

## Implementation of Law Number 23 of 2011 On the Use of Zakat Funds for the Productive Economic Program of Dompet Dhuafa Waspada North Sumatra

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### **Keywords:**

*Implementation of Laws, Zakat, Productive Economy, Dompet Dhuafa*

### **Abstract**

*Dompet Dhuafa Waspada North Sumatra is one of the zakat collection institutions that implements productive economic programs based on zakat funds. However, in its implementation, the productive economic program still faces several problems in the field. This study aims to analyze the implementation of Law Number 23 of 2011 on the use of zakat funds for productive economic programs at Dompet Dhuafa Waspada North Sumatra. This study uses an empirical juridical method with a sociological approach and a statute approach. Data were obtained through interviews and documentation studies. Then, the data were analyzed qualitatively with deductive reasoning. The results of the study indicate that the implementation of the use of zakat funds for productive economic programs at Dompet Dhuafa Waspada North Sumatra has not been running optimally in accordance with the mandate of Law Number 23 of 2011. This condition is evident from the unfulfilled principles of equality, justice, and territoriality, as well as the suboptimal functions of planning, mentoring, and program supervision. The main problems lie in the management aspect of the program, namely limited program distribution, limited funding, minimal variety of productive business types, suboptimal mentoring and supervision, and low managerial skills and financial literacy among mustahik. Therefore, strengthening planning, mentoring, supervision, and institutional synergy is needed so that productive zakat management can encourage the economic independence of mustahik and achieve the goals of social justice and welfare.*

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## INTRODUCTION

Indonesia is the country with the largest Muslim population in the world and has enormous zakat potential. With Muslims accounting for approximately 87.14% of the total population, or approximately 246 million people, zakat in Indonesia has a significant potential to become a significant instrument in supporting national social and economic development (Data Indonesia, 2025). Zakat in Islam is not only an individual obligation but also has a strong social dimension to reduce economic disparities and improve the welfare of the community (Mawaddah, et., al, 2021).

Dompet Dhuafa Waspada is a branch of Dompet Dhuafa in North Sumatra which is dedicated to raising the social dignity of the dhuafa through zakat, infaq, alms, and waqf funds. Dompet Dhuafa Waspada North Sumatra was officially established as a separate Zakat Collection Institution (LAZ) in 2000. On April 30, 2013, Dompet Dhuafa Waspada officially became the representative of Dompet Dhuafa for the North Sumatra region, after previously acting as the North Sumatra Regional Zakat Collection Institution since June 29, 2002 with the Decree of the Governor of North Sumatra No. 451.12/4705. Initially, the initiative to establish Dompet Dhuafa Waspada North Sumatra was initiated by a number of community leaders in North Sumatra and

parties from Dompet Dhuafa headquarters, as well as the Waspada Daily media as the initial driver of aid and donations in the region.

Dompet Dhuafa Waspada North Sumatra is located at the Kapten Muslim Business Point Complex Block E No. 17, Sei Sikambing Sei 2, Medan Helvetia, Sei Sikambing C. II, Medan Helvetia District, Medan City, North Sumatra 20122. The history of Dompet Dhuafa Waspada North Sumatra's leadership has undergone several changes that have shaped the direction and character of the institution to date. In the period 2006 to 2011, this institution was led by Pandapotan Simatupang, then in the period 2011 to 2015 it was continued by Armansyah, who emphasized strengthening the organizational structure and expanding the partnership network with various parties. In 2017 to 2018 it was continued by Halimah, and from 2018 to 2025 it was led by Sulaiman. Dompet Dhuafa Waspada North Sumatra allocates its programs with the following proportions: 20% for economic empowerment, 10% for health, 50% for education, and 20% for social humanity. This distribution reflects the institution's focus on improving the welfare, quality of life, and social awareness of the community. As of September 2025, Dompet Dhuafa Waspada North Sumatra, in collaboration with BAZNAS North Sumatra, had distributed zakat worth approximately IDR 7.43 billion to 6,512 beneficiaries. This data demonstrates that zakat management in North Sumatra has a significant impact on community welfare, although its effectiveness and sustainability still require strengthening in terms of implementation and oversight. (ddwaspada.org, 2025).

