

## The Potential of Indonesian Zakat for Zakatnomics Improvement - Taxonomic Analysis Techniques

**Zulfikar Hasan**

STAIN Bengkalis Riau Indonesia

### ABSTRACT

*This research is related to zakat which can improve the economy of the ummah. Through Zakatnomics, this research can raise awareness to build a new economic order to achieve happiness, balance of life, and human dignity. This research is conducted using qualitative methods with Taxonomy Analysis Techniques. Researchers generally look at the problems faced by BAZNAS RI to optimize the potential of zakat which will have a good impact on the ummah. The results of this study indicate that the potential of zakat in Indonesia is very huge. In 2020, the potential of zakat in Indonesia reached 230 trillion rupiahs, but the absorption of zakat funds is still below 10 percent. It is because there are several obstacles faced by the National Amil Zakat Agency (BAZNAS) to increase the existing potential. Hopefully, this research can contribute a little to the academic world and practitioners, and there will continue to be research related to zakat in Indonesia.*

*Keywords: Potential Zakat Collection, Zakatnomics, Poverty Alleviation, Welfare*

### INTRODUCTION

Indonesia is a country with the largest Muslim population in the world. However, the receipt of zakat in this country is still minimal. In 2010, 209.12 million Muslims were living in the archipelago. This number is estimated to reach 229.62 million people in 2020. Of the zakat potential of IDR 230 trillion - as revealed by the National Zakat Agency (BAZNAS), only IDR 8 trillion (3.5 percent) has been collected. There are at least three obstacles that make zakat acceptance in Indonesia still minimal. First reason relates to education and literacy.

Poverty is a classic problem that has not been resolved in Indonesia until now. Based on the data from the Central Statistics Agency (BPS), the number of poor people in the country has increased to 26.4 million or 9.78%. This figure is an increase of 1.63 million people compared to September 2020. The Central Statistics Agency (BPS) said the increase in the poverty rate was influenced by the Covid-19 pandemic which hit the Indonesian

economy. The impact is felt by 12.2 million near-poor people who work in the informal sector. This group is vulnerable to poverty and is affected by Covid-19.

Besides, there are other factors, such as slowing household consumption, declining foreign tourist arrivals, and falling retail prices for several commodities. The highest distribution of poor people is in Maluku and Papua at 28.15%. Meanwhile, the lowest percentage of the population was found on the island of Kalimantan at 5.81%.

BAZNAS in Indonesia has made policies to help the economic conditions of people who are categorized as *mustahik*. The policies and programs attempt to strengthen zakat services and distributing zakat funds in a way so that they are right on target. In addition to launching programs that can help *mustahiks* amid the Covid-19 pandemic, collaborations have also been made with various stakeholders to facilitate the collection and distribution of zakat funds to those who are entitled to receive them.

But, it is visible that the current state of zakat funds collection in Indonesia is not optimal because of the many obstacles that often arise. The various problems that arise have made the distribution and collection of zakat funds less than optimal.

Zakat can also stimulate the economy and make people's economic activities livelier. Then, the greater the zakat we spend, the greater the national income and the more prosperous our country will be. Historical facts have proven that zakat can increase the national income of a country so that it creates prosperity. The period of Umar bin Abdul Aziz with his model government system, especially regarding the Zakat and tax system is something that we need to imitate. Moreover, the research studies have found both conceptually and empirically that how zakat can increase national income which means increasing economic growth.

To enable increase in national income through the institution of zakat, the zakat funds must be allocated appropriately to achieve economic empowerment. The role of zakat is very important in efforts to empower the economic potential of the people. The alternative and strategic solution offered by Islam is none other than the productive and creative zakat management (distribution and utilization) system. With effective and efficient management, it is hoped that it can empower the people and save them from economic, social, and moral hardships. Eventually, the vision is to empower the poor to become Aghniya (the rich) and turn *mustahik* into *muzaki*.

Based on the problem identification above, a problem formulation can be formulated, namely how much potential zakat in Indonesia is required to be able to help the economy of the Indonesian people, especially *mustahik*.

