

**ZAKAT MANAGEMENT: UPDATE-TO-DOWN ZAKAT GOVERNANCE IN THE
AMIL ZAKAT AGENCIES IN INDONESIA, MALAYSIA AND BRUNEI
DARUSSALAM**

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GOVERNANCE IN THE AMIL ZAKAT AGENCIES IN INDONESIA,
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Abstract

Islam invites, recommends and obliges all of its people to do zakat, infaq, alms and waqf (ZISWAF) as an effort to provide a sense of justice and equality among humans in order to increase gratitude to الله. One of the efforts is by means of zakat, how is a mu'min who has reached the nisab of zakat to give zakat. With the current condition of Indonesia, which already has Baznas (National Zakat Agency) and many Amil Zakat Institutions (LAZ) which are managed by various types of communities, organizations, institutions and institutions, it should decrease the poverty value and increase the level of welfare every year. But the reality is the opposite. The Central Statistics Agency (BPS) released data on the number of poor people in March 2020 amounting to 26.42 million people, even though Indonesia's Muslim population is approximately 220 million people who should have good and healthy management and management to reduce the number of poor people in Indonesia in order to increase welfare of Indonesia. Even good governance is the main key in increasing welfare in Indonesia.

Keywords: Zakat, Baznas, Poverty, Welfare, Zakat Management

1. INTRODUCTION

The problems faced by every country, both developed and developing countries, are poverty and unemployment. These two things are wrongly related and become the main reason for the difficulty of a country to achieve individual welfare and state prosperity. If you pay attention, the level of poverty always increases and is also accompanied by an increase in the number of unemployed, this is due to the increasing number of populations in Indonesia, although in percentage there is a reduction of one to two percent each year released by the Indonesian Central Statistics Agency (BPS). Furthermore, Indonesia's Gini ratio is at the level of 0.381 in the first semester of 2020. According to BPS, this figure shows that inequality in Indonesia is still at a moderate or medium level. Even though they are at the middle level, there must be real efforts to reduce this inequality so that the rich get richer and the poor get richer.

One of the efforts that can be done is by giving zakat. As one of the countries with the largest Muslim population in the world, Islamic principles and values should have a positive impact in various aspects of social life, nation, state and of course religion itself. As a religion

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that has been perfected by ﷻ making all His commands are things that are sure to bring goodness and blessings to His servants and no one will be harmed even though the size of the seeds of *zarah*. Indonesia is not an Islamic country. This should have a real impact on reducing the existing poverty level. Islam always provides solutions that provide benefits for those who practice it, both benefits in the world and in the hereafter.

Zakat and of course also *Infaq*, alms and waqf (ZISWAF) is a dimension, where its use has been well regulated in the Al-Quran and Hadith. (Ummah, Riyadi & Herianingrum, 2018). The principles and values that exist in Islam are very many and comprehensive, one of which is the feeling of helping, caring for others and sharing in a very universal sense. One way is through zakat, where this zakat can be used to measure indicators of the welfare of the community, especially Muslims. In general, zakat aims to increase the values of justice and reduce the deviations that occur as a result of the less prosperous society.

As one of the countries with the largest Muslim population in the world, Islamic principles and values should have a positive impact in various aspects of social life, nation, state and of course religion itself. As a religion that has been perfected by ﷻ making all His commands are things that are sure to bring goodness and blessings to His servants and no one will be harmed even though the size of the seeds of *zarah*. This is made clear by ﷻ in Q.S. Al-Maidah (5): 3 as follows:

It is forbidden for you to (eat) carcasses, blood, pork, (animal meat) that were slaughtered in a name other than Allah, those who were strangled, those who were beaten, those who fell, who were gored, and were killed by wild animals, except those you had time to slaughter them, and (it is forbidden for you) to be slaughtered for idols. And (it is also forbidden) to draw fate with arrows, (to draw fate with arrows) is wickedness. On this day the disbelievers have given up (overcoming) your religion, so do not fear them and fear Me. On this day I have perfected your religion for you, and I have filled you with My favors, and I have accepted Islam as your religion. So, whoever is forced due to hunger accidentally commits sins, verily Allah is Forgiving, Most Merciful.