Dompet Dhuafa North Sumatra is a zakat collection institution whose primary focus is on the productive use of zakat through productive economic programs. These productive economic programs include providing business capital, entrepreneurial mentoring, skills training, and strengthening the capacity of micro-enterprises of those entitled to receive zakat. These programs aim to create economic independence and transform the position of those entitled to receive zakat from zakat recipients to zakki (payers of zakat) in the future. The annual report for 2024 reported a total disbursement of IDR 418 billion and a 7.28% growth in fundraising in the first half of 2025, indicating the availability of funds available for various programs, including business capital (Aprilia & Nawawi, 2023).

Law Number 23 of 2011 concerning Zakat Management and Government Regulation Number 14 of 2014 as its implementing regulations serve as the legal basis for the collection, distribution, and utilization of zakat nationally. This regulation strengthens zakat management institutions through the National Zakat Agency (BAZNAS) and Zakat Institutions (LAZ) so that zakat management can be carried out professionally, transparently, and accountably. One important aspect of this law is providing space for zakat institutions to distribute zakat funds not only for consumption, but also productively, with the aim of improving the welfare of mustahik in a sustainable manner (Al Fajar & Jannah, 2021). Consumptive zakat distributed by Dompet Dhuafa Waspada North Sumatra is realized in the form of assistance in the fields of education, health, social, and religion, which aims to meet the basic needs of mustahik. Meanwhile, productive zakat, which is distributed through the provision of business capital, training and skills, as well as specific empowerment programs, is considered more effective in increasing the economic welfare, income, and independence of mustahik compared to consumptive zakat which only functions to meet basic needs temporarily.

The implementation of Law Number 23 of 2011 concerning Zakat Management on the use of zakat funds for productive economic programs at Dompet Dhuafa Waspada North Sumatra has not been fully implemented optimally. Based on the results of interviews with the Head of the

Dompet Dhuafa Waspada North Sumatra Branch, Mr. Sulaiman, and program staff, stated that the main problems in the implementation of productive economic programs based on zakat funds at Dompet Dhuafa Waspada North Sumatra lie in the management aspects of program management, namely limited program equity, limited funds, minimal variety of productive business types, suboptimal mentoring and supervision, and low managerial skills and financial literacy of mustahik.

Previous studies relevant to this research are the research of Muhammad Rasyad Al Fajar and Miftahul Jannah (2021) on "Implementation of Zakat Law No. 23 of 2011 concerning Zakat Management (Case Study of LAZISMU Bima City)". Then, the research of Muhammad Rasyad Al Fajar and Miftahul Jannah (2022) on "Implementation of Law 23 of 2011 concerning Zakat Management at BAZNAS Malang City". Furthermore, the research of Annisa Zahara, Rahmi Syahriza and Yenni Samri Juliati Nasution (2025) on "Analysis of the Effectiveness of Zakat Infak Shadaqah Fund Distribution and the Implementation of Good Corporate Governance at the Dompet Dhuafa Waspada Medan Zakat Amil Institution".

This study aims to analyze the implementation of Law Number 23 of 2011 on the use of zakat funds for the productive economic program of Dompet Dhuafa Waspada North Sumatra.

## METHOD

This type of research is empirical juridical, namely research into legal phenomena and facts that occur in society (Efendi & Rijadi, 2022). The approaches used are the sociological approach and the statute approach. The sociological approach is used to observe how the implementation of Zakat Law 23 of 2011 on the use of Zakat funds for the Productive Economic Program of Dompet Dhuafa North Sumatra. The statute approach is used to examine laws and regulations related to this issue, such as Law Number 23 of 2011 concerning Zakat Management and Government Regulation Number 14 of 2014 as its implementing regulations. This research is descriptive analytical, namely describing and analyzing field data through interviews and documentation. Primary data was obtained through interviews with the head of the Dompet Dhuafa North Sumatra branch. Meanwhile, secondary data was obtained through document studies that include primary legal materials in the form of laws, as well as secondary legal materials in the form of law books, legal journals, and opinions of legal experts relevant to this research. All data was processed qualitatively and analyzed using deductive reasoning.