Seeing the huge potential that exists, optimizing the potential of zakat will bring greater benefits not only for the Muslim

community but further for Indonesia, especially the Indonesian economy.

## LITERATURE REVIEW

### *Zakat in Indonesia*

Zakat is one of the most strategic instruments in economic development in Indonesia. Thus, it is necessary to manage zakat properly to improve the welfare of *mustahik*. The accuracy in managing zakat cannot be separated from the clear legal umbrella in the form of regulations on zakat. Regulations are benchmarks that are made to limit the behaviour of a person in an organization which, if violated, is subject to sanctions. Likewise, the regulations regarding zakat are the basis for managing zakat (Hakim, 2015).

The regulations regarding zakat contain several provisions, sanctions, prohibitions, and so on regarding zakat management activities so that it is expected to avoid illegal management practices and other irregularities. The estuary of the formation of this regulation is the formation of a professional and trustworthy zakat management system in distributing zakat funds to *mustahik* (Indra, 2017). To produce regulations on zakat that accommodate all zakat management processes is certainly not easy; it requires a fairly complex process.

In the 2017 Indonesian Zakat Outlook (BAZNAS), it is stated that Zakat is one of the important sectors in Islamic philanthropy (Zulfikar, 2020), (Norhaziah & Ainulashikin, 2007). As the third pillar of Islam, zakat must be paid by every Muslim who meets the requirements (*muzaki*) to purify his property by channelling his zakat to *mustahik* (zakat recipients).

Function of zakat is not only to help the *mustahik* economy but also as a balancing instrument in the national economic sector. In the long term, the main objective of zakat is to transform *mustahiks*

into *muzaki*. This shows that zakat has the potential to overcome economic inequality and poverty in a country (Salman, 2017).

Currently, there is still debate about the substance of zakat regulation, especially in terms of sanctions. This is still a hot debate, such as whether or not it is necessary to sanction *muzaki* who refuse to pay zakat. With this regulation, it is hoped that it can encourage the optimization of zakat collection so that it is in line with poverty alleviation and an increase in the standard of living of *mustahik*. Thus, it can be said that zakat regulation is very important in the economic development of the people based on the sharia economy (Zulfikar, The Mechanism of Managing Zakat Funds in Islamic Banking as Implementation of Corporate Social Responsibility (CSR) : Case Study at bank Syariah Mandiri, 2020).

In recent developments, Law No. 38/1999 was revised to achieve optimal zakat management in Indonesia. The result of the revision is the formation of Law Number 23 in the Year 2011 concerning Zakat Management. This was followed by the issuance of Government Regulation of the Republic of Indonesia Number 14 of 2014 concerning Implementation of Law Number 23 of 2011 concerning Management of zakat. Besides, a Presidential Instruction (Inpres) Number 3 of 2014 concerning Optimization of Collection of Zakat in Ministries / Institutions, Secretariat General of State Institutions, Secretariat General of State Commissions, Local Governments, Business Entities, State-Owned, and Regional Owned Enterprises through the Amil Zakat Agency National is a step in the right direction. Besides, several other regulations regarding zakat were also introduced.

The role of zakat in human interaction (*muammalah*) was emphasized by (Norhaziah & Ainulashikin, 2007) in their research, which highlighted that “zakat is a state income that has a social

function to reduce the gap between rich and poor economic groups”. The philosophy that is the basis of this argument is that all wealth on this earth belongs to none other than Allah so that a Muslim should not only think about his interests but must have social sensitivity for those in need. Therefore, every Muslim is obliged to pay *zakat-ul-maal* (property) of 2.5% on his wealth for people in need. The potential of this *zakat-ul-maal* is very large for state revenue so that efforts to optimize the collection and distribution of zakat are very necessary for human resource development, poverty alleviation and social development (Wan, 2008).

The importance of empowering *zakat-ul-maal* was also emphasized by (Suhaila, 2007). The Malaysian government realizes the great potential of *zakat-ul-maal*. Hence, it encourages individual Malaysian Muslims to pay their *zakat-ul-maal* through *bait-ul-maal*. Giving tax incentives are also encouraged for Muslims who pay their zakat.