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Meaning: Take zakat from some of their assets, with that zakat you clean and purify them and pray for them. Indeed, your prayer (becomes) peace of mind for them. And Allah is All-Hearing, All-Knowing. (103) Do they not know that Allah accepts repentance from His servants and accepts zakat and that Allah is the Most Merciful and the Recipient of Repentance? (104)

Through Law Number 23 of 2011 as a substitute for Law Number 38 of 1999 has regulated the management of zakat which is expected to be better able to manage directed, measured and controlled in upstream and downstream implementation, starting from data collection, collection and distribution of zakat. In this effort, the National Amil Zakat Board (Baznas) was formed, which is a non-structural government institution that is independent and responsible to the President of the Republic of Indonesia through the Minister of Religion. Baznas was established through the Decree (SK) of the President of the Republic of Indonesia No. 8 of 2001. (Baznas.go.id)

Indonesia as one of the countries with the largest Muslim population in the world currently has a number of poor people of 26.42 million people (bps.go.id) or approximately 10% of the total population of Indonesia. The current population of Indonesian Muslims is approximately 230 million people. For example, if 150 million Muslims carry out zakat activities, the poverty rate can be reduced and of course the level of welfare will increase and can prosper Indonesia. This welfare is a problem for every country because there is an imbalance between the people. This creates a large gap and has a socio-economic impact on the nation. This can be seen from Indonesia's Gini Ratio of 0.382, which has passed 0.25, which means that the level or gap between the poor and the rich is too large. (bps.go.id, accessed from <https://www.bps.go.id/pressrelease/2019/07/15/1630/gini-ratio-maret-2019-tercatat-sebesar-0-382.html>, 01 January 2021).

Baznas is currently performing well but it is not yet considered optimal. With so many Amil Zakat Institutions (LAZ) it should also be able to increase the values of zakat and be able to achieve the goals of why zakat should be done by Muslims who have reached the *nisab* of their assets for tithing. The author tries to identify what problems happen to Baznas in managing zakat and strives to have a functional Zakat system to find solutions to the never ending poverty problem. How are the barriers of the currently active Zakat system and the extent to which the identified barriers can affect the zakat management system in Indonesia. It is hoped that this zakat system can reduce poverty and improve the welfare of the Muslim community as well as the nation and state.

2. LITERATURE REVIEW

4.1 Zakat

Zakat is one of the pillars of Islam (part of the Pillars of Islam) in the Islamic economic system to serve the social welfare of Muslims. One of the main goals of zakat institutions is to alleviate poverty among people in need, thus resulting in a better quality of life. (Hambali

et al, 2016). Furthermore, Ahmad (2019) mentions zakat as an Islamic social fund that serves as an effective tool to achieve financial inclusiveness and poverty alleviation. Zakat is the activity of issuing certain assets for a Muslim which will be given to those who are entitled to receive it. According to the Institute for Research and Community Studies (LPPM), Bandung Islamic University / UNISBA (1991) the definition of zakat in terms of language is as follows: (Mursyidi, 2003)

1. Growing, meaning that the property which is zoned has an impact on the growth and development of other assets, not a shortage or loss of assets. Both by itself and by effort, the more so with a mixture of the two; and cultivate the human and religious mentality of the owner (*muzakki*) and the recipient (*mustahik*).
2. Good, meaning that the assets given are assets of good quality and quality. When the recipient and giver of zakat give and receive good zakat, then there is good quality between the two.
3. Blessings, which means showing that objects subject to zakat are objects that contain blessings. A potential for the economy, and brings blessings to everyone involved in it if the object has been paid zakat.
4. Sacred, which means that objects subject to zakat are holy objects. Pure from haram business, and smooth from pests and diseases, and if it has been zakat, it can purify *muzakki* mentally from bad morals, indecent behavior and sin, also for the *mustahik*.
5. Excess, means that the object that is zakat is an object that exceeds the basic needs of *muzakki*, and is expected to fulfill the basic needs of the *mustahik*. It is not worth a zakat if it causes misery, but it will even spread out the welfare and happiness together.

