



DUPLICATION OF FUNCTIONS IN INDONESIAN ZAKAT ORGANIZATIONS

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Abstract

This paper reviews the significance of zakat in Islam, emphasizing its potential to reduce poverty and improve quality of life through effective management. The focus is on the role of zakat institutions in maintaining socio-economic stability, not only as a distribution of funds, but also a contributor in the development of the lives of zakat recipients (asnaf). The discussion involves the complex zakat management system in Indonesia, highlighting overlapping functions among zakat organizations as a key issue. The literature review reveals variations in religious interpretations, unclear regulations, and lack of coordination as the root of the problem. This study offers solutions, including standardizing religious interpretations, improving cooperation between organizations, and expanding the government's role in regulation. The aim is to create an efficient and transparent zakat management system, ensure maximum benefits for the needy, and strengthen public trust in Islamic social finance.

Keywords: OPZ; zakat; zakat management

A. INTRODUCTION

Zakat is one of the obligations in Islam that is commanded by Allah Swt. to every Muslim. The concept of zakat implies the taking of a certain portion of property from people who are able, in accordance with predetermined requirements, and the property is then given to certain groups or Asnaf. In the context of financial distribution, zakat has great potential to reduce poverty and improve people's quality of life. Zakat funds can be distributed to eligible individuals, assisting them in meeting their basic needs (Ahmad, Othman, & Salleh, 2015).

A study by Said et al in 2012 underlined that zakat, if better managed and distributed to its recipients, has the potential to solve the problem of poverty among Muslims (Said, Ghani, Zawawi, H, & Yusof, 2012). By optimizing the distribution of zakat, including carefully identifying individuals in need of assistance and ensuring that such assistance is provided in a timely and efficient manner, we can bring about positive changes in their lives. In essence, zakat is not just a religious obligation; it is

a social finance instrument capable of creating real impact in the fight against poverty. When zakat is managed transparently, fairly and efficiently, it not only provides financial assistance to the needy, but also paves the way towards economic empowerment and improved welfare for the community. Therefore, it is important to continue developing strategies and policies that ensure zakat is directed to the right recipients and used wisely to achieve the goal of alleviating poverty in Islamic societies (Nasution, Nisa, Zakariah, & Zakariah, 2018).

Zakat institutions have a crucial role in managing the distribution to zakat recipients, and are one of the organizations that maintain the stability and socio-economic system of Islam. In this framework, zakat institution is not only a financial entity, but also an integral element that contributes to the development of the lives of the asnaf. As stated by Azman Ab Rahman and his colleagues, zakat institutions play an important role in ensuring that zakat assistance is given to those in need in a fair and timely manner. By maintaining stability in the distribution of zakat, this institution not only creates economic justice, but also helps in shaping a balanced and sustainable social structure in Islamic society (Ab Rahman, Alias, & Omar, 2012).

In addition, zakat institutions also contribute significantly to the economic and social development of the asnaf. The assistance provided is not only one-time use, but is designed to empower zakat recipients to be economically independent. Thus, zakat institutions are not just a distributor of funds, but also a development partner that plays a role in improving the quality of life and strengthening the economic competitiveness of the asnaf. In this context, the role of zakat institutions is not only limited to wealth redistribution, but also involves the development of sustainable development programs. By integrating the principles of justice, transparency, and sustainability in its operations, zakat institutions act as pillars that support the economic and social development of Muslim societies, making it a positive force in achieving sustainable development goals within the framework of Islamic values (Ahmad N., 2016).

Indonesia, as a country with a majority Muslim population, has a complex zakat management system that is important for the social economic sustainability of Muslims in this country. Zakat organizations have a central role in managing and distributing zakat funds from the community to those in need. However, in practice, there are overlapping functions among various zakat organizations operating in Indonesia. The number of organizations that manage zakat in Indonesia actually makes zakat management increasingly ineffective (Andri, 2020). This phenomenon illustrates the complex dynamics in the zakat management system in Indonesia, raising various questions about the efficiency, transparency, and social impact of zakat management. To better understand these overlapping functions and their implications for the effectiveness of zakat distribution, this study will explore various aspects of the zakat management system in Indonesia.

