

Analyzing The Contribution Of Zakat To The Achievement Of Sustainable Development Goals (Sdgs)

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ABSTRACT

Zakat as a social financial instrument in Islam, has a big role in supporting the achievement of Sustainable Development Goals (SDGs). This research aims to analyze the contribution of zakat to the achievement of several SDGs goals, especially those related to poverty reduction, education improvement, health services improvement, and social inequality reduction. By studying zakat collection and distribution practices in various countries, this study identifies how zakat can contribute to improving the welfare of the poor, expanding access to basic services and empowering marginalized groups. A qualitative approach is used in this research, by collecting data from various case studies and related literature sources. The results revealed that although zakat faces a number of challenges in its management and distribution, the potential for zakat to have a positive impact on the achievement of SDGs, particularly in reducing extreme poverty and social inequality, is enormous. Therefore, innovation is needed in the zakat management system to maximize its impact in supporting the achievement of sustainable development goals, both at the global and local levels.

Keywords: Zakat, Productive Zakat, SDG

INTRODUCTION

Indonesia is one of the developing countries that has a fairly large poverty problem. The poverty rate of the community, although it tends to have decreased, is still far from the target of the Millennium Development Goals (MDGs) or the Millennium Declaration. Achieving the Sustainable Development Goals (SDGs) set by the United Nations (UN) in 2015 poses a major challenge for countries, including those with muslim majorities. The main objectives of the SDGs include poverty problems, improving education, improving health services, and reducing social inequality. In this case, zakat as an important instrument in the Islamic economy, has great potential to contribute to achieving these Sustainable Development Goals.

Sustainable development has become an inescapable global agenda, aiming to create human well-being without harming the ability of future generations to meet their needs. The Sustainable Development Goals (SDGs) proclaimed by the United Nations (UN) in 2015 include 17 main goals with 169 targets covering various dimensions of social, economic and environmental development. The SDGs underscore the importance of social justice, poverty reduction, gender equality, inclusive education, and protection of the planet.

One of the important pillars supporting the achievement of the SDGs is the existence of an inclusive and equitable financial system, which can accelerate the equitable distribution of resources to the community, especially to the underprivileged. In this context, zakat, as

one of the social financial instruments regulated in Islam, plays an important role in supporting the Sustainable Development Goals. Zakat is an obligation for every eligible Muslim individual to set aside a portion of his property, which is then channeled to help those in need, such as the poor, orphans, and those in economic hardship.

Zakat has great potential in encouraging the achievement of the SDGs, both through a more equitable distribution of wealth, poverty reduction, economic empowerment of the community, to the formation of a more just and inclusive society. With various resources available, such as zakat, alms, and Waqf, it can be optimally utilized to reduce social and economic inequality which is still a major challenge in many countries, including countries with a Muslim majority. Therefore, the study of the contribution of zakat to the achievement of the SDGs is very important in order to assess the extent to which zakat can play a role in building a more just, prosperous, and sustainable society.

Basically, zakat is an integral part of the Islamic economic system that aims to clean up wealth and distribute wealth more equitably. In this system, zakat not only serves as a means of worship, but also as an instrument of wealth redistribution that helps reduce social and economic inequality. Therefore, zakat can play a role in various aspects of achieving the SDGs, especially in reducing poverty (SDG 1), reducing inequality (SDG 10), improving the quality of Education (SDG 4), and strengthening global partnerships (SDG 17).

In analyzing the contribution of zakat to the achievement of the SDGs, it is important to pay attention to several factors. First, the potential of zakat in supporting poverty reduction is very large. According to World Bank data, extreme poverty remains a major problem in many developing countries, including Indonesia. Zakat can be an effective instrument in

reducing poverty, as zakat funds raised from Muslims can be used to provide direct assistance to poor families, improve their access to education, health, and economic empowerment.