3. RESEARCH METHODOLOGY

This paper discusses literature review as a methodology for conducting research and offers an overview of the different types of reviews. This study wants to analyze the existing literature on Behavioral Finance and Behavioral Islamic Finance that can contribute to future studies in the field of Behavioral Islamic Finance.

4. DISCUSSION

4.1 Zakat For Welfare

Zakat is one of the many ways that mu'min can reduce the number of relatives or closest neighbors who are underprivileged or do not have the decent life they deserve. With this zakat, the number of underprivileged Muslim population should be overcome or, more precisely, rebalance the Gini ratio to a position where all people benefit and begin to productively build their lives. From the reduced level of poverty, it is impossible for a country, nation and state to achieve prosperity.

Development and poverty have become essential issues in economic, social and political studies around the world, especially in developing countries including countries with Muslim populations. Many parties from various organizations such as the United Nations have

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worked hard to eradicate poverty through various activities, service programs and policies. Poverty is a problem that must be taken seriously. It needs efforts from all parties, both government and non-government. Philanthropic institutions and zakat managers have a moral responsibility in improving the standard of living because the core of the spirit of Islam in alleviating poverty is inclusive, which must be attached to the development of Islamic finance (Obaidullah, 2008) (Quoted from Rahmat & Nurzaman, 2019). This means that Islamic finance must be linked to poverty alleviation programs as a basic social responsibility in achieving the *maqhasid* of sharia or sharia objectives. Zakat has been recognized as a major component in the Islamic social security system and has been shown to be able to reduce poverty levels and minimize income inequality gaps.

Furthermore, the famous Ulama Yusuf Al-Qardawi (2011) (quoted from Owoyemi, 2018) talks about zakat as a solution to poverty problems that have existed since time immemorial. This shows how important zakat is socially to alleviate poverty among Muslim communities. Of course, Islam and other religions are concerned with the suffering of the poor. Islam has determined that sharing is voluntary, such as *Infaq*, Almsgiving and Endowments, but there are also those that are obliged, namely zakat. In order to provide equality to the poor or those who need help. In this way show them compassion by feeding, clothing and helping them when needed.

For someone who has fulfilled the requirements to give zakat, it is obligatory to pay it not solely on the basis of generosity such as *infaq*, gifts and alms. Because of that religion determines amil or special officers who manage it, in addition to imposing worldly and ukhrawi sanctions against those who are reluctant, as practiced by the first caliph Abu Bakr Ash-Shiddieq ra. The obligatory zakat is every Muslim, physically and mentally healthy. Have sufficient assets according to the provisions (*nishab*) and have arrived for one full year (haul). Zakat is taken from people who are able for the welfare of the community both physically and spiritually. (Zuhri, 2011). The law of zakat is absolutely obligatory and it should not be postponed or deliberately postponed, if it meets the requirements related to that obligation. There are several goals to be achieved by Islam behind the obligation of zakat, which are as follows: (Sari, 2006)

1. Raise the poor and help him out of life's hardships and sufferings.
2. Helping solving problems faced by *gharim*, *ibnussabil*, and *mustahik* and others.
3. Stretching and fostering brotherhood among Muslims and humans in general.
4. Eliminating the miserly nature and / or profit of the owner of the property.
5. Cleansing jealousy and envy (social jealousy) from the hearts of the poor.
6. Bridging the gap between the rich and the poor in a society.
7. Develop a sense of social responsibility in a person, especially those who have property.
8. Educate humans to be disciplined in fulfilling their obligations and surrendering the rights of others to them.
9. Means of equal distribution of income (sustenance) to achieve social justice.

