


Management of Educational Philanthropic Institutions in LAZISMU Yogyakarta: A Comprehensive Analysis

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Article Info	Abstract
<p>Article history: Received: 06/09/2023 Revised: 06/16/2023 Accepted: 06/25/2023</p>	<p>Purpose – The purpose of this research is to explore the management and operation of educational philanthropic institutions within LAZISMU, Yogyakarta, focusing on fund management and distribution to the community. It also aims to investigate LAZISMU's historical background, mission, principles, and its role in addressing socio-economic challenges in Indonesia.</p>
<p>Keywords: <i>Educational Philanthropy, LAZISMU, Zakat Institution Management</i></p>	<p>Design/methods– The study employed a qualitative research approach, conducted as a field study at LAZISMU's premises in Yogyakarta. A descriptive research design was used to depict the current state and activities at LAZISMU. Data collection methods included observation, interviews, and documentation, ensuring comprehensive and authentic insights. The primary data collection occurred on March 20, 2023, at LAZISMU's office, with Mr. Nugroho as the key informant.</p> <p>Findings – The study reveals the historical background of LAZISMU, its mission, principles, and its crucial role in addressing socio-economic challenges in Indonesia. LAZISMU is recognized as a national-level zakat institution, founded in 2002 by the Central Board of Muhammadiyah and reaffirmed through various legal decrees. It operates with a commitment to professionalism, transparency, and innovation, with a focus on six pillars covering various aspects of socio-economic development. These pillars encompass social, humanitarian, health, education, economic, and environmental dimensions. LAZISMU's inclusive approach, involving collaboration with government, individuals, and banks, has contributed to its effectiveness. The study also highlights LAZISMU's role in promoting digital literacy and ethics in Islamic education.</p> <p>Research implications/limitations – Implications include the need for curriculum integration of digital literacy and ethics in Islamic education, as well as the importance of adapting to the digital era responsibly. However, the study's limitation lies in its focus on a single institution, which may affect the generalizability of the findings. Future research should extend to multiple Islamic educational settings and consider longitudinal studies to provide a more comprehensive understanding of the impact of digitalization on Islamic education, encompassing traditional teaching methodologies and spiritual development.</p> <p>Practical implications – Practical implications include the potential for other educational philanthropic institutions to learn from LAZISMU's successful practices in fund management, transparency, and collaboration with various stakeholders. It also underscores the importance of integrating digital literacy into Islamic education curricula to prepare students for the digital era.</p> <p>Originality/value – This research contributes to the existing body of knowledge by providing insights into the management of educational philanthropic institutions within LAZISMU, Yogyakarta, and its role in promoting digital literacy in Islamic education. It offers valuable information for academics, policymakers, and educational institutions interested in philanthropic initiatives and the adaptation of Islamic education to the digital age.</p> <div style="display: flex; align-items: center; margin-top: 10px;">  <p>© 2023 by the authors. It was submitted for possible open-access publication under the terms and conditions of the Creative Commons Attribution (CC BY NC) license (http://creativecommons.org/licenses/by/4.0/).</p> </div>

Introduction

Education, recognized universally as a foundational element for national advancement, extends beyond the confines of traditional learning environments. It manifests across a diverse array of platforms, including less formal educational settings, which play a crucial role in shaping societies (Futaqi & Imam Machali, 2019). In countries like Indonesia, these alternative educational avenues are pivotal in accelerating human resource development, a process in which philanthropic institutions play a substantial supportive role. These institutions, varied in their names and operational scopes, operate under both government and private sectors. Their endeavors are multifaceted, encompassing economic, environmental, social, cultural, and educational spheres, thereby contributing holistically to societal upliftment (Latief, 2016).

