

ZAKAT, POVERTY IN INDONESIA AND THE IMPACT OF WELFARE ON SOCIETY

Hardita Amalia Sri Ayu Lestari
STIES Mitra Karya Bekasi

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ABSTRACT

Indonesia's poverty rate in early 2025 was reported at around 8.47%, or approximately 23.65 million people, according to Statistics Indonesia (BPS). However, this figure is still quite high and differs from World Bank data, which classifies a larger proportion of Indonesia's population as poor, namely around 68.25%, or 194.58 million people, in 2024 using a different poverty line. This poverty problem is triggered by several factors such as difficulty finding work, low income, job losses, and income disparities between regions, especially in areas such as Highlands Papua, which has the highest poverty rate. The persistently high poverty rate in Indonesia indicates that the potential of zakat as an Islamic social finance instrument has not been optimally utilized. Although Indonesia has the potential to collect hundreds of trillions of rupiah in zakat annually, its collection remains very low. This problem indicates the existence of structural, regulatory, and institutional barriers in the national zakat management system. This study aims to identify and critically analyze the problems in the regulations and institutions for the collection of zakat, infaq, and alms (ZIS) by Zakat Management Organizations (OPZ), such as BAZNAS and LAZ. The research method used is a qualitative approach with a documentary study of laws and regulations, institutional reports, and academic literature. The results of the study indicate that existing regulations, particularly Law No. 23 of 2011, are still partial, lack clear sanction mechanisms, and create overlapping authority between zakat institutions. The implications of this research indicate the need for more integrative, adaptive, and visionary zakat regulatory updates to increase the effectiveness of ZIS collection, while simultaneously making zakat a strategic instrument in poverty alleviation and supporting the sustainable development agenda.

Keywords: Zakat, Poverty in Indonesia, Impact on Welfare in Indonesia

I. INTRODUCTION

Poverty is a social problem that endangers a country. Therefore, every country, including Indonesia, is very serious about addressing this issue. Because poverty is the gateway to other problems (Kurniawan, 2018; Seran, 2012; Warty, 2015). According to experts, poverty is the inability to meet basic needs or a decent standard of living, referred to as poverty according to the basic needs approach. The inability to meet basic needs will impact the quality of life.

In all aspects of life, including the quality of education, many children drop out of school due to lack of funds. According to the Ministry of Education, Culture, Research, and Technology's Data and Information Technology Center, the school dropout rate (APS) for the 2022/2023 academic year was 76,834 children at all levels of education. This high APS is attributed to poverty. The impact of poverty on health is also a major issue, as it prevents people from getting adequate access to healthcare. Poverty, on the other hand, impacts the nation's economy, as poverty causes low purchasing power.

Indonesia still has a significant number of poor people, namely 25.90 million poor people. Based on population data from the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs, the population of Indonesia reached 280.73 million people in December 2023. This poor population is spread across all provinces and districts/cities in the Republic of Indonesia. With a fairly large number of poor people, it is a heavy task and homework for the government.

The development carried out by the Indonesian government aims to improve the welfare of the pro-poor community. This pro-poor development is called Sustainable Development (SDGs). This SDG was initiated by the United Nations (UN) since 2015 and calls universally for poverty to be ended. At least by 2030 all nations must be able to enjoy prosperity, including Indonesia. Indonesia has ratified this SDG, as evidenced by the issuance of Presidential Regulation No. 59 of 2017 as a commitment to eradicating poverty. Then the UN provided a blueprint that will become a shared agenda for both developed and developing countries with this agenda.

