

# Optimization of National Zakat Management through the Effectiveness of the Role of Stakeholders of Zakat Management Organizations

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## Abstract

This research shows that stakeholders are running the Zakat governance system effectively. There is a contradiction in the role between the regulatory and executive functions of the national zakat management institution. The research method used is descriptive qualitative, which compares ideal conditions with actual conditions through secondary data research, interviews, and group discussions. The data processed are in the form of zakat law documents, government regulations, BAZNAS regulations, zakat acquisition calculation index, data from the central statistics agency, minutes of discussion group forums and confirming interviews with sources of amil zakat, samples using the purposive sampling method by finding samples through snowball sampling techniques. The study results show that reforms need to be carried out immediately on the role of zakat governance stakeholders so that national zakat management is more optimal and effective and, in the end, can provide more comprehensive benefits for the community.

**Keywords:** Zakat Governance, Governance Reform, Zakat Management Institutions, Zakat System

## Introduction

The Islamic financial system has a strong foundation in the financial system in general, both social finance in social institutions and commercial finance bank financial institutions. In the financial system, Sharia principles regulate income and expenditure (Nomran & Haron, 2022).

The Islamic social financial system includes zakat. As an Islamic monetary instrument, zakat can positively impact community welfare, social growth, economic growth, education, and health if appropriately managed. Good management is optimization in collecting and distributing zakat (Ridwan et al., 2019; Sa'adah & Hasanah, 2021; Widiastuti et al., 2021).

One of the dimensions of Islam in horizontal relations is the implementation of zakat, infak, alms, waqf (ZISWAF), and microfinance as instruments of Islamic social finance and become a fundamental strategy in maintaining financial stability and contributing to sustainable development. Zakat worship has a strategic dimension from religious, social, economic, and community welfare perspectives. Zakat is also an instrument of social safety net and can reduce welfare gaps, including reducing poverty (Iskandar et al., 2021).

Zakat is a particular form of worship because it reflects the relationship between man and God and the relationship with people and has a far-reaching impact on economic growth and social welfare. Contemporary zakat maal is obtained from professional and corporate savings, while classical zakat maal is cash on savings. Zakat is an instrument of Islamic economic and social funds that contributes to the achievement of people's well-being. The zakat empowerment program's role in improving the mustahiq's welfare is based on maqashid al-shariah (the Islamic objectives). Zakat community empowerment is a solution to suppress the poverty rate and possibly reduce inequality and end poverty in Indonesia.

(Widiastuti et al., 2021).

The concept of zakat is justice, and underprivileged people can feel its impact. The Zakat program developed by the Zakat institution parallels the sustainable development goals or SDGs programs such as poverty reduction programs, eliminating hunger, sanitation and health. In addition, zakat can be one of the stimuli of economic growth. (Akbar & Siti-Nabiha, 2022; Fahmi Ali Hudaefi, Abdul Aziz Yahya Saoqi, 2020; Sa'adah & Hasanah, 2021)

Officially, zakat management has been regulated by the state since 1999, namely with the issuance of law on zakat number 38 of 1999, where the government is only a supervisor and thoroughly hands over the management and establishment of zakat institutions to the community through social organizations or foundations. (UU Tentang Zakat Nomer 38, 1999). Then changes were made in 2011 through zakat law number 33 of 2011, which then the government regulated, supervised, and carried out zakat governance through a non-structural government institution called Badan Amil Zakat Nasional or BAZNAS, while Lembaga Amil Zakat (LAZ) established by the community was previously still allowed to carry out its operations but had to coordinate and report to BAZNAS.(Undang-Undang Republik Indonesia Nomor 23 Tahun 2011 Tentang Pengelolaan Zakat, 2011).

One of the benefits of zakat is to reduce poverty in the short and long term, so an institution's existence is essential, especially for zakat management matters, because it involves effectiveness and transparency in its implementation. However, the institution must continue collaborating programs with other social and financial institutions such as banks (Iskandar et al., 2021).

The potential for zakat in 2022 is 250.4 trillion rupiah, while the realization is only 22.1 trillion or 5.41% (National Amil Zakat Agency, 2023)—a considerable gap between potential and realization. Ideally, the zakat movement that entered into the state gazette in the form of laws and regulations more than 15 years ago, the system should have been comprehensive in both planning and implementation and supervision so that zakat management is more optimal and effective.

