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Comparative Analysis of Collection and Distribution of Zakat Institution Funds in Indonesia

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Abstract

Zakat is an important instrument in Islamic philanthropy that can be beneficial in socio-economic terms. The purpose of this study is to analyze the development of the collection and distribution of zakat funds at zakat institutions in Indonesia. This research uses a quantitative method using horizontal analysis. The results of the study show that the collection and distribution of zakat funds for each zakat institution have different graphs are increasing, decreasing, and fluctuating. The collection of zakat funds in the 2016-2019 period shows that the largest collection of funds is LAZ Dompot Dhuafa, the proportion of which reaches 30% of the total funds. Meanwhile, LAZ Mizan Amanah is a zakat institution with the lowest proportion of fundraising, namely 1% of the total funds. The distribution of zakat funds in the period 2016-2019 shows that LAZ Rumah Zakat has the largest distribution of funds and LAZ Mizan Amanah is a zakat institution with the lowest proportion of channeling funds is only 1% of total funds. The implication of this research is for zakat institutions to optimize the collection of zakat funds innovatively so that they can channel more funds to the community.

Keywords: Development, Zakat, Fund, Collection, Distribution

Abstrak

Zakat merupakan instrumen penting dalam filantropi Islam yang dapat bermanfaat dalam sosial ekonomi. Tujuan penelitian ini untuk menganalisis perkembangan penghimpunan dan penyaluran dana zakat pada lembaga zakat di Indonesia. Penelitian ini merupakan metode kuantitatif dengan menggunakan analisis horizontal. Hasil penelitian menunjukkan bahwa penghimpunan dan penyaluran dana zakat setiap lembaga zakat memiliki grafik yang berbeda-beda, yaitu meningkat, menurun, dan fluktuatif. Perbedaan tersebut menandakan bahwa metode zakat yang digunakan masing-masing lembaga zakat variatif. Penghimpunan dana zakat dalam kurun waktu tahun 2016-2019 menunjukkan bahwa penghimpunan dana terbesar adalah LAZ Dompot Dhuafa, proporsinya mencapai 30 % dari total dana keseluruhan. Adapun LAZ Mizan Amanah merupakan lembaga zakat dengan proporsi penghimpunan dananya paling rendah yaitu 1% dari total dana. Sedangkan penyaluran dana zakat dalam kurun waktu tahun 2016-2019 menunjukkan bahwa LAZ Rumah Zakat penyaluran dana terbesar dan LAZ Mizan Amanah merupakan lembaga zakat dengan proporsi penyaluran dananya paling rendah yaitu hanya 1% total dana. Implikasi penelitian ini agar lembaga zakat mengoptimalkan penghimpunan dana zakat dengan cara inovatif agar dapat menyalurkan dananya lebih besar kepada masyarakat.

Kata Kunci: *Perkembangan, Zakat, Dana, Penghimpunan, Penyaluran*

INTRODUCTION

Indicators of Islamic economic prove its ability in solving financial crises and to be as an alternative economic system. In Islamic economics, every available resource must be related to the welfare of the community. Islam views that the creation of nature and its contents is to meet human needs (Thaliya & Amrina, 2023). Zakat is a religious institution that aims to improve justice and social welfare. To make it happen, zakat must be managed institutionally by Islamic law. Management of zakat through institutions will have a positive impact on the receipt and distribution of zakat (Adiwijaya & Supriyanto, 2020). Zakat management through zakat institutions can identify and assess the needs of those who receive zakat. Cultivating a positive attitude in paying zakat and a country's zakat system will be well organized (Saad et al., 2020). Institutional management of zakat has more advantages than conventional. The distribution of zakat and the recording of zakat collection can be optimally organized.

The enormous potential for zakat in Indonesia is expected to be able to contribute to the welfare of society in Indonesia. In fact, this is supported by the studies of Shaikh (2017) that zakat plays an important role in overcoming income inequality, economic growth, quality education, global welfare, health, hunger and poverty. The same thing was expressed by Bukowski (2014) that zakat plays a role in the socio-economic context in a country. Its social role as an important tool for maintaining social justice is strongly expressed. In fact, there are only a few countries including Pakistan, Malaysia, Indonesia, and Brunei where zakat is collected as a mandatory obligation by the state for socio-economic development.

At first, zakat was only a mahdhah worship, but over time, the aspect of zakat expanded into muamalah worship. A part from the nuances of obedience, zakat also has a significant social impact as a distribution of wealth and as an actualization of the concept of socio-economic justice that exists in Islamic teachings. Zakat is an *ibādah al-maliyyah al-ijtimā'iyah* which has a strategic position in terms of Islamic teachings and the development of the economic welfare of the people (Al-Qardawi, 1993). Zakat functions to help, assist and guide the poor and needy toward a better and prosperous life so that they can meet their needs properly, can worship Allah SWT, and avoid the dangers of disbelief. Zakat is not only to fulfill consumptive needs but also productively so that it can be useful for the welfare of mustahik.

