

Development of Zakat in Indonesia: Which are the Priority Aspects?

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This research aims to identify prioritized strategies within the scope of zakat development in Indonesia. The research method employed is the Analytic Network Process (ANP), utilizing primary data sourced from in-depth interviews with the respondents who are experts, practitioners, and regulators possessing a comprehensive understanding of the pertinent subject matter. The research findings reveal that the foremost priorities across the respective facets investigated in the context of zakat development in Indonesia are the amil competence aspect, followed by the regulatory aspect, sharia compliance aspect, collection aspect, utilization aspect, and institutional framework aspect. Subsequently, within each aspect, the sub-criteria priorities are determined to be the amil competence standard, regulatory refinement, fiqh zakat standard, IT-based collection, ashaf-based map for mustahik, and performance management. The implications of this research proffer recommendations for pertinent stakeholders to further cultivate zakat in Indonesia through the identified priority facets. Furthermore, for future research endeavors, scholars are encouraged to delve deeper into the exploration of prioritized aspects and employ alternative methods or analytical tools that remain pertinent.

Keywords: Zakat development; Indonesia; ANP

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INTRODUCTION

Zakat as one of the pillars of Islam has different characteristics because it does not only have a vertical dimension like other pillars of Islam – namely the relationship of worship to Allah SWT – but also has a horizontal dimension, namely the relationship of worship to fellow human beings. This horizontal dimension has broad effects: socially it is expected to be able to build civil society on the basis of friendship, and economically according to Mustaq Ahmad it is the main source of the state treasury and at the same time is the cornerstone of economic life proclaimed by the Koran.

Zakat is an injection into the economy so that it creates a new force in raising significant investment so that it will encourage increased production in the economic cycle of a region. Even on a macro level, zakat will be able to increase aggregate demand due to the increase in people's purchasing power for goods and services. When zakat is implemented in a systematic manner, in the sense that zakat is a regulation that binds every Muslim with the role of the government as a regulator as well as the *amil zakat* agency, then it will definitely lead to the emergence of very broad new job opportunities so that every citizen has a place to work and automatically there will be a very large number of unemployed migration to become employees.

In order to ensure that all citizens of the state have access to sufficient revenue to meet their basic requirements and maintain the cycle of life on Earth, zakat is crucial in achieving economic justice. As a result, a sufficient source or field of authorized revenue is required. Zakat allows for the collection of additional monies (new capital) that are unaffected by external influences because they are voluntary and represent the rights of the underprivileged (Amma, 2004).

If you look at the facts, Indonesia, with around 220 million people who are predominantly Muslim, certainly has tremendous potential for zakat which can lift the people's economy. As a comparison, Malaysia through the Zakat Collection Center, from 3 million people can collect around IDR 150 billion. Then, Singapore, through the Singapore Religious Council, from 450,000 residents was able to collect around IDR 55 billion (in 2004). Meanwhile, Indonesia, through the *Amil Zakat Infak Sadaqah Agency (BAZIS)*, of its 220 million population, 80% of whom are Muslims, only collects around IDR 830 billion per year (this is according to data on zakat collection by institutions, both BAZ and LAZ). That means only approximately 0.043% of its potential value. What a disappointment. In fact, mathematically, the minimum we should get is

around Rp. 19.3 trillion per year. From the data above, it appears that the potential for zakat that has been successfully explored in Indonesia is still very small.

On the other hand, the poverty rate is increasing day by day. According to existing data, the figure has now reached 108.78 million people or around 49% of Indonesia's population (Media Indonesia, 12 July 2008). Moreover, it seems that this multi-dimensional crisis will continue. Indeed, the problem of poverty is the responsibility of the state. However, given these conditions, at least zakat funds (along with *infaq*, *shadaqah*, *waqf*, and the like) with such great potential can play a role in assisting the government in overcoming these various social problems.

The failure to achieve equal distribution of wealth or the occurrence of inequality in the current economic system which is marked by the emergence of global and structural poverty is the result of the current system, not because of laziness, scarcity of natural resources, or because of the corruption of government officials as many people argue. As Myrdal puts it, "Social inequality in all its forms is contrary to productivity." That means that the current system is hampering the productivity of a nation and can even lead to over-exploitation by developed nations against developing and underdeveloped countries. This shows that the existing system with all its instruments has failed in carrying out its task of creating social equity in life.

Talking about zakat, the most important thing and should not be forgotten is the role of the *amil zakat* as the trustees in the management of these funds. If the *amil zakat* is good, then the other seven *asnaf mustahik*, God willing, will be good. But if the *amil zakat* is not good, then don't expect the other seven *asnaf mustahik* to be good. That is the strategic value of *amil zakat*. In other words, the most important thing about zakat is how to manage it (management). Currently in Indonesia there are around 147 *amil zakat* institutions and 95 *amil zakat* agencies according to the 2006 Zakat Forum (FOZ) data. These things are the background for the need to make laws and regulations regarding the management of zakat. Currently there are various regulations that regulate this issue, namely:

- Law Number 38 of 1999 concerning Management of Zakat.
- Law Number 17 of 2000 concerning the Third Amendment to Law no. 7 of 1983 concerning Income Tax
- Decree of the Minister of Religion Number 581 of 1999 concerning Implementation of Law no. 38 of 1999 concerning Management of Zakat

- Decree of the Director General of Islamic Community Guidance and Hajj Affairs Number D/291 concerning Technical Guidelines for Zakat Management.

Of course, with these regulations in place, zakat management carried out by zakat management organizations, both BAZ and LAZ, is expected to be better. So that the muzakki community's trust in zakat management organizations can increase.

This research is intended to identify strategies that are considered priorities in the context of zakat development in Indonesia. The aim is to provide input to relevant stakeholders such as zakat management organizations, or to the Ministry of Religion as the government representative in charge of zakat matters so that they can take appropriate policy actions to overcome existing problems, in order to achieve the desired goals.

