

The Role of Islamic Philanthropy in Post Covid-19 Pandemic Economic Recovery

Ahmad Agus Hidayat*¹, Achmad Muzakki²

^{1,2}Universitas Islam Negeri (UIN) Sunan Ampel Surabaya, Jl. Ahmad Yani No.117, East Java, Indonesia

*ahmadagushidayatsampit7@gmail.com

Received: 2023-July-10

Rev. Req: 2023-August-24

Accepted: 2023-September-20



10.54956/eksyar.v10i2.473

How to cite this paper: Hidayat, A.A. & Muzakki, A. (2023). The Role of Islamic Philanthropy in Post Covid-19 Pandemic Economic Recovery. *EKSYPAR : Jurnal Ekonomi Syari'ah & Bisnis Islam*, 10(2), 215-222. <https://doi.org/10.54956/eksyar.v10i2.473>

This is an Open Access article distributed under the terms of the Creative Commons Attribution 4.0 International license (<https://creativecommons.org/licenses/by/4.0/>)

ABSTRACT: *This research aims to explain the important role of Islamic philanthropy, which contains elements such as zakat, infaq, shadaqah and waqaf, to make a real contribution to the economic problems caused by the Covid-19 pandemic. This research is a qualitative descriptive method with a library approach, where secondary data is used in the form of research findings, books, journals and articles related to the research topic. Data collection in this research involved literature searches through academic databases, literature selection and data extraction. This research uses literature synthesis analysis, quality evaluation, and conclusion drawing. The results of this research explain that the critical role of Islamic philanthropy in contributing to economic recovery is: (1) The need to establish UPZ in every village in Indonesia (2) Maximization of the cash zakat program along with productive zakat (3) The need to optimize the management of zakat and infaq (4) Providing educational program assistance to students affected by Covid-19, prioritizing Islamic economics students in the hope that they can make a real contribution to society through education or knowledge about Islamic economics. Of course, if several of the programs mentioned can run as expected, the acceleration of Indonesia's economic growth will soon be realized.*

Penelitian ini memiliki tujuan untuk menjelaskan peranan penting filantropi Islam yang terdapat unsur di dalamnya seperti zakat, infaq, shadaqah, dan waqaf untuk memberikan kontribusi nyata atas masalah ekonomi yang diakibatkan pandemi Covid-19. Penelitian ini adalah metode deskriptif kualitatif, dengan pendekatan kepustakaan, dimana digunakan data sekunder berupa temuan penelitian, buku, jurnal, dan artikel yang berkaitan dengan topik penelitian. Pengumpulan data dalam penelitian ini dengan pencarian literatur melalui basis data akademik, seleksi literatur dan ekstraksi data. Penelitian ini menggunakan analisis sintesis literatur, evaluasi kualitas literatur, dan penarikan kesimpulan. Hasil penelitian ini menjelaskan bahwa peranan penting filantropi Islam didalam memberikan kontribusi untuk pemulihan ekonomi yaitu: (1) Perlu diadakannya UPZ di setiap desa di Indonesia (2)

Maksimalisasi program zakat tunai bersamaan dengan zakat produktif (3) Perlunya pengoptimalan atas pengelolaan zakat dan infaq (4) Memberikan bantuan program pendidikan kepada mahasiswa yang terdampak Covid-19, yang diutamakan kepada mahasiswa ekonomi Islam harapannya dapat memberikan kontribusi nyata kepada masyarakat melalui edukasi ataupun pengetahuannya tentang ekonomi Islam. Tentu saja bilamana beberapa program yang tersebutkan dapat berjalan sesuai yang diharapkan maka percepatan pertumbuhan ekonomi Indonesia akan segera terwujud.

