

# Public Sector Financial

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# Public Sector Financial Prototype Without Riba Based on *Masjid* Funds (Exploratory Study of *Masjid* Jogokarian Yogyakarta)

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**Abstract :** Currently, the *Masjid* (Mosque) only acts as a place of worship; and a place to educate children to read the Qur'an. *Masjid* have very large potential current assets derived from *Zakat*, *Infaq* and *Shodaqoh* (Charity) funds which are one type of Islamic contract in the form of *Tabarru'* (non for profit contract). The purpose of this study is to explore the phenomenon of productive *masjid* fund distribution for *jama'ah* (society of mosque) and residents around the *masjid*. This research is an interpretive paradigm qualitative research. The type of data is primary data which is obtained directly from several respondents, namely the *masjid* management (*ta'mir*) and the community around *Masjid* Jogokariyan. As a national model *masjid* with good management (*idarah*), *masjid* Jogokariyan utilizes *Tabarru'* contract in empowering *masjid* worshipers both spiritually and economically. *Tabarru'* funds are managed productively by *ta'mir*. This affects the economic empowerment of the *jama'ah* in particular and the residents of the Jogokariyan village in general. The distribution of productive funds through the agreement of *Qardhul Hasan* is without interest and Riba'. The results of this study are expected to be able to offer a *masjid*-based economic empowerment model using *tabarru'* funds.

## 1 INTRODUCTION

The History of islam development cannot be separatead from the existence of a *Masjid* with it functions as a central part of the lives of the Muslims. At the time of Prophet Muhammad SAW, the *Masjid* played an important role which was not only as a place of worship, but also a center of social, economic, law, and political activities, and from *Masjid* the spreading movement of Islamic *da'wah* began. But on this day, the function of the *Masjid* is only limited as a place of worship and islamic education through the Qur'an education centre and Islamic studies. *Masjid* has a very large source of assets, especially current assets in the form of cash money which is the *Masjid* own income obtained from *Zakat*, *Infaq*, and *Shodaqoh* (ZIS) activities given from the *Masjid*'s pilgrim or *jama'ah*. *Zakat* is a gift funds from the affluent people to the people who lack, and it is obligatory for Muslims whose have very clear designation for 8 *asnaf* (groups) who are entitled, with this very clear designation, then the acceptance and distribution of *Zakat* managed through the special committee *Zakat* (*amil Zakat*)

which is separated from *Infaq* and *Shodaqoh*. *Infaq* and *Shodaqoh* are voluntary gifts from the Muslims who are not limited to their rights and obligations. The funds use to manage *Masjid*'s operational activities such as electricity, clean water, and honorarium for religious lectures. Although *Masjid* funds are used to pay for operational expenses, there is usually a surplus over the *Masjid* funds every month. The excess funds are usually stored in banking savings which are very thick with the nature of Riba (containing annuity calculations)

According to the consensus of the *fiqh* experts without exception that interest belongs to the nature of Riba because it has similar meanings and importance with interest, and furthermore international and national Islamic institutions have decided since 1965 that bank interest or the like is the same as Riba and haram in sharia (Ascarya in Nurhayati & Wasilah, 2015). The Indonesian Ulama Council (MUI) issued an agreement Number 1 of 2004 stating that the interest charged on loan transactions (*al-qardh*) or debt owed (*al-dayn*), whether carried out by financial institutions, individuals or other laws is haram. The assertion of the illegitimacy of Riba is found in the 4 *Surah* of the

Qur'an and several hadiths with the threat of harsh punishment for violators. In addition, in the view of Islam, property must be a productive and active commodity, which is intended for mutual benefit.

*Masjid* of Jogokariyan Yogyakarta as a national pilot *Masjid* with the level of *Idarah* (good management) made a breakthrough that could become a prototype for other *Masjid* in Indonesia in managing the *Masjid's* funds. Funds of the *Masjid* Jogokariyan, especially *Infaq* and *Shodaqoh*, are managed productively by each bureau under the coordination of the *Masjid's* main board. Fund disbursement is carried out in the form of repairs and rehabilitation of people's homes, educational assistance, and business capital loans in the form of *Qardhul Hasan* (loan) agreement, and etc. This is prioritized for people and residents from the Jogokariyan village with the provisions set by the *Masjid's* committee.

Acceptance, management and distribution of *Masjid* funds are managed by each bureau, and the bureau support each other. *Ta'mir* of *Masjid* Jogokariyan, has the principle of cash balance of zero rupiah every monthly period, so that every bureau always tries to produce activities with the available funds. One form of this productive fund is *Qardhul Hasan* which is a loan without interest and fine so that the funds is free from Riba. This can improve and empower the economy of the community around the *Masjid*, so that Islam as a religion with the concept of "Rahmatan lil Alamin" can be realized properly. This research is a qualitative research with interpretative paradigm, with the type of primary data from *Masjid's* committee and the community in Jogokariyan village. This *Masjid* has a lot of target *Masjid* that are guided in the management of *Masjid* management, which is spread throughout Indonesia, especially on the island of Java. This is a public sector financial prototype that is free from Riba with *Masjid* funds as a source for other *Masjid* in Indonesia.

