

**DIGITALIZATION OF ISLAMIC PHILANTHROPY:
EFFECTIVENESS OF MANAGEMENT OF ZAKAT AND
WAQF IN CONTEMPORARY INDONESIA****Choirul Mahfud, Rochim Fajri Tsalatin, Lusi Amelia, Nurul Sofia Dewi,
Moh. Iqbal Fatchurozi, Muhammad Risyad Ibenzani, Fathurahman Agung**Institut Teknologi Sepuluh Nopember, Surabaya
choirulmahfud@gmail.com**Abstract**

The digitalization of Islamic philanthropy in Indonesia is a topic that needs to be seen from its effectiveness and efficiency aspects. Moreover, in the era of the Covid-19 pandemic and advances in information technology, zakat and waqf services are one of the central issues to achieve the best goals. This article focuses on case studies with various data from the internet to determine the causes of this problem and effective methods for managing zakat and waqf. In general, this problem's cause is the Indonesian people's lack of knowledge about digital-based management for people's welfare and supporting the country's economy. Good and effective management of zakat and waqf can be realized with computer-based and integrated management compared to manual methods considering that the world has entered the Industrial Revolution 4.0. On the other hand, the community also has optimism that effective management of zakat and waqf can improve Indonesia's economy. Thus, the management of zakat and waqf that involves digital technology is considered to have the potential to increase public trust and the realization of state welfare.

Keywords: *Philanthropy digitalization; Management Effectiveness; Waqf; Zakat*

A. INTRODUCTION

The management of zakat and waqf should be used for the welfare of the community, especially Muslims. However, the practice of managing zakat and waqf is still ineffective in Indonesia.¹ Due to people's distrust of government institutions related to zakat and waqf, which are weak and lack transparency. It is also indicated that there is a weakness in state support to be proactive in the law's passage on zakat. Moreover, it is also assumed that there is still weak coordination and synergy between all lines.² In fact, in the absence of standard standards regarding zakat in the plurality of people unfamiliar with zakat, the distribution of zakat seems to be only for society's consumptive interests, not for more productive interests.

¹ Afif Sholahudin, 2018. *Mengapa Pengelolaan Zakat di Indonesia Masih Belum Efektif?*. Also, see Azwan. 2019. *Efektifitas Pengelolaan Zakat di Indonesia*.

² Kadir, Abdul. 2010. *Efektivitas Pengelolaan Zakat Di BAZDA Kota Blitar Ditinjau Dari UU Nomor 38 Tahun*. Choirul Mahfud, (2019). Evaluation of Islamic Education Curriculum Policy in Indonesia. *Premiere Educandum: Jurnal Pendidikan Dasar dan Pembelajaran*, 9(1), 34-43.

The solution to this problem can be pursued in various ways, such as integrating financial reports between zakat receipts and expenditures (using a computer system). Use of zakat and waqf for more productive activities, for example, livestock capital, agricultural and plantation capital. Besides, the waqf management can also be used to develop educational facilities and infrastructure, improve health services, support da'wah activities, social service activities, and community service, and strengthen the people's nation's economy and welfare. The government must also optimize the application of laws on zakat and waqf. The community should also comply with the law and realize the importance of zakat and waqf for mutual welfare. Apart from that, many more ways can be taken to streamline the management of zakat and waqf.

This article tries to offer new solutions to the efficient management of zakat and waqf using a digital approach. Another expected outcome is to find a solution in making Indonesian Muslims aware of the importance of this practice. It is aimed at the welfare of the people in Indonesia.³ It is hoped that Indonesia will no longer depend on capitalists for its economic activities in the long term. The economic potential of sharia, which has been advised in the Qur'an and practiced by the Prophet, needs to be maximized, for example, the management of zakat funds and productive waqf. The Qur'an has provided not only prohibitions but also solutions so as not to violate the prohibitions. Muslim economic experts refer to it as Islamic Economics. The distribution of waqf and zakat using Islamic economics can be the answer to today's economic challenges.

B. RESEARCH METHOD

The research that was undertaken selected several methodological steps that tended to be compatible with qualitative rather than quantitative methods. This paper's studies were obtained from several guidebooks, scientific articles, journals, and questionnaire results. The main reference used is the book *Islamic Religious Education for Higher Education Kemristekdikti*. The approach used in this research is a case study by analyzing the effectiveness of managing productive zakat management and digital distribution of waqf, which will mutually benefit by eliminating economic disparities between communities through the distribution of assets based on the Islamic economic system. In contrast, the status approach is used by analyzing the laws and regulations governing zakat and waqf in Indonesia, which are expected to benefit the people.