Keywords: *Islamic Philanthropy, Economic Recovery, Post Covid-19.*

I. INTRODUCTION

Islamic Philanthropy and economic Self-Reliance are necessary to advance society's well-being. When a society's economy is not self-reliant, various problems arise, including low living standards (Farouky, 2018). Conversely, with economic self-reliance, society's well-being gradually improves, and prosperity is achieved. Addressing financial issues is an endless discussion as it is closely related to poverty (Elizabeth, 2017);(Madinah, 2022). Poverty is a persistent problem in developed and developing countries, including Indonesia. Overcoming poverty is a challenging task; it requires continuous efforts year after year. Poverty always remains a frightening spectre for some people, as it brings about multidimensional problems in economics, education, health, social, political, and cultural aspects (Janah, 2021);(Fikri & Anwar, 2022).

Several social problems related to poverty, hunger, and unemployment remain unresolved in Indonesia today. Modern concepts proposed by economists once considered relevant, such as economic growth leading to reduced poverty rates and equitable income distribution in developing countries like Indonesia, seem far from attainable, especially in the aftermath of the COVID-19 pandemic (Firmansyah, 2013);(Safitri, 2017).

Several social problems related to poverty, hunger, and unemployment remain unresolved in Indonesia today. Modern concepts proposed by economists once considered relevant, such as economic growth leading to reduced poverty rates and equitable income distribution in developing countries like Indonesia, seem far from attainable, especially in the aftermath of the Covid-19 pandemic. The pandemic has significantly impacted the world and Indonesia's economy. The repercussions have been felt by all sectors of society, including corporations, businesses, micro, small, and medium enterprises (MSMEs), and the overall impoverished population. The Minister of Finance, Sri Mulyani, emphasises the importance of budget planning in the 2021 state budget to stimulate the economy and lead Indonesia towards positive economic growth (Kemenkeu, 2020).

Moreover, not all segments of society have returned to normalcy after the pandemic, warranting strategic policies on Islamic economics. These policies aim to optimise utilising natural resources for Covid-19 recovery, encourage sustainable collaboration between the government and societal institutions to achieve equitable distribution and support business owners for continuous growth, following a socio-economic model (Sumarni, 2020);(Iskandar et al., 2020);(Nazwar & Anwar, 2022).

Given the current situation, numerous questions arise concerning Indonesia's post-pandemic economic recovery. Will economic recovery be achieved soon after the Covid-19 pandemic? This complex issue is not solely a financial problem but also relates to health crises. There is hope in the minds of the Indonesian people, who predominantly practice Islam, that the Muslim community will play a significant role in post-pandemic circumstances (Fuadi, 2022).

In Indonesia, philanthropy is closely connected to the economy and significantly empowers society. Charity is intrinsically linked to *zakat*, *infaq*, *sedekah*, and *waqf* (ZISWAF), all promoting generosity within Islamic principles, leading to general societal well-being (Lapopo, 2017). Amidst the ongoing developments and complexities, the ZISWAF system's application may only be viable for some specific issues. Scholars recognise the need for *ijtihad* in applying ZISWAF to current contexts aligned with economic recovery without compromising its essence (Iswandi, 2021).

Islam, being a mercy to all humanity, emphasises the importance of *infaq*, *zakat*, *sedekah*, and *waqf* as exceptional concepts that all Muslims should apply. The act of generosity serves as a problem solution for economic, social, environmental, and educational challenges. Through this concept, post-pandemic economic recovery due to Covid-19 can be achieved. Considering the points mentioned above, the researcher will examine the role of philanthropy in facilitating economic recovery after the Covid-19 pandemic.

II. METHOD

This research is a qualitative descriptive method, which aims to understand the events that occur in a particular research object. The approach is library research, where secondary data is used as research findings, books, journals and articles related to the research topic. This research can begin with an exploratory approach to understanding the dynamics of Islamic philanthropy in the context of post-pandemic economic recovery. This involves an exploration of various aspects of Islamic charity and its impact.