LITERATURE REVIEW

Concept of Management

As is well known, management and governance science are still evolving. When it comes to researching, analyzing, and resolving issues pertaining to the administration of something, management science enables us to do so (Dalimunthe, 2007).

A social science field is management science. Frederick W. Taylor tested the conveyor belt theory in a time and motion study experiment in 1886. The idea of efficiency and effectiveness theory originated at this point. The Principle of Scientific Management, written by Taylor in 1911, marked the beginning of management as a science. Additionally, management science is a synthesis of social scientific fields that examine and view management as a feature of contemporary society. Whereas the social phenomenon of contemporary society affects the organization and causes change.

Since there is no established definition of management, it is quite challenging to pin down. Management, according to Mary Parker Follet, is the art of accomplishing goals with the aid of others. This suggests that managers set up others to undertake the many tasks that may be required in order to accomplish corporate goals. Yes, management can imply that, but it also has the potential to mean more than that. Because of this, no one uses the same definition consistently. Stoner proposed the following definition, which is more intricate:

"Management is a process of planning, organizing, directing and supervising, the efforts of members of the organization and the use

of other organizational resources in order to achieve organizational goals that have been set".

Stoner chose the word "process" rather than "art," as the definition above demonstrates. It suggests that management is a human talent or skill when it is described as a "art". A "process" contrasts with a methodical approach to work. Because all managers must do similar tasks to accomplish the intended goals, regardless of their specialization or skill level, management is defined as a process.

Dalimunthe (2007) emphasizes the importance and urgency of studying and comprehending management theory. Several reasons underscore the significance of delving into the development of management science:

1. Shaping our perspective of organizations: Familiarity with management theory provides valuable insights into the nature of organizations and the individuals within them. By studying these theories, we can gain ideas and understanding about the workings of various organizational structures.
2. Awareness of the business environment: An examination of diverse management theories, considering their historical development, unveils the influence of specific environments such as economic, social, political, and technological factors. This awareness helps us grasp why certain theories were formulated and proves essential in comprehending their suitability in different contexts.
3. Guiding management decisions: Exploring the evolution of management offers insights into fundamental processes, enabling the selection of effective courses of action. Theoretical frameworks are constructed based on coherent assumptions that explain observed phenomena. A sound theory can predict outcomes in specific situations, thus empowering us to apply relevant management theories to address varying circumstances.
4. A source of innovative ideas: The study of management theory opens up new perspectives, allowing us to approach everyday situations from fresh angles. It provides a wellspring of novel ideas that can be applied creatively in diverse scenarios.

Basic Principles of Zakat Management Organization Management

After explaining the basic concepts of management (management), the following will show some basic things about the management of zakat management organizations. Then we call it the basic

principles of management of zakat management organizations (OPZ) which cover three aspects namely: (a) institutional aspects, (b) human resource aspects, and (c) management system aspects.

A. Institutional Aspect

From an institutional aspect, an OPZ should pay attention to the following factors: (a) Clear vision and mission. Only with this vision and mission will activities/activities be well-directed. Don't let the programs that are made tend to be 'just sharing money'. Moreover, without realizing it, a 'poverty perpetuation' program was created, (b) Position and Characteristics of Institutions that are independent, neutral, non-political and non-discriminatory. That is, this institution does not have dependence on certain people or other institutions. Such an institution will be more flexible in providing accountability to the donor community, and (c) Legality and Organizational Structure. Particularly for LAZ, the recommended legal entity is a foundation that is registered in a notarial deed and a district court. The organizational structure is as streamlined as possible and tailored to the needs, so that the organization will be agile and efficient.

B. Aspects of Human Resources (HR)

HR is the most valuable asset. So that the selection of who will become amil zakat must be done carefully. For this, it is necessary to pay attention to the following:

- 1) **Changing the Amil Zakat Paradigm.** When we hear zakat management, what often comes to mind is traditional management, done with the remaining time, the HR is part time, the manager cannot be paid, and so on. It is time for us to change our paradigm and way of thinking. Amil zakat is a profession. Consequently he must be professional. For professionals, one of them must work full time (full time). For this reason, he must be paid properly, so that he can devote all his potential to manage zakat funds properly. Don't let the amil zakat still have to look for additional income, which in the end can interfere with his work as amil zakat.
- 2) **HR Qualification.** If we refer to the time of Rasulullah SAW, those who were chosen and appointed as amil zakat were the chosen people. People who have certain qualifications. In general, the qualifications that must be possessed by amil zakat are: Muslim, trustworthy, and understand the fiqh of zakat.

C. Management System

A robust management system is imperative for OPZ. Key factors to take into account include: (a) The implementation of well-defined systems, procedures, and regulations, (b) Promoting transparency in management, (c) Establishing a comprehensive work plan (activity plan), (d) Forming a lending committee, (e) Employing a sound accounting and financial management system, (f) Demonstrating willingness to undergo auditing, (g) Ensuring transparency in all operations, and (h) Consistently striving for continuous improvement.

RESEARCH METHOD

Data Types and Sources

The Analytic Network Process (ANP) methodology relies on primary data gathered through in-depth interviews with knowledgeable experts, practitioners, and regulators who possess a profound understanding of the subject matter under discussion. Subsequently, these respondents complete a questionnaire during a second meeting. The data collected for ANP processing comprises the numerical scale assessments provided by the respondents, specifically evaluating the problem that serves as the focal point of the research (Jarkasih, 2008).

Population and Sample

For this study, respondents were purposefully selected based on their understanding of the issues in zakat management in Indonesia. A total of five competent individuals were chosen to represent the entire population. In ANP analysis, the number of respondents is not a validity benchmark; instead, the focus is on their expertise in their respective fields. Therefore, the chosen respondents for this survey consist of experts and researchers in Islamic economics, as well as practitioners and professionals involved in zakat management matters.

