropy is expected to be included in the law that can overshadow these activities.

### 3. Research Method

This research was conducted in Semarang, Central Java, which is located in Islamic Philanthropic institutions that are members of the Central Java Zakat Forum (FOZ). The names of Islamic Philanthropy institutions and their addresses as research locations can be seen in the following table:

**Table 1. Research Location**

No	Philanthropic organization	Address
1	LAZIS Central Java	Jati Raya Street, No B6, Srandol Wetan, Kec. Banyumanik, Semarang City, Central Java
2	Dompot Dhuafa Central Java	Pamularsih Raya Street No.18 C, Bojongsalaman, West Semarang, Semarang City
3	Inisiatif Zakat Indonesia (IZI) Central Java Representatif	Puspwarno Raya Streer No.52, Bojongsalaman, West Semarang Barat, Semarang City

Overall data collection in this study was carried out with the following techniques:

1. Literature study, carried out to obtain reliable data from journals and official publications as well as from the websites of related agencies.
2. Observation, to obtain information and data under the facts primarily or directly on the physical condition visually.
3. Interviews, namely direct questions and answers to informants in research to obtain answers that are under research objectives accurately and clearly.

Data analysis in this study using qualitative descriptive analysis is done by collecting data from various data collection techniques, namely interviews, observations, and documentation to be described verbally so that a conclusion can be drawn. Qualitative descriptive analysis techniques are carried out with the following stages:

### **Data reduction**

The data obtained in the field is quite large, complex, and complicated. The data was found from various methods of data collection, be it interviews, observation of archives, and so on. To make it easier to find the data needed, it is necessary to do data reduction. Reducing data means summarizing data, selecting core data, and focusing on what is important. Thus the data obtained will provide a clear picture and facilitate the course of the research.

### **Data Display**

The next step after the data is reduced is data presentation or data display. In qualitative research, data presentation can be in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like.

### **Withdrawal of Conclusion**

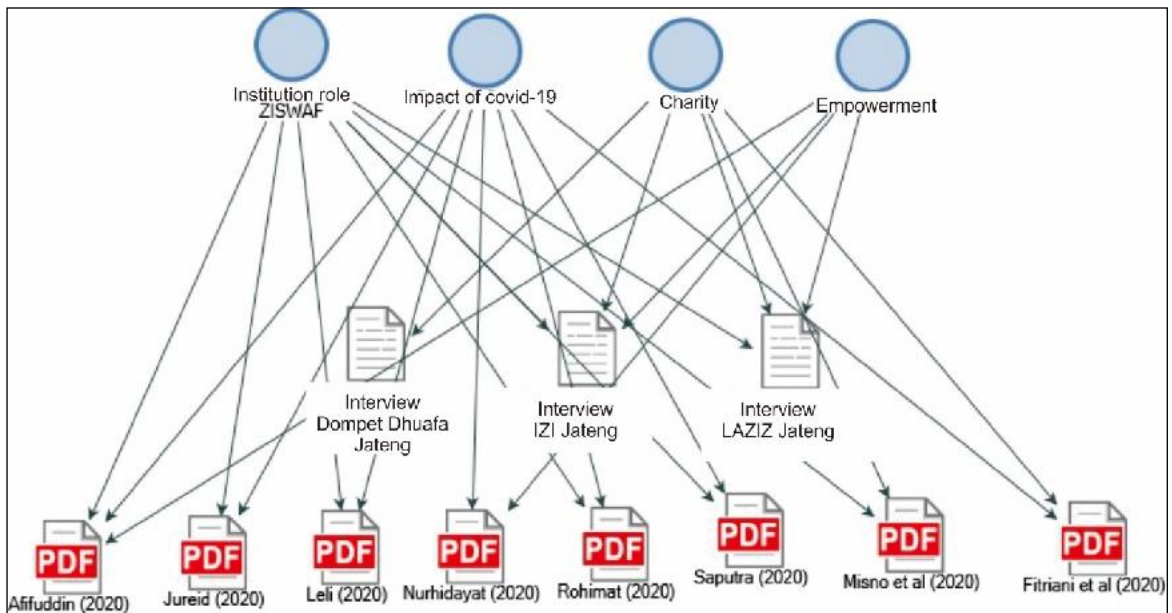
The final step in the research is concluding, namely taking an outline or a common thread of research results that are tailored to the objectives of the research conducted.