In reality, the implementation of the Zakat law still has many problems, as revealed in the minutes of the scientific discussion group forum in the form of public examination of the application of the Zakat Law Number 23 of 2011 stated that there is a contradiction in the function of BAZNAS's role as a non-structural government institution, on the one hand as the leading implementer of zakat management, on the other hand also as a controller of permits for the establishment of zakat management institutions. There is a contradiction in the role of institutions in this regulation, namely the role of players and regulators. In the forum, it was also revealed that many zakat institutions experienced difficulties in the process of obtaining permit recommendations.

In terms of consolidation, monitoring, and evaluation of national zakat also does not have an integrated and comprehensive reporting structure and system where each region and zakat institution still runs its report system as needed, even though the national system BAZNAS already has a national report system called "SIMBA" but has not been well integrated to all zakat management institutions.

BAZNAS already has a relatively good strategic and consolidation plan but still focuses on aspects of achieving zakat achievements internally, as stated in the Resolution document of the National Coordination Meeting (RAKOR) of BAZNAS throughout Indonesia dated September 22, 2023, which does not explicitly include the role of the Amil Zakat Institute (LAZ) in the resolution of the national zakat movement. LAZ is a 31.9% contributor to zakat earnings in 2022 (Badan Amil Zakat Nasional, 2023).

The above problem is one of the challenges in the national zakat management system. The amil zakat institution system is identical to financial institutions such as banking but only has a social dimension so the implementation system and supervision system must be integrated and comprehensive because it involves the level of transparency, risk management, and public trust. Like other financial institutions, zakat management institutions need supporting infrastructure to ensure the effectiveness of their zakat operations.

Externally, the zakat sector should also be supported by an infrastructure that encourages effective oversight processes by zakat regulators and supervisors (Bank Indonesia, 2019).

This research is expected to produce the concept of reforming the ideal national zakat governance system through the influential role of zakat management organizations (OPZ) so that zakat management can be more optimal in collecting and distributing zakat benefits to many communities

### **Methodology**

This research uses a qualitative approach method and the data is analyzed descriptively, namely describing the phenomenon as it is by comparing actual conditions (Chandra & Shang, 2019; Zawacki-Richter et al., 2019). The subject of the study is the national zakat governance system with the object of research being the calculation of the potential for zakat acquisition in 2021-2022. Sampling selection using purposive sampling method with snowball sampling selection technique. The research instruments used are through observation, literature studies, and the results of discussion group forums of Zakat management organizations.

The data sources processed in the form of secondary data come from the state gazette of the Zakat Law, Government Regulation Regulations, Ministerial Decrees, MUI fatwa decisions, the Zakat Acquisition Potential Index (IPPZ) issued by the Center for Strategic Studies (PUSKAS) BAZNAS in 2022 and the Zakat Outlook, BAZNAS in 2022.

The theoretical approach used is through stakeholder theory. Stakeholders are groups or individuals who can influence or be influenced by the process of achieving the goals of an organization. Stakeholder theory illustrates that companies are not only responsible for maximizing profits for owners and investors, who can be called shareholders, but also for providing benefits to society, the social environment, and government, which can be referred to as stakeholders (Harrison et al., 2019). Stakeholder analysis uses the calculation of the weight of the role of stakeholders which then obtains the position of stakeholders in the quadrant of stakeholder analysis.

The research framework is to assemble the variables of the vision and mission of BAZNAS, Zakat Law Number 23 of 2011, Government Regulations, Regulations of the Minister of Religious Affairs, and Provisions of the Minister of Religious Affairs and MUI Fatwas which are then identified subjects or stakeholders in the national zakat governance system.

### **Results and Discussion**

Zakat management must be carried out optimally through various productive efforts manifested into multiple types of superior programs: social, economic, educational, health, and da'wah. Optimal zakat management can welcome state development programs, especially the realization of Golden Indonesia 2045 because zakat and the state have the same goal, namely achieving community welfare (Ridwan et al., 2019).

A critical aspect of zakat management is the planning of zakat collection. The target achievement of the collection pillar in the BAZNAS RI Strategic Plan (Renstra) for 2020 - 2025 is the optimization of national zakat potential. Priority programs to achieve this target are zakat potential mapping, region-based potential optimization strategy policies, and district/city-based zakat types in Indonesia. BAZNAS RI targets that in 2022, it can map all zakat potentials of districts/cities in Indonesia (Badan Amil Zakat Nasional, 2020).