Development in Indonesia is budgeted annually in the State Budget (APBN). The burden of the annual APBN budget is reflected in the APBN's anatomy, where all development models always "feed" on the APBN. Meanwhile, APBN financial resources are limited (Iman, 2019; Ministry of Finance, 2021; NEGERA, nd; Santoso et al., 2023; Wijaya & Mokoginta, 2015). Even if APBN financial resources are insufficient, the state will create debt scenarios, both domestic and foreign debt. The issue of debt in the APBN has become a debate, with pros and cons, which essentially want development in Indonesia, including poverty alleviation, not to create new problems, namely debt. The Indonesian government in development to alleviate poverty, does not always have to rely on the APBN, because in Indonesia there are sources of "public finance" that can be a solution for development in order to alleviate poverty, namely zakat, infak and sedekah (ZIS). Meanwhile, ZIS, in accordance with the mandate of regulations in Indonesia, is managed by the National Zakat Collection Agency (BAZNAS) which was established by the government and the Community Collection Institution (LAZ) which was established by the community according to the specified conditions.

The potential for ZIS in Indonesia is very large, there are four potentials that the author can explore. First, the population, which is predominantly Muslim. The Ministry of Home Affairs stated that Indonesia's Muslim population at the end of 2022 was 277.75 million. This potential is highly relevant because zakat is an obligation for every Muslim who meets certain requirements based on Islamic law. However, despite this majority population, there is no data yet on the number of registered zaki (Anik & Prastiwi, 2019; Dzirkulloh).

Second, the potential for ZIS in Indonesia. Research conducted by BAZNAS through the Center for Strategic Studies (PUSKAS) in 2020, the potential for ZIS in Indonesia was IDR 327 trillion. This amount of ZIS is equivalent to 75% of the budget for social protection in the State Budget. However, only IDR 22.43 trillion was collected in 2022. Then in 2024, the achievement of ZIS collection by BAZNAS RI reached IDR 40 trillion. Third, the potential for ZIS comes from the number of Zakat Management Organizations (OPZ). The number of OPZ that manage ZIS in Indonesia, both BAZNAS at all levels and LAZ. According to the Ministry of Religious Affairs of the Republic of Indonesia in 2024, there are 512 National Zakat Agencies at all levels, 49,132 Zakat Collection Units (UPZ), 145 Zakat Institutions and 10,124 amil. Meanwhile, BAZNAS RI released the number of OPZ at all levels as follows: 34 provincial BAZNAS, 514 district/city BAZNAS, 33 national LAZ, 25 provincial LAZ, and 45 district/city LAZ. The four potential regulations governing zakat management. Such as Law No. 23 of 2011 concerning Zakat Management, Government Regulation No. 14 of 2014 concerning the Implementation of Law No. 23 of 2011 and all regulations governing zakat.

Zakat and sustainable development in poverty alleviation have been frequently discussed, such as in research by Nurkhozin, but this study focuses more on how to regulate the governance of zakat distribution so that the goal of sustainable development, namely poverty alleviation, can be achieved. Similarly, research conducted by Mulyani & Nasution (2023), discusses the utilization of zakat. There are still many studies that focus on the distribution and utilization of zakat. Research on the problems of ZIS collection has also been conducted by previous researchers. Like the study conducted by Sapparuddin Sireger, this study, although examining the problems of ZIS collection, the discussion is very technical. Similarly, research conducted by Syafrizal & Yustati (2019), examining the problems of collection, but the discussion is related to technical obstacles, not substantial matters. Many academic studies have also been conducted regarding the influence of zakat literacy on people's interest in paying zakat. Likewise, BAZNAS as a zakat management institution has conducted an important study on zakat literacy by launching the Zakat Literacy Index (ILZ) as a tool to measure the level of zakat literacy in the community which will be useful for developing appropriate socialization and education strategies to increase

zakat literacy which will ultimately increase zakat collection.

Indonesia faces acute poverty despite its vast yet underutilized zakat potential. Although the majority of Indonesia's population is Muslim and obligated to pay zakat, the amount of zakat collected falls far short of the estimated potential. Various structural, regulatory, and institutional barriers contribute to the low level of zakat collection, particularly by Zakat Management Organizations (OPZ) such as BAZNAS and LAZ. Therefore, it is crucial to examine the fundamental issues in zakat collection regulations and practices to ensure zakat can play a strategic role in poverty alleviation and supporting sustainable development.