Meanwhile, to check the validity of the qualitative descriptive analysis, it was done using the triangulation method. Triangulation is a technique of checking the validity of data that utilizes something else in comparing the results of interviews with the object of research. In addition to checking the correctness of the data, triangulation is also carried out to enrich the data. Moleong (2004) divides triangulation into 4 types, namely by utilizing the use of sources, methods, investigators, or theories. This study uses triangulation based on sources. Triangulation with sources means that comparing and rechecking the degree of trustworthiness of information obtained through different times and tools in qualitative research. To gain this trust, the following steps are taken:

- a. Comparing observational data with interview data
- b. Comparing what people say in public with what is said in private
- c. Comparing one's situation and perspective with various opinions and views of people from various classes
- d. Comparing the results of interviews with the contents of a related document

## **4. Result and Discussion**

This research was conducted by conducting interviews with representatives of Islamic philanthropic institutions which in this case is the ZISWAF institution in Central Java. The ZISWAF institutions interviewed were Dompot Dhuafa Central Java, the Indonesian Zakat Initiative (IZI) Central Java, and the Central Java Amil Zakat Infaq Sedekah Institute (LAZIS). This research is also equipped with a literature review with the main literature references being [Jureid \(2020\)](#), [Leli \(2020\)](#), [Nurhidayat \(2020\)](#), [Rohimat \(2020\)](#), [Saputra \(2020\)](#), [Misno et al \(2020\)](#) and [Fitriani et al \(2020\)](#). This research takes 4 main keywords that can simplify the process of coding the results of data collection both in the field and secondary. The keywords are the role of the ZISWAF institution, the impact of COVID-19, charity, and empowerment. Retrieval of data sources that can explain the research keywords obtained from several sources that have been mentioned. The following is a detailed description of the research keywords and the sources used:



Source: NVIVO 11

Figure 1. Project Map of Research Source

Based on Figure 1, the discussion of the role of ZISWAF institutions in this study was obtained from interviews with IZI Central Java and LAZIS Central Java. In addition, it was also obtained from previous research including research by [Jureid \(2020\)](#), [Leli \(2020\)](#), [Rohimat \(2020\)](#), [Saputra \(2020\)](#), and [Misno et al \(2020\)](#). The discussion regarding the impact of COVID-19 also came from interviews with IZI Central Java and LAZIS Central Java.



Source: NVIVO 11

Figure 2. Word Cloud of 50 Dominant Words Used in Research Data Source

Based on the search results using the Word Frequency Query feature of the QSR NVivo 11 software from imported data sources, the word 'zakat' is the word with the most frequency appearing, namely 1.7% of all research data sources, followed by the word 'COVID', which is 1.67% of all research data sources. research data sources. By looking at the dominant words used to describe that

zakat and COVID are the main focus in this study. Figure 2 shows the Word Cloud of the 50 dominant words used in this research data source. While Table 1. is the details in the form of percent of the 50 dominant words used:

