

***Al-Qard al-Hasan* Program of Bankziska: Zakat Fund-Based Empowerment Model for Victims of Loan Sharks**

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Abstract: This research aimed at analyzing the effectiveness of the Bankziska program in empowering victims of loan sharks through the *al-Qard al-Hasan* contract funded by *zakat*, administered by the *Amil Zakat Infaq* and *Shadaqah* of Muhammadiyah Institutions. Qualitative method was used in this research with a phenomenological approach using the activity data from the *Amil Zakat Infaq* and *Shadaqah* of Muhammadiyah Institutions in empowering loan shark victims through the Bankziska program. The data sources were obtained from managers, volunteers, and loan shark victims who were the partners of Bankziska. The research results showed that the reasons for the *Amil Zakat Infaq* and *Shadaqah* of Muhammadiyah Institutions to lend *zakat* funds were the references from fiqh and fatwa, training studies, organizational encouragement, academic input, and it is easy to implement. The implementation of the Bankziska program had detailed standard operating procedures, starting from the beneficiary categories, distribution, and payment processes, to mitigating the risk of default. The *al-Qard al-Hasan* program of Bankziska had an impact on improving the quality of skills, mental, intellectual, technological, communication, and religious studies of managers and volunteers. The impact of the program for partners was the awareness to abandon usury, reduced debt both in nominal terms and the number of loan sharks and an increase in the ethos of economic independence. This research contributes to providing discourse and alternatives for other social and religious fund management institutions in using *zakat* funds productively for economic empowerment through the *al-Qard al-Hasan* contract for victims of loan sharks who have difficulty accessing Sharia financial institutions to obtain business capital or financing services.

Keywords: Bankziska; Empowerment; Moneylenders; *al-Qard al-Hasan*; *Zakat*.

Introduction

The poverty that shackles the economy tends to make people look for different ways to meet their needs. One option that is often chosen is to go into debt, either to another individual or to a financial institution. In such situations, the role of banks in society becomes very important. However, over time, small communities began to turn from banks to loan sharks or illegal financial institutions. This is due to the difficulty and time required to obtain a bank loan; however, people cannot afford to wait longer because business competition is getting tougher. The practice of loan sharking is one of the economic activities of lending money, which is generally sought by people with low incomes (especially from the lower middle economic class) who need credit to meet their daily needs or for their businesses (Cica, 2018).

Economic constraints often make it difficult for people to meet their daily needs. This situation can hinder the ability of small traders to develop their businesses because not all of them have sufficient capital. To make matters worse, the majority of small communities do not have access to banking services. *Bank Rakyat Indonesia* or BRI, revealed that only 20 million Indonesians have access to banking services. This number is almost half of the target of 46 million customers by 2025. Of the 46 million, only 20 million can

be served by formal financial institutions, including banks, rural banks (so-called BPR in Indonesian), fintech, and others. The remaining 26 million people are targeted by ultra-micro holding. However, of these 26 million, BRI survey data showed that 5 million of them chose to go to loan sharks with interest rates of up to 100-500%, and another 7 million borrowed from relatives (Indraini, 2023).

The birth of Islamic banks that use anti-usury platforms has not yet reached the lower classes that interact with banks (unbanked). There are still many requirements and guarantees that they cannot meet. Banks are hardly a place for their economic interaction. Banks are business institutions that are profit-oriented, not social institutions that are oriented towards charitable rewards, this is the reason (Ayu et al., 2023; Karimuddin et al., 2024). The economic problems of marginalized people are low financial literacy, difficulty in accessing capital from bank and non-bank financial institutions, and massive movement of what so-called *thithil/plecit* banks with easy loan conditions. This is the reason for the proliferation of loan shark transactions; easy loan shark financing with 20-30% interest and daily settlement model. According to the results of interviews with volunteers and managers of Bankziska Ponorogo, Budi Santoso and Nunung Asmawati, it was what they could achieve with an average of three loans from different moneylenders although it was cumbersome. The factors of need, religion, safety, and convenience have a significant influence on people associated with loan sharks (Novida & Dahlan, 2020).