Based on the description above, in general zakat aims to help fulfill the needs of people in need as a form of social feeling among fellow Muslims. Of course, zakat has many wisdoms, both relating to the relationship between humans and God, as well as social relations between humans, such as: (Sari, 2006)

1. Purifying oneself from sins, purifying the soul, cultivating noble morals to be generous, having a high sense of humanity, and eroding hunks (miserly), and being greedy so that they can feel inner peace, because they are free from the demands of Allah and the demands of obligations to society.
2. Helping, fostering, and building the weak to meet their basic needs, so that they can carry out their obligations to Allah SWT.
3. Eradicating the disease of jealousy and envy that usually arises when he sees people around him full of luxury, while he himself has nothing and no helping hand from them (the rich) to him.
4. Towards the realization of an Islamic community system that stands on the principles of one people (*ummatan wahidatan*), equality, rights and obligations (*musawah*), Islamic brotherhood (*ukhuwah islamiyah*), and shared responsibility (*takaful ijtimai*).
5. Creating social welfare characterized by harmonious, peaceful, and harmonious relationships between a person and another, so as to create peace and inner peace.

According to Ulwan (2008) those who are entitled to receive zakat are as follows:

- a. Needy and Poor
- b. Amil
- c. Converts
- d. Riqab
- e. Gharim
- f. Fisabilillah
- g. Ibn Sabil

4.2 Problems in Zakat in Indonesia

The main problem of zakat in Indonesia is related to the content of Law No. 23 of 2011 concerning Zakat Management which should be revised. Reporting from the Zakat Forum, there are three main obstructing problems, namely (1) regarding the permit to establish the Amil Zakat Institution (LAZ). (2) regarding the formation of a National LAZ representative with only one representative in each province, and each representative must also apply for another permit to the office of the ministry of religion in that area, and (3) the authority for sharia auditing is delegated to the Ministry of Religion. (forumzakat.org, accessed from <https://forumzakat.org/tiga-masalah-utama/>, 02 January 2021). This problem resulted in the existing LAZ being less than optimal in their work and seemed to be only an extension of the regional or central Baznas.

On the other hand, according to Dr. Nurhidayat who was quoted from monitor.co.id who is also the Head of Zakat and Waqf Management Study Program of FAI UMJ, Dai

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Ambassador Dompot Dhuafa, Head of Lazismu Tangerang Selatan, Secretary of IAEI DKI Jakarta and ADPISI Jabodetabek said there are four problems related to zakat in Indonesia, namely (1) understanding the community regarding zakat, (2) the unprofessional management of zakat related to the immunity of zakat institutions, (3) inadequate human resources in managing and distributing zakat, and (4) public awareness of zakat is still low even though there has been an increase in the last few years. (monitor.co.id, accessed from <https://monitor.co.id/2020/05/13/problem-zakat-di-indonesia/>, 02 January 2021)

News reported from republika.co.id, there are four challenges in collecting zakat, namely (1) human resources and capacity of amil zakat that have not been fulfilled and evenly distributed, (2) the capabilities, programs and good skills in Indonesian amil institutions have not been evenly distributed, (3) lack of collaboration or synergy in equal distribution and distribution of programs and (4) accountability of zakat management organizations. (republika.co.id, accessed from <https://republika.co.id/berita/prjq1o458/empat-tantang-pengumpul-zakat-di-indonesia>, 02 January 2021). This challenge is inseparable from the existence of various problems, from upstream to downstream processes in the management of zakat. According to Wahab and Rahman (2011) the main problems faced in this zakat in all countries, especially Malaysia, are the distribution of funds and the lack of good governance mechanisms. From this, there are still many people who deliberately or unintentionally do not pay their zakat to existing and official institutions (Basir et al., 2017). It could also begin to decline in public trust to pay zakat to official institutions. People want to transact in an easy, safe and comfortable way because zakat is included in the process of worship which is also included in the five pillars of Islam.