The ANP questionnaire comprises pairwise comparisons between elements in the cluster, aiming to determine the greater influence or dominance of one element over another and quantify the difference between them on a 1-9 numerical scale, translated from verbal assessments. To ensure consistency in answers, the questionnaire is completed with the presence of a researcher.

It is important to note that the ANP questionnaire includes a substantial number of questions, and non-technical factors may contribute to a higher level of inconsistency.

Table 1: Comparison of Verbal Scale and Numerical Scale

VERBAL SCALE	NUMERICAL SCALE
Incredibly enormous influence	9
	8
Much bigger impact	7
	6
Bigger influence	5
	4
Slightly more impact	3
	2
Same big influence	1

Source: Ascarya (2005)

Data Analysis Technique

The data gathered from the research will be subjected to analysis using the ANP method, a versatile approach applicable in diverse qualitative studies. It can be employed for decision making, forecasting, evaluation, mapping, strategizing, resource allocation, and other relevant areas of study.

Analytic Network Process (ANP) is a qualitative approach introduced by Professor Thomas Saaty, a research expert from Pittsburgh University. It was developed as an enhancement of the Analytic Hierarchy Process (AHP) method. ANP's notable advantage over other methodologies lies in its capability to measure and synthesize multiple factors within a hierarchy or network. No other methodology provides synthesis facilities quite like ANP.

According to Saaty in Ascarya (2005), ANP is employed to derive the composite priority ratio of individual ratio scales, reflecting the relative influence of interacting elements concerning control criteria. This mathematical theory systematically addresses

dependence and feedback, enabling the incorporation of tangible and intangible factors. ANP finds versatile applications across various research fields, as indicated by Sipahi & Timor (2010), Lee (2010), and Ho (2008).

As a fresh approach to the decision-making process, ANP offers a general framework that avoids making assumptions about the independence of elements at higher and lower levels within an organization. Unlike AHP, ANP employs a network structure without necessitating fixed levels like the hierarchy in AHP. The fundamental concept in ANP is influence, whereas AHP revolves around preference. AHP, with its dependency assumptions about clusters and elements, can be regarded as a specific case of ANP (Ascarya, 2005).

In the AHP network, various levels include objectives, criteria, sub-criteria, and alternatives, with each level comprising elements. Conversely, in ANP networks, the AHP levels are referred to as clusters, which can encompass criteria and alternatives, now known as nodes (see figure 1).

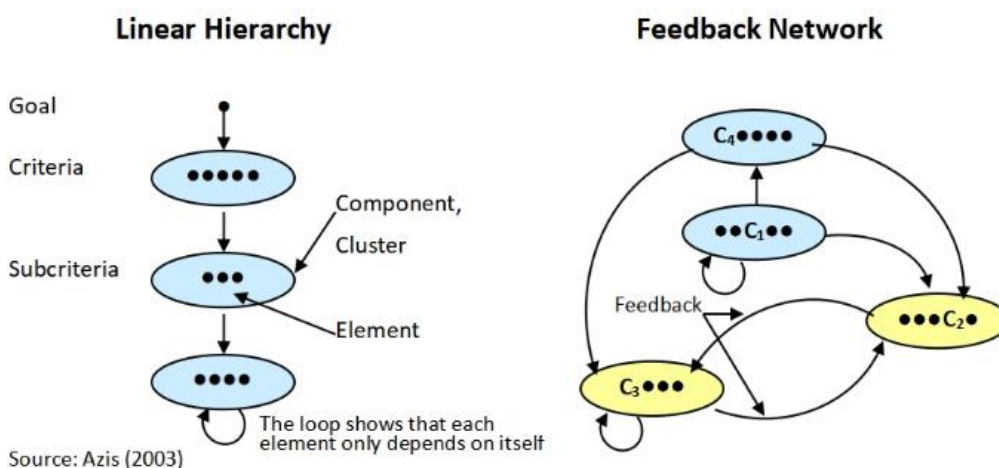


Figure 1: Comparison of Linear Hierarchies and Feedback Networks

With the incorporation of feedback, alternatives in the Analytic Network Process (ANP) can be influenced or constrained not only by criteria within hierarchies but also by other alternatives. Moreover, the criteria themselves can be affected by alternatives and other criteria. This feedback mechanism enhances the priority derived from judgments and contributes to more accurate predictions, resulting in greater stability in the ANP outcomes.

In Figure 1's feedback network, it becomes evident that the main nodes or elements and the nodes being compared may belong to different clusters. For instance, there is a direct connection from the main node C4 to other clusters (C2 and C3), representing outer dependence. Additionally, there are cases where the main node and the nodes being compared are within the same cluster, forming a loop relationship. This is referred to as inner dependence.

In a network, elements in a component/cluster can be people (e.g., Bank Indonesia employees) and elements in other components/clusters can also be people (e.g., DPR employees). Taking into account each criterion, elements within a component/cluster can affect other elements within the same component/cluster (inner dependence), as well as elements in other clusters (outer dependence). The objective of ANP is to determine the cumulative effect of all elements. Therefore, all criteria must be arranged and ranked in a hierarchical control or network

framework, using comparisons and synthesis to determine the order of importance for this set of criteria. Then, by paying close attention to each criterion, we diminish the impact of the feedback's components. The results of this influence are then weighted according to the significance of each criterion and added to determine the overall effect of each element (Ascarya, 2005).

ANALYSIS

ANP Framework

The framework in ANP is divided into two parts. The first part consists of a control hierarchy or network of criteria and sub-criteria that control interaction. The second part is the network of influences between elements and clusters. In more detail, the feedback network used in this analysis consists of aspects and sub-aspects.

