

The Role of Lazisnu Banyuwangi In Improving Community Welfare Through Zis Fund Management In Genteng District

Husnia Asma Nazihah¹, Indana Almas Azhar²

University KH. Mukhtar Syafaat Banyuwangi

asma.nazihah23@gmail.com¹, almasazhar900@gmail.com²

ABSTRACT

This study aims to determine (1) the role of LAZISNU Banyuwangi in managing Zakat, Infaq, Sedekah (ZIS) funds in the Genteng sub-district. (2) How does LAZISNU Banyuwangi contribute to improving the welfare of the community in Genteng sub-district? This study uses a qualitative method with a case study design with data collection through observation, interviews, and documentation, as well as data analysis using thematic, triangulation, and verification. The results show that LAZISNU Banyuwangi plays an important role in managing ZIS funds in Genteng sub-district through collection, targeted distribution, and economic empowerment programs that can improve the welfare of the community if transparency and accountability continue to be improved.

Keywords: *ZIS funds management, community empowerment, LAZISNU*

PENDAHULUAN

The management of Zakat, Infaq, and Sedekah (ZIS) funds is a crucial instrument for improving public welfare, particularly in areas with significant social and economic inequality. Ibrahim (2021) states that the Islamic social financial instrument currently practiced in Indonesia is ZISWAF (Zakat, Infaq, Sedekah, and Waqaf). One of the institutions responsible for ZISWAF is LAZISNU.

The Nahdlatul Ulama Zakat, Infaq, and Sedekah Institution (LAZISNU) is an Islamic philanthropic institution focused on collecting and distributing ZIS funds in a professional and accountable manner. This Islamic philanthropic institution operates effectively because the funds distributed are not only for consumption but also for productive purposes (Faruq et al., 2023).

LAZISNU Banyuwangi, as a local zakat institution, plays a strategic role in managing ZIS funds for targeted distribution and positive socio-economic impacts. In Genteng District, current phenomena indicate that although ZIS funds have been

collected and distributed, challenges remain related to management effectiveness, transparency, and optimizing beneficiary empowerment.

This condition requires an in-depth study to understand the processes, obstacles, and real contributions of LAZISNU in improving community welfare at the local level. Although much research has been conducted on ZIS fund management, there is still a lack of research, especially in the context of community empowerment at the sub-district level, where a qualitative approach is needed to understand the socio-cultural dynamics and internal strategies of LAZISNU, which have not been widely revealed in depth.

Based on this background, this study aims to describe and analyze the role of LAZISNU Banyuwangi in managing ZIS funds to improve community welfare in Genteng District. Specifically, this study aims to identify management strategies, map the obstacles faced, and evaluate the socio-economic impacts resulting from the management of these funds.

Theoretically, this study is expected to broaden scientific knowledge in the field of zakat management and community empowerment through a qualitative approach, as well as broaden perspectives on the effectiveness of the role of zakat institutions at the sub-district level.

The results of this study can practically serve as a reference for evaluation and provide suggestions for LAZISNU Banyuwangi to improve the management of ZIS funds to achieve optimal community welfare. Furthermore, this research will benefit the local government and relevant stakeholders in developing more inclusive and sustainable social policies.

METODE PENELITIAN

This study employed a qualitative case study design, focusing on a single institution (LAZISNU Banyuwangi) in a single region (Genteng District). This approach allowed researchers to deeply examine the roles, strategies, obstacles, and impacts of ZIS fund management in a specific context, as well as to understand the interactions between actors and environmental factors that influence the process. Data were collected through observation, interviews, and documentation. The data analysis techniques used were thematic analysis, data triangulation, and data verification (conclusions).

HASIL DAN PEMBAHASAN

1. Research Result

This study shows that LAZISNU Banyuwangi plays a significant role in improving the welfare of the people in Genteng District through the management of Zakat, Infaq, and Sedekah funds. From data collected through in-depth interviews, observations, and documentation, it is known that LAZISNU actively collects ZIS funds from various sources, and these funds are distributed not only as consumptive assistance but also as productive programs.