4.3 Zakat Institutions

The existence of the zakat institution as one of the institutions / institutions that manages people's funds, plays a very important role in maintaining the social integrity of the developing community accompanied by awareness of religion and sophisticated technology. Zakat as an effort to reduce social disparities that arise in society is a social phenomenon that is so worrying that if it is not addressed it will have the potential to trigger an explosion or a large time bomb. Economic stability and development stability are among the many crucial issues in community empowerment to improve their standard of living.

According to Holil (2019) zakat institution is an agency that manages the source of zakat funds received from *muzakki* where the receipt of zakat is in accordance with applicable Islamic principles or amil who receives zakat, both zakat fitrah and zakat on assets and zakat in other forms (in Indonesia it is perceived as *infaq*. and *shadaqah*). The zakat institution is also one of the institutions that has the role of receiving zakat or distributing funds from parties who have excess funds (*muzakki*) to those who are short of funds (*mustahik*).

a. Indonesia/National Zakat Agency (Baznas Indonesia)

Quoted from Baznas.go.id, the National Zakat Agency (Baznas) is an official body and the only one formed by the government based on Presidential Decree No. RI. 8 of 2001 which

has the task and function of collecting and distributing zakat, infaq and alms (ZIS) at the national level. The issuance of Law Number 23 of 2011 concerning Zakat Management further strengthens the role of Baznas as an institution that has the authority to manage zakat nationally. In this law, Baznas is stated as a non-structural government institution that is independent and accountable to the President through the Minister of Religion. Thus, Baznas together with the Government are responsible for overseeing the management of zakat based on: Islamic law, trust, benefit, justice, legal certainty, integration and accountability. (baznas.go.id, accessed from <https://baznas.go.id/profil>, 03 January 2021)

National Zakat Agency (Baznas) domiciled in the national capital, provincial Baznas, and district / city Baznas. In addition to the establishment of Baznas which is an independent institution, the public can form an Amil Zakat Institution (LAZ) which is led by a private party which must obtain permission from an authorized official such as the Minister or an official appointed by the relevant Minister and must report its activities periodically to the authorized official. Apart from receiving zakat, Baznas or LAZ can also receive *infaq*, alms, and other socio-religious funds. The distribution and utilization of *infaq*, alms, and other socio-religious funds is carried out in accordance with Islamic law and carried out in accordance with the designation promised by the giver and must be recorded in a separate bookkeeping. Baznas plays an important role in the framework of collecting and distributing zakat funds. Given the important role of Baznas, the efficiency of Baznas performance must be well managed, especially in terms of collecting and distributing zakat funds. (Budiantoro, Luthfi & Herianingrum, 2018)

b. Malaysia State Zakat Center by the State Islamic Religion Council (MAIN)

Malaysia is a federation of 14 states, 12 of which are located on the Malaysian peninsula, while Sabah and Sarawak, two states in East Malaysia, are located on the island of Borneo. Until recently, zakat administration was under the jurisdiction of the states, except in Kuala Lumpur and Labuan, where zakat law and administration are regulated by the federal government. As for other states, they have assigned tasks to their respective Islamic religious councils. So, there are a total of 14 zakat institutions in Malaysia, each of which carries out zakat affairs. (Wahab & Rahman, 2012)

Thus, each country has different zakat management laws from other regions. This raises several coordination problems between regions where there are differences in determining the *nishab*, compulsory zakat assets, and even the definition of the eight *ashnaf* who are entitled to receive zakat. In general, the law imposes a penalty of 1,000 ringgit and / or six months imprisonment if it is proven that there has been misappropriation of zakat payments. (Ridwan, 2014)

c. Zakat Institute by Majlis Ugama Islam Brunei (MUIB)

In terms of managing zakat in the State of Brunei Darussalam, the kingdom plays an active role. Because zakat is handled directly by the kingdom under the responsibility of Majlis Ugama Islam Brunei (MUIB). MUIB has a work unit called the Majlis Ugama Islam Position. Under the position of Majlis Ugama Islam there is a section called the Quotations

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and Collection of Zakat (BAKAZ), which is the part of collecting and distributing zakat. The Zakat Quotation and Collection Section is responsible for carrying out daily collection and distribution in the State of Brunei Darussalam. (Febrianti, 2011).