## 2 LITERATURE REVIEW

### 2.1 Economic Empowerment

The economic development model in the earliest period of Islam includes four dimensions: (1) Motives given for economic activities; (2) institutions that facilitate trade; (3) rules of standard behavior in transaction activities that do not cause harm to the community; and (4) policies applied in achieving the objectives of Islam and justice (Sadr, 2015). Furthermore Sadr (2015) stated that the increase in

economic capital of the Islamic community led to the advancement of science and technology. Social business, social enterprises, stakeholder theory and corporate social responsibility (CSR) are contemporary thoughts and innovations that suggest the world should be diverted from 'selfish' capitalism to 'selfless' social capitalism. However, this is a responsibility that has been embedded and obligatory for Muslims. Prophet Muhammad SAW not only ordered the payment of *Zakat* -which is one of the fundamental pillars of Islam- but also greatly encouraged the practice of *Qardhul Hasan*, and the expenditure of *Sadaqah* and *Waqaf* in an effort to reduce poverty (Mohamad, 2016).

The extraordinary purpose of Islam is the progress of humanity. In the economic field this means focusing on the guidance and growth of human capital (Sadr, 2015). Islamic financial institutions must play a greater role in ensuring social and economic well-being through income distribution and wealth, social justice, an environment of balance and the promotion of economic development in the management of Islamic finance but, the aim is not only to benefit and maintain a challenging environment, but also to serve humanity (Mohamad, 2016). Mohamad (2016) further stated that Islamic social business, encouraging entrepreneurship among the poor, and consequently, can reduce poverty and social inequality. *Masjid* management and committees must be responsible for implementing an appropriate internal control system, which guarantees that *Masjid* funds are properly used and accounted for (Adil, Mohd-sanusi, Jaafar, Khalid, & Aziz, 2013). The existence of an unequal income distribution provides opportunities for social and economic inequality, so that efforts are needed to increase the income of the community, especially the Poor Household (RTM) by processing potential economic power into the real economy by empowering the community's economy, one of which is *Masjid*-based (Erziaty, 2015). Research conducted on 5 *Masjids* in the city of Banjarbaru provides a potential economic picture of the *Masjid* of Rp 112,874,600 or an average of Rp 22,574,920 / *Masjid*. With the funds collected from the ZIS, the *Masjid* acts as a *Baitul maal* which is a financial institution with the main effort is to receive and distribute non-commercial (non-profit) Islamic funds, so that currently the use of ZIS collected at the *Masjid* is more focused on construction and operation of the *Masjid*. Furthermore Erziaty (2015) stated that the potential economic of the *Masjid* should be used not only for the construction of *Masjids* but also can be used for economic development of the people through the



productive economic empowerment of the people which is done selectively and in order to empower the people economy based on masjid the *Masjid* management should take training managerial and technical to form an institution or organization that handles economic empowerment of the people such as *Baitul maal Wat-Tamwil* (BMT) from related institutions, both the cooperative service, *Masjid* management agencies throughout Indonesia through the district / city Ministry of Religion.

## 2.2 Riba

Haniffa dan Hudaib (2010) state that the religious economy of Muslims, especially those related to Riba has been distorted with secular goals as a result of interventions in economic and social events and dynamic interactions with the conventional sector. Every addition taken without a counterweight or substitute (*iwad*) justified by sharia is Riba (Nurhayati & Wasilah, 2015). Furthermore, international and national Islamic institutions have decided since 1965 that bank interest or the like is the same as Riba and illegitimate in sharia (Ascarya, 2007). The Indonesian Ulema Council (MUI) issued a fatwa (Number 1 of 2004) that the interest charged on loan transactions or debts, whether carried out by financial institutions, individuals or other laws is haram (Nurhayati & Wasilah, 2015). According to Qardhawi (2000), the prohibition of Riba in the Qur'an is carried out in 4 stages, namely in QS. 30 verse 39, QS. 4 verse 161, QS. 3 paragraph 130, and QS. 2 verses 278-280.

However according to Ghazaly, Ihsan, & Shidiq (2010) the law on bank interest is classified as an *ijtihad* problem, there are several opinions about the bank interest law, namely: (1). *Muharrimun* (a group that states absolutely illegitimate); (2) groups that forbid if only consumptive; (3) *muhallillun* (the group that justifies); and (4) the group that states that interest is syubhat (not yet certain of its fading and halal). Riba is the second place for transactions that are prohibited by Islam after the goods and services business (Nurhayati & Wasilah, 2015).