The potential of *zakat-ul-maal* is also a concern of the Indonesian government. This is stated in the explanation of Law Number 38 of 1999 concerning Zakat Management which states that this statutory regulation was formed to optimize the potential of zakat as a state income and for poverty alleviation. Therefore, (Afdol, 2006) gave his opinion that zakat law is included in the positive legal framework of Indonesia both in the Law on Zakat Management and the Law on Religious Courts.

This statement was supported by other scholars (Encik, 2010). They have the same view that even though Indonesia does not explicitly recognize that Indonesian law is based on a certain religion; nonetheless, Islamic law has become an integral part of positive law in Indonesia. It is evident by the application of Islamic law in Indonesia not only around family law, but in the field of economic law of Islam as well, including zakat management.

### *Potential of Indonesian Zakat*

Indonesia is a country with the largest Muslim population in the world. In 2020, Indonesia's Muslim population will reach 87.21%. It can be ascertained that with the largest Muslim population, Indonesia also has a large potential for zakat. Based on research by BAZNAS, Bogor Agricultural University (IPB), and the Islamic Development Bank (IDB), the potential for national zakat is Rp 350 trillion (Clarashinta, Khusnul, & Ach, 2017). This figure should have a tremendous impact on poverty alleviation efforts in Indonesia. However, the BAZNAS report reveals that from the zakat potential that can be absorbed and managed by the BAZNAS institution, it has only reached IDR 8 trillion for 2020 (Clarashinta, Khusnul, & Ach, 2017).

So far, research on zakat discusses the potential of zakat. The impact of zakat on public welfare and other social problems, or studies on the realization of zakat funds separately. Some researchers have estimated the zakat potential in eight Islamic countries, namely Egypt, Indonesia, Pakistan, Qatar, Saudi Arabia, Sudan, Syria, and Turkey (Kahf, 1987). The study estimates zakat in three ways: 1) based on traditional fiqh, 2) based on calculations from Qardawi, namely income zakat is calculated at 2.5% while net profit on fixed assets is calculated at 10%, and 3) modification of the Qardawi version, namely all assets are zakatable at 2.5%. The results of these studies indicate that the potential for zakat in Indonesia ranges from 1 to 2 percent of GDP (Kahf, Zakah Estimation in Some Muslim Countries, 1987).

A study conducted by PIRAC in 2004 estimated the potential for zakat in Indonesia. The estimates were touching Rp. 6,132 trillion (Kurniawati, 2004). Meanwhile, (Firmansyah, 2009) estimates the potential for zakat using the assumption of a minimum zakat level of 2.5% of each

regional economic sector (GRDP) as follows; 1) The zakat level for agriculture is 2.5% of the GRDP value of the agricultural sector; 2) The level of zakat mining is 2.5% of the GRDP value of the mining sector; 3) The zakat level in other sectors is 2.5% each. A study conducted by (Firdaus & Muhammad, 2012) shows that the total potential of zakat in Indonesia from various sources, namely household income, company income, and savings are estimated at Rp. 217 trillion or equivalent to 3.4% of Indonesia's GRDP in 2010.

Meanwhile, as per the data compiled by BAZNAS, in 2014, the realization of zakat revenue in Indonesia amounted to Rp. 3.2 trillion (Sitorus, 2015).

### *The Concept of Zakatnomics*

Zakat is one of the instruments of Islamic economic philanthropy. However, if we look at the meaning of the word of Allah in QS: At-Taubah verse 103, we are informed that "*Take zakat from some of their assets ...*". The meaning of the verse is that this zakat is obligatory which must be collected by government in a country. Zakat itself is divided into two, namely, *zakat-ul-fitrah* which is paid before Eid prayers in the month of Ramadan, and *zakat-ul-maal* or Zakat on assets (BAZNAS, 2020).