The significance of Islamic philanthropic institutions in the realm of education and empowerment is profound, with a rich history dating back to the early Islamic era. This historical legacy is particularly evident in the intricate network of Middle Eastern scholarly and philanthropic endeavors. Such networks have played a pivotal role in the establishment and growth of various educational institutions, highlighting the integral role of charity in educational development. In Indonesia, the philanthropic organization LAZISMU has emerged as a notable entity. It distinguishes itself by effectively channeling funds such as zakat, infak, and other social donations towards the empowerment of communities and alleviation of poverty (Utami, 2023). This trend of philanthropy in Indonesia mirrors global movements in various sectors, including plastic surgery, child welfare, land conservation, business education, impact investing, and the sustainability of higher education. These global trends, reflected in works by Boychuk et al. (2021), Fovargue et al. (2019), McLaren (2020), Rohayati et al. (2022) and Simon et al. (2023), underline the expansive reach and impact of philanthropy across different fields and communities.

Despite its critical role in the development of societies, the management aspects of philanthropy, especially in educational contexts, remain under-researched and poorly understood. This knowledge gap is evident in the limited exploration of philanthropy's role in addressing exclusion within medical education Morsy (2023), and the challenges faced in scaling philanthropic models across diverse settings (Sahasranamam & Mitra, 2019). Moreover, evolving perspectives on corporate social responsibility in countries like Nigeria Okaro & Okafor (2021), along with the strategic importance of philanthropy in the field of STEM education Even-Zahav (2019), further underscore the necessity for a more in-depth investigation into the management of philanthropic initiatives in educational settings.

This research, therefore, is poised to scrutinize the management practices of LAZISMU, a prominent educational philanthropic institution based in Yogyakarta. It will focus specifically on the intricacies of fund management and distribution to the community. The objective is to provide a nuanced understanding of philanthropic management within educational frameworks, seeking to address the existing gaps in literature and knowledge. By doing so, the study aims to offer valuable insights that could enhance the efficiency and effectiveness of philanthropic endeavors in the educational sector.

Methods

This study adopted a qualitative research approach to accurately capture narrative data pertinent to the management and operation of LAZISMU, a philanthropic educational institution in Yogyakarta (Aan Komariah et al., 2009). Conducted as a field study, data were collected directly from LAZISMU's premises in Yogyakarta (Abdullrahmat, 2006). Employing a descriptive research design, the study aimed to depict current situations and events at LAZISMU (Suryabrata Suamdi, 2008). Data collection methods included observation, interviews, and documentation, ensuring a comprehensive and authentic understanding of the

subject. Primary data collection was carried out on March 20 2023 at the LAZISMU Yogyakarta office by interviewing the DIY LAZISMU secretary.

Results

1. Profile of LAZISMU Yogyakarta City

a. History

LAZISMU is a national-level zakat institution that serves in empowering communities through the productive utilization of zakat, infaq, waqf, and religious donations (ZISKA) from individuals, organizations, companies, and other institutions. LAZISMU was founded in 2002 by the Central Board of Muhammadiyah and was later recognized by the Minister of Religious Affairs of the Republic of Indonesia as the National Zakat Collector Institution through Decree No. 457 on November 21, 2002. With the enactment of Zakat Law No. 23 of 2011, Government Regulation No. 14 of 2014, and the Minister of Religious Affairs Decree No. 333 of 2015, LAZISMU as a national zakat collector institution was reaffirmed through the Minister of Religious Affairs Decree No. 730 of 2016.

LAZISMU Yogyakarta City was initially established in 2017 by the regional administrators of Muhammadiyah in Yogyakarta City. In the establishment process, Muhammadiyah regional administrators requested guidance and instructions from the Baznas (National Zakat Board) of Yogyakarta City on the requirements for establishing LAZISMU. Subsequently, Baznas directed the regional administrators to obtain a decree from the Minister of Religious Affairs. Eventually, the Ministry of Religious Affairs issued a decree recognizing the establishment of LAZISMU Yogyakarta City as a regional branch.

The establishment of LAZISMU is motivated by two factors. First, Indonesia's widespread poverty, ignorance, and very low human development index, all of which are exacerbated by a weak social justice system. This has a significant impact on various aspects of society, including educational institutions. Second, zakat is believed to contribute to social justice, human development, and poverty alleviation. As the world's most populous Muslim country, Indonesia has a considerable potential for zakat, infaq, and waqf. However, this potential has not been fully managed and utilized, thus failing to make a significant impact on addressing existing issues.