People who are economically disadvantaged can benefit from *zakat* because it is a redistributive system. Providing financial assistance to the needy is another important function of *Infaq* and almsgiving. Like the role of government, non-profit religious social organizations must act as agents of change. They must demonstrate that they can adapt to new philanthropic trends. To better manage the *zakat*, *Infaq*, and alms funds they receive, organizations such as the *Amil Zakat Infaq and Shadaqah* of Muhammadiyah Institute (called Lazismu in Indonesian) has taken innovative approaches. Lazismu aims to promote social justice and equality by transforming funds from traditional charitable activities into productive and equitable resources. Education, agriculture, youth entrepreneurship, women's empowerment, and community empowerment around mosques are some of the areas targeted by Lazismu's creative philanthropy program (Baidhawiy, 2015).

The *zakat* management system through the *al-Qard al-Hasan* product currently being implemented by BMT Hasanah in the Bankziska program shows courage and uniqueness in its approach to economic empowerment, especially for victims of loan sharking. The decision of the leadership of BMT Hasanah to use *zakat* funds through the *al-Qard al-Hasan* product, which is accompanied by the principle of *ghârimîn* empowerment, is of particular concern. This practice may not be in line with fatwas or classical scholarly views in fiqh, and the lack of legitimacy from an established religious authority may lead to debate and controversy among Muslims regarding its legal validity. Bankziska's fiqh arguments in choosing *al-Qard al-Hasan* for the economic empowerment of usury victims need to be elaborated. Perhaps they argue that the principle of *ghârimîn* empowerment, which refers to the liberation of individuals from the debt bondage of usury interest, has more urgency and significant social benefits compared to conventional fiqh considerations.

The impact of lending *zakat* funds through *al-Qard al-Hasan* products on the empowerment and economic outcomes of loan shark victims is an interesting area of research. Further analysis is needed to assess the extent to which this approach is effective in empowering communities and reducing dependence on loan sharking practices. This impact can be measured in terms of increased economic well-being, financial independence, and increased access to economic resources. In addition, public reactions and perceptions of the Bankziska program must be considered to assess broader social acceptance and impact. This research contributes to providing reasons for choosing the *al-Qard al-Hasan* contract as the main instrument for lending *zakat* funds. This can be a guide for other social and religious fund management institutions to consider similar strategies in incorporating *zakat* funds for economic empowerment programs, especially for victims of loan sharking who face difficulties in accessing Sharia financial institutions. By revealing references from fiqh and fatwa in the selection of the *al-Qard al-Hasan* contract,

this research provides religious legitimacy to the approach taken. This can be an important reference for similar institutions seeking a strong legal basis for the use of *zakat* funds.

This study presents a concrete model for empowering loan shark victims through the Bankziska program. This model, which includes a holistic approach of financial education, skills training, and psychosocial support, could be an inspiration for similar institutions seeking to design similar programs. Another important contribution is the detailed description of the SOPs for the implementation of the Bankziska program. This not only provides transparency in the management of *zakat* funds, but can also be used as a guide for other institutions to formulate similar SOPs in implementing economic empowerment programs. By combining these aspects, this research provides a valuable contribution to the development of literature and practice in the management of social and religious funds aimed at economic empowerment, especially for those marginalized due to usury practices.

Literature Review

Lending *Zakat* Funds through the *al-Qard al-Hasan* Agreement

Al-Qard al-Hasan is a concept in Islamic law that refers to the provision of interest-free loans or loans given in return for good or kindness. The term comes from Arabic, where “*qard*” means loan and “*hasan*” means good or kind. In the context of Islamic economics, *qardhul hasan* is considered a form of benevolent charity that aims to help individuals or communities in need by providing interest-free loans (Putri et al., 2021). The practice of *al-Qard al-Hasan* is based on the principle of providing loans with good intentions and without any additional benefit to the borrower. The borrower is expected to repay the loan according to the agreement without any additional interest or fees. This concept reflects the values of justice and social welfare in the Islamic financial system, where helping the less fortunate is considered a social responsibility (Muneer & Khan, 2022). The application of *al-Qard al-Hasan* can be found in various Islamic financial institutions and philanthropic organizations that use this approach to provide financial assistance to people in need without incurring additional burdens in the form of interest (Faujiah, 2020).