Primary data sources were obtained from academic literature such as journal articles, books, theses and research reports related to Islamic philanthropy and economic recovery after the COVID-19 pandemic. Meanwhile, Secondary data in the form of economic statistics, government reports and international institutional reports that support the findings in the literature. The data collection technique in this research is a literature search through academic databases such as PubMed, Google Scholar, ProQuest, and other relevant reference sources. The literature search should include keywords such as "Islamic philanthropy," "post-COVID-19 economic recovery," "charitable giving," and similar. Next is literature selection, which uses inclusion and exclusion criteria to select the most relevant and high-quality literature. These criteria may include year of publication, research methods, and relevance to the research topic. Data extraction is also collecting data, findings, arguments and conclusions from relevant literature for analysis. This research uses literature synthesis analysis, quality evaluation, and conclusion drawing. Literature synthesis will include compiling and organizing findings from various sources. This will allow the identification of trends, differences, similarities, and contradictions in the literature. Literature Quality Evaluation: Evaluate the methodological quality and trustworthiness of the literature sources used in the

research. Drawing Conclusions: Formulate conclusions based on findings from the synthesized literature.

III. RESULT AND DISCUSSION

The Important Role of Philanthropy in Post-Pandemic Economic Recovery

The presence of Islamic philanthropy (*Zakat, Infaq, Sedekah, and Wakaf/ZISWAF*) serves as a fundamental teaching that underpins the development of social strength, especially in the economic aspect. This has several complex dimensions, and if implemented effectively, it can lead to the establishment of a prosperous society. The benefits and wisdom of Islamic philanthropy include (1) Spiritual dimension, strengthening one's faith in Allah Swt; (2) Social dimension, fostering a highly solidaristic community with a sense of caring and kinship; (3) Economic dimension, leading to a prosperous, tranquil, and prosperous society. Without the implementation of Islamic philanthropy, these aspirations would remain mere fantasies (Rizal & Mukaromah, 2021);(Gobel, 2020).

The Islamic economy's main instruments supporting social welfare are *Zakat, Infaq, Sedekah, and Wakaf* (ZISWAF). These encompass two main models: a sharing mechanism that fosters economic growth. In the short term, Islamic economics can contribute to fulfilling the needs of people experiencing poverty, while in the long run, it strengthens economic resilience, leading to continuous growth. The Covid-19 pandemic has had a profound impact not only on health but also on the economy. Massive layoffs have increased unemployment and decreased purchasing power, causing many industries to collapse (Amirudin & Sabiq, 2021).

First, in Yusuf Qardhawi's opinion regarding zakat, its role in poverty alleviation is essential, but not only that, with zakat, problems that occur in society, such as social, political, and environmental, will be quickly resolved. The main objective contained in zakat is distribution, empowerment and socialisation so that later, it can lift the poor and improve their quality of life. Who used to be *mustahiq* continues to turn into *muzakki*. When linked to the current concept, zakat has a role in helping the government solve economic problems due to the COVID-19 pandemic. The process can be carried out for distribution to 8 criteria entitled to receive zakat, especially those severely affected by the COVID-19 pandemic.

So great is the potential for zakat in Indonesia; this can be seen in 2021 when the realisation of zakat collection is up to 14 trillion. So, zakat has a strategic role in advancing and prospering society. For this reason, to optimise the supply and distribution of *zakat, infaq, sedekah* and *wakaf*, it is necessary to make efforts listed in Law No. 23 of 2011, the contents of which explain the management of zakat using U.P.Z. where zakat collection can be done at U.P.Z. in the following eight places: (1) The existence of government-owned offices in each district/city that are engaged in work compensation; (2) Vertical agency offices located at the district/city scale; (3) the government owns business entities in each district/city; (4) The existence of private-based companies located in districts and cities; (5) Located around mosques, *musholla, langgar* or *surau* in other places;(6) Located in schools or madrasah or other educational institutions; (7) It is also located in a sub-district or other name; (8) Located in a village in our country (UU No. 23, 2011);(Sultani & Nasution, 2022).

Paying close attention to the laws contained above, where it is very extraordinary, through establishing U.P.Z. Located in each district and city is indeed quite a contribution, but it would be nice if the establishment of U.P.Z. can be done in every village office. The village is one of the parts of the lowest government, which certainly has a selling point. With the role of zakat in the village community, of course, it contributes to the data collection of *mustahiq* affected by the COVID-19 pandemic, which is certainly more structured and hits at the community level. Additionally, the presence of U.P.Z. in the village environment certainly contributes to educating the community through the media in the village or online media and village officials. If seen from a lot of literature, most villagers only know zakat if zakat fitrah, which will be paid every time before Eid al-Fitr.