## 2.3 Zakat, Infaq, Shodaqoh (ZIS)

*Zakat* in terminology means the activity of giving certain assets that are obliged by Allah in certain numbers and calculations to be handed over to those who are entitled (Nurhayati & Wasilah, 2015). Unlike the voluntary donations/*Shodaqoh*, *Zakat* is an obligation for rich people to issue their wealth to those who are entitled. Furthermore Nurhayati &

Wasilah (2015) revealed that *Zakat* is a Muslim obligation that must be fulfilled and not a right, so it cannot choose to pay or not. The payment of *Zakat* is carried out by the capitalist group, the haul, the conditions and other requirements of the bank that fulfill the *Zakat* mandatory requirements (Wiyono & Maulamin, 2013).

The *Zakat* program plays an important role in improving the standard of living if the program is properly designed and monitored according to the needs of *Zakat* recipients. The steps that must be taken are not only the provision of *Zakat* funds but also to provide the means of education, training and agricultural equipment needed so that the poor (atonominal) improve their standard of living (Mahmud, Hassan, Sohag, & Rafiq, 2014). The main purpose of ZIS is to *maslahat mustahik* and to produce the assets in the business field is the *maslahah* of the people, so producing the legal *Zakat* is *mubah* (Muhith, 2016). Further explained that there were no classical scholars who discussed the issue of crediting *Zakat* assets, but contemporary scholars allowed to credit *Zakat* property so as not to be trapped into Riba practices. The results of the study (Laela, 2010) provide quite encouraging information because the level of efficiency achieved on an average is quite high, above 80%, meaning that the focus of funds allocation of the *Zakat* Management Organization (OPZ) is on the achievement of its programs, not for burden fundraising burden or employee salary. For regulators, the results of this study reflect the need for standards / regulations that govern accounting practices in OPZ, especially regarding the reporting and presentation of financial statements<sup>3</sup> which during this audit is only an appeal as stated in Law No. 38 of 1999 article 5 on the management of *Zakat*.

Since the issuance of Law Number 38 of 1999, the management of *Zakat* has begun towards national professionalism, such as the establishment of the *Zakat* Agency and the Amil *Zakat* Institution. However, the general public still pays *Zakat* traditionally, namely directly to those who have the right to receive or be collected at the *Masjid Zakat* amil so that the *Zakat* is limited to meeting the needs of life or by consumptive. Whereas basically *Zakat* can also increase the economy of *mustahik* (recipient of *Zakat*) by distributing productive *Zakat*, among others in the form of business capital or providing education fees (scholarships) to the poor who can gradually tackle the problems of poverty and social inequality in society. So that it can release them from structural<sup>1</sup> poverty (Mutia & Zahara, 2009). *Zakat* is able to reduce the number of poor families from 84

percent to 74 percent. Then from the aspect of the depth of poverty, *Zakat* also proved to be able to reduce the poverty gap and income gap, as indicated by a decrease in the P1 value from Rp. 540,657.01 to Rp. 410,337.06 and the value I from 0.43 to 0.33. Whereas in terms of the severity of poverty, *Zakat* is also able to reduce the level of poverty which is characterized by a decrease in the Sen Index (P2) from 0.46 to 0.33 and the FGT index value from 0.19 to 0.11 (Beik, 2009).

According to Usli et al. (2013) the provision of productive *Zakat* in the form of business capital has a positive impact on increasing the income of recipients of productive *Zakat*, where there is a difference in income before receiving and after receiving productive *Zakat* capital and an impact on the reduced number of poverty in North Aceh District. Capital assistance from productive *Zakat* funds provides an important role for *mustahik* micro businesses because the majority of *mustahik* do not dare to borrow capital from formal institutions such as banks or cooperatives because of collateral (Wulansari & Setiawan, 2014).

Jalaludin (2012) stated that productive ZIS has a significant effect on the growth of *mustahik* micro-businesses as indicated by the increase in volume / turnover of sales and profits gained. Mahmud et al., (2014) stated that *Zakat* money given to poor people cannot have a significant effect on agricultural production, food and their food security status. It was further stated that the growth of *mustahik* micro business had a significant effect on employment which meant that the more developed/ growing micro *mustahik* business as a result of the additional capital provided from ZIS funds, the absorption of labor also increased Jalaludin (2012).

There is a significant influence between the amount of funds distributed to *mustahik* income, this indicates that the amount of funds (*Zakat*) distributed correctly can affect the income of *mustahik*, in other words the higher the funds distributed, the higher *mustahik* income (Sartika, 2008). *Zakat*, in Islam, is not considered a rich Muslim contribution to poor Muslims, this is rather considered as the right of the poor to the wealth of the rich (Mohamad, 2016).