The method of measuring the zakat potential of districts/cities in Indonesia refers to the 2019 Zakat Potential Mapping Indicator (IPPZ) issued by BAZNAS. IPPZ consists of five main components, namely potential agricultural zakat, livestock zakat, money zakat, income zakat, and company zakat (Badan Amil Zakat Nasional, 2019). The method of calculating the zakat potential used is to calculate the Index. The range of data used is the last four years, namely 2018, 2019, 2020, and 2021, as described in the table of zakat potential as follows:

Table 1. Zakat Potential in 2022

| NO           | PROVINCE            | POTENTIAL SOURCES OF ZAKAT ACQUISITION |                  |                  |               |                   | TOTAL             |
|--------------|---------------------|--|------------------|------------------|---------------|-------------------|-------------------|
|              |                     | AGRI                                   | FARM             | MONEY            | COMPANY       | INCOME            |                   |
| 1            | NAD                 | 683,63                                 | 283,30           | 192,38           | 1,09          | 1.965,34          | 3.125,74          |
| 2            | Sumatera Utara      | 358,01                                 | 627,31           | 1.488,15         | 0,07          | 6.334,48          | 8.808,02          |
| 3            | Sumatera Barat      | 612,96                                 | 379,43           | 343,44           | 1,68          | 2.725,17          | 4.062,68          |
| 4            | Riau                | 553,18                                 | 164,57           | 619,09           | 0,27          | 6.697,16          | 8.034,26          |
| 5            | Jambi               | 339,35                                 | 121,11           | 303,11           | 1,61          | 2.354,31          | 3.119,49          |
| 6            | Sumatera Selatan    | 1.380,89                               | 456,34           | 693,19           | 5,23          | 5.126,95          | 7.662,60          |
| 7            | Bengkulu            | 165,39                                 | 110,09           | 81,50            | 0,35          | 900,42            | 1.257,75          |
| 8            | Lampung             | 844,48                                 | 385,72           | 343,99           | 1,06          | 3.737,27          | 5.312,53          |
| 9            | Bangka Belitung     | 100,27                                 | 145,72           | 135,62           | 0,03          | 746,13            | 1.127,77          |
| 10           | Kepulauan Riau      | 0,28                                   | 239,15           | 315,30           | 0,17          | 2.194,61          | 2.749,52          |
| 11           | Banten              | 387,78                                 | 307,74           | 4.032,76         | 5,39          | 6.298,05          | 11.031,72         |
| 12           | DI Jakarta          | 0,86                                   | 1,72             | 37.667,20        | 0,00          | 26.817,59         | 64.487,38         |
| 13           | Jawa Barat          | 2.335,38                               | 1.267,43         | 5.749,21         | 14,95         | 21.321,63         | 30.688,59         |
| 14           | Jawa Tengah         | 3.069,96                               | 1.069,88         | 2.681,07         | 17,61         | 17.682,27         | 24.520,80         |
| 15           | DI Yogyakarta       | 120,04                                 | 111,27           | 441,85           | 2,11          | 1.858,14          | 2.533,42          |
| 16           | Jawa Timur          | 3.275,73                               | 2.446,06         | 6.676,52         | 36,55         | 23.760,49         | 36.195,35         |
| 17           | Bali                | 21,29                                  | 24,54            | 110,32           | 5,25          | 454,33            | 615,73            |
| 18           | Nusa Tenggara Barat | 345,44                                 | 540,49           | 227,46           | 2,72          | 1.628,76          | 2.744,87          |
| 19           | Nusa TT             | 25,49                                  | 37,62            | 17,46            | 0,83          | 117,01            | 198,41            |
| 20           | Kalimantan Barat    | 329,43                                 | 175,00           | 288,43           | 2,26          | 1.549,90          | 2.345,01          |
| 21           | Kalimantan Selatan  | 448,92                                 | 265,28           | 356,11           | 5,04          | 2.086,10          | 3.161,46          |
| 22           | Kalimantan Tengah   | 361,91                                 | 120,97           | 134,81           | 0,61          | 1.350,31          | 1.968,60          |
| 23           | Kalimantan Timur    | 847,26                                 | 197,51           | 613,74           | 6,11          | 5.327,43          | 6.992,05          |
| 24           | Kalimantan Utara    | 11,67                                  | 39,48            | 70,66            | 0,23          | 773,97            | 896,01            |
| 25           | Sulawesi Selatan    | 1.476,02                               | 726,37           | 595,56           | 2,91          | 4.826,27          | 7.627,13          |
| 26           | Sulawesi Tenggara   | 401,93                                 | 257,01           | 188,63           | 0,52          | 1.552,47          | 2.400,56          |
| 27           | Sulawesi Tengah     | 470,87                                 | 172,57           | 129,26           | 0,16          | 1.821,45          | 2.594,31          |
| 28           | Sulawesi Barat      | 263,82                                 | 77,63            | 10,70            | 0,18          | 464,15            | 816,47            |
| 29           | Sulawesi Utara      | 67,16                                  | 69,56            | 75,79            | 1,35          | 443,00            | 656,85            |
| 30           | Gorontalo           | 56,04                                  | 165,36           | 27,06            | 0,15          | 477,94            | 726,55            |
| 31           | Maluku              | 36,21                                  | 81,72            | 41,52            | 0,91          | 257,87            | 418,23            |
| 32           | Maluku Utara        | 22,89                                  | 151,95           | 35,76            | 1,84          | 364,77            | 577,20            |
| 33           | Papua Bara          | 5,08                                   | 58,60            | 42,28            | 0,32          | 373,84            | 480,12            |
| 34           | Papua               | 28,28                                  | 17,22            | 40,48            | 2,23          | 380,94            | 469,15            |
| <b>TOTAL</b> |                     | <b>19.447,88</b>                       | <b>11.295,74</b> | <b>64.770,41</b> | <b>121,78</b> | <b>154.770,51</b> | <b>250.406,32</b> |