Suprayitno et al., (2017) proved that there is a causal relationship between zakat and economic development. Zakat influences human development, both in the short and long term. The distribution of zakat also influences the education for stimulates a better social life. However, it is different from the research by Anindita & Sidiq (2018) which explains that the potential for zakat has not been able to play a role in overcoming poverty and increasing welfare in Indonesia even though the province has a Muslim majority population. The contradiction that whether zakat has a contribution or not to welfare impact.

Previous studies examined the potential for zakat and its impact on various aspects. Studies that describe the comparison of the collection and distribution of zakat institutions have not been found before. Collection and zakat are only studied in general without making comparisons between zakat institutions. The urgency of this

comparison is used as material to see the effectiveness of the collection and distribution of zakat as well as evaluation of the performance of zakat institutions in Indonesia.

Indonesia has a lot of potential in using the zakat fund instrument as one of the government's poverty-reduction programs. This difference can be seen from the process of collecting and distributing zakat (Masrifah & Rahman, 2022). Currently, there are 25 zakat institutions consisting of the Amil Zakat Institution (LAZ) and the National Zakat Agency (BAZNAS) as a national-scale Zakat Management Organization (OPZ) in Indonesia. Various efforts are being designed and have been implemented to increase the collection of zakat to be able to increase the amount of zakat each year and its distribution to various aspects that support welfare.

Urgency this research is an illustration of the dynamics of collection and distribution in various zakat institutions. This research aims to examine and analyze the development of the collection and distribution of zakat as well as comprehensively describing zakat funds as a form of comparison of the performance of zakat institutions.

LITERATURE REVIEW

Zakat comes from the root word (masdar) of *zakah* which means blessing, growing, clean and good (Al-'Arabiyah, 1972). In *Lisān al-Arabīc*, the basic meaning of the word *zakah*, in terms of language, is holy, growing, blessing, and commendable. The word "*zakah*" also implies purity (cleanliness). The term *zaka* when used as an example of a plant means to grow. When plants it grows flawlessly, hence the word *zaka* is clean. If someone is given *zaka* character in a good sense then that person has more good qualities (Rizqon & Ramadhan, 2022). Zakat in the sense of purification there are three kinds: zakat (purification) of the soul, zakat (purification) of the body, and zakat (purification) of the asset (Al-Qahtani, 2018).

Zakat from the term *fiqh* means a certain amount of property obligated by Allah to be handed over to people who are entitled and to issue it with a certain amount as well (Al-Qardawi, 2004). The meaning of zakat in terms of *sharia* is an obligatory property that has been determined by Allah, then distributed to eight groups, these are the indigent, poor, *amil*, converts who have just entered Islam. To free slaves, *gharimin* who are unable to pay their debts, *fiṣabilillah*, and for *Ibn Sabil* who is on his way for religious matters (Triatmaja, 2022). The meaning operationally is to issue a portion of assets within a certain time (haul or when harvesting) with a value (2.5%, 5%, 10%, or 20%) and a certain target (Sahroni & Suharsono, 2018).

Outline the definition of zakat is to worship Allah SWT by issuing certain assets according to the *Shari'a*, from certain assets, to certain people, and with certain conditions as well (Al-Qahtani, 2018). The relationship between the understanding of zakat according to language and the meaning according to terms is very close. If a property is issued zakat, it will grow, develop, be blessed, and holy (Hafidhuddin, 2008). The obligation of zakat to all Muslims does not mean without conditions, because zakat is an order that has been regulated in detail. Starting from the assets that are *zakatable*, the criteria for obligatory zakat to the conditions for someone's wealth, there are provisions that are in accordance with religious recommendations. Al-Zuhaili (1986) mentions the criteria for obligatory zakat, namely: Muslim (both male and female), independent (not slaves). According to Al-Qardawi (2004), the criteria for

wealth that are obligatory for zakat are: full ownership, growing assets, sufficient nisab, haul, exceeding basic needs, and free from debt.