Second, zakat also has a significant role in reducing economic inequality (SDG 10). Targeted distribution of zakat can help bridge the gap between the rich and the poor, by providing assistance to those in need to meet their basic needs, such as food, clothing, and shelter. In addition, zakat can be used to finance various economic empowerment programs, such as skills training, business capital assistance, and the development of Micro, Small and medium enterprises (MSMEs), which can create jobs and improve the economic competitiveness of the community.

Third, zakat can contribute to improving the quality of Education (SDG 4). One of the major problems faced by the poor is access to proper education. Zakat can be used to provide scholarships for underprivileged children, improve educational facilities, and improve the quality of teachers and educators in underdeveloped areas. In addition, zakat can also be used to finance skills training and vocational education for disadvantaged youth, so that they can acquire the skills needed to get a decent job.

Fourth, zakat has the potential to strengthen global partnerships (SDG 17) through increased cooperation between countries, financial institutions, and communities. Zakat can be a means to raise resources in order to help sustainable development in developing countries. By utilizing technology and a more transparent and efficient zakat management system, a network of mutually beneficial partnerships can be created between various parties to achieve common goals in realizing a more just and prosperous world.

Nevertheless, although zakat has great potential, challenges in its management and distribution remain. One

of them is the lack of public awareness of the importance of zakat in helping the achievement of Sustainable Development Goals. In addition, the management of zakat that is not transparent and inefficient can reduce the positive impact that should result from the distribution of zakat. Therefore, it is necessary to improve the zakat management system, such as the use of information technology to facilitate the collection and distribution of zakat, as well as tighter supervision so that zakat funds are on target and provide maximum impact.

Overall, the contribution of zakat to the achievement of the SDGs cannot be underestimated. As a social financial instrument that has long been recognized in the Islamic tradition, zakat has great potential to have a positive impact on social and economic development, especially in reducing poverty, reducing inequality, improving the quality of education, and strengthening global partnerships. However, to achieve optimal impact, joint efforts are needed in increasing awareness, transparency, and efficiency in the management of zakat. Therefore, it is important to continue to review and develop a zakat system that can contribute maximally to the achievement of the SDGs in the future.

This research aims to:

Analyzing the contribution of zakat in supporting the achievement of sustainable development goals (SDGs), especially in poverty alleviation, reducing social inequality, and improving the quality of education and health in Indonesia.

Identify the main challenges in zakat management that can reduce its positive impact on the achievement of SDGs.

Provide strategic recommendations to improve efficiency and transparency in zakat management.

LITERATURE REVIEW

Zakat

Zakat is one of the pillars of Islam that has the aim to clean up the wealth and improve the welfare of the people by distributing a small part of the wealth of the rich to the needy. In Arabic, zakat comes from the word "Zakaia" which means "clean" or "growing", which reflects the purpose of zakat to purify property and improve the socio-economic conditions of the people (Mardani, 2017). Zakat is required for every Muslim who meets certain conditions, namely nisab and haul, and is used to help the mustahik group (zakat recipients) consisting of eight asnaf.

Sustainable Development Goals (SDGs)

Sustainable Development Goals (SDGs) is a global agenda agreed by member states of the United Nations (UN) in 2015, with the target of achieving by 2030. There are 17 main goals and 169 targets covering various aspects of development, such as poverty alleviation, environmental protection, and the promotion of well-being for all mankind.

Some SDGs that are relevant to zakat include:

- SDG 1: zero poverty-reducing the number of people living in poverty, especially extreme poverty.
- SDG 2: Zero Hunger-ending hunger and improving food security and sustainable agriculture.
- SDG 10: reducing inequality-reducing inequality within and between countries.
- SDG 16: Peace, Justice and strong institutions - Building Inclusive, Just and peaceful societies.

