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## Zakat as an Instrument of Economic Redistribution: Perspectives of Islamic Law and Indonesian Positive Law

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**Abstract:** This comprehensive research delves into the crucial role of zakat as a mechanism of economic redistribution, by examining fundamentally its theoretical foundations and practical implementation through two main lenses: Islamic Law and Indonesian Positive Law. This research is motivated by the ongoing challenges of economic inequality in Indonesia, a Muslim-majority country, and seeks to explore how zakat, which is a pillar of Islamic economics, can be optimized as a formal instrument of fiscal and social policy within a modern national legal framework. Within the framework of Indonesian Positive Law, this study documents a significant legal transformation. The ratification of Law Number 23 of 2011 concerning the Management of Zakat represents a formal "positivization" of this Islamic norm into the national legal system. This law institutionalizes zakat through the establishment of the National Amil Zakat Agency (BAZNAS) and the licensed Amil Zakat Institution (LAZ), transforming it from a voluntary religious practice to a state-regulated and institutionalized instrument for public policy. This shift expands the purpose of zakat to be in line with national development goals, including poverty alleviation, improving community welfare, and supporting the Sustainable Development Goals (SDGs). Using normative legal research methods equipped with conceptual, legislative, and comparative approaches, this study identifies the gap between a robust legal framework and the reality on the ground. The main challenges that weaken the effectiveness of zakat include low compliance from prospective payers (muzakki), the dominance of short-term consumptive assistance compared to long-term productive empowerment, weak integration of data and digital systems, lack of transparency in several management bodies, and incomplete synergistic relationships with the national tax system. In response to this challenge, the research formulated a multi-faceted strategic framework for strengthening zakat. The recommendations proposed are: (1) Regulatory reform, including revising Law No. 23/2011 to clarify the role of BAZNAS and LAZ and strengthen the position of zakat as a tax deductor; (2) Institutional Transformation, which focuses on improving the professionalism, accountability, and digital capacity of zakat (amil) managers; (3) Optimization of Productive Zakat, by advocating for a paradigm shift towards programs that empower recipients (mustahik) through micro business financing, training, and mentoring to achieve economic independence; (4) Systemic Synergy, by encouraging the integration of zakat into government poverty alleviation programs and the broader Islamic social finance ecosystem; and (5) Public Education and Literacy to increase awareness and trust in formal zakat

institutions. In conclusion, this study confirms that zakat has great potential as an alternative religious-based fiscal instrument in the Indonesian legal system. Its unique dual identity—as a religious obligation and a tool of state policy—provides a solid foundation for overcoming economic disparities. However, realizing this potential depends on the implementation of holistic structural reforms, which successfully integrate the enduring values of Islamic law with the demands of modern, transparent, and effective governance.

**Keyword:** Zakat, Economic Redistribution, Islamic Law, Indonesian Positive Law.

## INTRODUCTION

Economic inequality is still a significant structural problem in many Muslim-majority countries, including Indonesia. Although the country has developed various social welfare programs, income disparities, concentration of poverty, and limited access to economic resources remain a reality that affects people's quality of life. In the framework of Islamic economics, zakat has a dual function: as a religious obligation (*ibadah*) and as a socio-economic instrument (*ijtima'iyah*) that aims to ensure the fair circulation of wealth in the community. The philosophical foundation of zakat is rooted in the principles of *al-'adl* (justice) and *al-maslahah al-'ammah* (public benefit), which lead to its application as a mechanism of social equality and empowerment.

Indonesia is an interesting example in this context, because zakat is not only seen as a religious obligation, but has also been institutionalized in the national legal system, especially through Law Number 23 of 2011 concerning Zakat Management. The law affirms the state's authority in regulating, fostering, and supervising the management of zakat through the National Amil Zakat Agency (BAZNAS) and the Amil Zakat Institute (LAZ) as technical implementers. This codification places zakat as an integral part of welfare policies and public administration. However, the transformation of zakat from a voluntary religious practice to an effective economic redistribution instrument still faces a number of challenges, including: transparency of governance, institutional coordination, integration of muzaki-mustahik data, and the implementation of productive zakat is not optimal.

Previous studies have discussed zakat from theological, normative, and historical aspects. However, studies that explore the relationship between Islamic legal theory, the implementation of positive law, and the effectiveness of zakat in empowerment-based economic redistribution are still limited. In addition, a number of studies on zakat in Indonesia emphasize more on the consumptive orientation, not touching the strategic function of zakat in strengthening the microeconomy and community-based MSMEs.