The sources of assets for which zakat is obligatory (*al-amwāl al-zakawiyah*) are important aspects, especially when associated with economic activities that continue to develop from time to time. It is stated in the book of *al-Amwāl* that *al-amwāl az-zakawiyah* is divided into two parts. First, *zahir* treasures, visible treasures and it is impossible for people to hide them, such as plants and fruits. Second, inner treasures, namely treasures that someone might have hidden, such as gold and silver (Al-Qasim, 2009)

Zakat is worship in assets that contain wisdom and benefits that are so great and noble, both related to muzakki, mustahik, zakat that is issued zakat, as well as to society as a whole (Qadir, 1998). One of Allah SWT promises, especially to muzakki, is that the wealth for which zakat has been paid will increase. People who give tithe spend a small amount, but the rewards they get from Allah SWT are many and multiplied. In addition, zakat can also reduce the miserliness of muzakki. Basically, miserliness has the potential to affect everyone, including those who are well off, because everyone has a tendency and love for the world and wealth in particular (Sahroni & Suharsono, 2018).

In Indonesia, the management of zakat was initially regulated based on Law no. 38 of 1999 concerning the Management of Zakat by Decree of the Minister of Religion (KMA) No. 581 of 1999 concerning Implementation of Law no. 38 and Decree of the Director General of Islamic Community Guidance and Hajj Affairs No. D/291 of 2000 concerning Technical Guidelines for Zakat Management. This law only regulates the managerial aspects of zakat, while other matters including zakat fiqh are regulated based on sharia law.

Along with the development of the dynamics of zakat management, currently zakat regulations are regulated through Law no. 23 of 2011. This regulation emphasizes the central role in determining zakat management policies as there are certain targets that must be achieved. In addition, there are also regulations in the form of Government Regulation of the Republic of Indonesia number 14 of 2014 concerning the Implementation of Law No. 23 of 2011 concerning Zakat Management, then the instruction of the President of the Republic of Indonesia number 3 of 2014 concerning Optimization of zakat collection in Ministries/Institutions, State Commission Secretariat General, Regional Government, State-owned Enterprises and Regional-Owned Enterprises as well as various regional regulations regarding zakat (Suprima & Rahman, 2019). This means that the management of zakat has the power of law in the collection, distribution, and institutional.

Law No. 23 of 2011 concerning Zakat Management Chapter 1 article 1 on points 7 and 8 states that zakat management institutions in Indonesia consist of two types, namely the National Zakat Amil Agency (BAZNAS) and Zakat Amil Institutions (LAZ). BAZNAS was formed by the government which manages zakat nationally while LAZ was founded by the community which has the task of assisting in the collection, distribution, and utilization of zakat (Undang-Undang No. 23 Tahun 2011 Tentang Pengelolaan Zakat, 2011). In detail, the management of zakat in Indonesia has been explained in the current regulations, as well as the technical functions of the two types of institutions. Currently, zakat institutions in Indonesia are growing and showing

a positive trend. There are 26 zakat institutions in Indonesia nationally consisting of BAZNAS and LAZ.

RESEARCH METHOD

This research is descriptive quantitative research with the nature of case study research, namely a detailed investigation of one or more organizations, or groups within organizations, to provide an analysis of the context and processes involved in the phenomenon under study (Kothari, 2014). Quantitative research is an approaches to empirical studies to collect, analyze, and present data in numerical rather than narrative form (Given, 2008).

The object of this research is the Zakat Management Organization which consists of the National Zakat Amil Agency (BAZNAS) and the Amil Zakat Institution (LAZ). The technique used to determine the sample in this study was purposive sampling, which is a sample selection model based on certain criteria according to the needs of the researcher. The sample for this study was obtained with the following criteria:

1. The sample is a national-scale zakat institution registered at the Ministry of Religion of the Republic of Indonesia.
2. Zakat institutions that provide annual reports or activity publications that can be accessed online during the research period, namely 2016-2019.
3. Zakat institutions that provide financial reports of zakat institutions that can be accessed online during the research period, namely 2016-2019.

Based on the criteria that have been determined above, the samples in this study are eight zakat institutions in Indonesia, as follows:

Table 1
 Research Sampel of Zakat Institutions

No.	Zakat Institutuons
1.	The National Zakat Amil Agency (BAZNAS)
2.	LAZ Rumah Zakat
3.	LAZ Dompot Dhuafa
4.	LAZ Inisatif Zakat Indonesia
5.	LAZ Yayasan Yatim Mandiri
6.	LAZ Yayasan Panti Yatim Indonesia
7.	LAZ Baitulmaal Muamalat
8.	LAZ Yayasan Mizan Amanah

This study uses horizontal data analysis, namely the analysis carried out to compare financial reports for several periods. This study uses data for the 2016-2019 period. From this analysis it will be known the changes that occur. Changes that occur can be in the form of an increase or decrease in each component of the analysis. These changes are visible respectively the progress or failure of each component. The results of the analysis will present a comparison between the collection and distribution of zakat funds at zakat institutions in Indonesia from one period to another. In general, the results of this analysis will show, among other things (Kasmir, 2014);

1. The Numbers in rupiah.
2. The numbers are in percentages.
3. Increase and decrease in the amount of rupiah.
4. Increase or decrease both in rupiah and in percentage

RESULT AND DISCUSSION

Collection Of Funds to Zakat Institutions in Indonesia

The obligation of zakat from assets owned is important for Muslims. Public awareness of zakat will affect the trend of increasing zakat collection. The following is the collection of zakat from eight national zakat institutions in Indonesia in 2016-2019.