Zakat is not only imposed on income from the service sector, but also broader economic sectors such as agriculture, livestock, mining, fisheries, and so on. The latest idea floated by BAZNAS, namely Zakatnomics, is a concept to advance the community's economy through zakat (Anisah, 2020). This concept is defined as awareness to build a new economic order to achieve happiness, balanced life, and human dignity based on the spirit and values of Islam through zakat.

Zakat is not only used as a tool for meeting consumption needs of *mustahiqs*, but it can also encourage a productive economy. All the goals of Islamic

economics are for the benefit of people or human welfare is desired through them. *Maqashid-e-Sharia* include *hifdz-ud-deen* (religion), *hifdz-un-nafs* (soul), *hifdz-ul-aql* (reason), *hifdz-un-nasl* (descent) and *hifdz-ul-maal* (property). Concerning Zakatnomics, the achievement of *Maqashid-e-Sharia* is an attainable goal (Puskasbaznas, 2016).

From the perspective of Zakatnomics, economic policies need to be directed to focus on equitable distribution of wealth through zakat. This is because zakat provides an opportunity for everyone to experience prosperity. The concept of Zakatnomics also emphasizes financial inclusion and empowerment without one of the parties being harmed or disadvantaged (BAZNAS, 2020).

With the Zakatnomics perspective, economic policies will be directed to a more just economy in order to support the fulfillment of *Maqashid-e-Sharia* with priority. This is because the zakat economy brings the spirit of justice to the economy by providing equal opportunities for everyone. Justice is achieved by the existence of the principle of income redistribution from the rich to the poor without overburdening the rich (BAZNAS, 2020). Zakatnomics also emphasizes financial instruments that prevent transactions that are detrimental to a party. The concept of Zakatnomics with its characteristics can then be a complement to the framework of reference for economic policies, especially in Muslim countries.

As an aspect which is highly emphasized in zakat, efforts for poverty alleviation will be one of the main concerns in Zakatnomics (Puskasbaznas, Indikator Pemetaan Potensi Zakat, 2019). Zakatnomics as an economic perspective on zakat in policy formulation has important implications for the formation of a poverty alleviation framework. Before discussing how Zakatnomics provides a specific perspective and framework for poverty

alleviation, it is important to understand the things that affect the problem of poverty.

## RESEARCH METHODS

There are research studies which look for effective implementation of zakat system (Sulaeman & Sri, 2020). In a research titled as ‘Analyzing the Behavioral Intention Factors in Using Zakat-Based Crowd funding Platform in Indonesia: A Quantitative Study’, the authors explain that the government and all parties in Indonesia should overcome the hurdles together. One of the practical solutions is to leverage technology by utilizing the potential of Islamic FinTech, particularly crowd funding, as suggested by many scholars, practitioners, academicians, and civil society organizations. On the other hand, Islamic charity donation funds from zakat also have a significant potential to fund under-development issues faced by ummah (Muslim society) nowadays, especially during the Covid-19 pandemic era.

This research uses the Taxonomy Technique Analysis in analyzing the problems in zakat management and administration.

Domain analysis techniques provide broad and general analysis results, but are not detailed and comprehensive. If what you want is a result of an analysis that is focused on a particular domain or sub-domain of the discipline, the researchers are recommended to use Taxonomic Analysis Techniques (Kasir & Yuniar, 2021).

After the researcher has conducted a domain analysis, then the domain chosen by the researcher is determined as the focus of the research. It needs to be deepened through data collection in the field. Data collection is carried out continuously through observation, in-depth interviews, and documentation so that the data collected becomes large enough and comprehensive. Then, this stage requires a

taxonomic analysis. This data collection seeks related sources of research on Zakat to improve the community's economy.

At the taxonomic analysis stage, researchers attempt to understand certain domains according to the focus of the problem or research objectives. Each domain begins to be understood in depth and is divided again into a domain, and from that, sub-domains are further broken down into more specific parts until there is nothing left for further sub-division. At this stage of the analysis, researchers can explore important domains and sub-domains through consultation with literature to gain a deeper understanding.