The zakat utilization program in Brunei Darussalam consists of five, namely social service programs and community welfare programs for the economic development of the ummah, programs for improving the quality of education, programs for da'wah and *syiar* Islam and assistance for converts. All of these programs are given directly from zakat funds. The distribution of zakat in this country is still a consumptive pattern. Because the Sultan of Brunei Darussalam has the principle that the collected zakat must be directly given to those who are entitled and should not be deferred, especially to poor people and *gharimin asnaf*. So that there is no productive zakat in Brunei Darussalam. In terms of managing zakat in the State of Brunei Darussalam, the kingdom plays an active role. Because zakat is handled directly by the kingdom under the responsibility of Majlis Ugama Islam Brunei (MUIB). That way zakat management is centralized in one door. So that there are no independent institutions that take care of zakat.

4.4 Zakat Governance Model

The following is an overview of the models of zakat management and systems in the State:

- a. Zakat management model in Indonesia, zakat management in Indonesia according to Law No. 38 of 1999 is carried out by the Zakat Agency (BAZ) which was formed by the government. Besides BAZ, zakat management can be carried out by the Amil Zakat Institution (LAZ) which was formed purely on the initiative of the community or private sector. The existence of Law No. 23 of 2011 has certainly revised this rule, although we also have to see what the Constitutional Court's decision regarding judicial review is currently taking place.
- b. Malaysia, zakat is not managed nationally. In 14 states in Malaysia each is granted the right to manage its own zakat. some use one door through the *baitul maal* (government agency) and some are private. There are four Malaysian government policies in terms of zakat management. First, the government approves the legal status and position of zakat levies (PPZ) as a pure company that specifically collects zakat funds. second, allowing PPZ to take 12.5% of the total zakat levy each year to pay employee salaries and operational costs. Third, the government sets zakat as a tax deduction. Fourth, the government budgeted funds to assist activities such as malls in overcoming poverty problems.
- c. Zakat management model in Brunei Darussalam, zakat management in Brunei Darussalam is handled by a body appointed by the government. But the problem of poverty there is not a challenge for zakat management institutions.

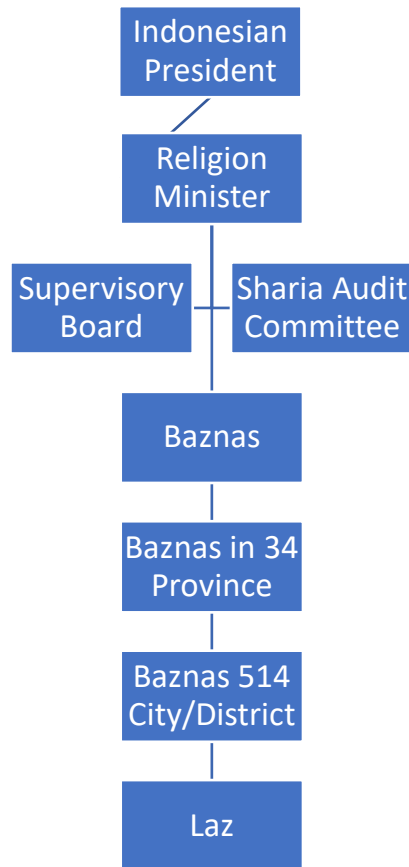
4.5 Recommendations for Reorganizing Upstream Downstream Governance at Baznas Indonesia