Table 2
 Collection Of Funds to Zakat Institutions in Indonesia 2016-2019

No	Zakat Institution	Year	Zakat Collection	
			Nominal (Rp)	Percent (%)
1.	BAZNAS	2016	111.690.914.428.00	15%
		2017	153.542.103.405.00	20%
		2018	206.374.175.575.00	27%
		2019	296.234.308.349.00	39%
		Jumlah	767.841.501.757.00	20%
2.	LAZ Rumah Zakat	2016	219.400.676.123.00	23%
		2017	226.362.254.448.00	24%
		2018	232.192.748.384.00	25%
		2019	265.357.973.879.00	28%
		Jumlah	943.313.652.834.00	25%
3.	LAZ Dompot Dhuafa Republika	2016	272.230.205.683.00	25%
		2017	258.108.233.503.00	22%
		2018	271.117.794.574.00	24%
		2019	323.400.475.631.00	29%
		Jumlah	1.124.856.709.391.00	30%
4.	LAZ Inisiatif Zakat Indonesia	2016	62.550.073.983.00	23%
		2017	60.570.599.886.00	21%
		2018	78.853.112.381.00	29%
		2019	79.329.088.770.00	27%
		Jumlah	281.302.875.020.00	8%
5.	LAZ Yayasan Yatim Mandiri	2016	68.129.767.324.00	22%
		2017	71.564.722.763.00	23%
		2018	79.021.737.399.00	25%
		2019	97.356.269.758.00	31%
		Jumlah	316.072.497.244.00	9%
6.	LAZ Yayasan Panti Yatim Indonesia	2016	21.964.646.544.00	20%
		2017	26.525.206.235.00	24%
		2018	29.493.596.989.00	26%
		2019	34.547.208.435.00	31%
		Jumlah	112.530.658.203.00	3%

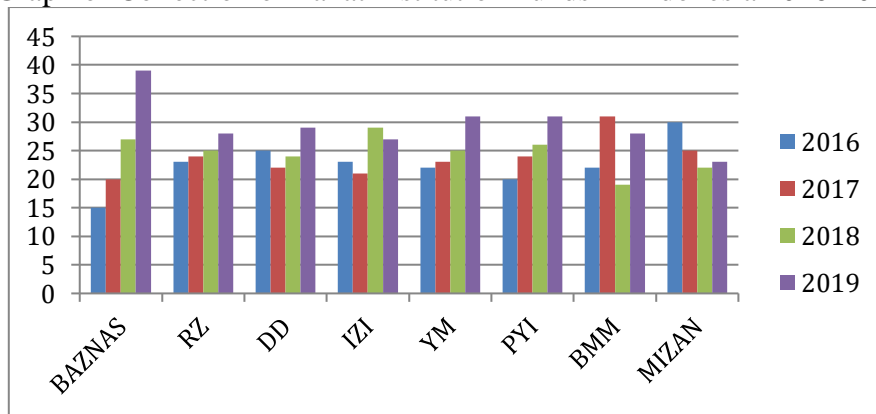
7.	LAZ Baitulmaal Muamalat	2016	32.771.370.911.00	22%
		2017	45.903.711.010.00	31%
		2018	29.007.157.044.00	19%
		2019	42.517.597.691.00	28%
		Jumlah	150.199.836.656.00	4%
8.	LAZ Yayasan Mizan Amanah	2016	14.679.080.269.00	30%
		2017	12.460.415.834.00	25%
		2018	11.080.715.085.00	22%
		2019	11.530.089.506.00	23%
		Jumlah	49.750.300.694.00	1%
Total Collection of Zakat			3.745.868,031.799	100%

Source: Zakat Institution Financial Report, 2022.

The collection of zakat funds in Table 1 is the collection of funds from national zakat institutions from 2016-2019. During these four years, the amount of zakat funds collected from eight zakat institutions was Rp. 3.745.868.031.799.00. The collection of zakat funds for each zakat institution has a different graph, namely increasing, decreasing, and fluctuating. The 2016-2019 zakat institution fundraising chart is more detailed as follows.