Table 1. Word Cloud of 50 Dominant Words Used in Research Data Source

Word	Length	Count	Weighted Percentage (%)
<i>Zakat</i>	5	54	1.7
<i>COVID</i>	5	53	1.67
<i>Untuk</i> (for)	5	45	1.42
<i>Masyarakat</i> (society)	10	42	1.32
<i>Dalam</i> (in)	5	40	1.26
<i>Dengan</i> (with)	6	39	1.23
<i>Ekonomi</i> (economy)	7	33	1.04
<i>Program</i>	7	31	0.98
<i>Dampak</i> (impact)	6	27	0.85
<i>Lembaga</i> (Institution)	7	26	0.82
<i>Pandemic</i>	7	26	0.82
<i>Secara</i> (by)	6	20	0.63
<i>Adalah</i> (is)	6	18	0.57
<i>Dapat</i> (could)	5	17	0.54
<i>Bantuan</i> (aid)	7	16	0.5
<i>Tidak</i> (not)	5	16	0.5
<i>Kepada</i> (to)	6	15	0.47
<i>Sehingga</i> (so that)	8	15	0.47
<i>Terdampak</i> (affected)	9	15	0.47
<i>Seperti</i> (as)	7	14	0.44
<i>Baznas</i>	6	13	0.41
<i>Sembako</i> (basic food)	7	13	0.41
<i>Telah</i> (has)	5	13	0.41
<i>Sosial</i> (social)	6	12	0.38
<i>Banyak</i> (lots)	6	11	0.35
<i>Dhuafa</i>	6	11	0.35
<i>Dilakukan</i> (done)	9	11	0.35
<i>Melalui</i> (through)	7	11	0.35
<i>Memberikan</i> (give)	10	11	0.35
<i>Usaha</i> (effort)	5	11	0.35
<i>Yaitu</i> (that is)	5	11	0.35
<i>Karena</i> (because)	6	10	0.31
<i>Kebutuhan</i> (needs)	9	10	0.31
<i>Menjadi</i> (become)	7	10	0.31
<i>Terhadap</i> (to)	8	10	0.31
<i>Membantu</i> (help)	8	9	0.28
<i>Membuat</i> (make)	7	9	0.28
<i>Miskin</i> (poor)	6	9	0.28
<i>Mustahik</i>	8	9	0.28



Continuation Table 1.

<i>Word</i>	Length	Count	Weighted Percentage (%)
<i>Pemberdayaan</i> (empowerment)	12	9	0.28
<i>Terkena</i> (caught)	7	9	0.28
<i>Bentuk</i> (shape)	6	8	0.25
<i>Diberikan</i> (given)	9	8	0.25
<i>Kebijakan</i> (policy)	9	8	0.25
<i>Kemiskinan</i> (poverty)	10	8	0.25
<i>Media</i>	5	8	0.25
<i>Mereka</i> (they)	6	8	0.25
<i>Penyaluran</i> (distribution)	10	8	0.25
<i>Perekonomian</i> (economy)	12	8	0.25
<i>Bahwa</i> (that)	5	7	0.22

Sumber: NVivo 11

Understanding the use of these words from various research data sources, it can be seen through the Text Search Query feature. In this study, researchers want to understand the use of the word 'zakat' which is the dominant word from various sources of research data that have been collected. based on the search results in the Word Tree shows that that zakat has a multiplier effect, has a strategic role during a pandemic, zakat institutions can synergize with the government, and zakat institutions are facilitators or liaisons between donors and *mustahiq*.

### Impact of COVID-19 on the Economy

The COVID-19 pandemic that has occurred throughout the world, including Indonesia, has brought all activities to a standstill. Instantly activities were paralyzed, including economic activity. The impact of COVID-19 has caused many employees to be laid off, micro-entrepreneurs had to go out of business, online and offline transportation service providers had to endure suffering because no one ordered their services. This is because the government has made a stay-at-home or PSBB policy to stop the chain of spreading COVID-19. This virus has paralyzed the community's economy. The impact of COVID-19 has increased poverty rates, especially in areas that are in the red zone. The community's economy during this pandemic resulted in many businesses being hampered, the community's economic competitiveness weakened, employees were laid off, transportation services also declined, so that with this condition, people's incomes decreased or even none at all. This situation has an impact on increasing the number of poor people. The community is very vulnerable to being the group most affected by the COVID-19 pandemic.

The impact of COVID will result in a drastic increase in increase in poverty rates. The hypothesis generated in this study says that the impact of COVID-19 will reduce economic growth by up to 4%. The presence of the COVID-19 pandemic which has cut the ropes of the world economy, especially in Indonesia, has an impact on many people who are unable to meet their basic needs, namely food. Since the resilience of each layer or level is different, the lower-middle-class economic community, especially micro and daily income informal workers, are certainly the most vulnerable group to be affected and disrupt the fundamental welfare of society. The impact on the real sector will then spread to the financial sector, which is under stress because a large number of investments will have difficulty paying their investors.