## 2.4 Rational Choice Theory and Bounded Rationality Theory

Rational choice theory is part of the science of sociology, according to (Weber, 1957). Sociology is a field of scientific study that seeks to understand the social actions with the elaborate and explain the causes of something it was committed. Indeed, the core of sociology is concrete meaning of individual

congenital actions of subjective reasons, and not on the substantial forms of the common life and the value of the objective action. (Weber, 1957) further states that, one's social actions are influenced by the following four factors:

1. Zweck rational, is a social action based on rational human considerations in responding to external conditions (including responses to others outside of themselves in an effort to achieve maximum goals with minimal sacrifice).
2. Wert rational, is also a rational act, but bases itself on the belief in certain absolute values, such as; religious values, ethics and aesthetics or other values believed.
3. Affectual, is a social action that is born from an emotional drive or motivation, such as an urge to anger someone, or an action based on a sense of love, affection and the like.
4. Traditional, is a social action that relates to the orientation or impulse of the past tradition, which is considered noble and based on normative laws that are the agreement of the community.

Boudon (2012) states that rational choice theory has six postulates, namely: (1) every social phenomenon is a result of one's choices, behavior, attitudes, etc. (2) behavior can be understood. The first postulate shows that the social phenomena of various personal aspects, which are different, while second postulates explain that the phenomenon of events that can be understood. Third postulates is postulates that underlie the word rational, namely (3) behaviors that arise as a result of reasons that are in mind. The postulate based on statement (4) reasons for being based on the convenience of the choice. While the postulate relates to the previous postulate, namely (5) the assessment of the consequences that will be felt by individuals who take results (egoism). While the last postulate states that (6) the individual will take the most beneficial choice for him.

Bounded Rationality Theory reveals the theory of shackled rationality states that individual rationality is limited by the information that is possessed, the limitations of cognitive abilities, and the amount of time available to perform actions or decisions (Weber, 1957). The limited substance of rationality is human limitations in managing information and solving problems (Wayland in Firmansyah, Suman, & Susilo, 2013) which is used in determining actions in life, because humans as decision makers face limited information, attention and information processing capabilities.

Another understanding is that it is very small compared to the size of the problem and the solution,

or in other words there is an individual's inability to extract information (Keiber, 2008 in Firmansyah et al., 2013). Furthermore, Firmansyah et al. (2013) stated that humans are faced with the complexity of information and the limitations of cognition in processing information so that they decide on the way of limited rationality of each decision. Dequech (2014) states that the idea is bound to a number of goals, which might be contradictory. Alternative choices for pursuing goals are decision makers, so that there are limits to the decision maker's mental capacity compared to environmental complexity in decision making, so that the various decision-makers' limitations are "satisfying" rather than optimizing strategies, looking for solutions that are "good enough" provide several levels of aspiration.

### 3 METHODOLOGY

#### 3.1 Research Methodology

This study uses a qualitative method with an explorative interpretative paradigm. A qualitative approach can increase understanding broadly and openly, and be able to understand the behaviors, beliefs, and assumptions that are built (Sugiyanto et al., 2017). Qualitative research is a research method that emphasizes deeper aspects of understanding a problem rather than looking at the problem as a

source for research and usually tends to use independent interviews in analytical techniques (Muhyiddin, Tarmizi, & Yulianita, 2017). The process carried out in this study is to conduct exploratory interviews with *takmir Masjid*s, especially treasurers of *Masjids*, and amil *Zakat* as well as the people who receive the productive *Masjid* funds. Indepth interviews were carried out by documenting video interviews, and recording devices. Information analysis is carried out by direct observation of phenomena that occur in the object of research. The interpretation process is done by reducing research data that has been recorded through video and recording devices. The final step is to infer the results of the study by using Rational Choice Theory and Bounded Rationality Theory based on the understanding of the object under study. The object of this research is a national pilot *Masjid* with the level of *idarah* (good management) namely the Jogokariyan Yogyakarta *Masjid*, with a scope consisting of *takmir Masjid*s and people who receive direct impact from the productive distribution of *Masjid* funds.

The analytical technique used is triangulation which is a data validity checking technique that utilizes something else in comparing the results of interviews with research objects (Moleong, 2004). Furthermore, according to (Nasution, 2009) in addition to checking the correctness of the data triangulation was also conducted to enrich the data.