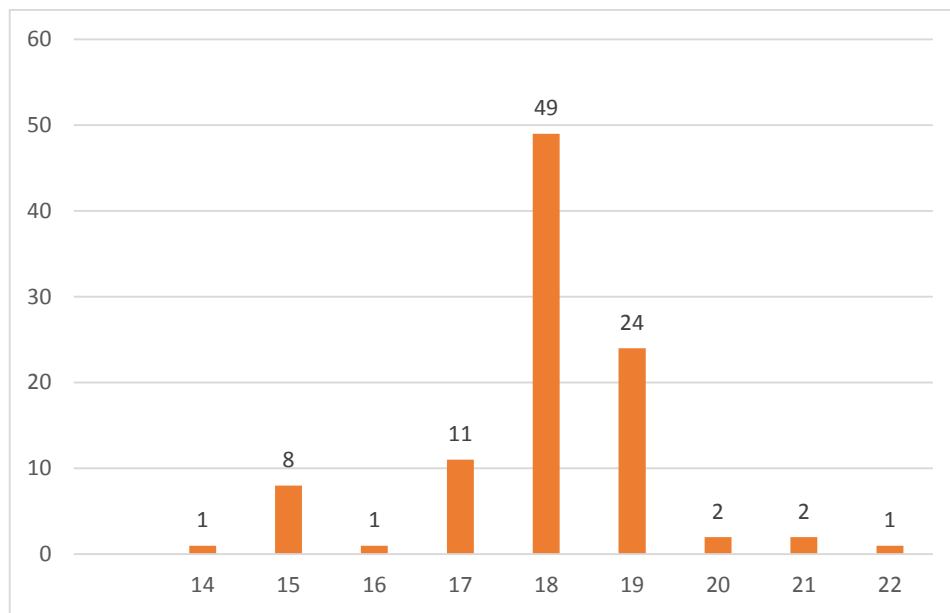
The data collection method we used in this study was a survey through an electronic form facility. This form contains 16 questions, including four questions about identity and eight questions about the respondent's opinion regarding matters required as data in this paper. Forms began to be distributed online on November 25 from 14:25 to 20.45 WIB and collected 100 voluntary respondents. The respondents are Muslim teenagers who live in various regions in Indonesia. This survey finds out how Muslim youth's views regarding the effectiveness of the implementation and management of zakat and waqf in Indonesia. The analytical

³ Choirul Mahfud, (2018). *Filantropi Islam di Komunitas Muslim Tionghoa Surabaya: Ikhtiar Manajemen Zakat untuk Kesejahteraan dan Harmoni Sosial*. *INFERENSI: Jurnal Penelitian Sosial Keagamaan*, 12(1), 149-176.

methods used in this research include case analysis, correlation, and historical review.