A. Criteria Aspect

Basically all aspects in this research are important in the development of national zakat. However, limited resources require zakat managers to set priorities appropriately. This study found that the most priority aspect is the aspect of amil competency, followed by the regulatory aspect, the sharia compliance aspect, the collection aspect, the utilization aspect, and the institutional framework aspect.

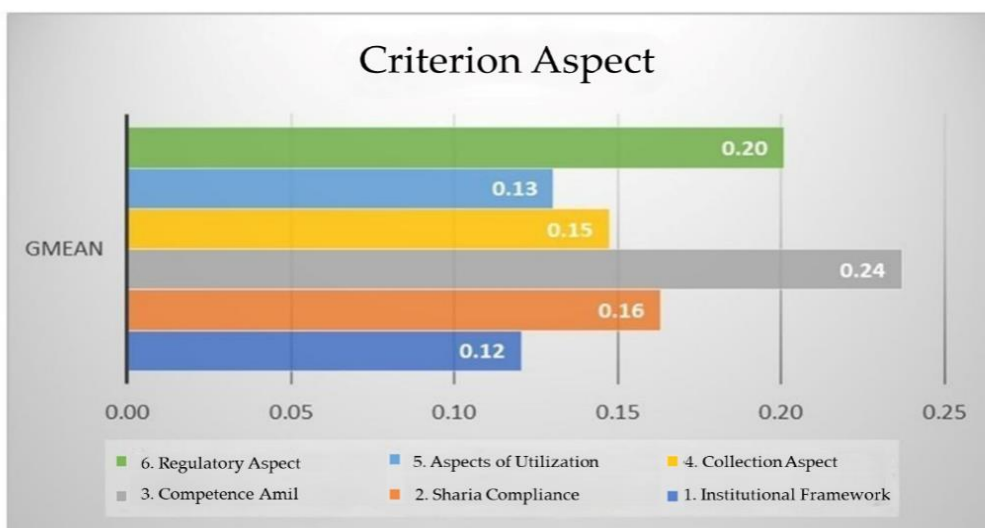


Figure 2: Criteria Aspects

Amil competence is the most important aspect in the development of national zakat. This is because amil has a very large role in the management of zakat,

starting from collection, financial management to utilization, so it can be said that amil is a good determinant of zakat management. The history of zakat

management in Indonesia records that zakat management has started a long time ago, but the period of zakat revival began since the emergence of professional amils pioneered by Dompot Dhuafa Republika.

Regulation is considered as the second most important aspect in the development of national zakat. [The National Zakat Index \(IZN\) \(2017\)](#) weighs 30% of the regulatory aspects in determining whether zakat management is good or bad in a region/country in the macro aspect. This shows that regulation cannot be separated in the management of zakat. The regulation provides a legal umbrella, so that zakat management activities which are sharia law become legal in a positive law perspective.

Sharia compliance is the third priority. Zakat which is part of ritual worship and has been regulated by religion in detail, so that the management of zakat must be carried out in accordance with sharia principles. The management of zakat that is not in accordance with sharia principles has the consequence of rejecting the practice in the sight of Allah. (hadith). In addition, non-compliance with sharia rules can also lead to negative judgments from the public and then lose the credibility of amil zakat.

The collection aspect is the fourth priority, and is not placed on the first priority. This is understandable,

because collection is a logical consequence of the previous priorities. Improvements in amil competition, regulation and sharia compliance will automatically increase collection. Competent amil and high sharia compliance will generate public trust which is the most important thing in the world of social generosity, especially zakat, so that they are willing to distribute their zakat through OPZ. Improved regulations where zakat is converted into an obligatory system will force obligatory zakat who have not yet paid zakat. The aspect of utilization depends on the aspect of collection, so that it is only considered as the fifth priority. A large collection gives OPZ a wider choice.

B. Aspect sub-criteria

1. Amil Competence Aspect

Amil competency standard is considered as a priority aspect in the amil competency aspect. This shows that amil must have certain competency standards, so that they can carry out their duties properly. [Nasar \(20xx\)](#) states that every amil must have technical and non-technical competence. Technical aspects are directly related to the management of zakat, such as understanding the fiqh of zakat, while non-technical aspects are related to the person as amil, such as morals and social sensitivity ([Mintarti, 20xx](#)).

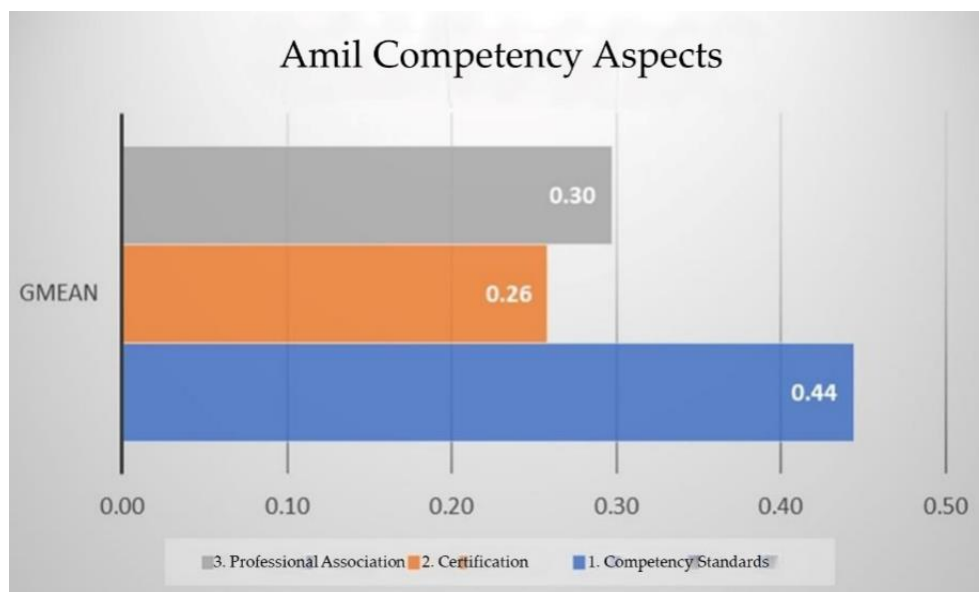


Figure 3: Amil Competency Aspects

To achieve these competency standards, the amil education and training program needs to be continuously improved. Unfortunately there are still a few educational institutions that focus on producing