First, the urgency of this research lies in the vital role of zakat as an alternative source of public funding to address poverty without having to rely entirely on the state budget. In the context of state finances often burdened by debt, zakat presents a strategic opportunity that not only aligns with Islamic values but can also support Sustainable Development Goals (SDGs) policies. With zakat potential reaching Rp327 trillion per year according to BAZNAS data, but realization of only around Rp40 trillion in 2024, there is a significant gap between potential and realization that must be addressed immediately, scientifically and practically.

Second, the government has provided a legal framework through Law No. 23 of 2011 concerning Zakat Management. However, weaknesses in the implementation and substance of the regulation remain obstacles to optimizing ZIS collection. The absence of strict sanctions for muzakki who fail to fulfill their obligations and the overlapping authority between BAZNAS and LAZ indicate an urgent need for regulatory revision. Therefore, this research is crucial in contributing academic recommendations based on document review and a normative approach to the challenges of zakat management in Indonesia.

Research by Nurkhozin (2021) focuses on zakat distribution management in relation to the Sustainable Development Goals (SDGs). The study demonstrates how the effective utilization of productive zakat can strengthen the position of those entitled to receive it, making them more economically independent. However, its primary focus does not address the issue of zakat collection, which is the starting point for effective distribution.

A study by Mulyani & Nasution (2023) focused on how productive zakat can be integrated into a microeconomic development agenda. While the results were positive for improving community welfare, this research still failed to address the structural and regulatory aspects of zakat collection. This makes the study insufficient to comprehensively address the national challenges of zakat management.

Meanwhile, Sarjito (2024) and Syafrizal & Yustati (2019) discuss the challenges of ZIS collection from a technical perspective at the regional level. However, their discussions are more practical and operational, focusing on issues such as the lack of amil (collector) resources, minimal zakat literacy, and weak digitalization strategies. These studies fail to address the regulatory or legal governance aspects that form the primary framework for the systematic success of zakat collection.

Although numerous studies have addressed the distribution and effectiveness of zakat, none have comprehensively examined the regulation of ZIS collection from a legal and institutional perspective. The lack of studies that critique and propose improvements to Law No. 23 of 2011, the primary legal framework, creates an academic gap that needs to be addressed. Therefore, this study fills this gap in the literature by examining the legal and regulatory dimensions as key factors in optimizing zakat.

The novelty of this research lies in its documentary and analytical approach, which focuses on a critical assessment of the zakat regulations in force in Indonesia. Unlike previous research, which tended to focus on distribution or collection techniques, this study explores the substance of the regulations that serve as the legal basis for the operation of zakat collection agencies (OPZ) and proposes regulatory reforms as a strategy to strengthen zakat collection nationally.

This study aims to identify, review, and analyze regulatory and institutional problems in the collection of zakat, infaq, and alms (ZIS) by OPZ in Indonesia, as well as to provide recommendations for improvements to existing regulations so that the potential of zakat can be optimized as an instrument for poverty alleviation and sustainable development.

This research is expected to provide conceptual and practical benefits for policymakers, zakat management institutions (BAZNAS and LAZ), and the wider community. Theoretically, the

research findings enrich academic discourse on law-based zakat management. Practically, the recommendations from this research can serve as a basis for revising regulations or developing new policies to improve national zakat collection in an integrated and sustainable manner.

II. RESEARCH METHODS

The research method applied in this study is descriptive research. Qualitative with a document study approach to investigate the problems of zakat management in Indonesia, especially the collection of ZIS. The author uses a document study approach because it has several advantages: The data is readily available, does not require costs, can be a source of knowledge that can be analyzed, can provide a broad background and can be triangulated material to check the suitability of the data. The data collection procedure is carried out through a Literature Review by reviewing written sources such as: laws and regulations, documents issued by BAZNAS RI and written expert opinions. Written sources can be primary and secondary sources. Primary sources include Law No. 23 of 2011 concerning Zakat Management, Government Regulation No. 14 of 2014 concerning the Implementation of Law No. 23 of 2011 concerning Zakat Management and secondary sources as supporting primary materials in the form of: Permenag, Perbaznas, official documents from Baznas and expert opinions.