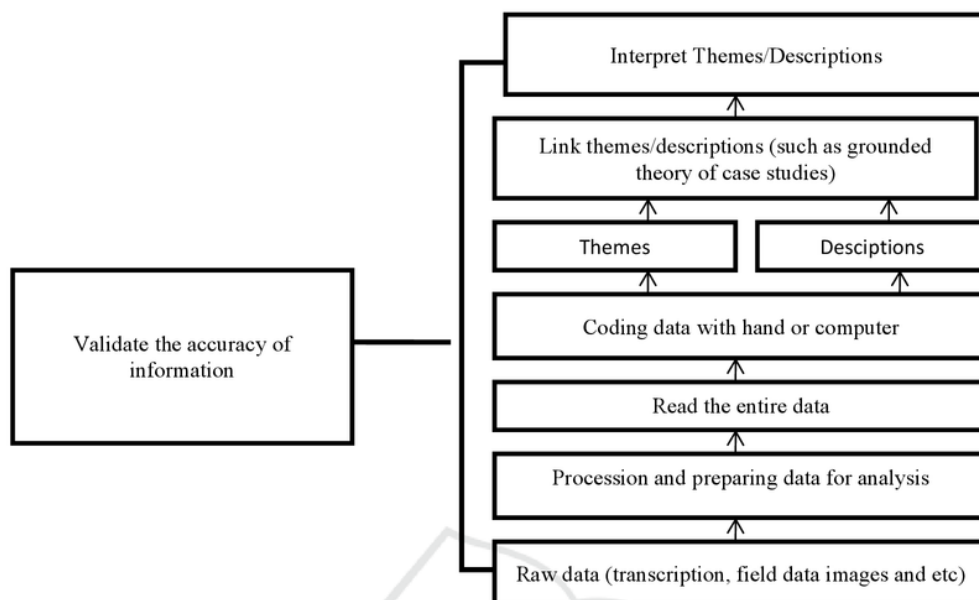


Figure 1: Data Analysis in Qualitative Research

(Source: Creswell, 2015)

Data validation for the accuracy of information is done by processing and preparing data for analysis, so that the entire data can be read, then coding the data is done to determine the theme or description. Furthermore, the theme or description will be linked so that it can interpret the theme or description of the research into existing theories.

## 4 FINDINGS

### 4.1 Background

Jogokariyan *Masjid* is a *Masjid* that located in the village of Jogokariyan, Mantrijeron, Yogyakarta. This *Masjid* with a capacity of 1000 *jama'ah*, was established in 1967 and later turned into a *Masjid* with the prosperity of its congregation which began in 2005 until it finally became a national pilot *Masjid* with a level of *idarah* 10 years later. This *Masjid* activity in the last two years includes; *Ramadhan* village, procurement of pilot *Masjid* contests, pilgrims' houses, *youth Masjid* activities, village coverage, community empowerment through waste

banks, disaster relief programs to Aleppo, *Tabligh Akbar*, assistance to *Masjids* in need, providing capital loans through *Qardhul Hasan* and others "Nearly 100 *Masjids* are assisted, there are rehab bathrooms for pilgrims here, homes that are not suitable for habitation" (Source: Supri, 2 August 2018).

This *Masjid* has a lot of built *Masjids* scattered in Indonesia, especially on the island of Java. On July 29, 2018, the enumerator saw dozens of *takmir Masjid*s from 6 *Masjids* in Java learning about *Masjid* management at the *Masjid* Jogokariyan. The *Masjid* management training activities are routinely carried out by the Yogyakarta Jogokariyan *Masjid* every Sunday morning. For *Masjids* outside Java, the *Masjid* trainers are usually invited directly by the *Masjid* concerned. The principle of the *takmir* of this *Masjid* is if the market is crowded the *Masjid* will be quiet but if the *Masjid* is crowded it will create a market around the *Masjid* (Source: Eid al-Fitr Bulletin, Jogokariyan *Masjid* Yogyakarta 1438 H / 2017 M). To enliven the *Masjid*, the *takmir Masjid* makes *Masjid* bureaus which provide services to the *jama'ah* and residents around the *Masjid*, "the *Masjid* provides services to the community in various fields,

so the *Masjid* is crowded" (Source: Tedjo, July 29 2018).

## 4.2 Masjid Funds Management

The largest source of funds for the masjid was obtained from the Infaq of jama'ah. This masjid has various kinds of Infaq boxes, managed by each bureau that is responsible to takmir masjids. For example, the parking and security bureau has a parking Infaq box, whose income is used to pay 5 employees at this bureau. Apart from ZIS funds, the Jogokariyan Masjid also has its own business, namely the Masjid's hotel (suffah) which is intended only for Masjid's Guests who want to visit the Masjid. Based on the Masjid financial report presented in the Eid al-Fitr of Masjid Jogokariyan Bulletin, the suffah receives a minimum income of Rp. 15,000,000, per month. At Ramadhan, Masjid also experience income from lease a land for marketing products of companies, such as land leases made by Grab in Ramadhan 1439 H / 2018 M. "Grab in Ramadhan just posted banners here, they want to give 30 million" (Source: Tedjo, 29 July 2018). In addition to Mr. Tedjo, Supri, one of the security officers," Grab, i heard it was 19 million, but that's the news, but takjil was 2500 portions per day and it is averaged price worth Rp 9000, during Ramadhan, budgeting estimated were 536 million, but the entry was around 1 billion" (Source: Supri, 2 August 2018).