professional amil. Currently, there is only one study program at higher education institutions in Indonesia that focuses on producing professional amils, namely at the Muhammadiyah University of Jakarta (UMJ). This is

expected to improve the quality of amil in the future, which is currently still dominated by non-graduates who are related to zakat management.

2. Regulatory Aspects

Regulatory improvement is the first priority regulatory aspect. This shows that existing zakat regulations are generally considered inadequate. Zakat, which is essentially a pillar of Islam which is the

obligation of every Muslim, is still considered a voluntary charity. Zakat which is only a deduction from taxable income needs to be converted into zakat as a tax deduction, so that double tax avoidance can be avoided. The Ministry of Finance does not need to worry about losing sources of state revenue, because experience in Malaysia with zakat policies as a tax deduction can actually increase tax collection itself.

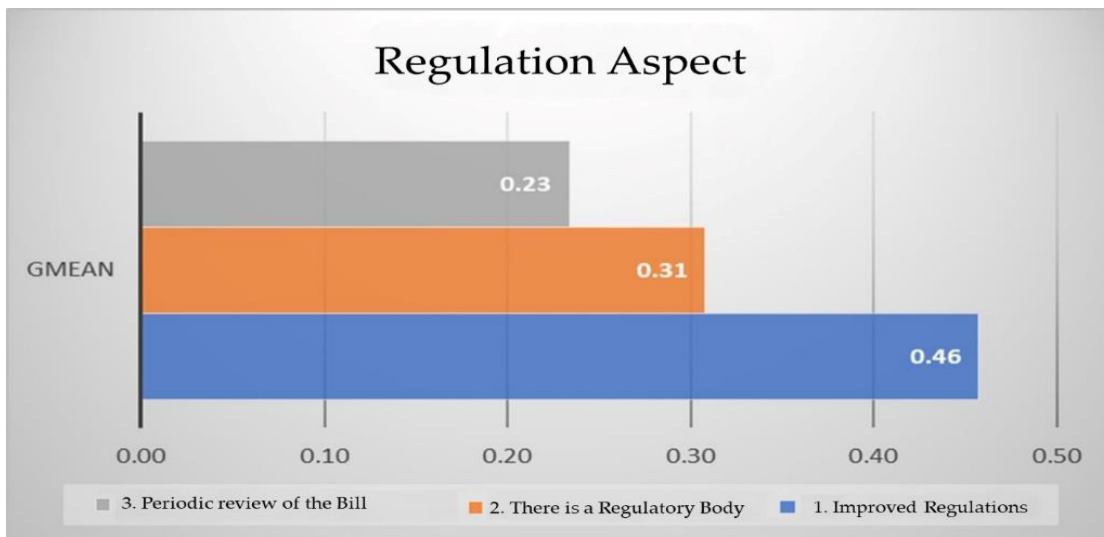


Figure 4: Regulation Aspect

3. Aspects of Sharia Compliance

Zakat fiqh standards are a top priority in the aspect of sharia compliance. This shows that the practice of zakat management in Indonesia is still diverse. The number of khilafiyah often confuses the community. An example is the practice of professional zakat, even

though the National Baznas states the existence of this zakat, many people in society say that professional zakat is something invented in religion (bid'ah). Therefore, the standardization of zakat fiqh must be pursued. The role of Baznas and MUI as parties authorized by the state in this matter needs to be increased.

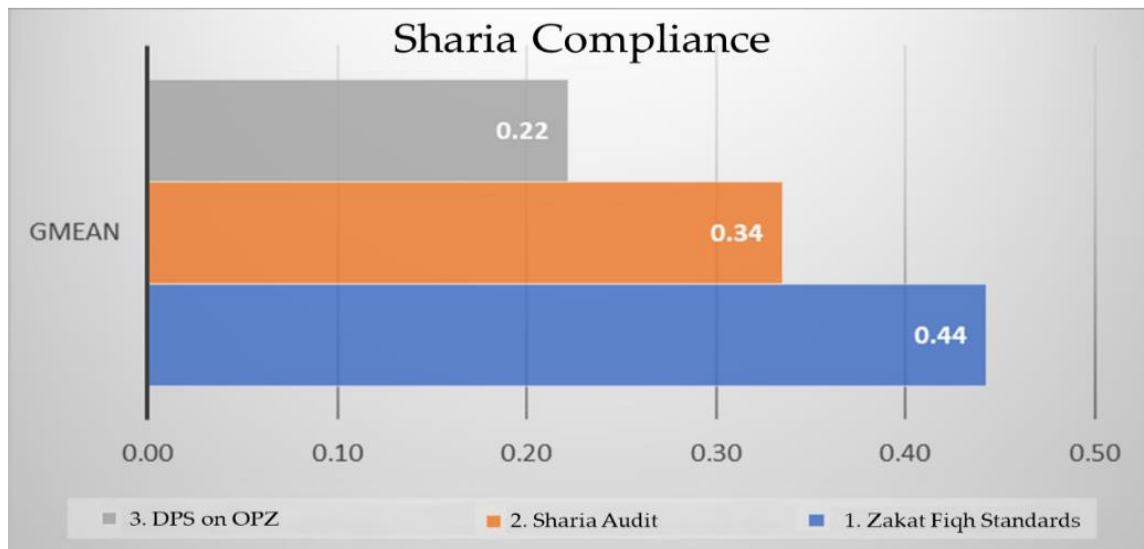


Figure 5: Shariah Compliance Aspects

1. Aspects of Collection

IT-based collection is considered as a top priority in the collection aspect. IT is increasingly familiar with the community, because the world community has entered the digital era. The majority of the population is connected to the internet. IT facilitates

the payment of zakat, so that people can pay zakat only by using a mobile phone through sms banking or internet banking facilities. In addition, this method is the fastest and most efficient way compared to other zakat payment methods.