## The Role of Islamic Philanthropic Institutions in Overcoming Pre-Prosperous Communities in the COVID-19 Pandemic Situation

The COVID-19 pandemic is a global disaster so it requires the cooperation of the government and the private sector in dealing with this COVID-19 problem. Especially social organizations such as zakat management organizations. One of the goals of the zakat management organization is to become a forum for Muslims to distribute their zakat. And this is a momentum for zakat institutions to take part in helping people affected by the COVID-19 pandemic. The Indonesian Ulama Council (MUI) said that the use of zakat and waqf funds could be assigned to disaster victims because they were also categorized as *ashnaf* of zakat, namely the indigent and poor. The underlying thing is because of the disaster factor so that their property was destroyed due to the disaster that befell them. The COVID disaster has paralyzed the community's economy, which is vulnerable to an increase in the number of poor people. So that the victims of the COVID disaster can be categorized as *asnaf* zakat and the poor.

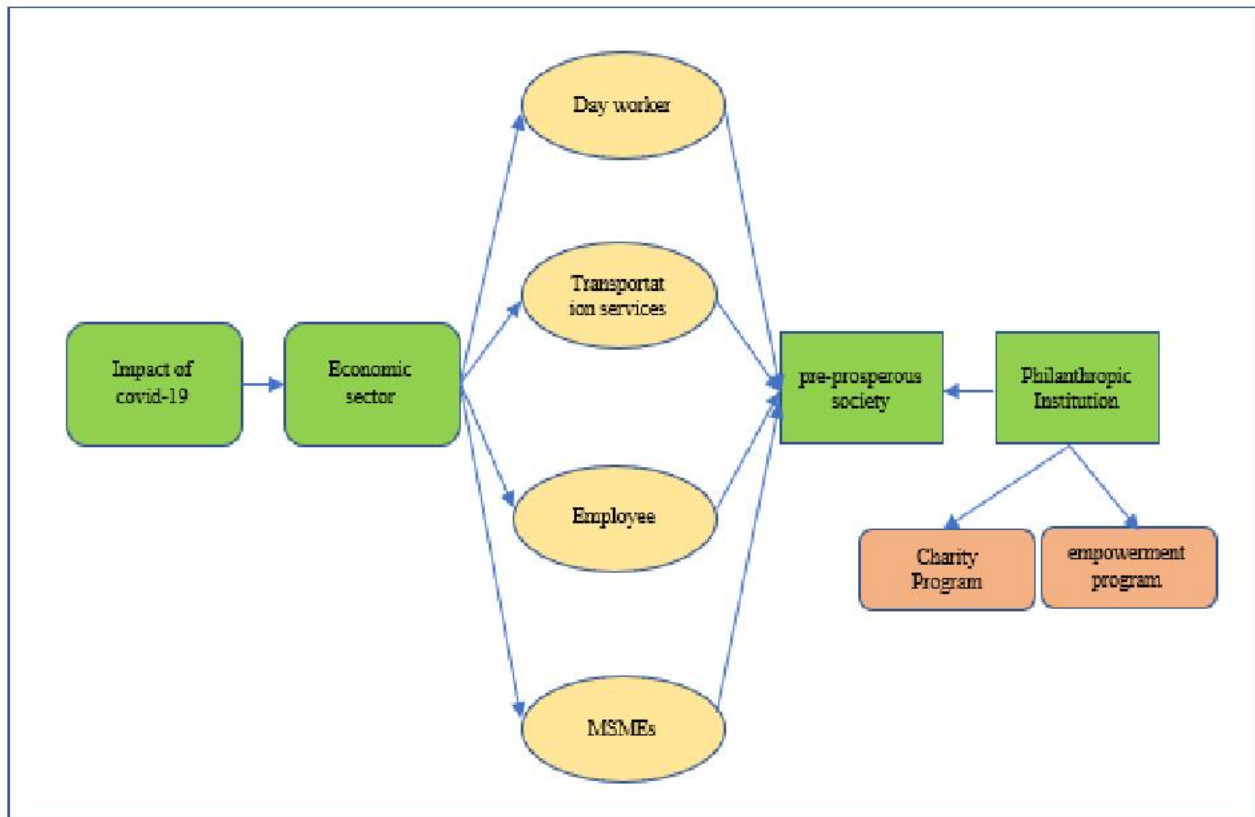
Institutional zakat is a welfare solution for the community. Zakat is one of the funds or community assets that can be used to help people who cannot fulfill their daily needs so that they can have the opportunity for higher things as the caliph of Allah on earth. In Islamic teachings, humans are always allowed to enjoy this life lawfully so that with the pleasures they feel they can do things for themselves and others. Zakat management must be optimized. Zakat has reduced the burden of difficulties for people affected by COVID-19 in the food sector (*dharury*), zakat has raised the status of affected people so that they do not cause begging. Zakat is not just an obligation; zakat is a sharia economic business item that is oriented towards worldly welfare and the welfare of the hereafter. Zakat is the moral burden of the rich and the rights of the poor who are in need.