Document analysis is conducted through Document Content Analysis. Document content analysis involves systematically examining the written communication presented in objective form. To assess the credibility and validity of the document, external and internal critiques are conducted, using several questions to test its authenticity. The collected documents are then analyzed, compared, and synthesized to form a systematic, comprehensive, and integrated study.

III. RESULTS AND DISCUSSION

History of Zakat Management in Indonesia

Zakat in Indonesia has existed in practice since the arrival of Islam in the archipelago in the early 7th century AD. In practice, zakat is inherent in Muslims because zakat is part of worship for a Muslim and its implementation is still individual or through religious figures. The development of zakat since the early Islamic period shows a significant transformation from a personal socio-religious practice to a structured institutional system. During the time of the Prophet Muhammad, zakat was not only a spiritual obligation, but also an instrument of economic distribution that was systematically regulated within the structure of the Medina state. Dr. Amelia Fauzia explains that during the era of the Khulafaur Rasyidin, the institution of zakat was strengthened through centralized collection and distribution by the state, reflecting the synergy between religious authority and political power. The function of zakat was expanded not only to help the poor, but also as a mechanism for social and economic stabilization in early Islamic society (Maula, 2020).

When Islam entered and developed in the archipelago, particularly during the era of Islamic kingdoms such as Aceh, Demak, and Mataram, the practice of zakat was accommodated by local culture and influenced by the royal power structure. Fauzia explained that, unlike in the Middle East, the institutionalization of zakat in Indonesia tends to be informal and falls under non-state religious authorities, such as ulama (Islamic scholars) and Islamic boarding schools (pesantren). This is due to the characteristics of Islamic kingdoms in Indonesia, which did not fully integrate zakat as part of the state's fiscal system. Nevertheless, zakat continues to play a crucial role in strengthening social solidarity and reflects the independence of Muslim civil society in carrying out its philanthropic obligations amidst the political dynamics and subsequent colonialism.

During the Dutch colonial period, the management of zakat underwent significant changes due to political intervention and colonial government policies that sought to limit the influence of Islam in social life. Before colonialism, zakat was managed independently by Muslim communities through traditional institutions such as mosques, Islamic boarding schools (pesantren), and local religious leaders. However, with the arrival of colonial rule, Dutch authorities became concerned about the potential social and political power of Muslims. Therefore, they implemented policies that separated religion from state administration, including refusing to integrate zakat into the official tax system. Zakat continued to be administered, but

within a limited community scope and without state support or recognition.

Dr. Amelia Fauzia notes that during this period, although zakat was not explicitly prohibited, the colonial government encouraged private and non-collective religious activities, including zakat. This weakened the organized system of zakat collection and distribution. Muslims, on the other hand, responded by establishing more informal, community-based philanthropic networks as a form of cultural resistance to colonial domination. Zakat and other forms of charity became symbols of Muslim solidarity and a means of strengthening religious identity and social resistance. This later became an important foundation for the development of modern Islamic philanthropic institutions in post-independence Indonesia.

During the Old Order (1945–1966), zakat management in Indonesia was still heavily dominated by civil society, particularly through religious organizations such as Muhammadiyah and Nahdlatul Ulama. The state had not shown serious attention to zakat as a public policy instrument, and zakat management took place within Muslim communities. In this context, the state was passive, leaving zakat matters entirely to the Muslim community. Dr. Amelia Fauzia notes that during this period, Islamic philanthropic activities played a significant role in filling the gap in the state's role in social welfare and strengthening the position of civil society as a key actor in zakat and waqf management. In contrast to the Old Order, during the New Order (1966–1998), the state began to show interest in zakat management, but with a more hegemonic approach. The New Order regime established the Zakat Collection Agency (BAZ) at the central and regional levels as part of the state bureaucratic structure, with the aim of controlling and utilizing the potential of zakat for social and political stability. Nevertheless, community organizations remain active in managing zakat independently, even though they sometimes have to contend with centralized state regulations. In his dissertation, Hilman Latif highlighted that the state uses a legalistic and bureaucratic approach to regulating zakat, which in turn has sparked resistance from some sections of civil society. feel their autonomy is threatened.