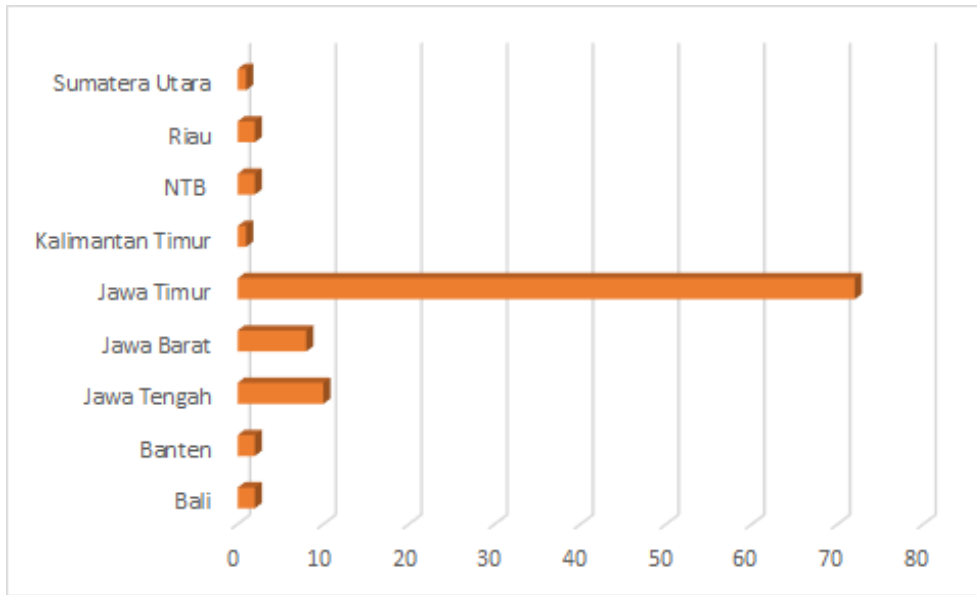
C. RESULTS AND DISCUSSION

Data obtained from surveys conducted via electronic forms are processed and summarized in graphical form. Each graph depicts three main research objects, namely the respondents' identity and background, the respondents' opinions and views regarding the management of zakat and waqf, and how the practices occur in the community.



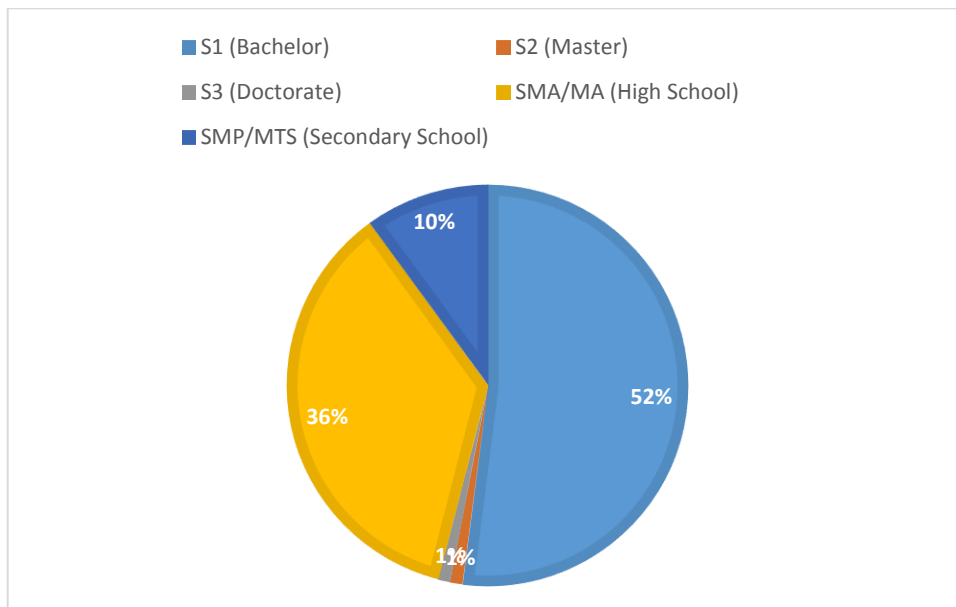
Graph 1. Age Distribution of Respondents

Our survey targets were respondents who were Muslim teenagers. Respondents at this age tend to think critically and can provide new ideas. Unfortunately, teenagers generally do not have a place to accommodate their views and ideas. Therefore, we try to gather the views and ideas of the youth. In graph 1, it can be seen that the age distribution of respondents varies widely, from 14 years to 22 years. However, the majority of respondents are quite mature, aged 18-19 years.



Graph 2. Respondents' Domicile

The question of domicile aims is that people and lives influence how a person carries out his religious orders and thoughts. It cannot be separated from the socio-cultural aspects and environmental carrying capacity faced by respondents daily. The domicile scope we have determined is the provincial one because the prevailing socio-cultural aspects are considered quite close and still have similarities. In graph 2, it can be seen that the majority of respondents come from Java Island. The largest respondents were from East Java with more than 70 people, Central Java with nine people, and West Java with seven people. However, the distribution of the respondents' domicile is also from outside Java Island.