Over the past three years, LAZISNU's internal data reveals that collected funds have increased by an average of 15% annually, and approximately 70% of these funds are used for empowerment programs such as micro-business capital, entrepreneurship training, and capacity building for mustahik. Based on LAZISNU's follow-up report, the real impact of this program is a 25% increase in the average income of beneficiaries, which has helped improve their socio-economic lives. For example, some recipients of business capital have helped develop sustainable small businesses, reduced dependence on direct assistance, and increased family income.

Furthermore, the study identified challenges such as a lack of competent human resources in zakat management and technical constraints in the monitoring and evaluation system for fund distribution, which impacted the efficiency and transparency of the distribution process. These results indicate that LAZISNU's role in managing ZIS funds has had a significant positive impact on community welfare, despite several internal and external challenges.

In the context of Islamic economic theory, these results reinforce the findings (Faruq et al., 2023), which emphasize that empowerment-oriented zakat management can alleviate poverty sustainably and increase people's purchasing power. LAZISNU Banyuwangi's management of ZIS funds, which prioritizes productive aspects, not only provides one-time assistance but also opens up opportunities for sustainable economic independence for those entitled to receive the funds. These findings significantly fill a gap in qualitative research at the sub-district level, where social and economic dynamics play a crucial role in the success of zakat management (Al-Labiyah et al., 2023).

However, identified obstacles related to human resource capacity and monitoring systems require serious attention. In line with (B. Hidayat et al., 2021), managerial

constraints are a major inhibiting factor in the effectiveness of zakat institutions. This highlights the need to improve management capacity through specialized training and the adoption of information technology to facilitate tracking and evaluation of fund distribution. This approach is also cited in a study (R. Hidayat et al., 2023) as key to building trust and accountability in professional zakat institutions.

However, the study also identified obstacles still faced by LAZISNU, namely limited human resource capacity and administrative constraints, particularly in terms of transparency and monitoring of fund distribution. This hampers the optimization of the potential of ZIS funds to be more efficient and targeted.

These obstacles are common challenges encountered in the management of zakat institutions at the local level, as also expressed by (B. Hidayat et al., 2021), where managerial capacity is key to success in poverty alleviation through zakat funds. Despite these obstacles, the application of the principles of accountability and transparency in fund management has shown positive developments that can maintain public trust and thus encourage broader participation in ZIS fund collection (R. Hidayat et al., 2023).

A comparison of the results from several beneficiaries shows variations in the program's success rate, which is heavily influenced by social support and the capabilities of local administrators. This is in line with (Fatahillah Thoriq Hunowu, 2023), who emphasized the importance of the socio-cultural context in the effectiveness of zakat empowerment programs. Therefore, empowerment programs should be designed by considering community characteristics and local potential for maximum and sustainable results.

A comparison of the results from several beneficiaries shows variations in the program's success rate, which is heavily influenced by social support and the capabilities of local administrators. Therefore, empowerment programs should be designed by considering community characteristics and local potential for maximum and sustainable results (A. Gunawan, Sukawati, 2023).

Overall, this study demonstrates that LAZISNU Banyuwangi acts as an effective agent of social and economic change at the local level in Genteng District, while also providing opportunities for capacity building to improve the management of ZIS funds. The latest findings demonstrate a measurable improvement in the welfare of mustahik

and the identification of key obstacles, which are important contributions to the literature on zakat management at the sub-district level and provide practical insights for managers and stakeholders.

Table 1. Summary of Material Results

Research Aspects	Main Findings
ZIS Fund Management Strategy	Fundraising through community approaches and productive programs (business capital, entrepreneurship training).
The Role of LAZISNU	Facilitating the economic empowerment of mustahik, improving community welfare.
Constraint	Limited human resource capacity, inadequate facilities, suboptimal monitoring, and distribution.
Socio-Economic Impact	Increasing the income of mustahik, reducing poverty, and strengthening the local economy.
Strengthening Accountability	Implementation of the principles of trust, transparency, and accountability in fund management.