The taxonomic analysis is an analysis that is not only a general exploration, but an analysis that focuses on a particular domain which is very useful for describing the phenomenon or problem that is the target of the study. So the conclusion is that taxonomic analysis is an analysis of the overall data collected based on predetermined domains. The results can be presented in the form of box diagrams, line charts, and vertices.

In doing domain analysis, there are at least five types of semantic relationships that can be used to trace the following domains.

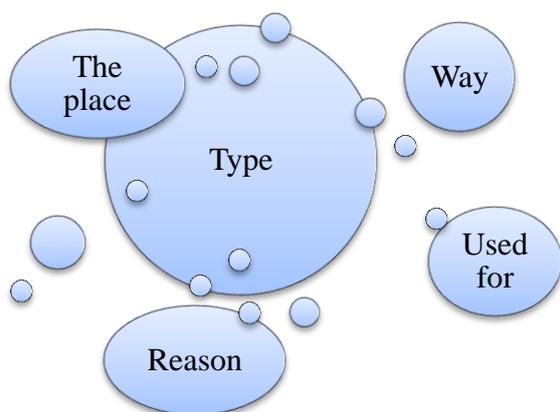


Figure 1. Semantic Relationships

Table 1. Taxonomic Analysis

|                  |                  |
|------------------|------------------|
| <i>Type</i>      | <i>Zakat</i>     |
| <i>The place</i> | <i>BAZNAS RI</i> |

|                 |   |
|-----------------|---|
| <i>Way</i>      | <i>Increase the potential for zakat</i> |
| <i>Used for</i> | <i>Economic Improvement</i>             |
| <i>Reason</i>   | <i>Problems to be faced</i>             |

## RESULTS AND DISCUSSION

Indonesia is a country with the largest Muslim population in the world. However, the receipt of zakat in this country is still minimal. In 2010, 209.12 million Muslims were living in the archipelago. This number is estimated to reach 229.62 million people in 2020. Of the zakat potential of IDR 230 trillion - as revealed by the National Zakat Agency (BAZNAS), only IDR 8 trillion (3.5 percent) has been collected. The potential for zakat can be optimized and ultimately become a solution for the development of the national economy.

At least several obstacles make zakat acceptance in Indonesia still minimal. First reason relates to education and literacy. The public's understanding has so far assumed that zakat is only limited to *zakat-ul-fitrah*, and that zakat is distributed alone to known people. Not necessarily whether it is given to the rightful recipients or not. So, there are many things and it boils down to public understanding. Therefore, our job is to increase literacy and public awareness so that they will increasingly realize the importance of giving zakat. And not just zakat, but zakat through the official AMIL institution.

Second, it is necessary to strengthen the institutional capacity and Human Resources (HR) both in BAZNAS at the national level and at the Regional / City level. It is important to deliberate on how can zakat institutions adapt to change in the era of disruption?

Talking about the use of zakat, currently, Indonesia is facing the Covid-19 pandemic outbreak which has claimed many lives so that it has an impact not only on the health sector but also on the other

sectors of the economy. The use of zakat assets may be productive, among others, to stimulate the socio-economic activities of the poor who are affected by the pandemic. Meanwhile, in overcoming the economic problems caused by Covid-19 outbreak, there is need for broad approach in mobilizing funds beyond zakat.

In health emergency programs, there is increased emphasis on meeting food needs, facilitating family logistics and there is also a program for distributing *fitriah rice*. Because this pandemic created more poverty, so the response needs to be bigger than any previous efforts and allocations. There are so many benefits of Islamic finance and in recent years, there have been many studies which highlight the potential of Islamic social finance in financing the Sustainable Development Goals (SDGs) programs, especially through zakat, sukuk, and waqf.

Zakat has a role in poverty alleviation and guarantees social justice for society. During the Covid-19 pandemic, the presence of zakat became increasingly important in easing the economic burden of the community. According to the MUI Fatwa Commission, zakat funds can be distributed to mitigate the impact of Covid-19, both in the health and economic sectors (News, 2020). Therefore, the role of zakat is increasingly relevant, and optimizing the potential of zakat in Indonesia is important so that zakat can reduce the multidimensional impact of the Covid-19 pandemic.