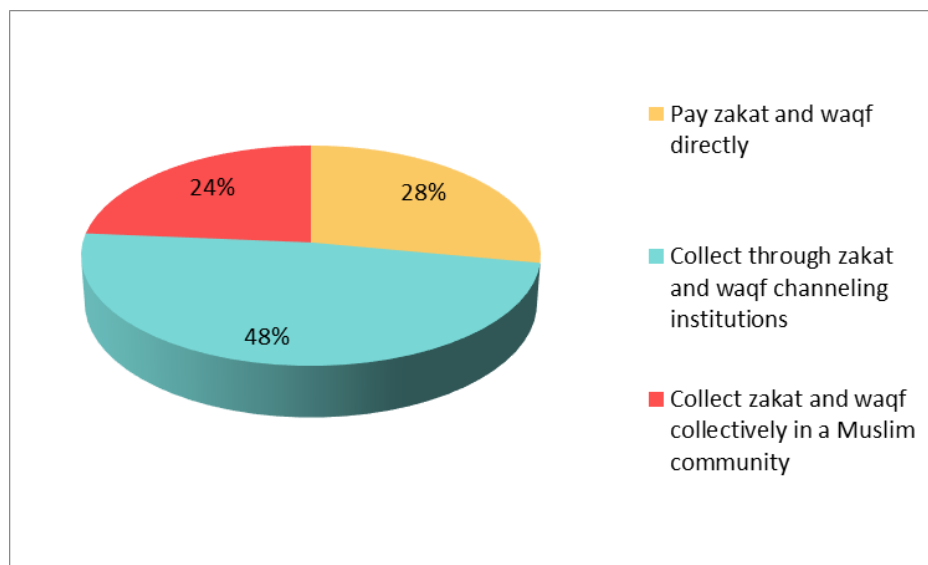


Graph 3. Educational Background

The educational background in question is the last level of education the respondent took. The educational background at this level is considered to influence most of the respondents' activities because they are considered capable of seeing

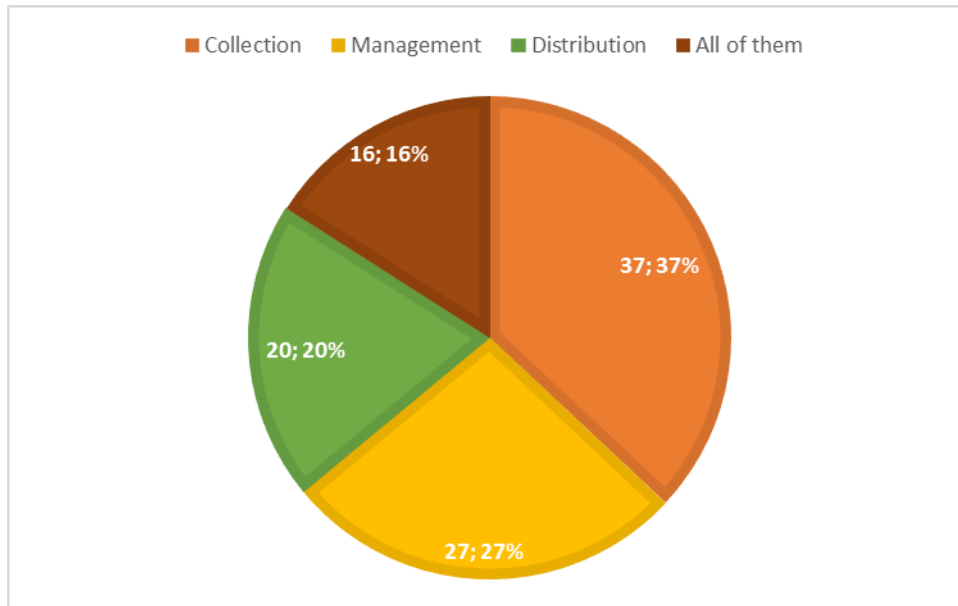
and giving opinions about what is happening in the community. The social interaction activities experienced in the school environment can be said to be relatively high and routine. The patterns and orientation of a person's thoughts begin to form thanks to the social environment. The values taught and accustomed to and the tendency to take steps also start from this stage.

The question related to this educational experience is to see how the respondent views zakat and waqf management. Graph 3 shows that most respondents took S1 education, both public and private, amounting to 52 people or 52% of the total respondents. Other respondents attended high school education, with the equivalent reaching 36%. Respondents who took S2 and S3 programs do not doubt their abilities, but each only amounted to 1% of the total respondents in this survey.