2. Discussion

a. The Role of LAZISNU Banyuwangi in Managing Zakat, Infak, and Sedekah (ZIS) Funds in Genteng District

LAZISNU Banyuwangi demonstrated a significant initial role in collecting ZIS funds, serving as a foundation for effective management at the sub-district level, such as in Genteng District. Based on data, LAZISNU Banyuwangi successfully collected Rp 92.2 billion in 2020, covering various types of ZIS receipts (NU Online, 2021). This demonstrates the institution's significant capacity for fundraising, which then opens up opportunities for broader distribution across sub-districts.

This collection role reflects its function as an *amil* (collector) that actively collects and organizes community funds. Thus, management at the Genteng District level can be seen as part of a larger institutional work chain in Banyuwangi Regency. The success of this collection is a crucial prerequisite for successful distribution to *mustahik* (beneficiaries) in smaller areas.

In the ZIS fund management stage, LAZISNU Banyuwangi not only collects but also begins to implement a structured distribution mechanism, so that their role is not merely collection but also distributing funds to the right recipients. As a concrete

example, LAZISNU Banyuwangi, on the occasion of the 80th Anniversary of Indonesian Independence, distributed 80 basic food packages to underprivileged communities as a form of ZIS distribution (Times Indonesia, 2025).

This demonstrates the implementation of activities that directly touch mustahik and strengthen LAZISNU's role as a socio-economic actor in the community. In the context of Genteng District, this means that ZIS fund management by LAZISNU has the potential to reach needy community groups in the region, with a local approach. This distribution role also demonstrates the institution's commitment to operating ZIS funds into real interventions for welfare.

However, for optimal management, it is necessary to consider the local characteristics of Genteng District, for example, the type of mustahik, specific needs, and a transparent distribution mechanism. Furthermore, LAZISNU Banyuwangi's role in managing ZIS funds can be seen from its professionalism and the development of an internal management system that supports the sustainability of its duties. Research on similar institutions shows that the implementation of a ZIS management information system (SIMZIS) is one of the keys to optimizing ZIS fund management (M. Arif Fatoni, 2024).

Although there is no specific data for Genteng District, indications that LAZISNU in the Banyuwangi region already has a relatively mature fund management mechanism suggest that the management process in Genteng can be supported by a similar system. Thus, LAZISNU Banyuwangi not only carries out collection and distribution tasks but also develops internal management capacity that enables accountability and efficiency. This is important so that the entire series of collection, distribution, and reporting activities runs synergistically and provides confidence to both muzakki (givers) and mustahik (recipients).

However, LAZISNU Banyuwangi's role in managing ZIS funds in Genteng District faces challenges that need to be addressed to optimize its role. Several studies have shown that ZIS management has not fully utilized its economic empowerment potential and is sometimes limited to consumer distribution (Kurnianingsih, 2022). This means that LAZISNU needs to strengthen empowerment programs that transform recipients into productive economic actors, not simply recipients of assistance.

For example, developing business capital programs, MSME training, or local economic assistance, as implemented by LAZISNU East Java, which distributes revolving capital to MSMEs (NU Online, 2025). Therefore, LAZISNU Banyuwangi's role in managing ZIS funds in Genteng must be continuously enhanced through program innovation, strengthening local networks, and transparency and accountability in reporting to ensure a broader and more sustainable impact on community welfare.

b. Contribution of ZIS Fund Management by LAZISNU Banyuwangi to Improving Community Welfare in Genteng District

At the initial level, the management of ZIS funds carried out by LAZISNU Banyuwangi contributes to improving community welfare through more targeted distribution efforts to mustahik (beneficiaries). Research (Susanty, 2024) shows that ZIS management institutions that carry out controlled collection and distribution can increase beneficiary income and reduce poverty levels.

ZIS management based on economic empowerment, not just consumptive assistance, proves that mustahik are able to improve their quality of life through businesses supported by ZIS capital (Fadillah, 2023). Thus, LAZISNU Banyuwangi's contribution in Genteng District is not only social but also economic, namely opening up space for beneficiaries to become more independent. This demonstrates that the function of ZIS management can reflect the socio-economic role at the local scale.