Source : PUSKAS BAZNAS RI, 2022

Table one summarizes all potential zakat gains calculated based on the variable source of zakat acquisition. The IPPZ calculation uses secondary data obtained from various official Indonesian government sources such as data from BPS, the Financial Services Authority (OJK), relevant ministry data such as the Ministry of Agriculture, Ministry of Finance, Ministry of Religion, and internal data from BAZNAS.

While from other studies that the potential of zakat through the classical fiqh zakat approach is IDR 69.57 trillion or equivalent to 0.56% of GDP and the potential calculation of zakat acquisition through the contemporary fiqh approach is IDR 216.54 trillion, or equivalent to 1.75% of GDP. The estimated zakat potentials are still significantly higher than the actual zakat collection recorded. However, the results of the classical approach under the realistic scenario (0.11% of GDP) are the closest to the real 2018 zakat

collection of 0.05% of GDP. (Asfarina et al., 2019).

Meanwhile, for the realization of zakat funds for two years between 2020 and 2021, the potential of zakat in reality has not been optimally realized. Refers to data released by BAZNAS, where in 2020 and 2021, the amount of zakat, infak, and alms (ZIS) collected was only around 12 trillion and 14 trillion (National Amil Zakat Agency, 2022) or only an average of 5.41%, still far from the ideal figure by the zakat potential above, as shown in the table as follows.

Table 2. Realization of National Zakat Acquisition

| No    | LEVEL                          | YEAR               |      |                    |        |
|-------|--------------------------------|--------------------|------|--------------------|--------|
|       |                                | 2020               | %    | 2021               | %      |
| 1     | BAZNAS                         | 385,126,583,224    | 3%   | 517,594,705,948    | 3.67%  |
| 2     | BAZNAS Province                | 489,538,808,289    | 4%   | 585,573,472,559    | 4.15%  |
| 3     | BAZNAS District/City           | 1,735,824,169,041  | 14%  | 1,679,513,174,410  | 11.90% |
| 4     | LAZ                            | 4,077,297,116,443  | 33%  | 4,357,597,586,344  | 30.87% |
| 5     | UNREPORTED OPZ AND FITRA ZAKAT | 5,741,459,770,472  | 46%  | -                  | 0      |
| 6     | OFF BALANCESHEET ZIS & FITRA   | -                  |      | 4,912,914,506,197  | 34.80% |
| 7     | OFF BALANCESHEET QURBAN & DSKL | -                  |      | 2,065,002,301,822  | 14.63% |
| TOTAL |                                | 12,429,246,447,469 | 100% | 14,118,195,747,280 | 100%   |

Source : PUSKAS BAZNAS RI, 2022

Table two summarizes all the proceeds of zakat, infak alms, and other religious social funds during two periods, namely 2020 of IDR 12.4 trillion and 2021 of IDR 14.1 trillion. Meanwhile, the final gain for 2022 was IDR 21.3 trillion, or only 8.9%.(Badan Amil Zakat Nasional, 2022).