Contribution to the achievement of the SDGs

Zakat has an important role in supporting the achievement of several SDGs, especially in the alleviation of poverty and social inequality. Some of the contributions of zakat to the achievement of the SDGs are as follows:

a. Reducing poverty (SDG 1)

Zakat has great potential to reduce poverty, especially for the most vulnerable communities, such as the poor, orphans, and the poor. Well-managed Zakat can help meet their basic needs, such as food, shelter, education, and health. Several studies have shown that targeted distribution of zakat can significantly reduce poverty levels in the community (Hassan & Abdul-Rahman, 2018). Through zakat, the poor can gain access to resources that allow them to escape poverty.

b. Ending hunger and improving food security (SDG 2)

Zakat also plays a role in overcoming hunger and improving food security. Giving zakat in the form of food aid or capital for agricultural businesses can improve food security among the poor and vulnerable. In some countries, zakat is used to provide poor families with adequate food and nutrition, as well as to help them access resources for more productive and sustainable agriculture (Rahman, 2019). This is particularly relevant to SDG 2's goal of ending hunger and achieving global food security.

c. Reducing social and economic inequality (SDG 10)

Zakat serves as a wealth redistribution mechanism that can reduce the economic gap between the rich and the poor. Through zakat, resources accumulated in the hands of the rich can be diverted to those less well off, helping to even out the distribution of income. In this way, zakat can reduce social and economic inequality that can hinder sustainable development

(Zainuddin, 2020). In this context, zakat supports the achievement of SDG 10 which emphasizes reducing inequality.

d. Improving access to health and education (SDG 3 & SDG 4)

Zakat also plays a role in improving access to health and education services for the poor. Some zakat institutions use zakat funds to build hospitals, health clinics, and schools that can be accessed by underprivileged people. This supports the achievement of SDG 3 (Good Health) and SDG 4 (Quality Education) by ensuring that quality health and education services can be reached by all levels of society, especially those who are below the poverty line (Ali & Maulana, 2021).

e. Social justice and peace (SDG 16)

Zakat not only has an impact on economic aspects, but also on social and legal aspects. By distributing wealth to the needy, zakat helps create a more equitable social balance. This can prevent social tensions that often arise due to economic inequality, as well as support the creation of peace and justice in society. Zakat plays a role in achieving SDG 16 which emphasizes the importance of social justice, diversity, and strengthening fair and transparent institutional institutions (Sari, 2021).

Challenges in utilizing Zakat for SDGs

Although zakat has great potential in supporting the achievement of the SDGs, there are several challenges that need to be overcome so that its contribution is maximized, including:

a. Effective and transparent Zakat management

One of the main challenges in utilizing zakat for Sustainable Development is less efficient and less transparent management. Without a good management system, zakat collected

may not reach the right mustahik or not be used optimally. Therefore, zakat institutions need to strengthen management systems, transparency, and accountability to ensure that zakat is used for the right purposes (Ali & Maulana, 2021).

b. Lack of public awareness about the importance of Zakat

People may not yet fully realize the importance of zakat as an instrument for socio-economic development. Education about the benefits of zakat in reducing poverty, inequality, and creating social justice should be encouraged so that people are more active in paying zakat regularly (Zainuddin, 2020).

c. Government support in Zakat regulation

The government has an important role to play in supporting regulations and policies that facilitate the collection and distribution of zakat. With clear regulations and legal support, zakat management can be more organized and efficient, which in turn will support the achievement of the SDGs. Good regulation will also avoid misuse of zakat funds (Sari, 2021).

This type of research has been conducted by several previous researchers such as Annisa Maharani (2022), UIN Sheikh Ali Hasan Ahmad AddaryPadangsidimpunan North Sumatra “analysis of the interaction relationship and contribution of zakat fund revenue in achieving SDGs in Indonesia”.

METHODOLOGY

This research uses a qualitative approach with literature study design and secondary data analysis. The data used includes annual reports of zakat institutions, journal articles, books, and government policy documents related to zakat and SDGs. The data collection technique was conducted through literature

study by selecting relevant and credible sources.

The data were analyzed using content analysis technique to identify the contribution of zakat in achieving SDGs, as well as challenges in zakat management in Indonesia. The categories of analysis include the role of zakat in reducing poverty, reducing social inequality, improving the quality of education, and challenges such as transparency and efficiency in zakat management.