The wealth distribution gap is a structural problem that continues to be a challenge in Indonesia's economic development. Although Indonesia has abundant natural resources and a thriving economic structure, income inequality still shows significant numbers. Indonesia's Gini Ratio Index in recent years has ranged from 0.37-0.40, showing that there is still a high inequality in the distribution of wealth between levels of society. Various state programs such as social assistance, subsidies, and People's Business Credit (KUR) have been implemented, but they have not been able to completely eliminate the social gap that occurs.

It is in this context that the concept of zakat becomes relevant. Zakat in Islamic teachings is not only a ritual obligation, but an economic instrument that is systematically designed to regulate the circulation of wealth so that it does not accumulate in certain groups. This is affirmed in QS. At-Taubah: 60 and QS. Al-Hasyr: 7 which affirms that zakat is a mechanism of equitable economic distribution and distribution.

In Indonesia, zakat has a unique position. On the one hand, zakat is a religious obligation that comes from Islamic law; on the other hand, its management is also regulated by positive law, namely through Law Number 23 of 2011 concerning Zakat Management, which affirms

the role of the state in regulating, fostering, and supervising zakat management institutions such as BAZNAS and LAZ. This shows that there is a meeting between Islamic normative values and the national legal system in order to realize economic justice.

However, even though the legal framework has been available, the effectiveness of zakat as an instrument of economic redistribution has not been fully optimal. The indicators are the low muzaki compliance rate, the lack of productive zakat literacy, and the lack of integration of zakat with the national economic development strategy. In addition, there is still debate about the relationship between zakat and taxes: whether zakat can be a tax deductible, a substitute for tax, or just a deduction of taxable income.

Therefore, a comprehensive legal study is needed to understand how zakat can function more effectively as an economic instrument of justice, both in the perspective of Islamic law and in Indonesia's positive legal framework, as well as how the harmonization of the role of the state can strengthen the function of zakat in reducing economic inequality.

### **Problem Formulation**

Based on the description above, the formulation of the problem in this study is: 1. What is the position of zakat as an instrument of economic distribution in the perspective of Islamic law and positive law in Indonesia? 2. What is the strategy to strengthen zakat as an instrument of economic justice in the national legal system?

### **Research Objectives**

This research aims to: 1. Explain the concept and function of zakat as an instrument of economic justice in the perspective of Islamic law and positive law in Indonesia. 2. Formulate a strategy to strengthen zakat management to play a greater role in reducing the national economic gap.

### **Research Benefits**

Theoretical Benefits:

To make a scientific contribution to the development of the study of Islamic law and national economic law regarding the relationship between zakat and social justice.

### **Practical Benefits:**

Providing policy recommendations for the government, BAZNAS/LAZ, and policy makers so that the zakat system can be optimized as an effective economic distribution program.

### **Research Originality (Gap Research)**

Most previous research has discussed zakat in a theological or administrative context. While this study offers: • A comparative analysis between Islamic law and positive Indonesian law is not only descriptive. • The emphasis on the function of zakat as an instrument of redistribution, not just a religious obligation. • Normative legal approach with the framework of national economic justice.

### **The Concept of Zakat in Islamic Law**

Zakat is one of the pillars of Islam which is an obligation for every Muslim who meets the requirements for property (nisab and haul). Etymologically, the word zakat means to grow, clean, and blessed. This meaning emphasizes that zakat is not just a financial obligation, but a means of purifying wealth and at the same time a mechanism for socio-economic growth of the people. Terminologically, fiqh scholars define zakat as a certain amount of property that must be issued to the eligible recipient group (mustahik), in accordance with the provisions of sharia.

Zakat from the perspective of Islamic law does not only have spiritual and moral dimensions, but also has an economic system dimension. In QS. At-Taubah: 103 Allah

commanded the Prophet to take zakat from the property of the Muslims, as well as QS. Al-Hasyr: 7 affirms the goal that wealth "does not circulate only among the rich." This verse contains the meaning that zakat functions to intervene in the structure of economic ownership, as well as prevent monopoly and wealth accumulation in a handful of groups.

Thus, zakat is an obligatory redistribution mechanism, not voluntary such as alms or infaq. The existence of zakat shows that Islam regulates an economic structure based on solidarity and social balance.

### **Purpose and Function of Zakat Economy**

Economically, zakat has several strategic functions, including:

1. The Function of Zakat Distribution Justice ensures the circulation of wealth from affluent people to vulnerable groups so as to reduce economic gaps. 2. The Function of Social Stability By meeting the needs of the poor, the potential for social conflict and crime can be suppressed. 3. Empowerment Function Through productive zakat (business capital, training, empowerment), the poor can grow to become independent. 4. The Function of Economic Moral Strengthening Zakat encourages a moral, non-exploitative, and blessing-oriented production and consumption pattern.