Secondly, based on Law No. 41 of 2004, *wakaf* (endowment) is defined as a form of worship that involves giving a portion of one's wealth to be utilised for the public and general welfare by Shariah principles. From an economic perspective, *wakaf* involves diverting funds or assets, whether movable or immovable, to be used productively in the future, individually or collectively. *Wakaf* goes beyond being limited to static objects; it can also take the form of cash or productive *wakaf* (Muntaqo, 2015);(Kasdi, 2016).

There is a need for collaboration between the Indonesian Wakaf Board (B.W.I.) and Shariah Financial Institutions (L.K.S.) to campaign for cash *wakaf* and productive *wakaf*. According to the opinions of scholars, *wakaf* is highly encouraged (sunnah). Considering the current potential of cash *wakaf*, institutions involved in *wakaf* are strongly encouraged to innovate to maximise the collection of cash *wakaf* based on Islamic teachings. In the post-COVID-19 pandemic era, funds obtained from cash *wakaf* can be utilised to empower the community through various programs, such as establishing training centres for UMKM that integrate with online marketing, all based on *wakaf* principles. At present, the reality is that cash *wakaf* is often underutilised or not productively managed in a professional manner.

Thirdly, the professional management of *infaq* (charitable donation) and *sedekah* (voluntary almsgiving) is crucial and essential as it significantly benefits the community. The main difference between the management models of zakat (mandatory almsgiving) and *infaq* and *sedekah* lies in their legal requirements. At the same time, zakat is obligatory and must be given when one reaches the nisab (minimum threshold) and haul (specified period). *Infaq* and *sedekah* are considered acts of sunnah (recommended voluntary deeds). Therefore, it is imperative to create synergy between the management of *infaq* and *sedekah* and shariah financial institutions to maximise the collection of charitable donations.

Support from non-formal institutions such as mosques and prayer rooms (*mushola*) in collecting *infaq* and *sedekah* is highly beneficial. BAZNAS (National Board of Zakat) can professionally manage these donations to ensure effective distribution and utilization (Afifudin & Sari, 2019);(Murobbi & Usman, 2021). One evidence of the impact of Islamic philanthropy comprising *zakat*, *infaq*, and *sedekah* on advancing the economy is by optimising their roles by Law No. 23 of 2011, which emphasises planning, organising, actuating, and controlling.

After the COVID-19 pandemic, many UMKM (Micro, Small, and Medium Enterprises) entrepreneurs have been adversely affected, resulting in numerous businesses closing

down. Providing financial support to these affected entrepreneurs would be highly beneficial. Therefore, the initiative of financial institutions collaborating with zakat institutions to provide business capital assistance is expected to offer economic solutions to the COVID-19 pandemic, ultimately reducing the number of *mustahiq* (recipients of zakat) in need.

Fourthly, the humanitarian values embedded in Islamic economics and finance principles have proven to be highly beneficial. Therefore, it is essential to provide proper education and understanding to the public regarding Islamic economics and finance. Offering educational assistance to students impacted by the pandemic through ZISWAF instruments is highly relevant. Despite the moral obligation to extend service to affected students regardless of their field of study, prioritising funding for economics-related disciplines is crucial as it aims to enhance the community's financial literacy in Islamic economics (Amanda, 2020).

The growth demonstrated by ZISWAF in 2018 reached 34.82%, while Indonesia's Gross Domestic Product (G.D.P.) grew at a rate of 5.38% in the same year. However, when carefully analysed, it was found that the accumulated funds of ZISWAF in 2018 amounted to Rp 8.1 trillion, with the majority (40.68%) coming from zakat on income. Comparing this to the potential of Rp 233.8 trillion, the total collection remains relatively small at around 3.4%.