Entering the Reformation era (post-1998), decentralization and democratization occurred, which also impacted the dynamics of zakat management. The state, through Law No. 38 of 1999 and then Law No. 23 of 2011, began to provide space for coexistence between the state zakat institution (BAZNAS) and the community zakat institution (LAZ). The contestation between the state and civil society in zakat management shifted from opposition to a form of critical collaboration, although tensions remain regarding the legality, authority, and accountability of zakat management. Amelia Fauzia notes that although the state is increasingly active, the power of civil society remains the main driver of innovation and public participation in zakat, including in the development of productive zakat and the use of digital technology.

Legality of Zakat Management in Indonesia

The legality for Zakat Management in Indonesia is Law No. 23 of 2011 concerning Zakat Management (LN.2011/No. 115, TLN No. 5255, LL SETNEG: 21 PAGES) which was then implemented through Government Regulation No. 14 of 2014 concerning the Implementation of Law No. 23 of 2011 concerning Zakat Management. This law is the main legal foundation in zakat management in Indonesia. According to this law, there are two authorities who are authorized to manage zakat in Indonesia: First is the National Zakat Agency (BAZNAS). BAZNAS is an institution formed by the government (Article 5 paragraph 1) therefore BAZNAS is called a non-structural government institution that is independent and responsible to the President through the Minister (Article 5 paragraph 3). To manage zakat nationally is BAZNAS (Article 6) then in the implementation of zakat management at the provincial and district/city levels is carried out by BAZNAS Province and BAZNAS Regency/City (Article 15 paragraph 1). Then regarding the process of appointment and dismissal of BAZNAS members at all levels is regulated by Law No. 23 of 2011 and PP No. 14 of 2014.

The second is the Zakat Amil Institution (LAZ), this LAZ is a zakat management institution established by the community (Article 17). Regarding the provisions for establishing this LAZ, it is regulated in this Law (Article 18 paragraphs 1 and 2). Examples of LAZ that have legality to operate in Indonesia are: Dompot Dhu'afa, Rumah Zakat, IZI, LAZISMU, LAZISNU etc. BAZNAS and LAZ have legality from the Law in managing zakat in Indonesia. This Law is the legal umbrella for all zakat management activities in Indonesia.

The existence of legality for zakat management institutions is fundamental, because with

legality in zakat management in Indonesia, it will be possible to:

- a. Ensuring accountability and transparency in zakat management.
- b. Avoid misuse of public funds.
- c. Ensuring that zakat management complies with Islamic law and state regulations.

Several experts and academics have stated the importance of legality in zakat management: Prof. Dr. Didin Hafidhuiddin, an Islamic economics expert, stated that "zakat is a trust that must be managed professionally and responsibly, so legality is very important to maintain public trust and ensure that zakat funds are distributed according to sharia and on target."

Dr. Irfan Syauqi Beik, a practitioner of Islamic Philanthropy, emphasized that "managing zakat without legality can cause zakat to be unevenly distributed and prone to misuse of funds, and not be monitored by the state system." According to Muhammad Syafii Antonio, in his book "Sharia Banking from Theory to Practice", he stated that Islamic financial or social institutions, including zakat, must comply with the principles of good governance and legal compliance, because it concerns Public Trust (Hamid, 2020; Hamzah, 2023; Yakinah et al., 2020).

The dangers of a person or institution without legal authority in managing zakat are: There is no legal guarantee for the operation of zakat institutions, The potential for the emergence of illegal managers who can damage the image of zakat management in general, Cannot establish official cooperation with government or private agencies, Managed zakat funds are not integrated with the national zakat system, thus complicating national planning and poverty alleviation. Therefore, the legality of zakat managers is not only an administrative obligation, but part of moral, social, and spiritual responsibility. With legality, zakat management becomes more trustworthy, accountable, and effective in empowering the community and reducing poverty systematically.