Uniquely, the Masjid's cash balance is almost always close to 0. This Masjid has the term of third treasurer, namely takmir masjid who are volunteers for Masjid and they are ready to close the masjid's shortage of funds when the Masjid requires funding. "During 2000 to 2004 our cash balance were 0, why? Because our Infaq base was only Friday Infaq approximately Rp 200.000, however our activities required more than Rp 200.000. So at that time, the deficiency covered by the third treasurer. Third treasurer is treasurer that who doesn't hold the Masjid money but personally ready to cover up the deficiency of the funds. So the balance was 0, it should be minus but covered by regular donors that is third treasurer" (Source: Ust Haryanto, Thursday 9 November 2017). The sense of belonging to this Masjid is not only limited to takmir masjid but also to the community of Jogokariyan village. "PKK members here forms 30 groups per day (ramadhan times). Later, we will give around 11-13 million to 2500 servings, enough for side dishes and vegetables. Rice will be prepared, we contract 3 employees to cook the rice. Each group consist of around 15 to 20 people. They will also still need to covered up around

50 to 100 thousands rupiahs if the funds from masjid still lacking" (Source: Haryanto, July 29 2018).

Ustadz Tedjo when giving material for Masjid management training to the takmir of 6 Masjids who visited the Masjid had given the example of Masjid Jogokariyan's flow of funds, started from budgeting, management and allocation of the funds. "For example, toward ramadhan 2 years ago, we spent the funds for Ramadhan preparation, that was hundreds of million. Remaining 40 million, then we have a program, jama'ah's house rehabilitation, because there are still number of houses that need to be repaired. But after Ramadhan we still earned 1,1 billion. In this years, during ramadhan, we also spent the funds for the house rehabilitation. 2 years ago, the number of houses were 8, in this years, we have 20 houses to be repaired. The funds used this year are greater indeed, but we also earned 3,3 billion this year, one of the most fantastic earn we ever had. In every day, we serve 2500 to 3000 portion of takjil, during that month, we budgeted the funds around 500 million, so in a day we serve 2000 portion. Then in 1438 H, we budgeted Rp 345.000.000 and we earned Rp 650.000.000, in this year, we budgeted Rp 536.000.000 and we earned 1,1 Billion in return. With this facts, we consider to increase the portion of the takjil every year, last year, we served 2000 portion, in the following year, we increase it to 2500 portion, and so on" (Source: Tedjo, 29 Juli 2018). One of the most interesting movements in this Masjid is the independent jama'ah movement, where masjid calculate the masjid's operational cost (utility cost) in a month then it is reduced to cost/day then divided again to 5 times, compared to the total capacity of the masjid. So we finally met to the value of Rp 1.100/person/5 prayer times" (Source: Eid Al-Fitr Bulletin of Masjid Jogokariyan, Yogyakarta 1438 H/ 2017 M).

## 4.3 Qardhul Hasan

*Qardhul Hasan* that means good loan is one of the unique form in innovation from the distribution of ZIS funds obtained in this *Masjid*. The distribution of ZIS funds either direct funding or *Qardhul Hasan* is managed by *Baitul Maal*. "Farhan: Who give the funds for the people, in the form of loan? Tedjo: oh, that is *Baitul Maal*" (Source: Tedjo, 31 July 2018). Jogokariyan *Masjid* have programs in economic empowerment around the community, for example, hiring people in community around *masjid* for *masjid* activities and provide business capital assistance, as in the interview results of the researcher with Ustadz Haryanto. "Here, we have business capital assistance



through *Qardhul Hasan*. That is *sumnah* to return the loan" (Source: Haryanto, 9 November 2017). This was confirmed by the person who obtained funding from Qardhul Hasan "Instead, if the capital is lacking, the tool is lacking, *masjid* will provide it, table, chair, or else, *masjid* will provide them" (Source: Pak Tum, 2 August 2018). Furthermore Pak Tum stated that almost every poor people in Jogokariyan Village will be given capital assistance in the form of Qardhul Hasan, one of them is the clothing store in the front of *masjid*.

Total aid is approximately Rp. 500,000, - up to Rp. 2,000,000, - per person in cash or goods. "Well it is vary, between 500 to 2 million per person, or we even bought motorbikes for those who need it, like Sugeng (receiver of the aid)" (Source: Haryanto, 1 August 2018). Author also conducted interviews with those who received capital assistance in the form of goods, namely Sugeng and Afik. "This has been several times, but in the form of a motorcycle ... recently ... it was bought directly, I was asked to choose which one for me to grab," (Source: Sugeng, 2 August 2018). "Directly (the institution transfer the good) ... which type of machine I choose? one or two years of instalment periode? I choose 2 years ... then they bought me the motorcycle ... the price is 1 million 800 hundred ... It is up to me when I have to return the money ..." (Source: Afik, August 3, 2018).

The understanding of takmir *masjid* about illicit of Riba is very well. It can be seen from the capital relief provided by through of Qardhul Hasan contract, which is sourced from ZIS without interest or penalties if there is a delay in payment. This was stated by the recipient of Qardhul Hasan who could be interviewed by the author namely: Afik (Laundry Suffah), Sugeng (Motor Motorbike) and Mr. Tum (food seller). During the observation process, researchers have interviewed Mr. Agus who has received 2 times assistance from Qardhul Hasan's funds, but has not paid one installment or returned the loan "Yes ... Mr. Agus Tirto (Uncle Athok) ... turns out 2 times? I just don't know (like the mosque takmir) ... it turns out it's been re-helped ... but it's only a maximum of 2 times ... later if you want to get the third. ... we have to prioritize the others first (loans) ..." (Source: Haryanto, 3 August 2018).