In the teachings of zakat, too, there is a very deep philosophy that it is the duty of the rich to take care of the poor and the poor. And vice versa there is a right of the poor to the property owned by the rich. Thus the process of paying zakat will not only purify wealth. Zakat is one of the instruments for the economic development of the people. Many thoughts and theories are put forward by experts to tackle the problem of poverty. However, not all theories can be put into practice and can reduce poverty. It is hoped that professional zakat management and productive utilization will be able to contribute to poverty alleviation.

Zakat, *infaq*, and *shodaqoh* are considered appropriate because they are integrated between spiritual beliefs (rewards) and also economic empowerment for social benefit. Of course, the ZIS collection received a more positive response from the Muslim community than the general fundraising (philanthropy) without religious symbols. With the huge potential of Zakat in Indonesia, which is Rp. 233.84 Trillion. Zakat institutions play a very important role in responding to the COVID-19 pandemic because they are the main pillar to help the poor who have been THK or have been affected by the COVID-19 pandemic. In this case, the zakat institution acts as a facilitator or liaison between donors and the poor so that they can survive amid the COVID-19 pandemic. Because there are still many *mustahiq* who are not touched by the government.

Zakat institutions have a strategic role in the current pandemic, namely as a 'node' connecting the 'strong' to help strengthen the 'weak'. As often happens during natural disasters, the only difference is that during a disaster the impact is local, while during this pandemic, everything is evenly distributed. The impact of COVID-19 on the economic sector has resulted in unstable incomes in several professions such as daily workers, transportation services, employees, and MSMEs. Due to the disruption of income earned, this group is included in the category of pre-prosperous society. Islamic philanthropic institutions, in this case, the ZISWAF institution, play a role in overcoming these problems through charity programs and empowerment programs. The charity program is a program

of compensation and distribution of necessities to relieve or assist the basic needs or daily needs of workers affected by COVID-19. While the empowerment program is to promote or awaken MSMEs affected by COVID-19. The following is a picture that explains the role of philanthropic institutions in tackling underprivileged communities.