This law explains that there is a prohibition for individuals or institutions that do not have the legal authority to manage zakat in Article 38, even if there is a violation of the law as stated in Article 38 then there are criminal charges as stated in Article 40.

Duties and Functions of BAZNAS

Law No. 23 of 2011 was enacted to optimize zakat institutions in Indonesia, ensuring more professional, transparent, and accountable management of zakat, contributing to poverty alleviation and improving the welfare of the community. This law establishes BAZNAS as a strategic government agency tasked with managing zakat nationally.

According to Article 6 of this law, BAZNAS is tasked with managing zakat nationally. Meanwhile, Article 7, paragraph 1, to carry out its duties, BAZNAS has the following functions:

- a. Planning the collection, distribution and utilization of zakat;
- b. Implementation, collection, distribution and utilization of zakat;
- c. Control of the collection, distribution and utilization of zakat; and
- d. Reporting and accountability for the implementation of zakat management.

In Article 7 paragraph 2, BAZNAS in carrying out its duties and functions can cooperate with related parties in accordance with the provisions of laws and regulations. Article 7 paragraph 3 BAZNAS reports the results of the implementation of its duties in writing to the President through the Minister and to the House of Representatives of the Republic of Indonesia at least 1 (one) time in 1 (one) year. Meanwhile, the duties and functions of the provincial BAZNAS and district/city BAZNAS based on Article 15 paragraph 5 carry out the duties and functions of BAZNAS as stated in Article 7 paragraph 1 and 2. In general, the duties and functions of BAZNAS at all levels are explained in Chapter II, namely Collection, Distribution, Utilization, and Reporting. Then, its implementation is explained in Government Regulation No. 14 of 2014 concerning the Implementation of Law No. 23 of 2011 concerning Zakat Management.

Zakat Collection Efforts

Zakat collection is the most crucial issue in zakat management, or it could be said that zakat collection is the heart of zakat management. How can zakat be distributed optimally to alleviate poverty if collection is not optimal? Therefore, zakat organizations, both those established by the government, such as BAZNAS and LAZ, work together to optimize this collecting zakat by using a strategy or approach that can increase zakat collection.

BAZNAS RI in the last 5 years has official data and documents that show hard work as an effort to ensure maximum collection. In 2020 BAZNAS RI has collected zakat of Rp385.5 billion, an increase of 30% from the previous year (2019 Collection of Rp296 billion). Nationally, the 2020 collection carried out by BAZNAS RI from all levels of BAZNAS and LAZ, both on-balance sheet and off-balance sheet collections, was Rp12,510 trillion, compared to Rp10,119 trillion in 2019, an increase of 23.6%. This increase in collection shows an increase in muzaki (People who pay zakat).

In 2020, Indonesia was still gripped by the pandemic, necessitating restrictions on social movement. These restrictions were implemented as a preventative measure to prevent mass transmission of COVID-19. This was to prevent face-to-face meetings between muzaki (recipients of zakat), amil (collectors of zakat), and mustahik (recipients of zakat) from receiving zakat. However, this situation was overcome and zakat collection was maximized. The National Zakat Agency (BAZNAS) implemented a strategy to create innovative collection innovations by optimizing collection through digitalization. OPZ already has a website-based digital payment channel internally and externally through QRIS.

BAZNAS RI in 2021 has collected Rp14,118 trillion, an increase of 12.85% from 2020. Then in 2022 BAZNAS RI has collected ZIS-DSKL amounting to Rp22.43 trillion. This collection increased by 58.90% from the collection in 2021. Then in 2023 the realized collection amounted to Rp32.321 trillion, an increase of 43.74% from 2022. Meanwhile in 2024 in the second semester the collection amounted to Rp26.13 trillion, growing 68.2% from the previous year and it is estimated that the target of Rp41 trillion will be achieved (The official report from BAZNAS RI is not yet available). While the target for 2025 is Rp50 trillion.