#### 4.4 Riba

The Effort of zero rupiahs on *masjid* funds, seems to be quite difficult to perform because there are large amount of funds comes, even though the distribution has been maximized. As a form of prudence on these funds, the bureau managers keep

the excess of funds in different financial institutions because each bureau is trusted to manage its own blue funds. Considering that the consensus of *ijmak ulama fiqh* which states that bank interest is classified as Riba, there is a possibility that mosque funds are not completely clean from the influence of Riba "Enumerator: is there any excess in funds at Baitul Maal ?; Tedjo: excess funds? That is household funds, if it is excess, it seems as if it belongs; Enumerator: yes, the point is, maybe at that time it hasn't been given to people... that has the right. Now where is the money saved? ; Tedjo: it's at ... BPR syariah (Islamic Micro Bank), but the report is recorded; Enumerator: yeah ... yeah ... so it's really different, bro, every bureau is really different in placing the fund; Haryanto: I am placing the fund at BMT (Islamic Micro Finance Institution), BMT Bina Ihsanul Fikri; Tedjo: Depends on who is holding it, first at BMT, now at the BPR that was held by Baitul Maal "(Source: Tedjo and Haryanto, 31 July 2018).

#### 4.5 Other Community Economic Empowerment

*Masjid* Jogokariyan has many employees and volunteers. Employees are paid salaries per month by every *masjid* bureau, while volunteers are those who work for *masjid* without doubt, and in the end each bureau will set aside a little wage money for them. Employees receive a minimum wage from the value of the Yogyakarta Regional Minimum Wage (UMR), as stated by Agung, an employee of the Suffah mosque bureau "Agung: yes we are willing to be paid if put here above UMR. per bureau, so per the bureau here, there is a parking bureau, there is a suffah bureaus; Ms X: how the wages?; Enumerator: UMR?; Agung: yes ... here is given UMR, the value is still around Rp. 1,600,000. It's still small, just the principle, with UMR like this it's pretty good "(Source: Agung, August 3, 2018).

When the enumerator conducts research at dawn, *masjid* provides breakfast to his congregation and enumerators record this incident. This was confirmed in an interview with Haryanto. "Now the lontong, *masjid* buys from the congregation to be distributed. Average price is Rp. 7,000, - multiply 600 people usually" (Source: Haryanto, July 29, 2018). Apparently this is a routine activity carried out by the *masjid* every sunday morning, considering that day the *masjid* is always visited by guests from outside the city. Another unique is that during Ramadhan where the road access in the Jogokariyan village area was closed from after the Ashar prayer congregation until nearing Isha prayer, the congregation was due to

the Jogokariyan village market. Almost all citizens participating in the market are no exception non-Muslim communities in the village of Jogokariyan "Enumerators: I mean....that non-Muslims also sell here?; Agung: yes, they are selling.....from the end there to the other end, that's what is special, please sell but use Muslim clothing "(Source: Agung, 3 August 2018). This is justified by Supri (security) and Pak Tum who sell in at the *masjid* area "Enumerator: here are all Muslim residents, sir or are there any non muslim?; Supri: there are a lot of non muslim.....yes we understand each other, tolerance, there's no problem; Pak Tum: yes, there is no one here who is offended, no ordinary (Source: Mr. Tum and Supri, August 2, 2018).

#### 4.6 Meanings of Masjid Fund Management

The strong will of the takmirs in restoring *masjid* functions like at the time of the Prophet Muhammad PBUH as the center of all muslim activities drives the takmirs make activities, movements, or services aimed at *masjid* prospering. Movements, steps, activities and services carried out by the takmir *masjid* jogokariyan in realizing the above are as follows:

1. The 0 rupiahs movement on mosque funds, so that *masjid* always innovate to the maximum in providing services
2. This *masjid* has a "treasurer 3", which is people who are ready to cover the shortage of *masjid* fees.
3. This *masjid* has an independent jama'ah movement, where the congregation will carry out of operational expense of *masjid* in the amount of Rp. 1,100, - every prayer time together.
4. In maximizing services, the *masjid* forms bureaus under the coordination of takmir such as parking and security bureau, polyclinic bureau, publication bureau, and suffah bureau (lodging).
5. Each bureau has an account, so that each bureau manages its own funds. But each bureau supports each other if there is a bureau that lacks funds in paying for bureau operations

Above illustrates that the management of the *masjid* Jogokariyan Yogyakarta is carried out in mutual cooperation and with high enthusiasm to carry out the Islamic Shari'a and prosper the *masjid*, we can interpret this picture with rational choice theory which according to Weber (1957) states that a person's social actions are influenced by four factors: Zweck rational, Wert rational, Affectual, and Traditional. The behavior of the manager of the