IV. CONCLUSION

Indonesia, as one of the countries with a majority Muslim population, holds the title of the most populous Muslim nation in the world. As an Islamic country, its people have great aspirations to contribute to the advancement of their nation, especially after facing the challenges of the Covid-19 pandemic, through the framework of Islamic philanthropy, and it is crucial to collaborate with Islamic financial institutions (LKS), especially during the pandemic. The roles played are expected to serve as sustained motivation to overcome the recession that may occur in the coming years. The proposed solutions are as follows: (1) Establishing UPZ (Amil Zakat Collection Unit) in every village in Indonesia; (2) Maximising cash zakat programs alongside productive zakat initiatives; (3) Optimising the management of zakat and infaq; (4) Providing educational assistance programs for students affected by Covid-19, prioritising students studying Islamic economics to contribute significantly to society through education and knowledge about Shariah economics. Indeed, if the above programs can be implemented as expected, the hope for accelerated economic growth in Indonesia will soon become a reality.

V. REFERENCES

- [1] Afifudin, T., & Sari, N. (2019). Pengaruh Zakat, Infaq Terhadap Penurunan Kemiskinan di Aceh Periode 2007-2017. *J-BIS: Jurnal Ekonomi Dan Bisnis Islam*, 4(1), 34–51. <https://doi.org/https://doi.org/10.32505/v4i1.1249>
- [2] Amanda, G. (2020). Ziswaf dan Resesi Ekonomi di Era Pandemi. In *Baznas.Go.id*.
- [3] Amirudin, C., & Sabiq, A. F. (2021). Peran Ziswaf dalam Memulihkan Ekonomi Umat Akibat Masa Pandemi Covid-19. *Jurnal Baabu Al-Ilmi*, 6(1), 38–47.

<https://doi.org/10.29300/ba.v6i1.4074>

- [4] Elizabeth, R. (2017). Acceleration Of Empowerment And Improvement Of Competence In The Production System To Overcome Economic Problems In Indonesia. *UNES Journal of Scientech Research (JSR)*, 2(1).
- [5] Farouky, N. (2018). The state of Arab philanthropy and the case for change. In *Civil Society Sustainability* (pp. 111–119). Routledge.
- [6] Fikri, R., & Anwar, S. (2022). Optimalisasi ZISWAF dalam Menanggulangi Dampak Ekonomi Akibat Pandemi Covid-19. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 3(4), 783–793. <https://doi.org/10.47467/elmal.v3i4.1123>
- [7] Firmansyah. (2013). Zakat Sebagai Instrumen Pengentasan Kemiskinan dan Kesenjangan Pendapatan. *Jurnal Ekonomi Dan Pembangunan*, 21(2), 179–190. <https://doi.org/10.14203/JEP.21.2.2013.61-72>
- [8] Fuadi, F. (2022). Peran Ekonomi dan Keuangan Islam Pasca Pandemi Covid-19 di Indonesia. *Margin: Jurnal Bisnis Dan Perbankan Syariah*, 1(2), 71–85. <https://doi.org/10.58561/margin.v1i2.40>
- [9] Gobel, Y. P. (2020). Pemulihan Ekonomi Indonesia Pasca Pandemi Covid-19 dengan Menkombinasikan Model Filantropi Islam dan NDEAS Model. *Tabarru': Islamic Banking and Finance*, 3(2), 209–223. [https://doi.org/10.25299/jtb.2020.vol3\(2\).5809](https://doi.org/10.25299/jtb.2020.vol3(2).5809)
- [10] Iskandar, A., Possumah, B. T., & Aqbar, K. (2020). Peran Ekonomi dan Keuangan Sosial Islam saat Pandemi Covid-19. *SALAM: Jurnal Sosial Dan Budaya Syar-I*, 7(7), 625–638. <https://doi.org/10.15408/sjsbs.v7i7.15544>
- [11] Iswandi, A. (2021). Peran Lembaga Ziswaf dalam Distribusi Ekonomi pada Saat Terjadi Pandemi Covid-19. *Al-Tasyree: Jurnal Bisnis, Keuangan Dan Ekonomi Syariah*, 13(02), 96–107. <https://doi.org/10.59833/altasyree.v13i02.298>
- [12] Janah, W. (2021). Optimalisasi Peran Filantropi Islam Aksi Cepat Tanggap dalam Upaya Mengatasi Krisis Ekonomi di Era Pandemi Covid-19. *Journal of Islamic Philanthropy and Disaster (JOIPAD)*, 1(2), 65–80. <https://doi.org/10.21154/joipad.v1i2.3574>
- [13] Kasdi, A. (2016). Model Pemberdayaan Wakaf Produktif Di Indonesia. *ZISWAF: Jurnal Zakat Dan Wakaf*, 1(1), 1–15. <https://doi.org/10.21043/ziswaf.v1i1.1528>
- [14] Kemenkeu, H. (2020). Pemulihan Ekonomi Lewat Belanja dan Pengendalian Covid-19 Masih Menjadi Prioritas APBN 2021. In *Sekkab.go.id*.
- [15] Lapopo, J. (2017). Pengaruh ZIS (Zakat, Infaq, Sedekah) dan Zakat Fitrah Terhadap Penurunan Kemiskinan di Indonesia Periode 1998-2010. *Media Ekonomi*, 20(1), 83. <https://doi.org/10.25105/me.v20i1.779>
- [16] Madinah, D. (2022). Pemberdayaan Ekonomi Masyarakat Pedesaan Pasca Covid-19: Studi Kasus Pengabdian di Kecamatan Jalaksana. *The 4th International Conference on University Community Engagement (ICON-UCE 2022)*, 4, 209–214.