This paper aims to detail the overlapping functions among zakat organizations in Indonesia, opening a window to explore it with a critical and comprehensive analysis. This paper is not only an academic study, but also a practical contribution towards the advancement of zakat system in Indonesia. With this study, we can approach a better

understanding of how to manage this overlap of functions to increase the effectiveness and positive impact of zakat management in society.

B. LITERATURE REVIEW

1. Zakat Organization in Indonesia

Zakat Management Organization (OPZ) is a social-based intermediary institution (Hafidhuddin, 2019). Its role includes the collection and distribution of zakat funds and other social assistance. All OPZ operational costs are funded by the collected zakat and infaq funds. This approach is in accordance with sharia principles, because OPZ managers are included in the eight ashnaf who are entitled to receive zakat. Although socially-based, OPZ must still implement the principles of professionalism, accountability and transparency in its management. This includes effective and efficient operations to ensure that aid and zakat are channeled with the right target and maximum impact on the beneficiaries. By upholding these values, OPZ can ensure that its social role is realized in a responsible manner and provides optimal benefits to people in need (Rusydiana, 2018).

The rules related to zakat management in Indonesia are explained in Law Number 23 Year 2013 on Zakat Management. In more detail, this law explains the role of zakat management organizations such as BAZNAS and LAZ. OPZ can be government-based, such as the National Amil Zakat Agency (BAZNAS) that operates at the central, provincial, city, and district levels. In addition, OPZ can also be community-based, such as Amil Zakat Institution (LAZ) including LAZNAS (National Amil Zakat Institution) and LAZDA (Regional Amil Zakat Institution) (Fadillah, Lestari, & Rosdiana, 2017). Within this regulatory framework, OPZ is responsible for the collection, management, and distribution of zakat funds in accordance with the principles set out in the applicable law.

Furthermore, in carrying out the duties and functions of OPZ, the National Amil Zakat Agency (BAZNAS), Provincial BAZNAS, and Regency/City BAZNAS have the authority to establish Zakat Collection Units (UPZ) in various government agencies, State-Owned Enterprises (BUMN), Regional-Owned Enterprises (BUMD), private companies, and representatives of the Republic of Indonesia abroad. In addition, they are also entitled to form UPZ at the sub-district, village, or other units and in other locations deemed necessary (Idris, 2021). This step initially allows OPZ to be more effective in collecting zakat funds, ensuring fairness in distribution, and supporting the needy at various levels and locations, although there are some problems that must be solved.

2. Problems with the Number of OPZs

Zakat payment is one of the key elements in Islamic principles that not only has religious value but also has an important impact on state development. Zakat has a vital role in creating social security and harmony by easing the gap between the rich and the poor and supporting the economic independence of the Muslim community. In addition, zakat is also a significant source of finance for Islamic states, alongside tax revenues. The distribution of zakat funds has the potential to boost economic activity by increasing the purchasing power of individuals. This practice

helps to reduce poverty by increasing the purchasing power of people in lower economic groups. Zakat funds have also become a strategic tool for the government in the fight against poverty, integrated with various government initiatives such as the Government Transformation Plan (GTP), National Key Result Areas (NKRA), and efforts to Improve Living Standards of Low Income Households. Through wise management, zakat funds can improve the quality of life of people who have low income, playing a crucial role in efforts to overcome poverty problems (Saad, Aziz, & Sawandi, 2014).

If we trace the history of zakat management in Indonesia, there are a series of studies and literature relevant to the phenomenon of overlapping functions of zakat organizations in Indonesia. The study by Sudiana explains that the overlapping functions of zakat organizations in Indonesia make zakat utilization programs not synergized and ultimately become one of the challenges of zakat management in Indonesia (Sudiana, 2021). This finding indirectly provides deep insight into the root of the problems that exist in the zakat management system in Indonesia.

In addition, research by Andri (2020) has focused its attention on the social impact of the overlapping functions of zakat organizations. The study illustrates that this overlap may result in uncertainty in the distribution of zakat funds, cause inequality in social assistance, and may even decrease public trust in zakat institutions. This kind of zakat management system gives an opportunity for some zakat recipients to receive assistance from two or more zakat institutions. As a result, the distribution of zakat is uneven and some zakat recipients feel unfair about the distribution. The findings provide an in-depth picture of the social and economic implications of this overlapping phenomenon (Andri, 2020).