Picture 1

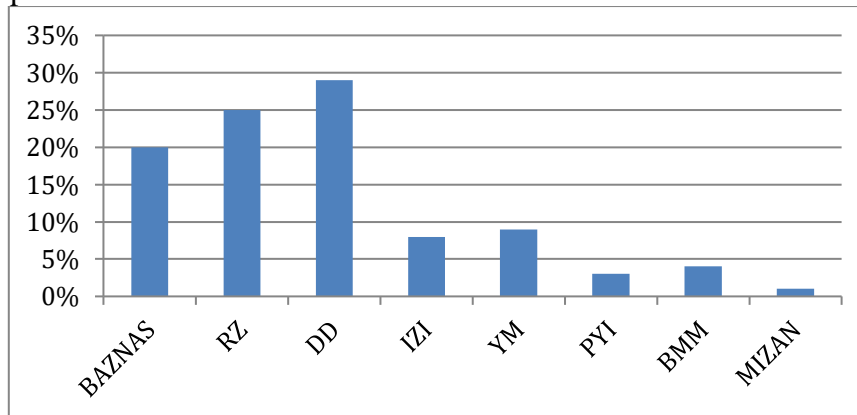
Graph of Collection of Zakat Institution Funds in Indonesia 2016-2019



The collection of zakat funds based on Figure 1 is a graph of the collection of zakat funds in the 2016-2019 period. Zakat institutions whose fundraising shows an increasing trend every year are BAZNAS, LAZ Rumah Zakat, LAZ Yayasan yatim Mandiri, and LAZ Yayasan Panti Yatim Indonesia. Meanwhile, LAZ Dompot Dhuafa, LAZ Inisiatif Zakat Indonesia, LAZ Baitulmaal Muamalat, and LAZ Yayasan Mizan Amanah are zakat institutions whose collection of funds fluctuates, namely the trend of accumulation goes up, and down every year. The accumulation of zakat at each zakat institution accumulatively in the last four years is as follows.

Picture 2

Comparison of Collection of Zakat Institution Funds in Indonesia 2016-2019



Based on Figure 2, the collection of zakat funds in the 2016-2019 period shows that the largest collection of funds is LAZ Dompot Dhuafa, the proportion of which reaches 30% of the total funds. The second largest proportion is LAZ Rumah Zakat, which is 25% of the total funds. The third largest proportion is BAZNAS which reaches 20%. Furthermore, sequentially LAZ Yayasan Yatim Mandiri by 9%, LAZ Inisiatif Zakat Indonesia by 8%, LAZ Baitulmaal Muamalat by 4%, and LAZ Yayasan Panti Yatim Indonesia by 3%. Meanwhile, LAZ Mizan Amanah is a zakat institution with the lowest proportion of fundraising, namely 1% of the total funds.

The difference in the graph of the increase in zakat institutions and the imbalance in the percentage of the number of funds collected indicates that the method of collecting zakat used by each institution is different. Zakat institutions whose collection trend is increasing and the percentage of the number of funds collected is large, then maintains the concept of collecting zakat and add innovation. Zakat institutions whose fundraising trends fluctuate or tend to decrease and the percentage of the total funds collected is still low, it is necessary to find an effective concept and increase zakat collection innovation.

Zakat collection is the main aspect that zakat institutions pay attention to because it will have an impact on zakat distribution, institutional programs and budget allocations for mustahik needs. Good governance or good institutional governance is considered to have an effect on zakat collection. Relevant factors for people to pay zakat so that it has implications for increasing the collection of zakat, namely the quality of service, closeness, and the level of understanding of zakat. Zakat institutions must comply with Islamic principles, namely transparency, credibility, integrity, reliability, and an extensive network because they are necessary conditions for the success of collecting zakat funds (Said et al., 2020).

Trust plays an important pillar in collecting zakat, so zakat institutions should increase muzakki's trust. Belief in the payment of zakat can increase the amount of zakat collection. Zakat institutions need transparent fund management, disclosure of zakat management information to the public (Aziz et al., 2020). The best way to collect zakat is to have trust in zakat institutions, through independent audits, open zakat access sites and zakat institution performance ratings (Owoyemi, 2020). Zakat institutions need to ensure the use of digital financial instruments to collect zakat (Rachman &

Salam, 2018). The management of zakat is very dependent on the collection of zakat, especially in the distribution and utilization of zakat. The more zakat collection increases, the more positive implications it will have for its distribution. If the distribution of zakat increases, the realization of programs that lead to the achievement of the SDGs will also be realized, and the greater the implementation of the concept of Maqāsid al-Sharī'ah

Distribution Of Funds to Zakat Institutions in Indonesia

The development of zakat in Indonesia changes dynamically from any time, especially in terms of the distribution of funds. The distribution of zakat is carried out based on a priority scale by taking into account the principles of equity, justice, and territoriality. The following is the collection of zakat from eight national zakat institutions in Indonesia in 2016-2019.