## RESULTS AND DISCUSSION

### A. Understanding Zakat

Zakat in Arabic comes from the word "zaka" which means pure, good, blessed, growing, and developing. It is called zakat because it contains the hope of obtaining blessings, cleansing the soul and nurturing it with various good deeds (Nusroh, & Hermawan, 2023). The meaning of growing in the meaning of zakat indicates that paying zakat is the cause of the growth and development of wealth, the implementation of zakat results in many rewards. Meanwhile, the meaning of pure indicates that zakat is to purify the soul from ugliness, falsehood and purify from sins. According to Article 1 Paragraph 2 of Law No. 23 of 2011, zakat is property that must be distributed by a Muslim or business entity to be given to those entitled to receive it in accordance with Islamic law.

As one of the pillars of Islam, zakat has binding legal provisions including regarding the parties who have the right to receive it (Arun & Hidayat, 2023). Zakat functions to reduce poverty and improve the welfare of the people (Aradimas & Efendi, 2025). Provisions regarding groups entitled to receive it are expressly regulated in QS. At-Taubah verse 60:

*Meaning: "Indeed, zakat is only for the needy, poor people, amil zakat, people who have softened their hearts (mu'allaf), to free slaves, people who are in debt, for the path of Allah, and for people who are on a journey, as a decree required by Allah. Allah is All-Knowing, All-Wise." (QS. At-Taubah [9]: 60) (Ministry of Religion of the Republic of Indonesia, 2022).*

Based on this verse, the groups of zakat recipients (asnaf) consist of eight groups, namely:

- 1) The poor, namely those who have almost no possessions so they are unable to meet their basic life needs.
- 2) Poor, namely those who have income, but it is not enough to meet basic needs.
- 3) Amil, namely the officers who are tasked with collecting, managing and distributing zakat.
- 4) Converts, namely people who have just embraced Islam and need guidance and support to strengthen their faith and piety.
- 5) Riqab, namely a slave or servant who tries to free himself.
- 6) Gharimin, namely people who have debts to meet basic living needs or maintain their honor.
- 7) Fisabilillah, namely those who fight in the path of Allah in various forms of activities that support Islamic da'wah, education, or struggle.
- 8) Ibn Sabil, namely travelers who run out of provisions on a journey undertaken for the purpose of goodness and obedience to Allah SWT.

This provision shows that zakat not only functions as an individual worship, but also as a socio-economic instrument aimed at fostering justice and the welfare of the community. Zakat institutions distribute zakat funds collected from muzakki in two ways: the productive zakat system and the consumptive zakat system. The productive zakat system is the activity of distributing zakat funds by zakat institutions to mustahik by providing business capital aimed at development, so that mustahik families can meet their living needs in the future and increase productivity effectively (Baco, & Ahmad, 2025). Productive zakat has a significant impact on increasing mustahik income, reducing poverty rates, and strengthening the economy of lower-income communities (Muhtadi, 2020). Meanwhile, the consumptive zakat system is the activity of distributing zakat funds by zakat institutions to mustahik in the form of cash or needed goods, such as assistance to meet the basic needs of recipients. Zakat funds in this system are used and utilized directly (Budianto, 2025).

## B. Regulations on the Use of Zakat Funds for Productive Economic Programs

Regulations on the use of zakat fundsThe productive economic program in Indonesia is legally regulated in Law Number 23 of 2011 concerning Zakat Management and Government Regulation Number 14 of 2014 as its implementing regulations. These two regulations serve as the legal basis for zakat management institutions, both the National Zakat Agency (BAZNAS) and Zakat Institutions (LAZ) such as Dompet Dhuafa, in carrying out their functions of collecting, distributing, and utilizing zakat funds effectively and in accordance with Islamic law (Aidil Aditya, & Rukiah, 2022).