The large gap between potential and realization certainly affects the optimization of the distribution of zakat benefits widely. The size of this gap will affect the productivity and ability of zakat management. Indonesia's economy in 2022, calculated based on Gross Domestic Product (GDP) based on current prices, reached IDR 19,588.4 trillion (Central Statistics Agency, 2022). With the calculation of the potential zakat acquisition of IDR 250 trillion, it can be said that with 100% optimization of the potential zakat acquisition, it can make a positive contribution to Indonesia's economic growth.

In carrying out national zakat management, BAZNAS already has priority policy directions and strategic plans. Namely, five policies and targets cover Collection, Distribution, HR and IT development, Control, and Network Strengthening (National Amil Zakat Agency, 2020). This policy is short-term and sporadic because it only emphasizes the function of achieving institutional targets but does not accommodate the overall zakat governance dimension.

As financial institutions implement risk management in their operations, since May 23, 2016, the zakat system has also applied the precautionary principle as outlined in the form of Zakat Core Principles (ZCP) launched at the World Humanitarian Summit of the United Nations in Istanbul, Turkey. ZCP is an international zakat governance standard adopted from the Basel Core Principles (BCP) (Bank Indonesia, 2019; Yaso'a et al., 2020). The Core Principles of Zakat are primarily aimed at encouraging and realizing a healthy and effective Zakat management system for the benefit of the people.

It is just that the implementation, especially in the supervision of the zakat management institution (LPZ), has not been fully fulfilled because it is still limited to a formal process in the form of a sharia audit held by the Ministry of Religious Affairs in the context of renewal permits only.

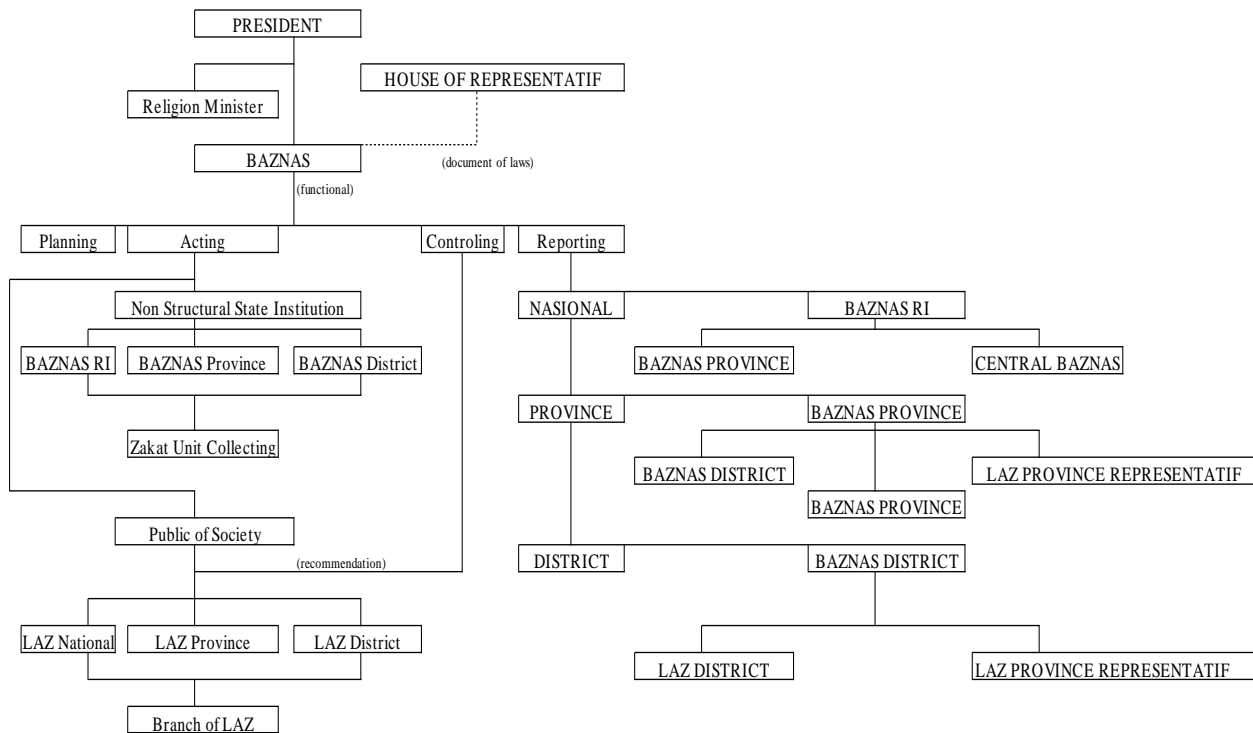
The zakat management system in Indonesia can be categorized as a voluntary system, meaning that the authority to manage zakat is in the hands of the government or civil society, and there are no legal sanctions for those who do not fulfill zakat obligations(Achmad Muchaddam Fahham, 2020). Based on Law Number 23 of 2011 in Indonesia, there are two types of Zakat Management Organizations (OPZ), namely the National Amil Zakat Agency (BAZNAS), whose management is managed by the government,