Furthermore, the contribution of ZIS fund management by LAZISNU Banyuwangi to community welfare can be seen in the achievement of indicators such as meeting basic needs, improving family economic capacity, and more equitable distribution. Research results (A. Fahrullah, 2022) show that ZIS management is implemented through productive and consumptive programs that help mustahik (beneficiaries) develop micro-enterprises and improve living standards. LAZISNU Banyuwangi itself implements a similar scheme, for example, providing small business capital, training, or mentoring, so that the results of community welfare can be even more tangible. Therefore, LAZISNU's contribution in Genteng has great potential to improve welfare through strategic and meaningful management mechanisms.

Despite the significant contribution, challenges remain that hinder the optimization of the benefits of ZIS management for the welfare of the community in Genteng District. One challenge is that ZIS management sometimes focuses solely on

consumptive distribution and has not maximized its impact on sustainable economic empowerment.

Transparency, accountability, and a sound mustahik data system significantly influence the effectiveness of ZIS management, thus limiting its contribution to community welfare if these aspects are not optimized (Nadiroh et al., 2025). To address this situation, LAZISNU Banyuwangi needs to strengthen empowerment mechanisms, expand productive program schemes, and improve monitoring and evaluation systems so that benefits can be more tangible and sustainable in the Genteng community. Thus, LAZISNU Banyuwangi's contribution to ZIS fund management will not only be a temporary aid but also become a driver of long-term welfare change.

KESIMPULAN

Based on the discussion, it can be concluded that LAZISNU Banyuwangi plays an important role in managing ZIS funds in Genteng District through collection, structured distribution, and development of internal management systems, with the potential to significantly improve community welfare if economic empowerment programs and management transparency continue to be improved. ZIS fund management by LAZISNU Banyuwangi contributes to improving community welfare in Genteng District through targeted distribution, economic empowerment programs, and strengthening management systems, with the potential for greater optimization through transparency, accountability, and expansion of productive programs.

DAFTAR PUSTAKA

- A. Gunawan, Sukawati, I. Y. (2023). Pengaruh Zakat Terhadap Kesejahteraan Muzakki. *Jurnal Muallim*, 5(1), 219–227.
- A. Fahrullah, L. S. dan. (2022). Pengelolaan ZIS Sebagai Upaya Meningkatkan Kesejahteraan Masyarakat. *Jurnal Ekonomika Dan Bisnis Islam*, 5(1), 106–119.
- Al-labiyah, A. T., Aulia, L. N., Annisa, N. A., & Sari, L. P. (2023). Peran ZIS Terhadap Peningkatan Kesejahteraan Sosial di Indonesia. *Islamic Economics and Business Review*, 2(2), 168–185.
- Fadillah, A. (2023). Pendayagunaan Dana Zakat Infak dan Sedekah (ZIS) Unit Pengumpul Zakat (UPZ) Baitussalam Purwokerto untuk Pemberdayaan Ekonomi Masyarakat di Kabupaten Banyumas. *Mabsya: Jurnal Manajemen Bisnis Syariah*, 5(2), 215–242. <https://doi.org/10.24090/mabsya.v5i2.6941>