According to Article 1 Paragraph (1) of Law Number 23 of 2011 concerning Zakat Management, it states that: "Zakat management is the activity of planning, implementing, and coordinating the collection, distribution, and utilization of zakat." Thus, the use of zakat funds is the process of distributing and utilizing zakat assets that have been collected to be given to the entitled parties (mustahik) according to Islamic law. This process is part of the stages of distribution and utilization of zakat which aims to improve the welfare of zakat recipients.

Furthermore, Article 25 of Law Number 23 of 2011 states that "Zakat must be distributed to mustahik in accordance with Islamic law." This means that the distribution of zakat funds must be carried out in a targeted manner with reference to the eight groups of mustahik mentioned in the Qur'an, Surah At-Taubah, verse 60, namely the poor, needy, amil, converts, riqab (slaves), gharimin (people in debt), fisabilillah, and ibnu sabil.

Then, Article 26 states that "The distribution of zakat as referred to in Article 25 is carried out based on a priority scale by taking into account the principles of equality, justice, and

territoriality." This principle serves as a guideline so that the use of zakat funds is not only consumptive, but also directed towards productive activities that can empower mustahik in a sustainable manner.

In addition, Article 27 stipulates that "Zakat can be utilized for productive businesses in the context of addressing the poor and improving the quality of life of the community." This article provides a strong legal basis for institutions such as Dompet Dhuafa to implement productive economic programs based on zakat funds, such as micro-enterprise financing, skills training, development of mustahik cooperatives, and other economic empowerment programs.

### **C. Productive Economic Programs Implemented at Dompet Dhuafa Waspada North Sumatra**

Based on the results of an interview with the Head of the Dompet Dhuafa Waspada North Sumatra Branch, Mr. Sulaiman, he said that Dompet Dhuafa Waspada North Sumatra allocates productive zakat funds for the sustainable economic empowerment program for mustahik. One of the programs implemented is the Resilient Family MSME Empowerment Program as part of the Dompet Dhuafa National Program. This program is realized through the provision of business capital assistance to Micro, Small, and Medium Enterprises (MSMEs). Program staff, Putri Nadhya, explained that business capital assistance is provided in the amount of IDR 2,000,000 to each beneficiary, with an allocation of IDR 1,000,000 for the purchase of raw materials and business equipment and IDR 1,000,000 in cash. This program aims to improve the sustainability of mustahik micro-enterprises so that they have a more stable source of income.

Furthermore, Mr. Sulaiman stated that Dompet Dhuafa Waspada North Sumatra also implements a productive economic program in the livestock sector through the DD Farm program. This program facilitates beneficiaries to participate in coaching activities and livestock management practices for two years. Mr. Muhammad Fauzitra, a program staff member, added that after the coaching period ends, Dompet Dhuafa Waspada North Sumatra provides business capital in the form of 30 goats to each beneficiary. The DD Farm livestock center is located in Bulu Cina Village, Hamparan Perak District, Deli Serdang Regency.

Furthermore, Mr. Sulaiman explained that Dompet Dhuafa Waspada North Sumatra runs the Empowered Horticulture program as an effort to empower poor farmers based on local potential. This program is implemented in Aji Julu Village, Karo Regency, with the aim of increasing agricultural productivity and the community's economy. In line with that, Mrs. Putri Nadhya said that Dompet Dhuafa Waspada North Sumatra also implements the Empowered MSMEs program by providing business capital assistance accompanied by coaching and mentoring to underprivileged communities who already have businesses.

Furthermore, Mr. Sulaiman stated that Dompet Dhuafa Waspada North Sumatra is developing a micro-scale productive economic program that can be implemented with limited capital and land. Muhammad Fauzitra as a program staff explained that one of the programs is Fish Cultivation in Buckets (Budikdamber), which is implemented by providing fish seeds to be cultivated in buckets. In addition, Dompet Dhuafa Waspada North Sumatra also runs the Independent Livestock Village and Ummat Village programs through a livestock rotation system. This program provides initial capital in the form of four female goats and one male goat to each beneficiary, accompanied by training and mentoring for two years.