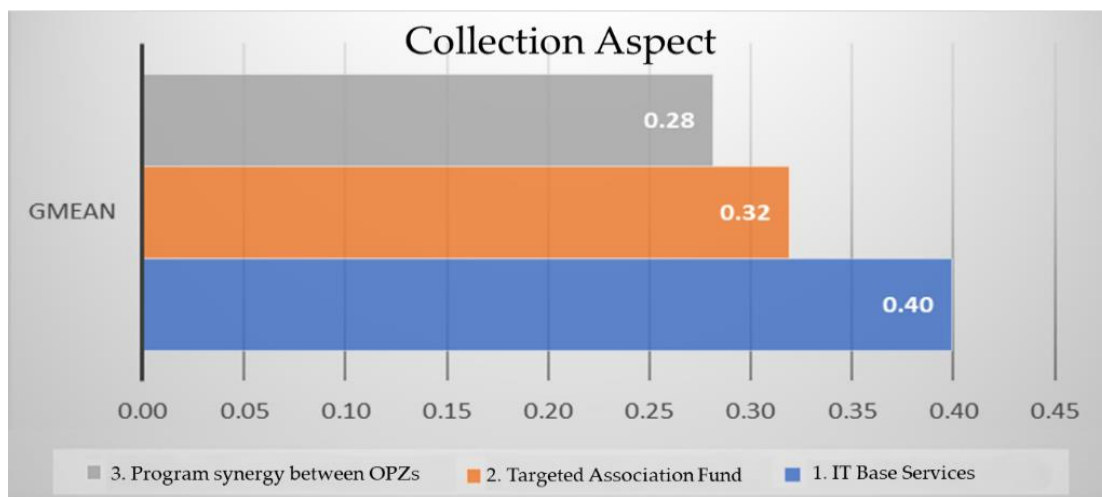


Figure 6: Collection Aspects

2. Aspects of Utilization

Asaf-based mustahik maps are a top priority in the aspect of utilization. Mustahik maps can facilitate

utilization activities, so that utilization activities can be carried out effectively. The mustahik map can also avoid multiple zakat recipients from various OPZs.

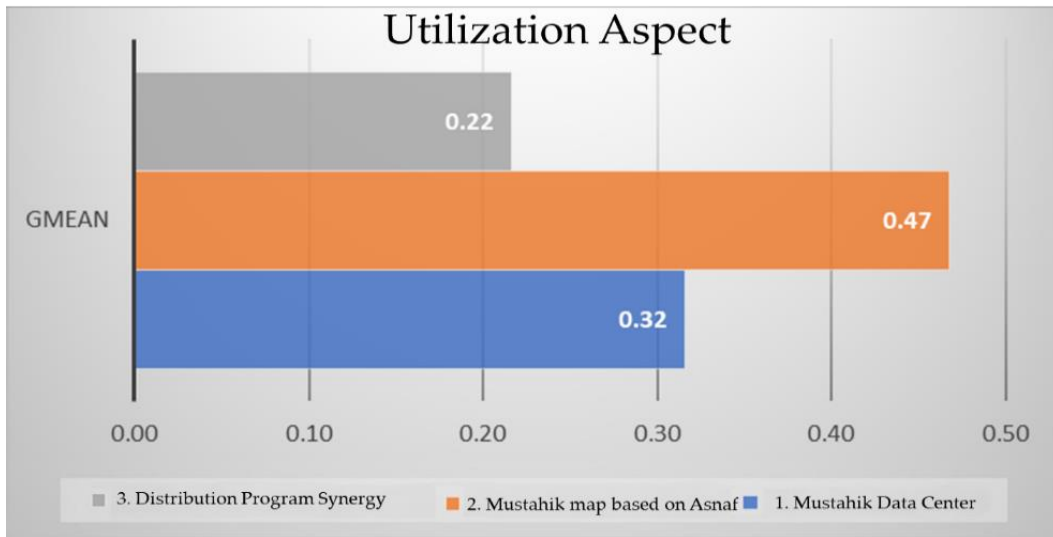


Figure 7: Utilization Aspects

3. Aspects of the institutional framework

The most priority on institutional framework is performance management. Performance management is imperative to fulfill legislative and constitutional imperatives for enhanced service delivery. By according precedence to performance management within the

institutional framework, zakat institutions can more effectively attain predetermined objectives while concurrently fostering employee development and augmenting operational efficiency.