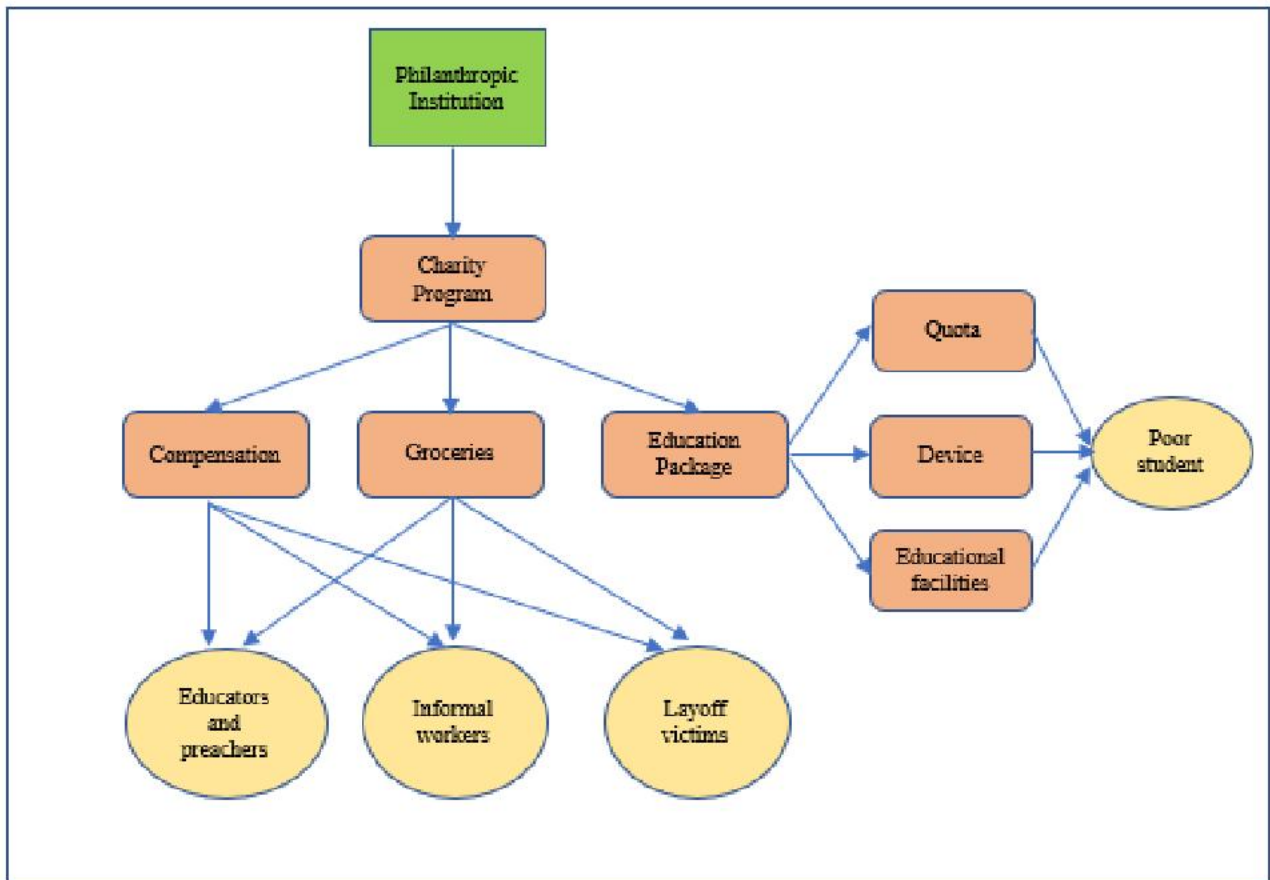
Note: UMKM is Micro small and Medium Enterprises

Source: NVIVO 11

Figure 2. The Role of Philanthropic Institutions in Overcoming Pre-Prosperous Communities