In general, the process of zakat in Indonesia is the collection, management and distribution. However, before entering into the process of managing and distributing zakat, Baznas must improve its internal and external systems in an effort to improve performance in the management of the zakat funds that have been collected. Baznas must also propose revisions to improve the regulations related to zakat management, especially Law no. 23 of 2011 which are considered to be still multiple interpretations and less precise. The author himself provides suggestions for the integration of all Amil Zakat Institutions into an extension of Baznas in managing zakat funds. This means that LAZ cannot determine who the zakat funds will be given to. LAZ is only devoted to recording the *mustahik* and *muzakki* in the environment around the LAZ. LAZ is also at the forefront of providing education to the public to increase public awareness of zakat. LAZ after collecting data and information then submits it to City / Regency Baznas and forwarded to Provincial Baznas and finally checked and verified by Central Baznas to really prevent one individual from getting more zakat funds. This means that the Central Baznas will accommodate and collect all zakat funds before they are handed over nationally to those who are entitled to receive them.

It is true that there are doubts if all the funds are put together nationally, what kind of system should Baznas develop, even though currently there are low human resources, the capacity of Baznas that is not yet capable is difficult to repair. Like Direct Cash Assistance (BLT) when a natural disaster occurs or when the Covid 19 pandemic occurs, this big data system can be implemented. Recipients of zakat funds are required to create an account at a Sharia Bank that has become a partner of Baznas, every receipt of zakat will be automatically transferred to that account. Not only that, the system used by the LPDP of the Ministry of Finance of the Republic of Indonesia can also be used by Baznas in managing and distributing zakat funds in a more orderly, targeted and right-on-target manner. Changing to this system requires a lot of socialization, funds and time, but if this is done it is impossible for the unemployment rate, poverty to be reduced and reduced and it can also improve the welfare of the community.

Therefore, the initial process that must be done is to improve the system, performance and regulations related to zakat management, but the authors consider it not zakat management that laws or regulations need to be made but the Baznas institution as a strengthening of the foundation for work. The establishment of the Supervisory Board, the National Zakat Sharia Audit Committee, integration of LAZ into Baznas.