Table 3
Distribution of Funds to Zakat Institutions in Indonesia 2016-2019

No	Zakat Institution	Year	Zakat Collection	
			Nominal	Percent (%)
1.	BAZNAS	2016	80.252.586.454.00	11%
		2017	131.168.225.347.00	18%
		2018	235.664.651.030.00	33%
		2019	270.716.950.765.00	38%
		Jumlah	717.802.413.596.00	22%
2.	LAZ Rumah Zakat	2016	200.008.000.000.00	22%
		2017	213.414.000.000.00	25%
		2018	209.464.000.000.00	24%
		2019	250.043.000.000.00	29%
		Jumlah	872.929.000.000.00	27%
3.	LAZ Dompot Dhuafa Republika	2016	210.013.000.000.00	26%
		2017	205.394.000.000.00	25%
		2018	190.831.000.000.00	23%
		2019	210.552.000.000.00	26%
		Jumlah	816.790.000.000.00	25%
4.	LAZ Inisiatif Zakat Indonesia	2016	32.637.792.890.00	13%
		2017	55.453.648.637.00	21%
		2018	75.455.582.788.00	29%
		2019	95.349.044.926.00	37%
		Jumlah	258.896.069.241.00	9%
5.	LAZ Yayasan Yatim Mandiri	2016	54.164.987.377.00	21%
		2017	55.818.839.969.00	22%
		2018	60.927.654.629.00	24%
		2019	86.780.330.742.00	34%
		Jumlah	257.691.812.717.00	8%
6.	LAZ Yayasan Panti Yatim Indonesia	2016	20.815.335.640.00	20%
		2017	26.138.527.537.00.00	25%
		2018	26.421.917.727.00	25%

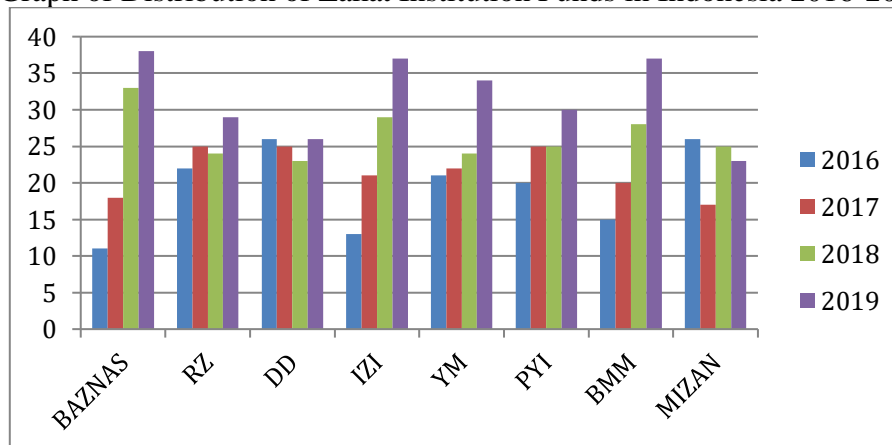
		2019	32.171.398.214.00	30%
		Jumlah	105.547.179.118.00	3%
7.	LAZ Baitulmaal Muamalat	2016	26.366.281.438.00	15%
		2017	35.336.827.062.00	20%
		2018	49.945.643.679.00	28%
		2019	66.441.018.949.00	37%
		Jumlah	178.089.771.128.00	5%
		8.	LAZ Yayasan Mizan Amanah	2016
2017	6.806.138.102.00			17%
2018	9.971.097.779.00			25%
2019	12.516.970.484.00			32%
Jumlah	39.676.337.273.00			1%
Total Distribution of Zakat			3.247.422.583.073.00	100%

Source: Zakat Institution Financial Report, 2022.

The distribution of zakat funds in Table 3 is the distribution of funds from national zakat institutions from 2016 to 2019. During these four years, the amount of zakat funds distributed from eight zakat institutions was Rp. 3.247.422.583.073.00. The distribution of zakat funds for each zakat institution has a different graph, some of which have increased, decreased, and fluctuated. The graph of the development of Zakat institution fund distribution from 2016-2019 is:

Picture 3

Graph of Distribution of Zakat Institution Funds in Indonesia 2016-2019

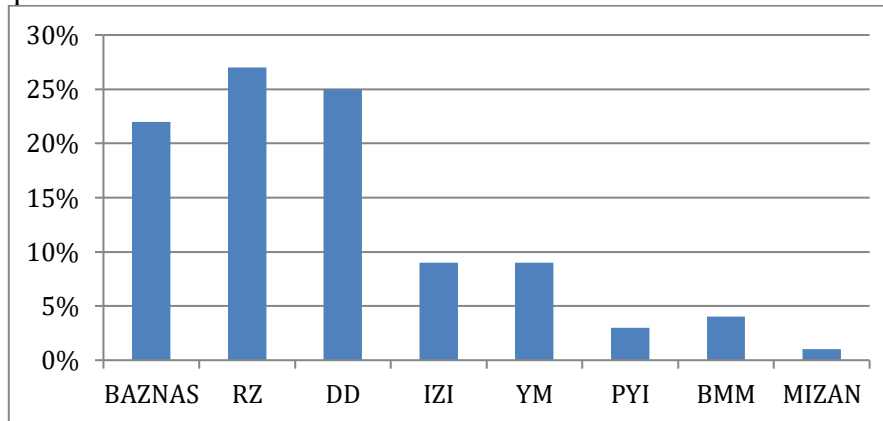


The distribution of zakat funds based on Figure 3 is a graph of the distribution of zakat funds for 2016-2019. The graph shows that the distribution of zakat funds by eight national zakat institutions tends to increase and fluctuate. BAZNAS, LAZ Inisiatif Zakat Indonesia, LAZ Yayasan Yatim Mandiri, LAZ Yayasan Panti Yatim Indonesia, and LAZ Baitulmaal Muamalat are zakat institutions whose allocation of funds has increased every year. Meanwhile, LAZ Rumah Zakat, LAZ Dompot Dhuafa, and LAZ Yayasan Mizan Amanah are zakat institutions whose allocation of funds fluctuates. The

distribution of zakat at each zakat institution accumulatively in the last four years is as follows:

Picture 4

Comparison of Distribution of Zakat Institution Funds in Indonesia 2016-2019



Based on Figure 4.4, the distribution of zakat funds in the 2016-2019 period shows that the largest distribution of funds is LAZ Rumah Zakat, the proportion of which reaches 27% of the total funds. The second largest proportion is LAZ Dompet Dhuafa which is 25% of the total funds. The third largest proportion is BAZNAS which reaches 22%. Furthermore, sequentially by LAZ Inisiatif Zakat Indonesia by 9%, LAZ Yayasan Yatim Mandiri by 8%, LAZ Baitulmaal Muamalat by 5%, and LAZ Yayasan Panti Yatim Indonesia by 3%. Meanwhile, LAZ Mizan Amanah is a zakat institution with the lowest proportion of fund distribution, namely only 1% of total funds.

The distribution of zakat is used as a large capital in productive activities so that it can change the status of mustahik to muzakki (Rosli & Salaman, 2020). The more distribution networks, the more significant and positive the effect is in increasing economic welfare, reducing the gap between rich and poor, helping education, and providing health facilities (Ridwan et al., 2019). A similar view was expressed by Ahmed Fahme et al (2019) that economic, educational, health, and emergency allowances are important points in the distribution of zakat (Ali & Ibrahim, 2019).

The performance of zakat institutions will be seen from their zakat management strategies in optimizing their collection, distribution, and utilization. The process of channeling zakat requires workable guidelines, effective monitoring, and the concept of empowerment. Empowerment covers two areas, namely, empowering Asnaf and empowering Zakat institution staff. When staff are empowered, they can assist management as well as in distribution efforts (Ardiani, 2019).

One of the effective concepts in the collection and distribution of zakat by applying the POSCAC concept is planning, organizing, staffing, coordinating, actuating, and controlling (Fahlefi et al., 2019). This concept can collect zakat above the national average and distribute it effectively. In addition, technological factors also affect the good management of Zakat. Salleh et al. (2019), Elsayed & Zainuddin (2020) and Annahl (2010) stated that technology can improve the performance of zakat institutions. So that the use of technology by zakat institutions will increase the effectiveness of the collection and distribution of zakat. In general, the collection and distribution of zakat is a fundamental aspect of its influence on the achievement of the

SDGs from the perspective of Maqāṣid al-Sharī'ah. Zakat institutions are institutions that need to maximize all innovations and increase their effectiveness.

Dynamics of Collection and Distribution of Zakat Funds in Indonesia

Zakat in Islam has a very high position and position. His words are always combined with prayers in the Al-Qur'an (Sahaluddin & Mokhtar, 2019). Zakat is a noble obligation and has a noble position in Islam. Zakat is the third pillar of Islam and is one of the pillars of religion, zakat is also a noble obligation because the zakat command in the Qur'an is juxtaposed with the prayer command in many verses (Al-Qahthani, 2018). The position of zakat in Islam is closely related to the distribution of wealth. The obligation of zakat is inseparable from the social situation of civilization that has developed in the history of humanity. Since ancient times, humans have always been divided into the rich and the poor. So that one of the tools for the distribution of wealth is through zakat (Natadipurba, 2016).