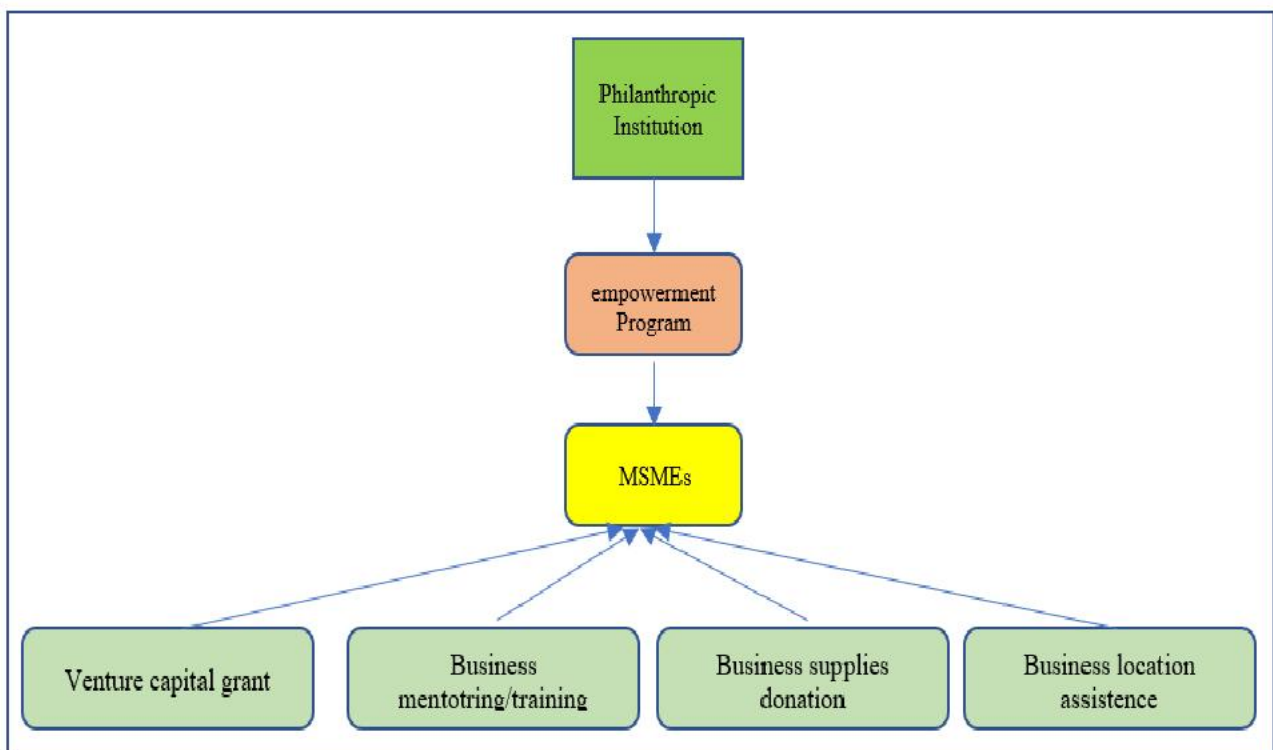
Charity programs in the form of compensation and necessities are usually distributed directly by philanthropic institutions to affected workers such as education and da'wah staff (religious teachers, religious teachers at Islamic boarding schools, etc.), informal workers (parking attendants, motorcycle taxi drivers, massage therapists, etc.) and others) as well as employees affected by layoffs. For now, there is a special education package program to help poor students in online schooling. The educational assistance is in the form of quota assistance, strings, and educational facilities such as cellphones and others.

The empowerment program is aimed at MSMEs who have been paralyzed by COVID 19. The role of philanthropic institutions in empowerment is to provide business capital grants, namely the provision of free capital so that MSMEs have no obligation to return the venture capital funds. The hope is that MSMEs can start their businesses again which were stopped due to COVID-19. In addition, the role of philanthropic institutions is to provide business assistance/training aimed at enabling affected MSMEs to survive amid the economic turmoil due to COVID 19. Philanthropic institutions also donate business equipment or equipment such as carts, cooking utensils, and other tools that support MSME businesses. Another role in the empowerment program is to provide business location assistance for MSMEs who have lost their business locations due to the previously deserted business area due to the lack of consumers visiting because people are more restrained from staying at home during the COVID-19 pandemic.



Source: NVIVO 11

Figure 3. Charity Program Philanthropic Organization



Source: NVIVO

Figure 4. Philanthropic Institution Empowerment Program

## 5. Conclusions

The conclusions in this study include the impact of COVID-19 on the Indonesian economy through a decrease in the ability of industry or companies to employ employees, resulting in a decrease in household income and a decrease in consumer purchasing power in the aggregate. So that ultimately has an impact on a decrease in aggregate income or Indonesia's Gross Domestic Product (GDP). Another finding is the role of Islamic philanthropic institutions in tackling underprivileged communities amid COVID-19 through charity programs and empowerment programs. The charity program carried out is the provision of necessities and direct compensation. The empowerment program is targeted at MSMEs through the provision of business capital grants, business assistance/training, business equipment or equipment as well as business location assistance.

The recommendations that can be submitted related to this research are that there is a need for collaboration between the government and Islamic philanthropic institutions to deal with underprivileged communities in Indonesia due to the impact of COVID-19. The form of cooperation is carried out through funding from the government and the distribution of programs carried out by philanthropic institutions. Because it is undeniable that Islamic philanthropic institutions already understand the field conditions of each region which are supported by the distribution of offices to the City/Regency in each region. So that Islamic philanthropic institutions fully understand the geographical and economic conditions of each region.

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