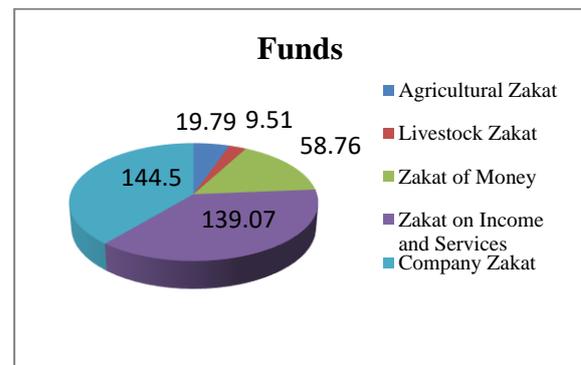
The potential of national zakat collection itself is huge. Based on indicators of mapping of zakat potential (IPPZ), as of 2019, Indonesia's zakat potential is recorded at IDR 233.8 trillion or equivalent to 1.72% of 2018 GDP which is IDR 13,588.8 trillion (Puskas BAZNAS, 2019). In 2019, the corporate zakat has a potential of IDR 6.71 trillion. Meanwhile, in 2020 the corporate zakat potential will reach IDR 144.5 trillion. In other words, the total

potential for zakat in Indonesia in 2020 is IDR 327.6 trillion.

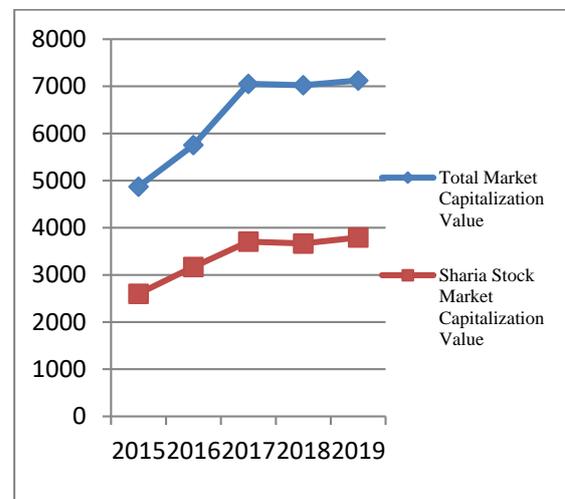
**Table 2.** Trends in the Collection and Distribution of ZIS Funds

|                       | 2015  | 2016  | 2017  | 2018  | 2019  |
|-----------------------|-------|-------|-------|-------|-------|
| Zakat Mall            | 2.1 T | 3.5 T | 3.1 T | 3.8 T | 4.2 T |
| Infaq/Shadaqah        | 1.2 T | 1 T   | 1.8 T | 1.1 T | 1.3 T |
| Zakat Fitrah          | 168 M | 274 M | 1 T   | 2.6 T | 2.9 T |
| Other funds           | 164 M | 278 M | 265 M | 807 M | 902 M |
| ZIS fund disbursement | 2.2 T | 2.9 T | 4.9 T | 6.8 T | 7.1 T |

Sources: Baznas (The data is processed by the author)



**Figure 2.** Potential of zakat in Indonesia 2020



**Figure 3.** Stock Capitalization Value of IDX Listing and Sharia Shares

Overall, Indonesia's Islamic financial assets in December 2018 were recorded at IDR 1,287.65 trillion. This amount did not include Islamic stocks that are traded in the Indonesian stock market. As for Islamic stocks, as of the last five years, the number of transactions on the Indonesia Stock Exchange (IDX) each

period has increased to 7% in 11 categories of industry types.

The increase in Islamic stock transactions on the IDX encourages optimization of the potential for zakat on shares, both among sharia and non-sharia stocks in Indonesia. Based on the Official News published by Puskas BAZNAS, the potential for zakat on corporate shares based on the business sector in 2019 is IDR 99.7 billion with an average zakat per share of IDR 40.19.