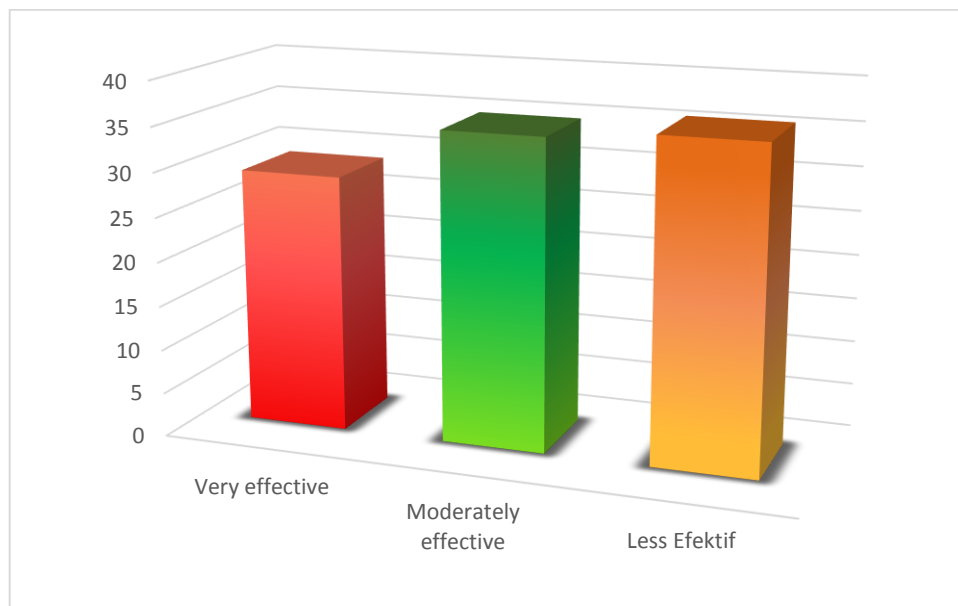
Graph 4. How to collect Zakat and Wakat

The effectiveness of zakat management in Indonesia, of course, depends on the way people pay their zakat. Therefore, the respondents were given a voice to convey their method of payment of zakat. To answer this question, you provide the option of giving directly, collecting through zakat and waqf distribution agencies, and collecting collectively to associate with other Muslims. The results obtained are following graph 5, which states that 28% of respondents stated that they pay zakat and waqf directly, 24% of respondents stated that they collect collectively in a Muslim community, and another 48% collect through zakat and waqf channeling institutions.



Graph 5 Transparency of Zakat and Waqf Management in Indonesia

In this study, the transparency of zakat and waqf management in the community's eyes is needed to identify various problems that arise. Therefore, the respondents were allowed to share their opinion on the management of zakat and waqf. It is to understand their performance. To answer these questions, we provide collection, management, and distribution options. The results obtained are following Graph 5, which states that only 16.16% of respondents know the performance in all stages of waqf management in Indonesia, while the rest only know a few stages. It shows that the transparency of zakat and waqf management in Indonesia is still very minimal.



Graph 6. The Effectiveness of Zakat and Waqf Management

The value of the effectiveness of zakat management in Indonesia varies depending on the situation and conditions in the region. Therefore, the respondents

are given a voice to express their opinion on zakat management's effectiveness in their regions. To answer that question, you provide ineffective, less effective, moderately effective, and beneficial options. The results obtained are following graph 6, which states that 29 respondents stated that zakat management had been carried out very effectively, 35 respondents stated that zakat management is quite significant, and 36 others said that the management of zakat and waqf is less effective.