Meanwhile, the analysis by Afriadi and Sanrego (2016) of the zakat regulatory framework in Indonesia provides a critical view of the obstacles faced by zakat organizations in terms of overlapping zakat organizations. The lack of regulations provided by the government makes the overlap of zakat management between government-run programs and various zakat management organizations. This study highlights the need to review policies and regulations governing zakat organizations, as well as the need for synergy between various zakat management institutions to overcome this overlapping problem.

It is also worth noting that, although there are some studies that have been conducted on the overlapping functions of zakat organizations in Indonesia, there is still a knowledge gap that needs to be filled. There has been no research that comprehensively describes the dynamics of interaction between zakat organizations and external factors that influence this overlapping of functions. Therefore, this paper aims to fill this knowledge gap by digging deeper into the root causes, and potential solutions to overcome the overlapping functions of zakat organizations in Indonesia. By detailing these previous studies, this research is expected to provide a comprehensive and in-depth view of this complex phenomenon.

C. METHOD

The completion of this case study uses a qualitative method with a literature study approach with secondary data sources. The data used comes from books, previous research results, journals and websites that are trusted and relevant to the existing problems.

D. RESULT AND DISCUSSION

Results

In Islam, the rights of fellow Muslims, especially the less fortunate, are recognized through property ownership. This concept is reflected in the practice of zakat, an obligation to give a portion of wealth to those in need. Collected zakat is organized and distributed to specific groups, called ashnaf in Islam, to support their economic development. In general, zakat management has been understood as two activities, namely the collection and distribution of zakat funds (Oran, 2009). The Quran describes eight categories of ashnaf who are entitled to receive zakat, as mentioned in Surah Al-Taubah verse 60. In this understanding, zakat is not only about providing financial assistance, but also about building an inclusive and equitable society. By helping the less fortunate in society, zakat not only brings blessings to the recipients, but also creates social and economic balance within the Muslim community. Therefore, the practice of zakat is not only a religious obligation, but also a path towards greater justice and prosperity in Islamic societies (Yusop, Ahmad, & Wahid, 2013).

In this study, we conducted an in-depth analysis of the phenomenon of overlapping functions of zakat organizations in Indonesia. Based on the results of our analysis, several significant findings emerged:

1. Variations in Religious Interpretation Approaches

One of the causes of overlapping functions is the variation in interpretation of religious teachings related to zakat. Some organizations adopt a more liberal approach, while others adhere to a more conservative interpretation. This creates misalignment in the definition of who is eligible to receive zakat and how much the amount should be. This is commonly found in OPZs that are based on community organizations, and can be found from several studies, such as those conducted by Rianto and Putri (2023), Nasrudin (2017), and Narotama, Zaenal, & Tanjung (2022).

2. Regulatory Uncertainty

The lack of clarity in the regulatory framework related to zakat management causes overlapping functions among zakat organizations. This situation makes those organizations operate in legal uncertainty, allowing them to interpret and apply the rules according to their own internal policies. This creates room for different interpretations, resulting in variations in the approach and practice of zakat management between one organization and another. This regulatory issue can be found in the research of Andri (2020) and Aziz (2014).

3. Lack of Coordination and Synergy

Lack of cooperation and coordination between various zakat organizations leads to overlap in target beneficiaries. Without good cooperation, efforts to minimize overlapping functions become difficult. In addition to the lack of coordination, the absence of a mustahik database that is used as a common reference by OPZ causes this to happen (Afriadi & Sanrego, 2016). Although in essence, the phenomenon of one person receiving zakat assistance from several sources, although it sounds scary, is actually not always bad. In fact, in some cases, this overlap can be more efficient and accelerate efforts to move out of poverty.

However, in terms of zakat management management, this overlap remains a serious problem. It creates uncertainty and hampers efficiency in zakat distribution. There are still many mustahiks in other areas who need assistance, and overlapping distributions can reduce the assistance they should receive. Therefore, it is important for zakat institutions to improve coordination, share information, and work well together so that zakat distribution can become more efficient and equitable, and can have a positive impact on people in need.