The financial sector is the sector with the greatest potential for zakat with a total potential of IDR 48.4 trillion in 2019 as compared to IDR 45.9 trillion in 2018. Within one year, there was an increase of approximately IDR 3 trillion. This indicates that the potential for zakat in the financial sector has a bright future, so it is necessary to optimize efforts to achieve this potential. The lowest potential value in 2018 is in the basic and chemical industry business sector valued at IDR 3.5 trillion and in 2019, it shifted to the agricultural sector with a value of IDR 3.5 trillion. Both the basic industrial sector and the chemical sector as well as the agricultural sector, need a better strategy and approach in maximizing the potential for better stock zakat.

Based on the description above, it can be concluded that the potential zakat in Indonesia is quite large. In other words, zakat has the potential to mitigate the multidimensional impact of Covid-19 pandemic. Therefore, it is necessary to optimize the process of collecting zakat so that the contribution of zakat can continue to be increased in alleviating poverty and realizing social justice, especially when the economic situation is unstable and many communities are affected.

Giving zakat in the consumptive form to *mustahik* means that it will increase *mustahik's* income. *Mustahik* income increases, which means that the purchasing power of the *mustahik* for a product which they need will also increase.

Increased purchasing power of *mustahik* has an impact on increasing the company's production. The increase in the company's production means that the company will need more labour so that it absorbs unemployment.

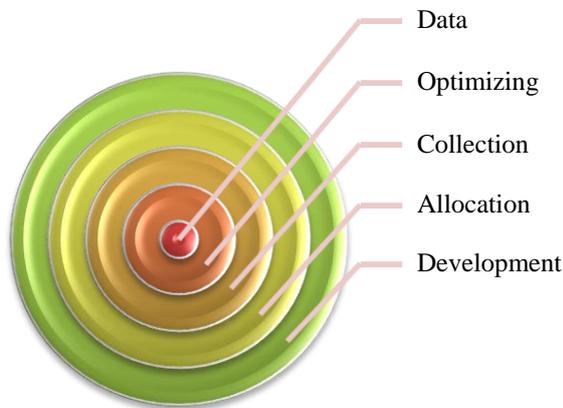
On the other hand, increased production will result in an increase in state income from taxes, including corporate tax, value-added tax, and income tax. With the increase in state revenue from taxes, the state will be able to provide facilities and infrastructure for development and be able to provide public facilities for the community. If the zakat that can be collected will be significant, it can be used to provide free education and health to the people.

Based on this explanation, it turns out that zakat payments can produce a multiplier effect on economic growth. Assistance provided in the form of consumptive assistance alone has been able to provide a significant multiplier effect. Moreover, when zakat is given in the form of productive assistance, such as working capital or revolving funds, the multiplier effect obtained will be even greater in an economy. It is because zakat has twice as much effect in productive use as compared to the use of zakat in the form of consumptive assistance.

Why is zakat important for the Indonesian economy? First, because zakat can be a means of distributing income. Zakat that is well managed and channelled on target allows for a more even distribution of income. Effective income redistribution will reduce one of the main problems of the Indonesian nation, namely poverty.

Poverty occurs not solely because of low income but also because access to basic commodities is not the same for people due to unreasonable prices or lack of purchasing power among the poor. Based on BPS data, zakat has succeeded in eliminating 28% of *mustahik* from the poverty line. This

proves that zakat plays an important role in reducing poverty through a more equitable distribution of income.



**Figure 4.** Efforts to realize the role of zakat in increasing economic growth through equity.

#### *Data Collection and Classification of Muzaki and Mustahik and then Mapping*

We already know the estimated size of zakat potential in this country of Indonesia. With the large potential of zakat that should be collected, here we will describe the mapping of *muzaki* and *mustahik* to maximize collection and distribution.

Mapping is intended to obtain precise and accurate data on where *muzaki* and *mustahik* are located. Mapping about the distribution of *muzaki* and *mustahik* is expected to be useful for collecting zakat from *muzaki* and distributing zakat to *mustahik*.