According to the author, this increase in ZIS-DSKL collection is the result of maximum efforts and various strategies implemented by BAZNAS RI. However, Indonesia's ZIS-DSKL potential of IDR 327 trillion has yet to be achieved.

Strengthening Regulations for Zakat Management Institutions.

Zakat management in Indonesia is regulated by Law No. 23 of 2011 concerning Zakat Management. This law replaces Law No. 38/1999 and emphasizes that paying zakat is an obligation for Muslims who are able in accordance with sharia, so zakat must be managed institutionally to improve justice and social welfare. Thus, Law No. 23/2011 provides a clearer and stronger national legal framework, while also serving as a foundation for collaboration between BAZNAS and private zakat institutions (LAZ) in zakat management.

Law No. 23/2011 specifically positions the National Zakat Agency (BAZNAS) as a Non-Structural Government Institution responsible for managing zakat nationally. Furthermore, this law recognizes and differentiates the role of the Zakat Agency (LAZ) as a partner for private zakat implementation, and regulates the mechanisms for zakat collection, distribution, and reporting involving BAZNAS, LAZ, and Zakat Management Organizations (OPZ) in detail. Further provisions regarding the establishment, licensing, and reporting and accountability of LAZ are regulated in government regulations as mandated by the law. With this legal umbrella, an institutional framework for zakat has been established nationally, integrating the roles of the state (through BAZNAS) and the community (through LAZ/OPZ) under one single regulation.

However, academic studies indicate that there are still regulatory gaps that need to be addressed. Several studies note that the roles of zakat regulators and implementers have not been clearly defined, resulting in overlapping authority between BAZNAS and LAZ in zakat operations. Law No. 23/2011 also does not stipulate strict sanctions for zakat payers (muzakki) who fail to pay, and does not include expansion of zakat categories in line with economic developments, such as professional zakat or zakat from fishing activities.

This situation indicates the need for regulatory improvements to ensure more effective and equitable zakat management. Therefore, several recommendations for improvement have been put forward. For example, Al-Mubarak et al. (2021) suggest reconstructing Law 23/2011 by adding regulations for new types of zakat (e.g., professional zakat and maritime zakat) and implementing legal sanctions for zakat payers who refuse to fulfill their obligations. Furthermore, research by Muhasim et al. (2019) also highlights the need to reconstruct the regulations of Law 23/2011 to reflect changing needs of the times.

Strengthening such legal norms is considered crucial for zakat to truly function optimally

as an instrument for poverty alleviation and economic equality. This is because zakat plays a strategic role in improving societal welfare—not only helping those entitled to receive it, but also potentially serving as an economic tool for increasing social mobility and contributing to sustainable development.

Overall, strengthening national regulations on zakat management is crucial and crucial. With a more comprehensive and adaptive legal framework, Indonesia's vast zakat potential (Muslims constitute approximately 87% of the total population) can be utilized more effectively for socio-economic development. Improvements to the law and the implementation of supporting policies need to be continuously encouraged so that BAZNAS and LAZ can work synergistically in accordance with applicable legal objectives, thereby achieving the goals of justice and prosperity in zakat management.

IV. CONCLUSION

Renewal of zakat management regulations is very important and strategic in the context of national zakat governance, not only as a response to the demands of the times such as social change, technological progress, and increasing demands for public accountability, but also as a concrete effort to optimize the collection of ZIS-DSKL which until now has not reached its maximum potential. Regulations that are more adaptive, integrative, and contain firm provisions in the form of sanctions and incentives are needed so that Zakat Management Organizations (OPZ) can carry out their duties effectively and professionally, both in capturing muzakki and in distributing zakat appropriately to mustahik, thereby contributing significantly to poverty alleviation and the achievement of sustainable development goals (SDGs). For further research, it is recommended to not only examine the regulatory aspects normatively, but also to study empirically through a quantitative approach to assess the impact of regulations on the effectiveness of zakat collection and distribution, as well as to develop comparative studies with countries that have more established zakat management systems such as Malaysia, to formulate a more contextual and applicable regulatory model for Indonesia.

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