and the Amil Zakat Institute (LAZ), whose administration is managed by civil society, which is integrated and synergistic in the process of gathering, collecting and distributing zakat (Undang-Undang Republik Indonesia Nomor 23 Tahun 2011 Tentang Pengelolaan Zakat, 2011).

In contrast some countries that apply zakat as an obligation for their citizens such as Sudan, Pakistan, Saudi Arabia, and Jordan, whose zakat system is fully managed by the state through ministries. While countries that do not require zakat but the management of zakat is quite optimal, such as Egypt, Bangladesh, Kuwait, and Malaysia, have different governance from each other (Bank Indonesia, 2019); however, the management is very optimal because there is a clear separation of functions between the regulator and operator.

As stated in the introduction, there is still a polemic related to the Zakat Law Number 23 of 2011, namely BAZNAS has a dual role because it is the regulator and also the executor of zakat managers, so that its position is superior compared to LAZ. The spirit of the emergence of BAZNAS was initially directed to increase the number of zakat acquisitions. However, what happened in Law No. 23 positioned LAZ as BAZNAS's helper in collecting zakat, infographic in table 3 shows the hierarchy of functions and coordination in the zakat ecosystem in Indonesia.

Table 3. Functional Hierarchy of BAZNAS



The table above shows the functional structure of BAZNAS towards the zakat ecosystem in Indonesia. BAZNAS in zakat governance in Indonesia can be positioned as a regulator or supervisor, its role is to provide education guide LAZ to manage zakat funds optimally. In its realization, BAZNAS became a competitor for the Zakat collection where the programs offered by LAZ also coincided and intersected with the BAZNAS program. This condition causes difficulties for LAZ which relies 100% on operations from the amyl portion because its portfolio is constantly eroded due to the transfer of muzakki to BAZNAS which is more endorsed by the government.

The role of institutions is very central in carrying out management functions because it involves effectiveness and efficiency, so its application must be by the procedures and parts of the objectives of establishing the institution's organization. One of them is the role of stakeholders in the organization, especially in zakat institution organizations, there needs to be an appropriate role placement according to its functions and objectives.

The approach taken is through stakeholder theory analysis. In the study of stakeholder theory, identification is first carried out on all parties involved in the zakat governance system by applicable regulations through secondary data from the state sheet in the form of Zakat Law Number 23 of 2011 and other rules. From this analysis, there are 11 stakeholders in the national zakat governance system, as shown in the table as follows:

Table 4. Stakeholders of National Zakat Governance

| NO | ZAKAT GOVERNANCE SYSTEM           | FUNCTION  | SUBJECT                               |
|----|-----------------------------------|---|---------------------------------------|
| 1  | Zakat Management Institute (LPZ)  | Carry out the function of collecting, distributing, and utilizing zakat                       | LAZ/UPZ/BAZNAS                        |
| 2  | Executive                         | Perform supervisory functions, make regulations, and coordinate zakat management institutions | Ministry of Religious Affairs/ BAZNAS |
| 3  | Legislature                       | Make legal regulations and laws   | DPR                                   |
| 4  | Religious Organizations           | Shari Legal Reference Institute   | MUI                                   |
| 5  | Sharia Supervisor                 | Carry out the function of fatwa syar'i zakat management                                       | DPS                                   |
| 6  | Amil                              | People who carry out the functions of zakat management institutions                           | Amil                                  |
| 7  | Community Organizations           | Carrying out the vision and mission of the ummah  | Foundation                            |
| 8  | Zakat Payers                      | Obligated to fulfill the sharia zakat   | Muzakki                               |
| 9  | Beneficiaries of Zakat            | Obligated to fulfill the sharia zakat   | Mustahik                              |
| 10 | Mosque/Agency/Institution/Company | Zakat Place Object  | Religion/Social Foundation            |
| 11 | Academy                           | Carrying out the functions of the tri dharma of higher education, zakat research              | University                            |