The distribution of waqf and *zakat* is known only for consumer goods (Wira et al., 2023). In its development, the distribution of waqf and *zakat* has been directed to more productive things, for example, in the form of capital assistance, which aims to improve the quality of production of goods to meet the needs of the wider community, so that it can compete with the capitalist market share that idolizes interest (usury) (Fakhruddin et al., 2024; Syahbandir et al., 2022). The solution to economic problems lies in the proper implementation of the Sharia economic system through a more productive distribution of Waqf and *Zakat* aimed at the welfare of the people. Waqf and *zakat* have basically the same principles as the Islamic economic system because both economic activities aim at economic justice (Hariyanto et al., 2020; Iswanto & Hadinatha, 2023).

While it is often thought that *al-Qard al-Hasan* is not primarily a business-oriented instrument, a closer look at its framework reveals the uniqueness and flexibility that can make it a viable financial instrument for crowdfunding in support of microenterprises. Even though it has the potential to face risks, such as the risk of default and the risk of withdrawal of large funds, these risks can be overcome using FinTech mechanisms, such as blockchain technology. Due diligence can be conducted efficiently through this approach, projects can be monitored transparently, and repayment can be guaranteed through an instalment payment method. Thus, with the support of modern financial technology, *al-Qard al-Hasan* can be an effective tool for financing microenterprises, providing innovative solutions to risks that may arise, and supporting the economic growth of this sector (Nugraheni & Muhammad, 2024).

The integration of *al-Qard al-Hasan* into an overall sharia-compliant financing portfolio has great potential to make a positive contribution to sustainable development. *al-Qard al-Hasan*, as a form of interest-free lending within the framework of Islamic law, not only complies with sharia requirements, but also offers an approach oriented towards justice and social welfare. As an ethical financial instrument, *al-Qard al-Hasan* creates an environment that supports economic and social empowerment, helps reduce economic disparities, and improves community welfare. The uniqueness of *al-Qard al-Hasan* lies in the concept of

social benefit inherent in this interest-free loan, which in turn can have a sustainable positive impact in the long term. The use of *al-Qard al-Hasan* can be a catalyst for more sustainable and inclusive economic transformation on a global scale (Hasan et al., 2021).

The lending of *zakat* funds through *al-Qard al-Hasan* marks an innovative step in the management of religious funds to promote community welfare. The concept of *al-Qard al-Hasan*, which is essentially the provision of interest-free loans, adds a new dimension to the use of *zakat*. Through this mechanism, *zakat* funds not only provide direct assistance to those in need, but also act as capital that can be used to support productive efforts and economic empowerment. By involving *zakat* recipients in using the funds as interest-free loans, *qardhul hasan* creates a sustainable cycle in which they can use these funds for micro-enterprise development, education, or other productive needs. Although there are risks, such as the possibility of default, this approach provides an opportunity to increase financial independence and empower *zakat* recipients in a sustainable way. Thus, the lending of *zakat* funds through *al-Qard al-Hasan* is not just a distribution of funds, but a catalyst for broader socio-economic change (Aderemi & Ishak, 2023).

Empowering Loan Shark Victims

Empowering the economy of loan shark victims involves taking various steps to help them get out of difficult situations and build financial independence. Efforts to strengthen the economy of loan shark victims are realized by conducting financial literacy trainings that aim to provide an in-depth understanding of basic financial concepts, money management, and the importance of saving. Training participants are introduced to basic financial concepts, including the principles of personal and family financial management. Through interactive sessions, they are engaged in discussions on how to prepare an effective monthly budget and identify basic financial priorities. The training also includes an understanding of the importance of savings as a tool for financial protection and preparation for future needs. By focusing on strengthening practical knowledge, participants are expected to be able to apply these concepts in their daily lives, helping them to move away from reliance on loan sharks and build a stronger financial foundation (Yulita et al., 2021).