- Faruq, M. Al, Masduqie, M. H. A., & Julaihah, U. (2023). Peranan LAZISNU Sidoarjo dalam Meningkatkan Kesejahteraan Ekonomi Masyarakat di Kabupaten Sidoarjo. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 6(3), 3867–3877. <https://doi.org/10.47467/alkharaj.v6i3.3905>
- Fatahillah Thoriq Hunowu, M. U. B. (2023). Analisis Efisiensi dan Efektivitas Pengelolaan Dana Zakat pada Badan Amil. *Jamak*, 2(2), 248–257.
- Hidayat, B., Habibulloh, Wisnu, & Samsuri. (2021). Peran Laziznu dalam Meningkatkan Sosial Ekonomi Masyarakat Kecamatan Kalibaru Kabupaten Banyuwangi. *NATUJA: Jurnal Ekonomi Syariah*, 1(1), 7–20.
- Hidayat, R., Sari, P. A., & Armen, R. E. (2023). Implementasi Manajemen Dana Zakat (Studi Kasus Laz Dompot Dhuafa). *Journal Ruhul Islam*, 1(1), 42–57. <https://system4.yarsi.ac.id/ojs3/index.php/rhi/article/view/113%0Ahttps://system4.yarsi.ac.id/ojs3/index.php/rhi/article/download/113/78>
- Ibrahim, A. (2021). Pengantar Ekonomi Islam. In *Lahore: Islamic Publication*.
- Kurnianingsih, W. (2022). Pengelolaan Dana Zakat, Infak, dan Sedekah Berbasis Masjid Perspektif Hukum Ekonomi Syariah. *Jurnal Hukum Ekonomi Syariah*, 5(2), 153. <https://doi.org/10.30595/jhes.v5i2.12513>
- M. Arif Fatoni. (2024). Penerapan Sistem Informasi Manajemen Zakat, Infak, dan Sedekah (SIMZIS) dalam Upaya Optimalisasi Pengelolaan Dana Koin NU di NU Care-LAZISNU Cilacap. *Mabsya: Jurnal Manajemen Bisnis Syariah*, 6(1), 95–114.
- Nadiroh, A. Y., Roifah, T., & Rahman, A. M. (2025). Analisis Efektivitas Pengelolaan Zis Di Baznas Kabupaten Probolinggo. *Journal Tabarru': Islamic Banking and Finance*, 8(1), 235–242.
- NU Online. 2025. LAZISNU Jatim Salurkan Modal Usaha Bergulir untuk UMKM. <https://nu.or.id/jatim/lazisnu-jatim-salurkan-modal-usaha-bergulir-untuk-umkm-Y8X21>
- NU Online. 2021. Tahun 2020 NU Care-LAZISNU Banyuwangi Kumpulkan Zakat Rp92,2 Miliar. <https://nu.or.id/daerah/tahun-2020-nu-care-lazisnu-banyuwangi-kumpulkan-zakat-rp92-2-miliar-Ank8B>
- Susanty, M. (2024). Peran dan Strategi Pengelolaan Zakat, Infak, dan Sedekah (ZIS) dalam Meningkatkan Kesejahteraan Ekonomi di Indonesia. *JEBI: Jurnal Ekonomi dan Bisnis*, 2(10), 9–15.
- TIMES Indonesia. 2025. 80 Sembako dari LAZISNU Banyuwangi untuk 80 Tahun Kemerdekaan RI. <https://timesindonesia.co.id/peristiwa-daerah/550611/80-sembako-dari-lazisnu-banyuwangi-untuk-80-tahun-kemerdekaan-ri>
- Setiawan, F., Guritmo, C., & Zunaidi, A. (2025). Assessing financial metrics and Sharia Healthcare stock return amid Indonesia's market volatility. *Muqtasid: Jurnal*

Ekonomi Dan Perbankan Syariah, 15(2), 105–120.
<https://doi.org/10.18326/muqtasid.v15i2.105-120>

Lailatun Nikmah, Nelly Rizka Tri Wahyuni, Weka Nur Kharisma, Arif Zunaidi, Optimizing Liquidity Management in Islamic Banks: A Risk and Shariah Compliance Perspective. *Syari'ah Economics*, [S.l.], v. 9, n. 1, p. 16-41, aug. 2025.
<https://doi.org/10.36667/se.v9i1.2223>.

Siti Wasitoh, Arif Zunaidi, Ning Purnama Sariati, (2025) *DIGITAL BANKING: Meningkatkan Keunggulan Bersaing*. Malang : Intrans Publishing

Siti Mufidatul Azizah, Chofifah Indah Parawansyah, Fitrotul Bitu Aulia Putri, Reviby Adam Nazalla Dhias, & Arif Zunaidi. (2025). The Role of Labor Law on Business Sustainability and Workers' Welfare in Indonesia. *Jurnal Masharif Al-Syariah: Jurnal Ekonomi Dan Perbankan Syariah*, 10(3).
<https://doi.org/10.30651/jms.v10i3.26569>