Zakat is an important instrument for overcoming poverty. The phenomenon of poverty that has existed throughout human history is still a problem today. Poverty is part of human nature. Nobody wants to be poor but poverty still exists, is happening, and is likely to continue to occur in the future. So eradicating poverty remains a constant struggle since long ago and on an ongoing basis (Hamid & Hamid, 2020). Zakat has shown its role as an alternative to eradicate poverty. Several countries have shown that zakat makes a positive contribution to empowering the poor, changing livelihoods and helping people get out of poverty (Embi et al., 2020).

In general, zakat is worship that has high social value. Zakat obligations have various positive socio-economic objectives, not only for zakat recipients but also for zakat payers and the whole community. Generally, charity to further strengthen the social security system is the first step that must be properly addressed so that the Islamic economic system runs smoothly in a more perfect direction (Sahaluddin & Mokhtar, 2019). Islam does not always teach ukhrowi ceremonial rituals, but it also covers worldly socio-economic aspects. A Muslim is not only required to be pious spiritually, but also to be pious socially (Isman, 2020).

As a public organization, the performance of Zakat institutions is very important for society. So that several efforts are needed to improve the performance of these zakat institutions, namely: the need to develop standardization of Sharia governance for zakat institutions, the need to design guidelines and standardize reporting systems, Sharia supervisory systems, and Sharia financial audit systems, and the need to maintain human resource competency standards in zakat management (Amalia, 2017). In addition, zakat institutions need to implement Good Corporate Governance (GCG) which is based on the principles of transparency, accountability, responsibility, independence, and justice (Amalia, 2019).

Trust in amil zakat institutions is defined as the willingness of muzzaki to rely on amil zakat institutions in distributing their zakat to mustahiq zakat because muzzaki believes that these institutions are professional, trustworthy and transparent. Trust is something that can be understood and believed wholeheartedly so that it can bring great benefits to amil zakat institutions and kindness that will not be broken (Fadhila, 2021). The management of zakat by a zakat management institution that has formal legal force has several advantages.

First advantages is to guarantee the certainty and discipline of zakat payers, and second to maintain mustahik's feelings of inferiority when dealing directly with receiving zakat from muzakki. Third, to achieve efficiency and effectiveness, as well as the right target in the use of zakat assets according to the priority scale that exists in one place. Fourth, to show Islamic symbols in the spirit of administering an Islamic government. On the other hand, if zakat is handed over directly from muzakki to mustahik, even though according to Sharia law it is legal, besides neglecting the things above, also the wisdom and function of zakat, especially those related to the welfare of the people, will be difficult to realize.

If the amount of zakat collection increases, then all institutions will also increase their distribution through various programs that can support the needs of mustahik and support socio-economic empowerment. All of this will be achieved if zakat institutions have good performance, there is the sensitivity of the community in paying zakat, and collecting zakat funds from various institutions is carried out maximally and innovatively.

CONCLUSION

The collection and distribution of zakat funds for each zakat institution has a different graph, namely increasing, decreasing, and fluctuating. The differences in the graphs of the collection and distribution of funds for zakat institutions indicate that the zakat methods used by each institution are different. Zakat institutions whose fundraising shows an increasing trend every year are BAZNAS, LAZ Rumah Zakat, LAZ Yayasan Yatim Mandiri, and LAZ Yayasan Panti Yatim Indonesia. Meanwhile LAZ Dompot Dhuafa, LAZ Inisiatif Zakat Indonesia, LAZ Baitulmaal Muamalat, and LAZ Mizan Amanah are zakat institutions whose fundraising fluctuates. The collection of zakat funds in the 2016-2019 period shows that the largest collection of funds is LAZ Dompot Dhuafa, the proportion of which reaches 30% of the total funds. Meanwhile, LAZ Mizan Amanah is a zakat institution with the lowest proportion of fundraising, namely 1% of the total funds.

Distribution of zakat funds to each BAZNAS zakat institution, LAZ Inisiatif Zakat Indonesia, LAZ Yayasan Yatim Mandiri, LAZ Yayasan Panti Yatim Indonesia and LAZ Baitulmaal Muamalat are zakat institutions whose allocation of funds has increased every year. Meanwhile, LAZ Rumah Zakat, LAZ Dompot Dhuafa, and LAZ Mizan Amanah are zakat institutions whose allocation of funds fluctuates. the distribution of zakat funds in the 2016-2019 period shows that LAZ Rumah Zakat has the largest distribution of funds and LAZ Mizan Amanah is a zakat institution with the lowest proportion of channeling funds, namely only 1% of total funds. The implication of this research is for zakat institutions to optimize the collection of zakat funds in an innovative way so that they can channel more funds to the community.

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