Micro and small enterprises still face many challenges that continue to threaten their existence, performance, and growth. Access to operational and administrative funds required to effectively carry out their activities is a major challenge and detrimental to the growth of micro and small enterprises. The social aspect of *zakat* and almsgiving will help improve the standard of living of poor people who cannot engage in active business by meeting their basic needs without begging, thereby preventing them from becoming socially excluded. Islamic microfinance practices are believed to efficiently and effectively motivate micro-entrepreneurs and other small business owners to develop (Hussein Kakembo et al., 2021).

Along with a holistic approach to strengthening the economy of loan shark victims, the next step is to introduce safe and affordable financial alternatives, with a focus on microfinance institutions and charities that apply sharia principles. Through this program, victims of loan sharking will have access to more affordable sources of funding that are in line with Islamic financial principles. Microfinance institutions and charities can provide ongoing financial guidance to their clients. This includes education on Sharia principles, sound financial management and wise debt management. Victims of loan sharking will receive support to better plan their finances and avoid unhealthy lending practices (Faizin et al., 2021; Fardiana, 2021; Setiawan et al., 2021).

In addition, personal coaching and mentoring programs can be implemented. This assistance is designed to provide direct support in managing their personal and business finances. Program participants will receive assistance in creating financial plans, identifying business opportunities, and developing necessary management skills. With the existence of Sharia-based microfinance and charity institutions, victims of loan sharking can gradually build up their own business capital. This gives them the opportunity to develop a sustainable business and supports their long-term financial independence. With a combination of affordable access to funds, financial guidance and coaching programs, this step aims to provide a holistic and sustainable solution for those caught in the loan shark trap (Setiyowati, 2019).

Method

This study is field research using a qualitative approach (Miles & Huberman, 1994). The data were collected from Bankziska administrators, managers, volunteers, empowerers, victims of loan sharks, loan sharks and various other parties involved in the performance of Bankziska in all its branches and clients. The data collection was based on an interview guide as a reference, either by telephone at the beginning of communication, in-depth interviews, structured interviews, and unstructured interviews if necessary. Observation techniques in empowerment were carried out with the involvement of the researcher to see the details of the activity and record the original phenomena. Documentation techniques provided authentic evidence of research in terms of recorded information about entity relationships, document flow, system flow, and program flow (Rizal et al., 2023). The research had been conducted from March to October 2023 at BMT Hasanah which is located in Jabung Ponorogo village, with 7 branches throughout East Java and 40 volunteers spread in 6 locations in Ponorogo such as Mlarak, Jetis, Sambit, Sawoo, Ngrayun, dan Bedingin subdistricts. The seven branches are Ponorogo, Magetan, Mojokerto, Malang Regency, Pasuruan, Probolinggo, and Jember, all of which were the object entities under study. The reason for making Bankziska the site and object of research was the emergence of the sensitive issue of the use of *zakat al-mal* funds to be loaned through the *al-Qard al-Hasan* contract product with empowerment as a pretext. The research was written using a specific format with a critical phenomenological pattern as the chosen analysis (Rianto, 2020).

Results and Discussion

Implementation of Lending Zakat Assets through *al-Qard al-Hasan* Products in Bankziska Program

The main activity of Bankziska is the provision of soft loans without interest using the *al-Qard al-Hasan* system. This loan is given to people who meet Mitra Bankziska's criteria which include physically and mentally healthy, *ghârimîn* who have super micro, micro, or small businesses, and small farmers who are in debt to loan sharks or have a high potential for exposure to usury from loan shark operations, have the ability to repay the loan (Futaqi et al, 2023), do not have to be Muslim (Burhanuddin, 2023), and receive recommendations from local volunteers (Santoso, 2023). In its implementation, Bankziska is supported by volunteers who are not paid and only receive motorbike for their work (Asmawati, 2023). Bankziska's funding sources come from Sharia Financial Institution funds (abbreviated as LKS in Indonesian) BMT Hasanah, and Lazismu, both Regional Lazismu and the Lazismu Service Office. This capital can come from Ziska funds in the form of *zakat*, *Infaq*, alms, grants or assistance, donations, or other non-binding donations, such as funds from corporate grants, Muhammadiyah Charity Business including Surya Mart, CSR, and other funds from halal sources (bankziska.org, 2023).