Mapping makes it easier for the two to relate to each other, allowing for a transfer of wealth between them. Besides, this mapping will avoid overlapping handling of a poor area by various zakat management institutions in the distribution of zakat. *Muzaki* and *mustahik* data mapping can be based on age group, gender group, education, residence, occupation, and homeownership status. From the available data, it is classified based on the selected indicators.

Data on *muzaki* from people who come to pay zakat through BAZ and LAZ

throughout Indonesia is required. Meanwhile, the *mustahik* data will be obtained in collaboration with the RT head to collect data on citizens who are truly entitled to zakat. After that, a mapping is required using the *muzaki* and *mustahik* data.

#### *Optimizing the collection of zakat from the community*

Fundraising is an activity to collect funds and other resources from the community - including individuals, groups, organizations, companies, or the government - which will be used to finance programs and operational activities of institutions. The goal is to achieve the mission and targets of the agency. Fundraising contains programs to introduce and invite the public, both individuals and institutions, to channel funds for social or religious purposes.

#### *Zakat collection by BAZ and LAZ*

The Zakat Management Organization consists of the Amil Zakat Agency (BAZ) formed by the Government and the Amil Zakat Institution (LAZ) formed by the community. Both are confirmed and fostered by the Government. BAZ and LAZ motivate the community to implement the obligation to pay zakat, optimize the management of zakat funds to improve the welfare of the people and assist the government in efforts to alleviate poverty and empower the economy of the people.

People can either come to BAZ or LAZ to give their zakat to the committee. The committee processes the data of *muzaki*, and the *muzaki* gets a deposit proof form from the committee. Zakat collected will be distributed to *mustahik*. To obtain *mustahik* data, the committee collaborates with the head of the RT to collect data on citizens who are truly entitled to zakat.

#### *Allocation of Zakat Assets according to Mustahik Mapping*

Previously we discussed the mapping of *muzaki* and *mustahik*. Mapping of *mustahik* here is very necessary to achieve the right distribution of zakat. Mapping *mustahik* is also useful to avoid people receiving zakat from multiple zakat distribution agencies. Mapping of *mustahik* is also the basis for guidance on which *mustahik* category needs zakat on more priority basis.

#### *Development of Quality Human Resources (SDM) Zakat Managers*

In developing zakat management, one of the most important things is having competent human resources (HR) or *amil*. Human resources, for zakat organizations, have a very important role, especially in the organization's plans to expand the market network. Professional zakat management requires professional and skilled resources that are competent in their fields. Because the implementation of tasks in managing the organization of zakat is not an easy task, the administration at state level using the infrastructure and human resource base can make the system more effective.

### CONCLUSION

The potential for zakat is huge in Indonesia, which is predominantly Muslim. The greater the zakat we spend, the greater is expected to be the national income. The greater the national income, it means an increase in the growth of economy.

Economic growth will direct the country towards prosperity and prosperity. The benchmarks of zakat as a regulator of welfare can be used as standard guidelines, both in the context of micro and macroeconomics.

Besides, modern theories put forward by Islamic economic scholars, argue that the multiplier effect of zakat is significant. Zakat can increase national income which means increasing economic growth. Assistance provided in the form of consumptive assistance alone has been able

to provide a significant multiplier effect of zakat. Moreover, when zakat is given in the form of productive assistance, such as working capital or revolving funds, the multiplier effect obtained will be even greater in an economy. It is because zakat has twice as much effect in productive use as compared to the use of zakat in the form of consumptive assistance. The calculation of zakat with a macro approach to national income has also proven that zakat has been having a positive influence on national income, which means that it also has a positive effect on the economic growth of a country.

For increase in national income, zakat must be allocated appropriately and in a way that people are empowered. The role of zakat is very important in efforts to empower the economic potential of the people. The alternative and strategic solution offered by Islam is none other than the productive and creative zakat management (distribution and utilization) system. With the effective management as intended, it is hoped that it can empower the poor to become *Aghniya* (the rich) and turn *mustahiq* into *muzaki*.

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### **Zulfikar Hasan**

Department of Islamic Banking and Center for Research and Community Service at STAIN Bengkalis Riau Indonesia  
zulfikarhasan61@gmail.com