This method is expected to provide insight into the optimization of zakat to support sustainable development goals in Indonesia.

RESULTS AND DISCUSSION

Research Results

The results of this study indicate that zakat has a significant contribution in supporting the achievement of several SDGs goals, although the challenges in its management still need to be improved. Some of the main results found in this study are as follows:

Contribution Of Zakat To Poverty Reduction (Sdg 1)

Data obtained from various zakat institutions show that zakat plays an important role in reducing poverty in various regions, especially in areas with high levels of poverty. Zakat programs that are distributed to the poor through cash assistance, food assistance, and economic empowerment are proven to improve people's welfare. In Indonesia, for example, zakat institutions such as Baznas report that zakat collected annually is used to finance direct aid programs to the poor, which directly reduces the number of families living below the poverty line.

Zakat programs that focus on basic needs such as food, clothing, and shelter, have a positive impact on improving the quality of life of zakat recipients. In addition, zakat allocated for small business

development and economic empowerment of the poor also showed significant results. Small entrepreneurs who previously did not have access to business capital are now able to better conduct their business, which contributes to a reduction in the unemployment rate and an increase in family income.

Nevertheless, although zakat has contributed to poverty reduction, major challenges still exist, especially in terms of targeted distribution. The Data shows that not all zakat recipients get assistance that suits their needs, which suggests that zakat management needs to be improved to be more effective.

Contribution Of Zakat In Reducing Inequality (Sdg 10)

Zakat as an instrument of wealth redistribution has the potential to reduce social and economic inequality, which is one of the important goals of the SDGs. Zakat programs that target communities with high levels of economic inequality, such as rural communities and slums, successfully reduce the gap between rich and poor. With zakat assistance, especially in the form of venture capital or skills training, people who previously had no access to economic opportunities can improve their standard of living.

However, despite its significant contribution, zakat management to reduce social inequality still faces obstacles, especially in terms of imbalances in the distribution of zakat between regions and between community groups. Some regions still lack zakat institutions that can manage zakat funds efficiently and transparently. Therefore, strengthening zakat management institutions and a more equitable distribution system need to be the main focus.

Contribution Of Zakat In Improving The Quality Of Education (Sdg 4)

Education is a key factor in sustainable human development, and zakat

can play a role in improving access and quality of education, especially for children from poor families. The results showed that zakat allocated for education, such as the provision of scholarships, construction of educational facilities, and skills training, have a significant impact on improving the quality of education in poor areas.

Some zakat institutions, such as Rumah Zakat and Dompot Dhuafa, have successfully developed educational programs that help children from poor families to continue their education to a higher level. The zakat scholarship Program provides opportunities for children who were previously unable to continue their education due to cost constraints. In addition, zakat used to improve educational facilities and train teachers in remote areas also showed a significant improvement in the quality of Education.

However, although zakat education programs are successful in improving access to education for the poor, the biggest challenge lies in the sustainability of such programs. Many zakat education programs are only temporary or limited to some areas, so further efforts are needed to expand the scope and ensure the sustainability of access to education for all levels of society.

Contribution of Zakat in Economic Empowerment (SDG 8)

Zakat not only serves as a tool to meet the basic needs of the community, but also plays a role in economic empowerment. Zakat programs focused on providing business capital and skills training have proven to have a positive impact on the economic growth of the poor and reducing unemployment. Some zakat institutions provide micro - finance programs that allow individuals or small business groups to access capital without burdensome interest.

In addition, zakat is also used to provide skills training to the poor, such as

sewing, agriculture, and handicraft training, which can improve their ability to generate income independently. Programs like this have helped many poor families to expand their businesses and improve their standard of living.

However, economic empowerment through zakat is still constrained by the limited amount of zakat funds collected and uneven distribution. Better zakat management is needed, as well as collaboration between zakat institutions and the private sector to create more business opportunities for the poor.