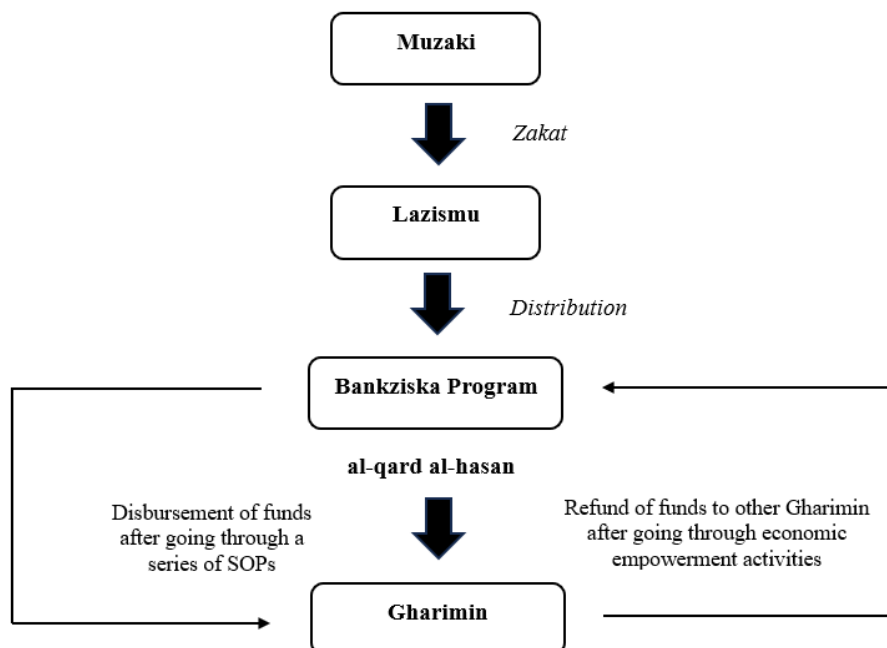
Soft loans can be provided at the Bankziska office, at home, at the mosque, or at traditional markets (Futaqi et al, 2023). Potential Bankziska partners, who are eligible for financing, submit a Loan Application Letter (called SPP in Indonesian abbreviation), which is then analyzed by the marketing team and forwarded to the financial administration section and then submitted to the Bankziska manager. The loan amount is based on a range between IDR 500,000.00-IDR 2,000,000.00- (Futaqi et al, 2023). The loan agreement is made in written form with *al-Qard al-Hasan* loan agreement, which includes an agreement between Bankziska and partners and a pledge statement (Bankziska, 2021). The Bankziska loan repayment process is almost the same in principle as the loan disbursement process, but in Bankziska Malang the payment has been implemented through a transfer system. These funds are then transferred to other *mustahik* who need them, or lent again to the same *mustahik* in the next round (Futaqi, 2023a). If in the future it turns out that the partner is unable to repay the loan to Bankziska, then the action taken by the management for the surviving partner is to approach family members, while if they become ill/permanently disabled and die, then the debt is written off. However, during almost 3 (three) years of operation, the default rate of Bankziska partners was low. Lazismu will provide 100% compensation for unpaid debts of partners (Rahayu, 2023). This is where the role of charitable institutions emerges as those responsible for the risk of default in financing (Wulandari & Kassim, 2016).