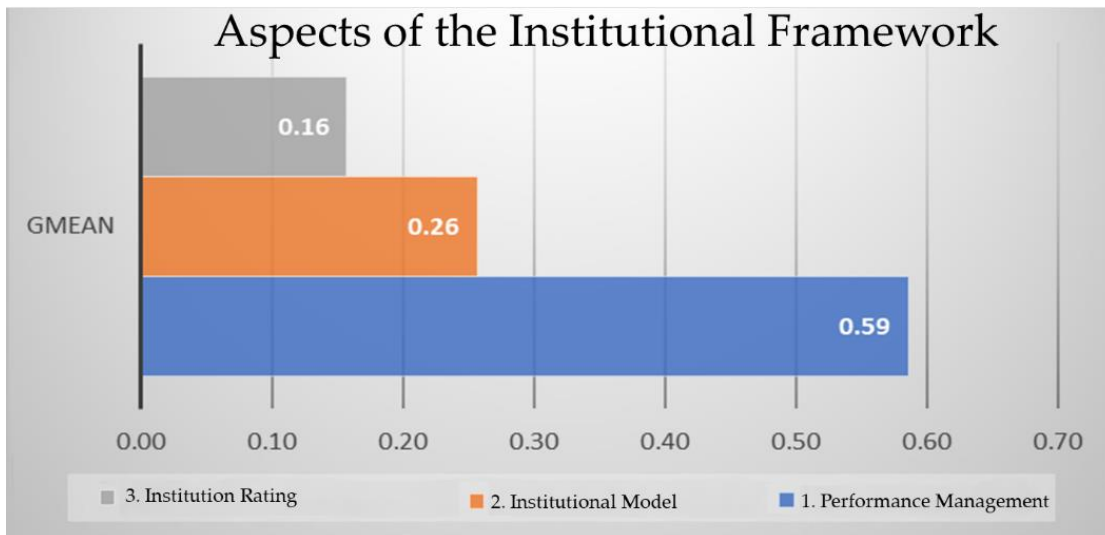


Figure 8: Aspect of Institutional Framework

FINDINGS

The priority for the development of zakat in Indonesia is the competency aspect of amil, followed by the regulatory aspect, the sharia compliance aspect, the collection aspect, the utilization aspect, and the institutional framework aspect. Amil competence is the

most priority aspect in the development of zakat. Competent amil zakat can ensure the collection of zakat funds efficiently and effectively, because amil has the knowledge and skills to identify the rightful recipients, calculate the amount of zakat payable accurately, and collect funds in a transparent and accountable and

competent manner can ensure that zakat funds are distributed to those who need it fairly and equally (Adnan, 2017; Ayuniyyah et al., 2020). Amil competence is also very concerned about aspects of professionalism which of course also understands the principles and guidelines of zakat. Amil adheres to ethical standards and maintains the integrity of the zakat system, so as to encourage more people to fulfill zakat obligations and increase public trust in official zakat institutions (Adnan, 2017). In addition, by prioritizing the competence of Amil Zakat, the overall development of zakat can be increased. A competent Amil Zakat can contribute to improving the zakat management system, implementing good governance practices (Rusydhiana & Firmansyah, 2017), and developing strategies to maximize the impact of zakat funds (Adnan, 2017; Firmansyah & Devi, 2017).

Of course, increasing the competence of amil zakat can be done through several things, one of which is through effective training and courses that equip amil zakat with the knowledge and skills needed to carry out their duties effectively (Adnan, 2017). Ab Rahman et al (2016) also explained that the development of an integrated model for amil zakat can help increase their role in the collection and distribution of zakat. The model could include guidelines and best practices for the collection and distribution of zakat, as well as training programs to enhance the skills and knowledge of Amil Zakat. In addition, strengthening the role of zakat bodies and institutions as well as certification of amil zakat competencies can also strengthen amil competencies, which in turn will increase public trust and increase the receipt and distribution of zakat funds (Ayuniyyah et al., 2020).

Based on the sub-criteria, amil competency standards on aspects of amil competence are priority matters that need to be pursued as soon as possible. This is because the increased competency of Amil Zakat leads to better zakat management. Amil Zakat who has knowledge of Islamic law and skills in zakat management can effectively carry out their duties, ensuring that zakat funds are collected and distributed according to zakat principles (Zaenal et al., 2017). In addition, the acceleration of amil competency standards will also lead to increased financial performance (Putri, 2022), professionalism and transparency in the management of zakat. Amil's expertise and adherence to best practices increases public trust and confidence in zakat institutions. This, in turn, encourages more people to fulfill their zakat obligations and increases the overall effectiveness of zakat management (Nasri et al., 2019; Ayuniyyah et al., 2020). In turn, pursuing amil zakat

competency standards is very important for the development of zakat in the future. By building a professional amil zakat and implementing an integrated role model, the overall zakat system can be improved. This includes improving training programs, strengthening the role of zakat institutions and institutions, as well as ensuring the quality of zakat management information systems (Ab Rahman et al., 2016; Adnan et al., 2017; Nurhayati et al., 2023).

On the regulatory aspect, regulatory improvement is the first priority. This shows that existing zakat regulations are generally considered inadequate (As-Salafiyah & Fatoni, 2021). There are several factors behind this, including the politics of zakat management in Indonesia is characterized by tensions between BAZ (National Amil Zakat Agency) and LAZ (Regional Amil Zakat Agency). This tension results in inefficiencies in the collection and distribution of zakat (Saidurrahman, 2013). In addition, the management of zakat is also still inadequate and the lack of reporting of zakat is still a crucial problem in the implementation of national zakat (Ayuniyyah et al., 2020; Harahap & Soemitra, 2022). Another factor that is also the reason for the need for regulatory improvement is external problems, including the lack of information technology development, zakat management standards, and information dissemination (Hidayatullah & Priantina, 2018).

To improve zakat regulations in Indonesia, the following things can be done, 1) Establish a Regulatory Body. Building a regulatory body for zakat management can help improve zakat regulation in Indonesia. This agency can oversee the collection and distribution of zakat funds, ensuring that it is carried out in accordance with the principles of zakat (Saidurrahman, 2013). 2) Completion of the Law on Zakat Management. Zakat Management Law No. 38/1999, which only regulates aspects of zakat management, needs to be revised to cover other matters related to zakat management. This can help increase the credibility and accountability of zakat institutions so as to foster public trust (Hafidhuddni & Beik., 2010). 3) Developing national zakat standards can help ensure that zakat institutions comply with best practices and guidelines. This can increase the professionalism and transparency of zakat management so as to increase public trust and confidence (Harahap & Soemitra, 2022). 4) Digitalization of Zakat Management: Digitalization of zakat management can help increase the efficiency and effectiveness of zakat collection and distribution. This can include the development of a zakat management

information system, which can improve the accuracy and transparency of zakat management (Zubaidah & Afifah, 2020).