The establishment of LAZISMU aims to create a modern and contemporary institution for zakat management and administration. It strives to bridge the developmental challenges faced by the community. With a culture of trustworthiness, professionalism, and transparency, LAZISMU seeks to become a trusted zakat institution. Over time, public trust continues to strengthen. With a spirit of creativity and innovation, LAZISMU constantly develops empowerment programs to address evolving social challenges.

b. Vision and Mission

LAZISMU Yogyakarta City is an institution dedicated to empowering communities through the productive utilization of zakat, infaq, shodaqoh, and religious donations from individuals, organizations, companies, and other institutions. Its vision is derived from the central LAZISMU vision, which is to become a Trusted Zakat Collector Institution. This means that it should be an institution valued for its humanitarian values and service to the community, earning the trust of the public due to its significant impact on society. To support this vision, LAZISMU has the following missions:

First, Optimize the management of ZISKA that is trustworthy, professional, and transparent. Trustworthy, professional, and reliable because an annual financial audit is conducted by an external institution, namely the KAP (Financial Audit Institution). LAZISMU Yogyakarta City has been awarded an Unqualified Opinion (WTP) predicate. In addition to

financial audits, there is also a Sharia audit conducted by the Ministry of Religious Affairs (Kemenag). The collection of funds will be traced to its sources, and their allocation must adhere to predefined rules, including the distribution among the eight ashnaf categories. One of these ashnaf is the amil. From zakat, a maximum of 12.5% is allocated to the amil, and from infaq, a maximum of 20% is allocated to the amil. These funds for the amil are used for office operations, office supplies, meetings, and employee salaries.

Second, Optimize the utilization of ZISKA in a creative, innovative, and productive manner. As a Creative, Innovative, and Productive institution, LAZISMU Yogyakarta City has six pillars, including the following; Social Dakwah Pillar (Aimed at the welfare of orphans, assisting in mosque construction, funding for city preachers, and more), Humanitarian Pillar (Includes the AmbulanMu program, providing free ambulances for those in need from LAZISMU. It also offers assistance in disaster relief. In this pillar, LAZISMU Yogyakarta City has assisted victims of disasters such as Covid-19, Cianjur disaster, Mount Semeru eruption, and the Turkey disaster), Health Pillar (Supports the community in medical treatment and medical care, especially for those who cannot afford it), Education Pillar (Encompasses various educational programs, including scholarships such as "Beasiswa Mentari" and "Beasiswa Sang Surya," "Save Our School," and "Bakti Guru" (Teacher's Service)), Economic Pillar (Focuses on nurturing Micro, Small, and Medium Enterprises (UMKM) through training, mentoring, and providing capital. LAZISMU Yogyakarta City has mentored 22 UMKMs in 2022. This program also collaborates with the Department of Trade and Industry (Disperindag). During the month of Ramadan, a "Pasar Ramadhan" program is organized at the Kebun Dakwah Muhammadiyah), Environmental Pillar (Involves green initiatives and the Kebun Dakwah Muhammadiyah program on Nitikan Baru Street, Umbulharho District, Yogyakarta City, which serves as an educational center, destination, and laboratory. This location also serves as a space for UMKMs). Third, Optimize donor services. Engage donors from various backgrounds and collaborate with different entities, making the institution inclusive and efficient.

c. Objectives

LAZISMU embraces all parties, so donors come not only from the Muhammadiyah community but also from various institutions and other groups. In the implementation of the Muhammadiyah Dakwah Garden, LAZISMU is supported by people from the government, institutions, individuals, and collaborates with banks in providing tents for micro, small, and medium-sized enterprises (UMKM).