The use of *zakat* funds through loan agreements is a new way, especially followed by an empowerment approach for debtors or loan shark victims, which needs to be continuously evaluated and studied by various groups from the perspective of fatwas that allow it because of its very useful sustainability value (Widiastuti & Rani, 2020). As for the procedure, it is still too long, unlike what loan sharks think is easy. It is better if this procedure is shortened, because moneylenders dare to be simple, how can Bankziska, which is clear that *zakat* funds will not be returned to *muzaki*, still apply long procedures like Sharia banks (Kamal et al., 2022). Repayment of partner debt is the main program of Bankziska, but when the capital aspect cannot be met, other empowerment is needed, such as additional capital, including profit sharing from BMT Hasanah, cooperation with other empowerment or microfinance institutions, and also training and skills (Direktorat Pemberdayaan Zakat, 2016; Puskas BAZNAS, 2017). Bankziska also needs to think about developing honoraria or salaries for volunteers for their well-being. Various methods of extracting funding sources can be tried, the important thing is not to disturb the main source of empowerment and not to cause financial problems in empowerment. In addition to salaries, which can be managed from *zakat* funds, there are other sources in the form of gifts (*u'tiyât*) (Qardawi, 2006). Eliminating loan sharks by giving their victims interest-free debts is the Islamic way. Bankziska has adhered to this because it cannot be done by Islamic banks, which are institutionally profitable (Ayu et al., 2023).

The implementation of mechanism for lending *zakat* assets through the *al-Qard al-Hasan* product in the Bankziska program can be briefly illustrated in the following diagram:

Diagram 1. Bankziska mechanism process

Procedures for implementing *al-Qard al-Hasan* through Bankziska by Lazismu



Source: Processed from data, 2023

Bankziska Fiqh's Argumentations in Choosing *Zakat* Assets as a Source of Funding for *al-Qard al-Hasan* Product for Empowering Loan Shark Victims

In its implementation, the formulation of *al-Qard al-Hasan's* postulates on *zakat*, which are still being debated by scholars and questioned by the people, is precisely what is applied, apart from the legality aspect, which still needs to be studied in more depth (Huda, 2022) Yûsuf al-Qardawî believes that lending to the *ghârimîn* is more valid than lending to people other than the *ghârimîn*. This group is more entitled to owe money from *zakat* assets without interest than to owe it to other parties with interest (al-Qardâwî,

1973). Lending *Zakat* is a classical scholarly study on the purpose of paying *Zakat* before lending *Zakat* assets. This study was examined by contemporary scholars, 'Abd al-Wahhâb Khallâf and Abû Zahrah, with a focus on whether debt is permissible for the *ghârimîn* group. The young cleric Nâyif Hujâj al-'Ajamî directly created the theory of *al-Iqrâd min Amwâl al-Zakâh* or debt from *zakat* assets with a more comprehensive and pro-Qardawî study. Hamdî Subh Taha had the same theory as Nâyif, but it is opposite and pro the classics that *zakat* should not be owed. The reason why the researcher chose Nâyif's theory as the basis for analyzing the practice of lending *zakat* to bankziska was because of the relevance of the theory to the same phenomenon that discusses lending from *zakat*. Nâyif was an expert who continues the thinking of well-known minority ulama who said that *zakat* assets could not only be owed, but could also be borrowed. He immediately realized the thoughts of previous scholars and made a complete concept, which was conveyed with great courage, that *Zakat* could indeed be given. In addition to this, he linked the real practice of how *zakat* institutions have handled the *zakat* funds they manage through banking, with the sharp criticism of their contracts that those are debt contracts (Al-'Ajamî, n.d.).

The problem of cooperation between institutions, which extends the bureaucracy, administration, and accountability of each, including the number and categories of *mustahik* recipients, requires examination. Another academic burden that needs to be studied is *al-Qard al-Hasan*'s focus on the liberation of *ghârimîn* victims of loan sharks through its empowerment approach (Kementerian Agama RI, 2016). Regarding *zakat* as the source of *al-Qard al-Hasan*'s funds, the ulama have had an understanding that the *asnâf* of eight *zakat* recipients becomes the joint owner of all *zakat* assets. Different scholars question whether this ownership union is a condition for implementation or not. The majority of the ulama demand the ownership union only for the needy, the poor, the amil, and the converts (al-Qardâwî, 1973); Ibn Qudâmah emphasizes that apart from these four, they will receive their rights only after the first four have been fulfilled. Apart from Jumhur, other scholars do not make the fulfillment of property rights a condition for implementation, of course, for various reasons and considerations. In fact, Yûsuf al-Qardâwî allows the surplus of *Ghârimîn*'s *zakat* to be used as the property of *al-Qard al-Hasan* to cover the debts of some of their friends, who are dominated by usury. They deserve it more. Their *zakat* assets can become common shares as capital to liberate some *Ghârimîn*s who are trapped in usurious debts. This view is based on the ideas of Abû Zahrah, who suggests that there should be a special account for *al-Qard al-Hasan* (*Sundûq li al-Iqrâd*) to include sources other than the excess shares of the *Ghârimîn*'s *zakat* rights, such as grants and other property (Sâmiyah, 2012).