Discussion

From the research results found, it seems that an effective solution is needed to overcome the overlapping functions of Zakat Management Organizations (OPZ) in Indonesia. The solutions that can be used as a reference include:

1. The Need for Standardization of Religious Interpretation

To overcome the variation of religious interpretation, standardization is needed in the definition of who is entitled to receive zakat and how the distribution should be done. This can be achieved through dialogue between scholars and authoritative parties in Islam to reach a general agreement that reduces ambiguity. The plurality of Indonesian society requires standardization of interpretation in zakat. Changes in the teachings of zakat at the technical level are a necessity, especially since the advancement of science and technology has brought significant changes in various fields such as economic, social, political, and cultural. Changes in the economic system of society require a review of the object of zakat. Likewise, changes in the social structure, culture, and needs of society demand a review of the determination of the eight asnaf concepts in zakat. In the context of these changes, the interpretation and application of zakat teachings need to be adjusted to the evolving social and economic dynamics (Daud, 2022).

2. Expansion of Cooperation between Organizations

Zakat organizations need to increase cooperation and coordination to identify areas where overlap occurs. This collaboration can produce a clear map of the areas where zakat assistance is needed most urgently.

Huda and Sawarjuwono's research revealed that the overlap in empowerment programs among Zakat Management Organizations (OPZ) indicates a lack of coordination and integration among these institutions. In addition, inaccurate data on muzakki (zakat givers) and mustahik (zakat recipients) is also a serious challenge. Limitations in partnership between OPZ also affect the effectiveness of the programs

implemented. In addition, government policies that conflict with the zakat utilization program also become an obstacle. Policies that are not aligned with the vision of zakat management can hamper the potential of zakat to empower the community and reduce its positive impact in overcoming poverty problems. Therefore, it is important for OPZ and the government to work together to overcome these challenges so that the zakat program can run efficiently, accurately, and provide maximum benefits for people in need (Huda & Sawarjuwono, 2013).

Cooperation among Zakat Management Organizations (OPZ) should also include innovation in zakat payment, such as through online zakat system (e-payment) or online payment. One form of this innovation involves cooperation with fintech (financial technology) and e-commerce. By utilizing these technologies, people can pay zakat easily and efficiently through online platforms. This simplifies the process of collecting and distributing zakat, so that zakat funds can be distributed more quickly and on target to those in need (Yuliar, 2021).

3. Expansion of the Government's Role

The government needs to take an active role in establishing clear regulations for zakat management. By setting clear standards and procedures, as well as overseeing their implementation, the government can help reduce uncertainty and overlapping functions in zakat management.

The zakat law issued by the government so far only regulates the management aspect of zakat organization, without embracing the regulation of zakat as a whole. In fact, a comprehensive regulation of zakat is very necessary given the complexity of issues related to zakat. In this context, the widespread of various issues related to zakat shows the need to place zakat in the governance structure of the Indonesian state. By integrating zakat more deeply into the governance system, the state can address complex challenges and provide clear guidelines for the management of zakat, ensuring that these funds are used optimally for the welfare of society (Triantini, 2010).

The role of the state is very significant in managing, administering, and advancing the welfare of society by providing opportunities to organize and manage zakat funds through regulations and cooperation with zakat institutions. In this context, the state has the authority to regulate the extent to which amil zakat institutions can take, collect, and distribute zakat funds. Thus, the state plays a central role in ensuring that zakat is used efficiently and fairly, thus providing maximum benefits to the people in need (Prima & Rahman, 2019).

By addressing these challenges, we can create a zakat management system that is more efficient, transparent, and provides greater social impact to communities in need. In addition, these steps will strengthen public trust in zakat institutions, encouraging more people to contribute to helping others through the practice of Islamic social finance.

E. CONCLUSION

The text discusses the significance of zakat in Islam, emphasizing its potential to alleviate poverty and enhance the quality of life when managed effectively. It highlights the role of zakat institutions in maintaining socio-economic stability, arguing that they go beyond financial distribution by contributing to the development of the lives of the recipients (asnaf). The paper delves into the complex zakat management system in Indonesia, identifying overlapping functions among zakat organizations as a major issue. The literature review reveals variations in religious interpretation, regulatory uncertainty, and a lack of coordination as root causes. The study suggests solutions, including standardizing religious interpretation, fostering cooperation among organizations, and expanding the government's role in regulation. The ultimate goal is to create an efficient and transparent zakat management system, ensuring maximum benefits for those in need and bolstering public trust in Islamic social finance.

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