The objectives of LAZISMU include improving the effectiveness and efficiency of managing zakat funds, increasing the benefits of zakat funds for the welfare of society and poverty alleviation, and enhancing the economic capabilities of the community through the empowerment of productive businesses.

d. Principles

LAZISMU operates based on principles of trustworthiness, transparency, progressiveness, professionalism, and service.

2. Funding Sources and Management

LAZISMU Yogyakarta City as a modern management philanthropic institution that can delivering zakat is part of solving the problem (problem solver) social community by collecting funds from various sources including Muhammadiyah members, 46 service offices from 13 Muhammadiyah branch leaders (most of which are located in schools), and other sources. The funds collected are managed by the board in accordance with the financial guidelines of the central organization. An annual work meeting involving 46 service offices was held to plan the Annual Work Plan and Budget (RKAT). Funds are allocated to eight ashnaf categories before being distributed to the six pillars.

Discussion

In discussing the management of educational philanthropy at LAZISMU Kota Yogyakarta, it's crucial to contextualize the findings within the broader spectrum of philanthropic endeavors in education. LAZISMU's focus on scholarship programs aligns with global trends where philanthropic organizations increasingly contribute to educational equity and quality (Carney & O'Shea, 2020; Fedorova et al., 2023). This approach, while reflective of traditional philanthropic values (Okaro & Okafor, 2021), also resonates with the strategic, transformative potential of philanthropy in education as suggested by (Dale et al., 2020; Sahasranamam & Mitra, 2019).

The research findings reveal that LAZISMU Kota Yogyakarta's management and fund distribution strategies are multifaceted, involving planning, organization, execution, and monitoring, akin to the comprehensive strategies observed in other philanthropic institutions (Avelar, 2022; Kessler et al., 2020). Notably, the emphasis on strategic partnerships and community engagement mirrors the approach of the Jonas Scholars Program (Carter et al., 2020) and aligns with the transformative agenda in philanthropy education as proposed by (Mirabella & Nguyen, 2019).

The integration of various operational aspects in LAZISMU's approach, from planning to execution and monitoring, demonstrates a nuanced understanding of philanthropic management. This aligns with the holistic approach observed in philanthropic endeavors globally, where success hinges on multifaceted and adaptive strategies (Henkhaus et al., 2020; Morsy, 2023). Moreover, the emphasis on accountability and transparency resonates with contemporary philanthropic paradigms that prioritize trust and credibility (Rohayati et al., 2022).

The implications of these findings are manifold. Firstly, they underscore the potential of philanthropic institutions like LAZISMU in addressing educational disparities. This aligns with global efforts towards sustainable educational development (Even-Zahav, 2019; Pohl, 2022). Furthermore, the strategic management of resources and partnerships at LAZISMU highlights the critical role of philanthropy in complementing governmental efforts in education (Carney & O'Shea, 2020; Sahasranamam & Mitra, 2019).

In conclusion, LAZISMU Kota Yogyakarta exemplifies a modern approach to philanthropy in education, emphasizing strategic management, partnership, and community engagement. This study contributes to the understanding of philanthropic practices in education, offering insights for policymakers and practitioners aiming to leverage philanthropy for educational advancement and societal growth.

Conclusion

This study aimed to explore the management and operation of educational philanthropic institutions at LAZISMU Kota Yogyakarta, focusing on their fund management and distribution to the community. The findings revealed that LAZISMU plays a critical role in empowering the community through well-structured and transparent management of zakat, infaq, and other charitable funds, aligning with contemporary approaches in philanthropy (Amanah et al., 2022). These efforts are significant in addressing educational disparities and supporting community development.

However, the study faces limitations in its scope, primarily focusing on a single institution, suggesting a need for broader research encompassing multiple philanthropic organizations for a more comprehensive understanding. Further research should explore comparative analyses of philanthropic approaches across different regions and institutions to gain a deeper insight into the effectiveness of various management strategies in philanthropy.

The implications of this study are far-reaching, particularly for policymakers and practitioners in the philanthropic sector. It highlights the importance of strategic planning, transparency, and community engagement in the management of educational philanthropy, contributing to the broader discourse on effective philanthropic practices.

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