Contribution Of Zakat In Achieving Global Partnership (Sdg 17)

Global partnerships are key to achieving the SDGs, and zakat has an important role to play in strengthening partnerships between financial institutions, philanthropic institutions, and governments in promoting sustainable development. The results showed that zakat institutions in several countries have cooperated with various parties, both domestically and internationally, to maximize the impact of zakat. Partnerships between zakat institutions and governments, for example, can strengthen zakat distribution systems and ensure that zakat funds are used to achieve the broader SDGs goals.

In addition, zakat can also contribute to the achievement of SDGs globally by providing assistance to developing countries that need support for social and economic development. Through international partnerships, zakat can be used to fund humanitarian aid, education, and health programs in countries affected by disasters or conflicts.

However, to maximize the role of zakat in global partnerships, greater transparency in the management of zakat is needed, as well as increased coordination between zakat institutions in various countries.

Discussion

Based on the research results obtained, it can be concluded that zakat has a significant contribution in achieving several SDGs goals, especially in poverty reduction, inequality reduction, education improvement, and economic empowerment. Nevertheless, there are some challenges that need to be overcome, especially related to zakat management that still needs to be improved to ensure zakat funds are distributed efficiently and on target.

One of the biggest challenges faced in zakat management is the lack of transparency and accountability in the use of zakat funds. For this reason, it is important for zakat institutions to improve reporting and supervision systems so that the public can have more confidence in the management of zakat funds. In addition, innovation is needed in the use of technology to facilitate the process of collecting and distributing zakat, so that zakat can be more effective in achieving the right goals.

In addition, the role of zakat in reducing inequality and economic empowerment can be strengthened by integrating zakat into national economic policies and the private sector. Governments and zakat institutions need to work together to create programs that not only provide temporary relief, but also provide long-term opportunities for the poor to develop their businesses and improve their quality of life.

Overall, although challenges in managing zakat still exist, zakat still has great potential in supporting the achievement of the SDGs, especially in terms of poverty reduction, inequality reduction, economic empowerment, and improving the quality of Education. With better management and closer cooperation between zakat institutions, the government, and the private sector, zakat's contribution to the achievement of the Sustainable Development Goals can be maximized.

CONCLUSION

Based on the results of the research conducted, it can be concluded that zakat has a significant contribution to the achievement of Sustainable Development Goals (SDGs), especially in several important areas such as poverty reduction (SDG 1), inequality reduction (SDG 10), improving the quality of Education (SDG 4), economic empowerment (SDG 8), and global partnerships (SDG 17). Zakat serves as an effective wealth redistribution tool in creating social welfare, especially for those below the poverty line and vulnerable to economic inequality.

In particular, zakat distributed through various programs of direct assistance, economic empowerment, and education proved to be able to improve the quality of life of the poor and strengthen their competitiveness in the economy. Programs such as venture capital grants, skills training, and education and health assistance have had a real positive impact on zakat recipients, opening wider access to education and increasing family income.

However, although zakat has great potential in supporting the achievement of the SDGs, there are several challenges that need to be overcome. Some of the problems that are still found in zakat management include lack of transparency, uneven distribution of zakat, and limited zakat funds collected to reach all levels of society in need. Therefore, further efforts are needed to improve the zakat management system, including the use of technology for transparency, efficiency, and accountability in its collection and distribution. In addition, closer collaboration between zakat institutions, the government, and the private sector is essential to expand the scope of zakat programs and ensure their sustainability.

In addition, strengthening partnerships between zakat institutions and international institutions can also expand the contribution of zakat on a global scale, especially in helping developing countries

that still face major challenges in achieving the SDGs.

Overall, zakat as an instrument of philanthropy based on the principles of social justice and wealth redistribution has a very important role in achieving sustainable development goals. With better management and innovation in the distribution of zakat, as well as increased coordination between various related parties, zakat can make a greater contribution to realizing a more just, prosperous, and sustainable society in the future.

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