Table four explains that the national zakat governance system as mentioned in the law and its derivative regulations consists of 11 stakeholder sources with 14 stakeholder subjects each has its own function and role. Furthermore, the 14 stakeholder subjects are divided into four role clusters, namely regulators, operators, supervisors, and community actors, as shown in the table as follows:

Table 5. Zakat Stakeholder Cluster

| NO | ZAKAT GOVERNANCE SYSTEM |                      |                      |                     |
|----|-------------------------|----------------------|----------------------|---------------------|
|    | REGULATOR               | OPERATOR             | MASLAHAH PREPARATORS | EXTERNAL SUPERVISOR |
| 1  | House of Representative | LAZ                  | Amil                 | MUI                 |
| 2  | Religious Ministry      | Zakat Collector Unit | Muzakki              | Sharia Supervisory  |
| 3  | BAZNAS                  | BAZNAS               | Mustahik             | University          |
| 4  |                         |                      | Foundation           |                     |

Table five shows that there is a subject that plays a dual role in the national governance of zakat, namely BAZNAS which has the function of operator as well as regulator. From these four clusters, four stakeholders are obtained who influence the form of strength factors and importance factors by giving weight to each of these factors as in the following table:

Table 6. Weights of Importance and Strength Factors

| NO | REGULATORY     | POINT |
|----|----------------|-------|
|    | IMPORTANCE     |       |
| 1  | Applicant      | 3     |
| 2  | Recommendation | 2     |
| 3  | Approval       | 1     |

| NO | REGULATORY     | POINT |
|----|----------------|-------|
|    | STRENGTH       |       |
| 1  | Applicant      | 1     |
| 2  | Recommendation | 2     |
| 3  | Approval       | 3     |

The table above explains that each stakeholder has a measure of compliance in carrying out regulations. Measuring power is divided into the rule's importance and regulatory mandates' power. Each of these factors has three elements of duty, namely as an applicant, recommender, and policy breaker. In the weight of the importance factor, the hierarchy of tasks from the bottom up is getting smaller in value, while in the weight of the strength factor, the order of functions from bottom to top is getting bigger in matter.

Based on the assumption of importance and strength in the role of each stakeholder under the provisions of the regulation, it can be tested the importance and strength factors of the national zakat system regulation as shown in the table as shown :

Table 7. Assessment of Importance and Power Factors

| FACTORS    | BAZNAS                  |          |              | SCORE |
|------------|-------------------------|----------|--------------|-------|
|            | NATIONAL                | PROVINCE | REGENCY/CITY |       |
| IMPORTANCE | 2                       | 2        | 2            | 6     |
| STRENGTH   | 2                       | 2        | 2            | 6     |
| FACTORS    | AMIL ZAKAT BOARD        |          |              | SCORE |
|            | NATIONAL                | PROVINCE | REGENCY/CITY |       |
| IMPORTANCE | 3                       | 3        | 3            | 9     |
| STRENGTH   | 1                       | 1        | 1            | 3     |
| FACTORS    | HOUSE OF REPRESENTATIVE |          |              | SCORE |
|            | NATIONAL                | PROVINCE | REGENCY/CITY |       |
| IMPORTANCE | 1                       | 1        | 1            | 3     |
| STRENGTH   | 3                       | 3        | 3            | 9     |
| FACTORS    | RELIGIOUS MINISTRY      |          |              | SCORE |
|            | NATIONAL                | PROVINCE | REGENCY/CITY |       |
| IMPORTANCE | 1                       | 1        | 1            | 3     |
| STRENGTH   | 3                       | 3        | 3            | 9     |

The table above shows that each stakeholder has a different total score from each other according to the factors and weights of their respective roles. The value of the importance factor and the strength factor point to different directions.

The assessment of the importance factor of BAZNAS on regulation is placed as the party that gives recommendations so that it gets two weights in each area of institutional operations, while for the amil zakat institution, it is placed as the party that submits recommendations so that it gets three weights, as well as the interest factors of the people's representative council and the ministry of religious affairs each get one weight in each area.