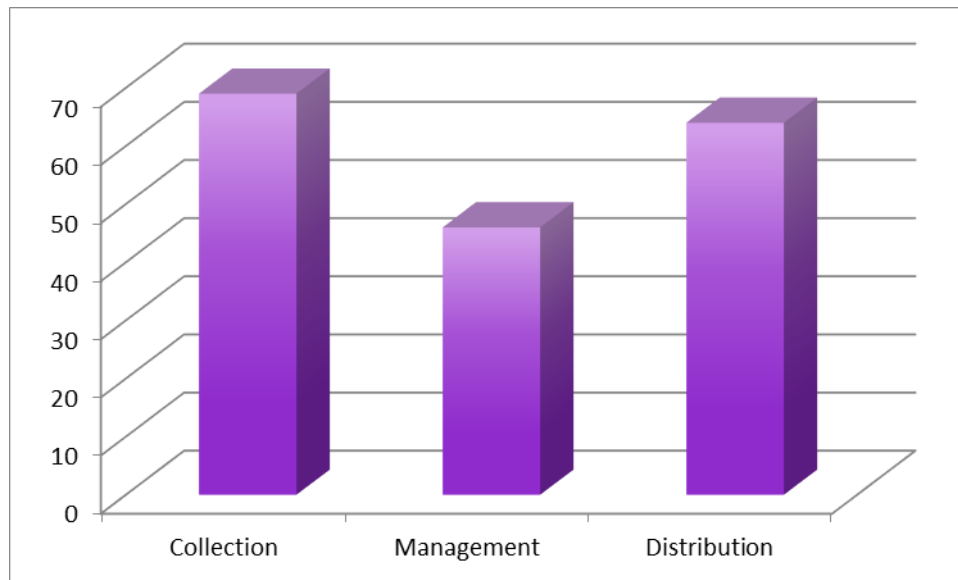
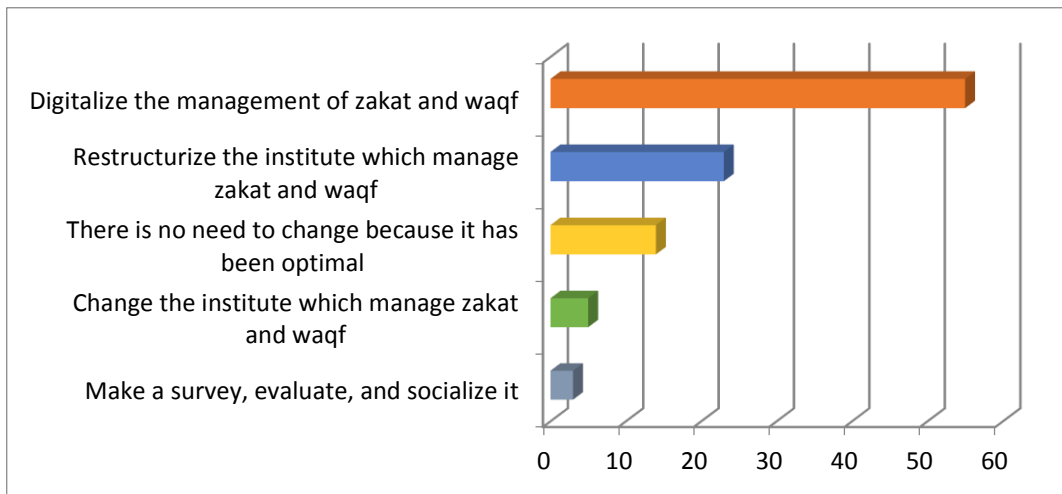


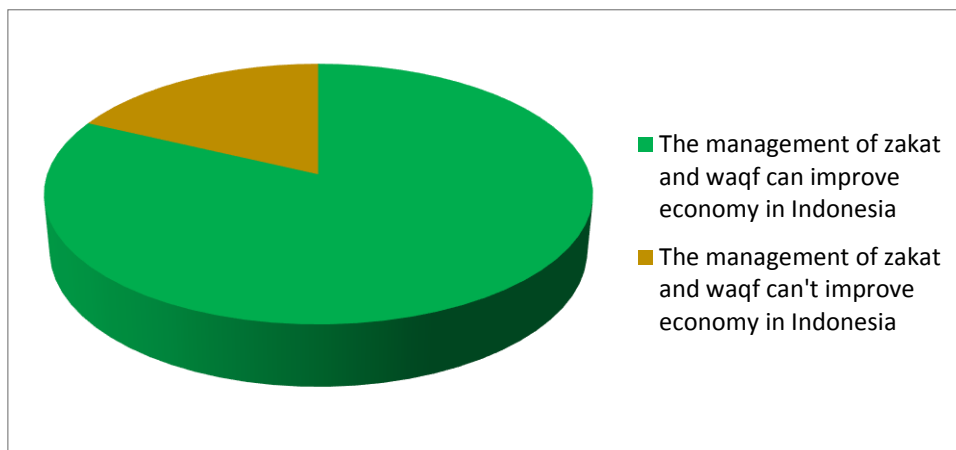
Chart. 7 Parts that Need Repair

To overcome various problems in the management of waqf and zakat, we ask for opinions on what stages need to be improved to increase the effectiveness of zakat and waqf in Indonesia. Respondents were allowed to vote on this matter. To answer that, we provide collection, management, and distribution options. The results obtained are following graph 7, which states that out of 100 respondents, 69 respondents wanted improvements in the stages of collecting zakaah and waqf, 46 respondents wanted improvements in the stages of zakat and waqf management, and 64 respondents wanted improvements in the stages of zakat and waqf distribution. Of the 100 respondents, it was found that more than 45% of respondents expected improvements at each stage of zakat and waqf.