*masjid* Jogokariyan Yogyakarta above can be interpreted as a social action which is influenced by the rational Wert factor, which is a rational action, but bases itself on the belief in certain absolute values, namely religious values

#### 4.7 Meanings of Qardhl Hasan

One of efforts to improve the prosperity of the community, *masjid* jogokariyan Yogyakarta provided capital assistance in Qardhl Hasan's contract to the poor who came from ZIS funds that were productive. Capital assistance provided can be in the form of money or goods without interest, installment time, fines, and no funds, which can be interpreted as *masjid* Jogokariyan Yogyakarta to improve the living standards of surrounding community only by helping them to fulfill their needs but also multiplying the entrepreneurial potential of community so can be independent, self the rational choice theory viewpoint that is carried out by rational factors by the rational Zweck factor, is a social action that is based on rational human considerations in responding to external conditions (including responses to others outside of themselves in an effort to achieve maximum goals with minimal sacrifice).

#### 4.8 Meanings of Riba

There is no action of riba on Qardhl Hasan's contract because there are no penalties if it occurs in payment, there is no charge for it, and applies to it is "sunnah" to recover. This is based on the rational Wert factor because the funds of Qardhl Hasan's contract come from produced ZIS funds, the factors that are influenced by the existing feelings and factors, and also rational factors such as prosperity are more important than pension funds so the law "sunnah" to be left so that the congregation will remain in congregation without any guarantee for the loan.

The results of interview turned out to be the *masjid* Jogokariyan and still have the remaining funds stored in the bank. This can be explained using the rational choice theory (Bationed Rationality Theory) and the Bounded Rationality Theory, which is in one factor of four factors in rational choice theory. Weber (1957), namely: zweck rational, is a social action based on rational human consideration in responding to external conditions (including responses to others outside of himself in an effort to achieve maximum goals with minimal sacrifice). Why do you still save the remaining funds in the bank?, from the above theory can be explained that



the actor performs rational action by reducing the risk that is there because the bank is considered safer to save the remaining funds. Next question is why choose Islamic banks? The answer to that question can be explained by: wert rational, rational action, but basing itself on the belief in certain absolute values, such as; religious values, ethics and aesthetics or other values believed. From the above theory it can be explained that in the object of *masjid* Jogokariyan, the actor thinks rationally in determining his choice where the rational choice is based on the belief of religious values as one of the ways to avoid *riba*.

#### 4.9 Meaning of Economic Empowerment of Other Communities

*Masjid* carry out empowerment and economic improvement, directly or indirectly, among others:

1. *Masjid* Jogokariyan has many salaried employees above the Yogyakarta City UMR, which is above Rp. 1,600,000, - per person,
2. Early morning breakfast on Sunday was provided the congregation or residents of the village of Jogokariyan. The amount given to the congregation usually reaches 600 even more with an average error of Rp. 7,000 per serving
3. The Bedug Market in Ramadan powder in Jogokariyan village starts from after Ashar until nearly Isha<sup>1</sup>, and this activity causes the access to Jogokariyan village to be closed during this period. Almost all people enter the market without exception (muslim or non-Muslim) of people who live in the village.

From the above it can be interpreted that *masjid* Jogokariyan Yogyakarta has a level of prosperity and management of *masjid*. This effects not only for the jamaah internally but also the community around the *masjid*, not only as a center of worship but also as a center of community activities. The behavior is modeled on what carried out by the Messenger of Allah SAW in the heyday of Islam where the *masjid* was the center of government and the economy of the society. From the viewpoint of rational choice theory, this behavior is based on (beside traditional factors) a social action related to the orientation or impulse of the past tradition, which is considered noble. Its is also based on the law normative as a community agreement.

## 5 CONCLUSION

Rational Choice Theory and Bounded Rationality Theory are the basic action of the *takmir* of *masjid* Jogokariyan Yogyakarta in prospering the *masjid*. Wert Rational in an effort to increase the number of congregation through activity, movements and service for the community. The distribution of ZIS fund explains the influential concepts (a sense of care for other, especially the poor) from the reseach object. The Zweck Rational explain the function of Qardhl Hasan's loan in maintaining the integrity of congregation in the *masjid*. In addition there are also a traditional factors in which belonging to the *masjid* makes the community of Jogokariyan working together in all the activities of the *masjid*. All points above the main factors are based on religious factors (Wert rational).

Restoring *masjid* functions like the time of the Prophet Muhammad PBUH was the best solution in all fields, especially in the economic field, where the *masjid* funds are obtained from the ZIS funds which use not only for *masjid* operations but also for the poor in the form; consumptive, especially productive ZIS (through Qardhl Hasan agreement). A crowded and prosperous *masjid* will create a market within the *masjid*, this is evidenced by the number of traders when the *masjid* Jogokariyan holds a major event mainly on the *bedug ramadhan* market for a full month. What has been done by the *masjid* Jogokariyan in Yogyakarta is the best prototype for other *masjid* in terms of public sector finance without *riba* either directly or indirectly.

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