The assessment of BAZNAS's strength factor on regulations, placed as a party that gives recommendations so that it gets two weights in each area of institutional operations, the Amil Zakat institution gets one weight, while the House of Representatives and the Ministry of Religious Affairs, each gets three weights, so that if described in the quadrant of importance and strength factors against regulations, the position of stakeholders in the national zakat system is as follows:





|                                      |     | IMPORTANCE                  |                         |
|--------------------------------------|-----|-----------------------------|-------------------------|
|                                      |     | BIG                         | SMALL                   |
| S<br>T<br>R<br>E<br>N<br>G<br>T<br>H | 9   | Religious Ministry          | House of Representative |
|                                      | 4,5 | Amil Zakat Boards<br>BAZNAS |                         |
|                                      |     | 9                           | 4,5                     |
|                                      |     |                             | 0                       |

Figure 2. Zakat Stakeholder Quadrant – Scheme 2

The diagram above shows that BAZNAS is in the same quadrant as the Amil Zakat Institution if BAZNAS's role in the regulation is not as a recommender in the permit for the establishment of the Amil Zakat institution. From the two diagrams above, it can be seen that the inconsistency of BAZNAS's role in the national zakat system.

Thus, from the analysis above, it can be said that the national zakat governance system in terms of institutional functions is not practical in its implementation because there is an imbalance in the portion of the zakat management function. There is a dual function in zakat governance, so it is vulnerable to conflicts of interest in its implementation.

The above findings show that in the national zakat management system, there are still many challenges in its implementation, so to get the ideal conditions for the national zakat system, it is necessary to change the zakat governance system through the effectiveness of the role of stakeholders according to their respective capacities and functions. The first step in revamping the zakat governance system is to reform the part of zakat management stakeholders as a whole so that the management of zakat potential is more optimal.

It must be separated between the role of regulators and the role of operators so that there is no distrust and conflict of interest in carrying out zakat governance. The national Islamic banking governance system can be a reference because there is a clear separation between regulators and operators, as the regulation of the national waqf governance system places the Indonesian Waqf Board (BWI) only as a regulator (Undang-Undang Tentang Wakaf, 2004).

### Proposed New Concept

As a non-structural government institution and in accordance with the mandate of the applicable law, BAZNAS is an institution that has the authority in the supervisory and implementation functions so that there is a potential conflict of interest from the zakat ecosystem in Indonesia. There are three alternative concepts that can be given in carrying out their functions as regulators or operators of zakat governance in Indonesia.

The first scheme, BAZNAS only has the function of supervision or control of the zakat ecosystem in Indonesia, while the implementation of collection and distribution is completely handed over to the amil zakat institution (LAZ) or like the banking industry governance scheme in Indonesia where the licensing authority and the establishment of a zakat institution are completely under the control of the Central BAZNAS with the recommendation function being from the local BAZNAS or the area where the zakat institution is located.

The second scheme, BAZNAS fully focuses on the function of implementing collection and distribution only. Control and supervision are handed over to the Ministry of Religion through the Directorate of Zakat and waqf, while for recommendations for the establishment of a zakat institution can be given authority through BAZNAS local representatives.

The third scheme, BAZNAS still has a supervisory and implementation function, but the limitation of collection optimization is only focused on the potential management of government institutions and state/regional business entities only, while for the optimization of the potential of zakat in the general public, especially the potential for retail and corporate zakat is completely left to the amil zakat institution.

## Conclusions

There is a considerable gap between the potential and realization of zakat acquisition, so for optimization in its management, it is necessary to improve the comprehensive zakat governance system; from the results of the analysis, it was obtained that there is an ineffective role of stakeholders due to contradictions in function, namely as a regulatory subject as well as an executor in zakat governance. The results of the quadrant analysis test of the weight of the role of stakeholders on the importance factor and strength factor show that LAZ, which has a significant contribution in zakat management, is actually in the lower quadrant, while BAZNAS, which is also the manager of zakat, is in the upper quadrant which influences regulating regulations.

There is potential competition between BAZNAS and LAZ in carrying out the zakat collection process so that it can have an impact on reducing one of the portfolios in both; however, in this case, BAZNAS has the potential to survive because it is a non-structural government institution secured by the APBD and APBN, while LAZ has the potential to not stay due to permit renewal factors due to collection targets below regulatory limits and insufficient amil operational funds.

In order to optimize the potential realization of zakat, it is better to immediately improve the national zakat governance system in the form of stakeholder role reform by separating the regulatory function from the implementing position. It is necessary to immediately re-implement the proposed changes to the law on zakat. In the process of transitioning changes, a decision is needed from the government, in this case, BAZNAS and the Ministry of Religious Affairs, to escalate the process of approving operational permits from several zakat institutions, some of which have been applying for quite a long time. It is hoped that with the many legalizations of zakat institutions, the management of zakat will be more optimal and the gap between the realization and the potential of zakat can be reduced.

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