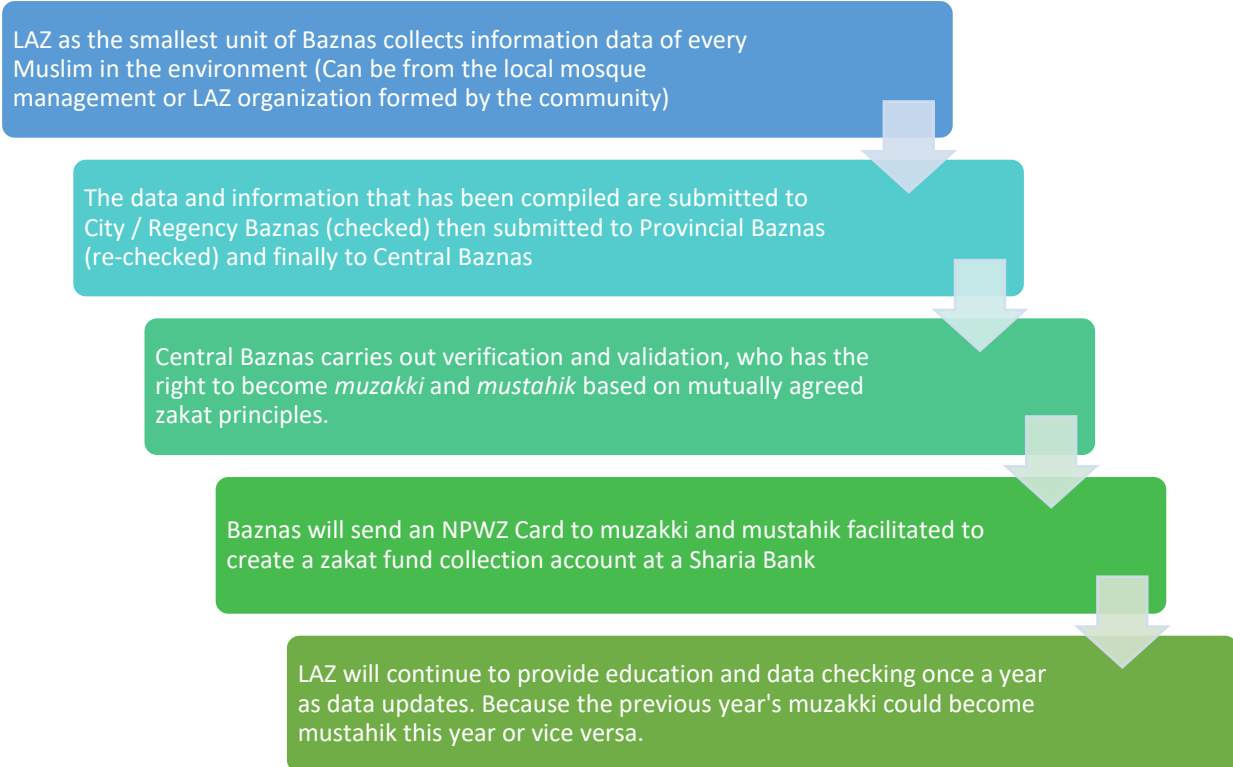
Indonesian Zakat Institution Structure



After Baznas has a strong foundation, the next process is only a technical matter. Like data and fund collection, this collection can be divided into two activities, namely Data Collection (PDt) of people who are entitled to these funds (*mustahik*) and Fund Collection (PDn) of people who are obliged to provide zakat funds (*muzakki*). These two activities are the first steps in the upstream to downstream process of zakat management. Baznas must have a big data system that is integrated with the Identity Card as a single identification number which may not be manipulated in the future. This big data system prevents fraud that will occur in the future in raising funds and distributing them. With the new Baznas system, fraud that will occur can be minimized.

From this collection, Baznas issues a card like a Taxpayer Identification Number to all mature Muslims who are marked by obtaining an ID card by a citizen. We can call this card as the Zakat Obligatory Identification Number (NPWZ). From this NPWZ, Baznas can track who are the individuals who are obliged to pay their zakat and who are the individuals who must receive zakat every year.

Data and Fund Collection Activities



After this activity, the receipt, management and distribution of zakat can be done properly. In Malaysia, this zakat activity has increased significantly every year in every state (Noor et al, 2005). The index he shows has also risen in the zakat management strategy in Malaysia (Wahab & Rahman, 2012).

5. CONCLUSION

Each country has its own rules for receiving, managing and distributing zakat (PPPZ). Indonesia has a style that tends to be free and irregular, too many LAZs and the low role of Baznas makes zakat less influence on the welfare of individuals (*mustahik*) and the country at large. In contrast to Brunei Darussalam, whose Kingdom plays an active role in the affairs of zakat. The existing zakat institutions are directly controlled by the Kingdom under Majelis Ugama Islam Brunei with branches in each region of Brunei. It is different from Malaysia which has handed over zakat affairs to the states and allied countries under the State Islamic Religious Council but strongly supports the private sector in establishing zakat centers.

Management in Indonesia cannot fully replicate that of other countries. Indonesia has its own challenges in the process of giving zakat and its distribution. The feeling of insecurity and comfort in giving zakat is one of the reasons why the development of the level / value of the collected zakat funds is still low. The government must pay more attention to this zakat

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activity because it will indirectly reduce the burden on the state in reducing unemployment and poverty rates. Starting from the improvement / revision of regulations and laws related to zakat management, vertical and horizontal systems for receiving, managing and distributing, sophisticated and up to date systems, and improving the system every year.

When the system is at the national level, migrants who are *muzakki* will still feel comfortable giving zakat because they are sure that they will be channeled properly and on target. Likewise, migrants who *mustahik* will feel comfortable speculating their fate in other areas, because their lives will be assisted by more or less zakat. Because the flow of population movement from one region to another often occurs in Indonesia and this has been massive lately. If all the elements in the PPPZ, the poverty and unemployment rates can be kept low in the next 5 to 10 years.

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