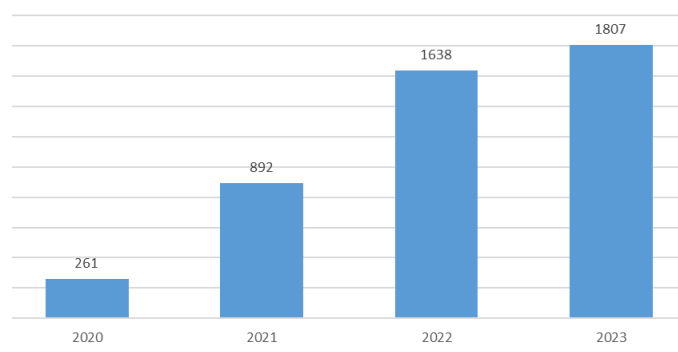
The choice of funding sources and their management must also be reviewed from a legal perspective (Huda, 2022). It is necessary to check which sources of *zakat* funds are used in this Bankziska program. Even though some scholars allow the use of *zakat* as *al-Qard al-Hasan*, it needs to be fully, critically, and comprehensively studied because the majority of scholars prohibit giving it. The way it is implemented by the Bankziska must also be examined for the accuracy of the proposition and its application. Supposedly, only the surplus of *Ghârimîn*'s *zakat* that can be used for the implementation of *al-Qard al-Hasan* comes from these *zakat* funds. The Bankziska may not take *zakat* funds from the total available *zakat* funds without taking into account the aspects of other *asnâf* property associations as *zakat* recipients (Daroji & Christanti, 2022). Although ignoring ownership associations as a condition for implementing *zakat* receipts through eight *asnâf* is permissible, an in-depth study of this is necessary to continue to develop and follow up (Sâmiyah, 2012).

The Impact of Bankziska Lending *Zakat* Assets Through *al-Qard al-Hasan* Product on the Empowerment and Economic Achievements of Loan Shark Victims

The expected impact of implementing *zakat* fund management through *al-Qard al-Hasan* based on empowerment for the mission of freeing loan shark victims and eradicating loan shark practices is very dependent on the amount of existing *zakat* funds, the amount of *zakat* received, the number of *mustahik* from the *ghârimîn* element, and the resistance of the money lenders, as well as the empowerment achievements after their debt relief. This impact is important to study as an illustration of the possibility of implementing follow-up programs that can be imitated by various other institutions, leading to a joint

movement to free loan shark victims from usurious debt bondage and eliminate the practice of loan sharks who have long taken advantage of the community, even if Sharia banks and other Sharia finance institutions has existed for a long time (Masripa, 2022). The empowerment carried out by Bankziska through *zakat* funds to eradicate *ghârimîn* from the snares of loan sharks through the *al-Qard al-Hasan* contract can be said to be a good success, as seen from the growth of partners, the size of the loan, and the *Qardhul Hasan* loan balance listed in Bankziska’s financial report (outstanding), which is recorded in its progress report in the graphs below (Bankziska, 2023).