In the aspects of sharia compliance, zakat fiqh standards are a top priority in the aspect of sharia compliance. This shows that the practice of zakat management in Indonesia is still diverse. Henceforth, in the realm of sharia compliance, the fiqh zakat standard assumes paramount importance to ensure that zakat disbursement aligns with the prescribed zakat regulations stipulated by the zakat authorities, in accordance with the tenets of Islamic jurisprudence (Sawmar & Mohammed, 2021). The AAOIFI's sharia standard pertaining to zakat stands as one of the established benchmarks crafted to ascertain conformity to zakat regulations (Raja, 2021). Moreover, a rigorous governance process must be instituted to provide assurance to zakat payers that their contributions are employed in a manner consistent with Sharia principles (Save the Children, 2023).

Then, for the collection aspect, IT-based collection is considered a top priority in the collection aspect. IT is increasingly familiar with the community, because the world community has entered the digital era. Salaudeen & Edghiem (2023) explain that through digitization, the process of collecting and distributing zakat will be more efficient. In addition, by utilizing IT, it can help automate the process of calculating zakat payable, making it easier and faster for muzakki (zakat payers) to fulfill their obligations. Utilization of IT can also increase the transparency of zakat management, where through IT can provide clear and accurate records of the collection and distribution of zakat, making it easier to track the flow of funds and ensure their distribution to those in need, as well as provide accessibility for muzakki to make zakat payments online, so that it is more convenient and accessible to muzakki who may not have access to traditional payment methods (Noor & Pickup, 2017). The importance of IT-based zakat collection is reinforced by a statement from Kharisma (2022) that internet access has become very important during the COVID-19 pandemic, because social and physical restriction measures have increased the need for online communication and remote activities, and internet use plays an important role in strengthening social capital in Indonesia.

Furthermore, in the aspect of utilization, the asaf-based mustahik map is the top priority. Mustahik maps can facilitate utilization activities, so that utilization activities can be carried out effectively. On the other hand, asnaf-based mustahik maps can also help

ensure optimal utilization of zakat funds. By mapping muzakki data, collecting zakat funds or objects, and mapping the needs of different mustahik groups, zakat institutions can allocate funds more efficiently. In addition, the mustahik map can also increase the transparency of the distribution of zakat funds, enable effective planning, and increase accountability (Harahap & Soemitra, 2022; Ningrum et al., 2023).

Finally, on the aspect of the institutional framework, the main priority is performance management. This is because management has a key role in achieving organizational or institutional goals. Performance management is needed to meet legislative and constitutional needs for better service delivery. Performance management systems can help ensure that an institution or public sector organization meets the set goals and objectives, and provides services efficiently and effectively. In other cases, performance management helps zakat institutions develop strategic objectives and results, for example by using an approach such as the Balanced Scorecard (BSC), zakat institutions can focus on certain results and work to achieve better results (Annahl, 2020). By streamlining processes, identifying areas for improvement, and setting performance indicators, zakat institutions can optimize their operations and better meet societal needs, which in turn can increase the efficiency and effectiveness of zakat institutions. On the other hand, performance management also promotes accountability and transparency in zakat institutions. By establishing clear performance measures and monitoring progress, zakat institutions can demonstrate their accountability to stakeholders and ensure transparency in the use of zakat funds (Diamond, 2005). Through performance management will also foster a culture of continuous improvement in zakat institutions. By regularly evaluating performance, identifying areas for improvement, and implementing corrective actions, zakat institutions can improve their operations and achieve better results.

CONCLUSION & RECOMMENDATION

The priority for the development of zakat in Indonesia is the competency aspect of amil, followed by the regulatory aspect, the sharia compliance aspect, the collection aspect, the utilization aspect, and the institutional framework aspect. Amil competence is the most priority aspect in the development of zakat. Amil competency standard is a priority that needs to be pursued as soon as possible so that the management of

zakat is getting better. In the realm of regulatory aspect, regulatory enhancement takes precedence as the foremost priority in zakat development. Subsequently, within the domain of sharia compliance, the establishment of fiqh zakat standards emerges as the utmost priority. Concerning the facet of collection, the principal focus lies in IT-based collection, while within the sphere of utilization, the paramount emphasis is on the implementation of an ashaf-based map for mustahik (zakat beneficiaries). Lastly, within the ambit of institutional framework, the foremost priority pertains to performance management.

Derived from the outcomes of the aforementioned research, the recommended policies encompass a diverse array of strategies ranging from the augmentation of amil competence, the refinement of regulations, adherence to sharia principles, IT-driven collection mechanisms, targeted beneficiary empowerment, and the cultivation of robust institutional performance management. By meticulously attending to these prioritized facets, zakat institutions in Indonesia stand poised to substantially enhance their operations, ensuring the efficacious utilization and distribution of zakat in alignment with regulatory mandates and Sharia tenets.

Subsequent studies may further delve into the findings unearthed within this research, delving into the respective prioritized aspects. Moreover, researchers may employ analytical tools or alternate methodologies that remain pertinent, such as employing stochastic frontier analysis (SFA) to assess the efficiency of zakat institutions in Indonesia, Structural Equation Modeling-Partial Least Squares (SEM-PLS) to explicate the influences of prioritized aspects on zakat development, and other such methodologies to attain a more comprehensive outcome, thus facilitating the formulation of precisely targeted policies.

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