Graph 8. Handling of zakat and waqf management required by the community

Based on respondents' answers to questions about how to deal with zakat and waqf management deficiencies, there is a tendency that respondents know about zakat and waqf management, and according to respondents, the management of zakat and waqf in Indonesia is good enough but can still be maximized. The majority of respondents also considered that implementing the zakat and waqf management system in Indonesia must be digitized to make it more developed and effective. There is also a need for restructuring of zakat and waqf management institutions. Restructuring is also deemed necessary because of the existing zakat and waqf management bodies' overlapping functions.



Graph 9 The ability of zakat and waqf to improve the economy

Based on graph 9, it can be seen that the respondents assessed that the management of zakat and waqf, which is carried out, could cause the economy to increase. It indicates Muslims' optimism in improving the Indonesian economy in an Islamic way through zakat and waqf. The opinion of these respondents is based on the correct management of zakat and waqf. It can help needy and poor people to fulfill their lives. Thus it will be easy to buy daily necessities. The buying and selling process can improve the Indonesian economy. From the above questionnaires, it can be concluded that several things need to be addressed and improved in the management of zakat and waqf, such as the transparency of zakat in Indonesia. From graph five above, we can see that the transparency of zakat in

Indonesia is minimal or lacking. The public must know the management of zakat in Indonesia to increase public trust and no longer question where the assets they zakat and endowments are.

Besides, zakat's effectiveness must also be a concern for us because, as can be seen from graph 6, many people think that our zakat and waqf management system is less effective. Therefore, new programs are needed, of course, effective and transparent, both in the fields of collection, management and distribution because in addition to making the management system run better, good transparency can also increase public interest in paying zakat and waqf. With good management of zakat and waqf, our economy will also increase and be evenly distributed so that less fortunate people are expected to meet their needs. Several things can be done as a solution for better zakat and waqf management systems, including conducting surveys, research and evaluation, restructuring zakat and waqf management institutions, and making this management system digital or computer-based its management is carried out. More straightforward, more effective, and transparent.

When examined in a correlational manner, the development and increase of zakat have a large proportion in protecting the assets of 'hifdzu al-mal'. Zakat is sharia that must be issued by Muslims who meet the terms and conditions in the fiqh literature, making zakat the primary medium in protecting the property of 'hifdzu al-Mal'⁴. In fact, among the five pillars of Islam, zakat is the only one that has implications for the ummah's economic development. Zakat has both individual and social benefits. Individually, zakat is useful to meet the primary needs of poor people who have equal human rights in the social order. It can place zakat as an alternative solution to achieve a prosperous, civilized, religious, and state-society.

Waqf means to hold, hold, prohibit, and remain silent. The plural form is Awqaf. According to Imam Abu Hanifah, waqf is holding property that still belongs to someone who donates it to share some of its benefits. Meanwhile, according to Ashab Hanafiah, waqf is holding Allah's property based on Islamic law for its benefit. According to Ibn Arafah from the Maliki sect, Waqf is a long-lasting benefit-sharing. Whereas in the Syafii sect view, Waqf is holding property that is beneficial and long-lasting with a change in the status of a transaction from an individual to a general one. Meanwhile, according to the Hambali Sect, waqf is the holding of property that is durable to be transacted to be closer to Allah⁵.

From a historical aspect, waqf has been popular since the Jahiliyah, intending to be proud. However, in Islam, waqf is done with the intention of Allah. In an area, waqf is one of the sectors that support social, cultural, and economic cohesion. In Indonesia, waqf is considered customary law by the community. The waqf practice is mostly in the form of immovable objects such as land to build Islamic boarding schools, Islamic boarding schools, and so on. Therefore, waqf, especially in Indonesia, has not experienced significant progress in achieving the goal for the people's welfare. Based on this background, with the waqf law enacted in Indonesia, waqf should be used to support the people's welfare. Social welfare issues play an

⁴ Al-Youby, Muhamed Saad Ahmed Mas'ud. 1436 H. *Maqashid al-Shariah al-Islamiyah wa 'alaqatuha bi al-Adillah al-Syar'iyah*, Saudi Arabia Kingdom: Dar Ibn al-Jauzy, VI

⁵ Alauddin al-Mardawy. 1995 M. *Al-Inshaf fi Ma'rifati al-Rajih min al-Khilaf*, Cairo: Hijrah Li Al-Thaba'ah wa al-Nasr wa al-Tawzi' wa al-I'lan, 3.

essential role in the regulatory process. The highlight of the potential of waqf in productivity and professionalism echoed in waqf law should be used to support the people's welfare.