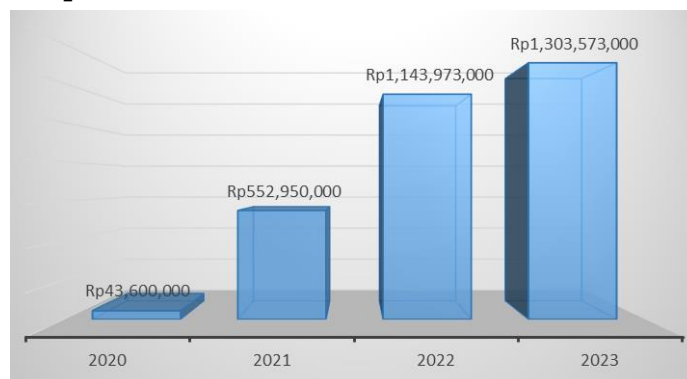
Graph 1. The Growth of Bankziska Partners from 2020-2023



Bankziska has carried out 1807 rounds of financing with a total of 585 active partners. The average success in eliminating loan sharks is 65%.

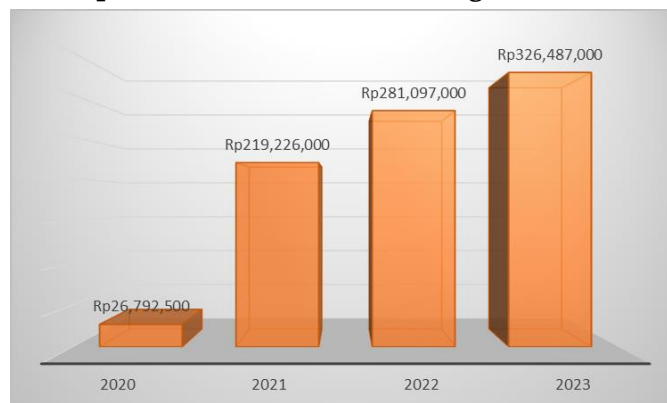
Source: Bankziska’s Company Profile in 2023

Graph 2. Bankziska’s Loan Growth from 2020-2023



Source: Bankziska’s Company Profile in 2023

Graph 3. Bankziska’s Outstanding 2020-2023



Source: Bankziska’s Company Profile in 2023

Zakat management through empowerment has had an impact on managers, volunteers, and partners. Intense management involvement between volunteers and partners has had an impact on empathy, resulting in the growth of a spirit of religion, struggle, shared destiny, and togetherness. This spirit of empathy is rarely found in various forms of empowerment that focus only on humanity without presenting God and religion in it. The impact of intellect and self-confidence is also formed among leaders and volunteers because they often participate in empowerment forums, studies, and recitations. This is in line with the concept of empowerment to move forward together in a participatory manner (Widiastuti et al., 2018). The awareness of the partners about the prohibition of usury is the main impact of the establishment of Bankziska, which is in line with the Quran in prohibiting usury (Edr, 2023). Even though the impact according to the mission which is increasing the level of partners from *mustahik* to *muzaki* has not been achieved, the awareness of donations, debt relief, and liberation of victims of usury has been quite successful (Futaqi, 2023b). Bankziska provides an interactive social impact when partners can interact without the shadow of distance between ordinary people and Bankziska who come door to door, unlike the banks they have experienced thus far. They have been an unbanked society. The personal impact of Bankziska's empowerment on its partners is the formation of a mental and business ethic that is brightened by the absence of looming burdens such as interest and bills from time to time by loan sharks. Efforts in installments and enthusiasm for business are no longer burdensome when interacting with Bankziska (Asifudin, 2004). This is the essence of empowerment, namely changing the partner's ethos and mindset to a more progressive one.

Conclusion

Bankziska applies *zakat* assets through *al-Qard al-Hasan* products, although without the support of classical scholars. An in-depth study is needed in terms of jurisprudence, legality, and activity references, with consideration of establishing a special study institution. This debt is justified by reference reasons, study information and fatwas, as well as the encouragement of Muhammadiyah's economic preaching. Although its contribution is small at the national level, Bankziska has a positive local impact on managers, volunteers, partners, and moneylenders. Further studies are needed to ensure that the positioning of loan shark victims as *asnaf ghârimîn* and the allocation of *zakat* funds are targeted, while attention to the lower economic classes vulnerable to loan sharks needs to be increased. The large number of people who are unbanked, although they also need business capital, should be a concern for the government to start pioneering and creating Sharia financial institutions not only for the middle and upper classes, but also for the lower economic classes who are vulnerable to loan sharks.

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