- [17] Muntaqo, F. (2015). Problematika Dan Prospek Wakaf Produktif Di Indonesia. *Al-Ahkam*, 25(1), 83. <https://doi.org/10.21580/ahkam.2015.1.25.195>
- [18] Murobbi, M. N., & Usman, H. (2021). Pengaruh Zakat, Infak Sedekah, dan Inflasi Terhadap Kemiskinan di Indonesia. *Jesyra (Jurnal Ekonomi & Ekonomi Syariah)*, 4(2), 846–857. <https://doi.org/10.36778/jesyra.v4i2.390>
- [19] Nazwar, M. I., & Anwar, S. (2022). Strategi Pemulihan Kondisi Ekonomi Nasional Pada Masa Pandemi Covid-19 dalam UMKM Kabupaten Tulungagung. *EKSYAR: Jurnal Ekonomi Syari'ah & Bisnis Islam*, 9(1), 59–71. <https://doi.org/10.54956/eksyar.v9i1.316>
- [20] Rizal, F., & Mukaromah, H. (2021). Filantropi Islam Solusi Atas Masalah Kemiskinan Akibat Pandemi Covid-19. *Al-Manhaj: Jurnal Hukum Dan Pranata Sosial Islam*, 3(1), 35–66. <https://doi.org/https://doi.org/10.37680/almanhaj.v3i1.631>
- [21] Safitri, J. (2017). Implementasi Konsep Zakat Dalam Al-Qur'an Sebagai Upaya Mengentaskan Kemiskinan di Indonesia. *AT-TASYRI': JURNAL ILMIAH PRODI MUAMALAH*, 9(1), 1–15. <https://doi.org/https://doi.org/10.47498/tasyri.v9i1.32>
- [22] Sultani, R., & Nasution, M. I. P. (2022). Pengelolaan Zakat Produktif untuk Pengentasan Kemiskinan di Era Covid-19 (Studi Kasus di Lazwashal Medan). *JIKEM: Jurnal Ilmu Komputer, Ekonomi Dan Manajemen*, 2(2), 3251–3258.
- [23] Sumarni, Y. (2020). Manajemen Ekonomi Islam dalam Menangani Pandemi Coronavirus Disease. *Jurnal Baabu Al-Ilmi*, 5(1), 117. <https://doi.org/http://dx.doi.org/10.29300/ba.v5i1.3123>
- [24] UU No. 23. (2011). *Undang-undang (UU) Nomor 23 Tahun 2011 tentang Pengelolaan Zakat*.