Then, Ms. Putri Nadhya, a program staff member, stated that Dompet Dhuafa Waspada North Sumatra is implementing a skills empowerment program, realized through the "Menjahit Harapan" (Sewing Hope) program, which includes sewing skills training, the provision of sewing machines, and business mentoring. This program aims to improve the skills and economic independence of those who mustahik (beneficiaries), particularly women.

### **D. Implementation of Law Number 23 of 2011 on the Use of Zakat Funds for the Productive Economic Program of Dompet Dhuafa North Sumatra**

According to Article 1 Paragraph (1) of Law Number 23 of 2011 concerning Zakat Management, it explains that zakat management is an activity of planning, implementing, and coordinating the collection, distribution, and utilization of zakat. Dompet Dhuafa Waspada North Sumatra has implemented the function of utilizing zakat through various productive economic programs such as providing business capital, skills training, and entrepreneurial assistance. However, based on the results of interviews, the planning and coordination aspects of the program still face limitations in mapping the needs of mustahik, equalizing program coverage, limited funds and variations in the types of productive businesses developed. This condition shows that the implementation of Article 1 Paragraph (1) has been running structurally, but substantively still requires strengthening in the managerial aspect.

Furthermore, Article 3 of Law Number 23 of 2011 concerning Zakat Management emphasizes that zakat management aims to improve the effectiveness and efficiency of zakat management services and to increase the benefits of zakat to realize community welfare and poverty alleviation. Dompet Dhuafa Waspada North Sumatra has attempted to direct the use of zakat funds in a more productive direction through the provision of business capital, skills training, and entrepreneurial mentoring. These programs are conceptually in line with the objectives of zakat management as referred to in Article 3, as they are aimed at reducing the dependency of mustahik on consumptive assistance and encouraging an increase in their economic capacity.

Furthermore, Article 26 of Law Number 23 of 2011 concerning Zakat Management mandates that zakat distribution be carried out based on a priority scale, taking into account the principles of equity, justice, and territoriality. The implementation of these provisions in the productive economic program of Dompet Dhuafa Waspada North Sumatra has not been optimally implemented. This is reflected in the uneven distribution of productive economic programs throughout North Sumatra, so that access to empowerment programs by those entitled to zakat is still limited to certain areas. This condition indicates that the principles of equity and territoriality as mandated in Article 26 have not been fully realized to their full potential.

Then, Article 27 paragraph (1) of Law Number 23 of 2011 concerning Zakat Management provides a legal basis for the utilization of zakat for productive businesses in the context of handling the poor and improving the quality of the community. This provision has been implemented through various economic empowerment programs run by Dompet Dhuafa Waspada North Sumatra. However, based on the results of interviews and observations, obstacles were still found in the aspect of mentoring and supervision of mustahik businesses. The mentoring that has not been sustainable, as well as the low managerial skills and financial literacy of some mustahik, has an impact on the less than optimal achievement of the goal of improving the quality of the community in a sustainable manner as expected by the provisions of the article.

Based on the results of the analysis, the implementation of Law Number 23 of 2011 concerning Zakat Management in the use of zakat funds for productive economic programs at Dompet Dhuafa Waspada North Sumatra has not been fully implemented optimally in accordance with the objectives and principles of the law.

## CONCLUSION

Based on the research results, it can be concluded that the implementation of Law Number 23 of 2011 on the use of zakat funds for productive economic programs in Dompet Dhuafa Waspada North Sumatra has not been carried out optimally. This is reflected in the non-fulfillment of the principles of equality, justice, and territoriality as regulated in Article 26, as well as the non-optimal functions of planning, coordination, mentoring, and supervision in zakat management as regulated in Article 1 paragraph (1) of the law. The main obstacles in the implementation of productive economic programs based on zakat funds lie in the management aspect of program management, which includes limited program equality, minimal variety of productive business types, limited funds, suboptimal mentoring and supervision, and low managerial capabilities and financial literacy of mustahik. Therefore,

the implementation of Law Number 23 of 2011 on the use of zakat funds for productive economic programs in Dompet Dhuafa Waspada North Sumatra requires strengthening in the aspects of planning, mentoring, supervision, and institutional synergy so that the objectives of zakat management can be achieved more effectively and sustainably.

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