Although waqf is not included in Islam's pillars, such as zakat, waqf also contains maqashid sharia. In the perspective of maqashid, waqf consists of five basic principles - al-Kulliyah al-Khamsah-. In the protection of religion -hifd al-Dien-, waqf is the implementation of the Shari'a recommended by the Messenger of Allah. Many of the Prophet's companions and scholars have donated their wealth and souls as waqf for Islam.⁶ In this case, al-Shatiby has provided signs regarding the upholding and preservation of religion -Hifdzu al-Dien- namely; Islam, Iman, and Ihsan, which have the primary source of the Koran and are supported by the As-Sunnah-hadith of the prophet - in this case, waqf is included in the Ihsan category⁷.

As previously explained, zakat and waqf, which have more significant benefits for society, are productive goods because they will increase purchasing power and competitiveness in increasing the quantity and quality of production. Therefore, currency or public funds circulation runs on an average or dynamic basis without any social disparities. Waqf and waqf dynamics can run well if the distribution system is managed correctly. So that waqf and waqf will be right on target for the poor.⁸ The distribution of the two non-profit economic activities is carried out by those who have sufficient wealth following Islamic law provisions to be distributed to the poor. Although for humans, logically, their wealth will decrease, on the other hand, faith in Allah promises that the assets that are distributed are according to the will of Allah, that is precisely the eternal savings that are multiplied.⁹

Public distrust of weak and non-transparent government institutions is one factor. It must be admitted that the National Zakat Agency (BAZNAS), formed by the government, is still far from professional principles. Therefore, many people prefer the Amil Zakat Institute because it is considered more flexible than government-owned BAZ. BAZ's success is not measured by the amount of money it has absorbed, but the extent to which the assistance reaches those in need. Because good zakat management will restore public trust in BAZ. Lack of information for the general public also needs to be understood by all parties involved. In this context, the digitalization of Islamic philanthropy is part of a crucial solution that needs to be a joint project to support managing zakat, infaq, almsgiving to endowments.

⁶ Al-Shathiry Muhammad Ahmad Umar. 2007 M. *Syarh al-Yaqut al-Nafis* (Beirut: Dar al-Minhaj, 483-484. Also, see Krisdiyanto, Gatot, dkk., (2019). Sistem Pendidikan Pesantren dan Tantangan Modernitas. *Tarbawi* 15 (1), 11-21.

⁷ Abu Ishaq Ibrahim Musa al-Granady Al-Shatiby, *Al-Muwafaqat fi Ushul Fiqh*, Egypt: al-Maktaba al-Tejaria al-Kubra, tt. 27.

⁸ Choirul Mahfud (2018). Chinese Muslim Community Development in Contemporary Indonesia: Experiences of PITI in East Java. *Studia Islamika*, 25(3), 471-502. Also, see Rahmawati, R., dkk., (2018). Chinese ways of being good Muslim. *IJIMS*, 8(2), 225-252.

⁹ See Choirul Mahfud (2019), *Tantangan Global dan Lokal Islam di Indonesia*, Yogyakarta, Penerbit Samudera Biru. Also, see Sari, Purnama, Desi. 2019. *Pengaruh Penerapan Standar Akuntansi Zakat, Transparansi, dan Sistem Pengendalian Intern Terhadap Akuntabilitas Keuangan*.

D. CONCLUSION

Zakat and waqf are some of the solutions to alleviate poverty or economic development. Unlike other finance sources for development, zakat and waqf have no terrible impact, except for the joy of sharing and the hope of reward from Allah. However, that does not mean the mechanism does not have a control system. To maximize the potential, useful, practical, and transparent management of zakat and waqf management is needed in Indonesia.

On the other hand, we have entered the Industrial Era 4.0, where most fulfillment of needs and system management is done digitally. Therefore, computer-based and integrated management is one way that can be used to manage zakat and waqf more effectively. Besides, the transparency of Zakat and Waqf's management is also an important thing that must be implemented because the community must also know clearly where the funds are distributed. We realized that money does not measure the success and effectiveness of zakat and waqf management. However, it is the extent to which the assistance reaches those in need. Because good zakat management will also increase the public's interest in paying zakat and waqf, in this case, realizing the digital management of zakat and waqf can take place effectively to realize an advanced and independent Islamic economy.

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