In the context of developing countries such as Indonesia, zakat has the potential to become a national economic subsystem that supports the government's poverty alleviation program.

### **Zakat Distribution System and Recipient Groups (Asnaf)**

QS. At-Taubah: 60 explicitly mentions eight groups of zakat recipients (asnaf), namely: 1. Fakir, 2. Poor, 3. Amil zakat, 4. Convert, 5. Riqqah (freeing slaves), 6. Gharim (person who is in debt), 7. Fisabilillah, 8. Ibn Sabil

This classification shows that the distribution of zakat is socially oriented, economic, and public benefit. In the context of modern social development, some contemporary scholars have developed a fisabilillah interpretation towards community empowerment, education, and productive social programs.

### **Theory of Distribution Justice in Islamic Economics**

Zakat is based on the following principles: a. Al-'Adl (keadilan proporsional), b. Al-Ihsan (goodness that exceeds obligation), c. Maslahah (collective benefit), d. Maqasid al-Shariah (protection of the five main aspects: religion, soul, property, intellect, heredity)

In this framework, distribution justice does not mean absolute equity, but the arrangement so that wealth provides social benefits. In other words, Islam views property ownership as individual with social function.

### **Regulation of Zakat in Indonesian Positive Law**

Zakat as a formal legal norm is regulated in: 1. Law No. 23 of 2011 concerning Zakat Management. 2. Government Regulation No. 14 of 2014 concerning the Implementation of the Zakat Management Law 3. Presidential Decree, BAZNAS Regulations, and Regulations of the Minister of Religion. The law gives the state legitimacy to:

- Establishing BAZNAS as the national zakat management institution.
- Providing licensing and coaching of LAZ.
- Determine the mechanism of reporting, accountability, sharia audit, and financial audit.

Thus, zakat is part of the national legal system, not just a personal religious obligation.



are the basis for the establishment and management of zakat institutions in the national legal system.

### **Conceptual Approach:**

To understand the meaning of zakat from the perspective of Islamic law and the purpose of wealth distribution contained in the concept of social justice, maqashid al-shariah, and maslahah theory.

### **Comparative Approach**

To compare the effectiveness of the implementation of zakat in Indonesia with several other Muslim-majority countries (optional), as well as to compare the views of scholars and academics regarding the integration of zakat and taxes.

**Legal Sources and Materials**

This research uses three types of legal materials:

### **Primary Legal Material**

a. The Qur'an and Hadith as the source of the basic norms of Islamic law. b. Classical and contemporary fiqh books (Al-Mawardi, Al-Ghazali, Qardhawi, etc.). c. Law No. 23 of 2011 concerning Zakat Management. d. Government Regulation No. 14 of 2014. e. BAZNAS Regulations and Decrees of the Minister of Religion related to zakat governance.

**Secondary Legal Materials.** a. Books and scientific journals that discuss zakat, Islamic law, sharia economics, and poverty alleviation. b. BAZNAS publications are like national zakat distribution reports. c. Research results of national and international Islamic economic institutions.

### **Tertiary Legal Materials**

Legal dictionaries, sharia encyclopedias, and scientific index databases (Google Scholar, Scopus, Web of Science).

### **Data collection techniques**

Data was collected through documentation studies, namely searching, identifying, and analyzing literature, national zakat statistical data, and relevant legal regulations. Documents are analyzed using library research techniques to gain a comprehensive conceptual and legal understanding.

### **Data Analysis Techniques**

Data analysis was carried out qualitatively using content analysis and legal interpretation methods. The analysis procedure includes: 1. Identify the norms of zakat in Islamic law and positive law of Indonesia. 2. Compare the normative goals of the two legal systems. 3. Evaluating the effectiveness of the implementation of zakat management as an instrument of wealth distribution in the socio-economic context of Indonesia. 4. Prepare conclusions and policy recommendations based on the findings of the analysis.

With this analysis technique, the research can provide an argumentative and systematic assessment of the position of zakat as an instrument of economic justice in the Indonesian legal system.

## **RESULTS AND DISCUSSION**

### **The position of zakat as an instrument of economic distribution in the perspective of Islamic law and positive law in Indonesia**

In the Islamic economic system, zakat is part of an instrument of wealth distribution that has a binding nature. Zakat is not voluntary almsgiving, but a religious legal obligation that has social and political implications. The obligation of zakat in Islam is aimed at creating economic

justice by ensuring that the property owned by individuals does not only stop at personal interests, but also flows to groups with economic limitations.

Islamic teachings view wealth as a trust from Allah. Therefore, individual ownership of property is relative, not absolute. This is reflected in the statement of the Qur'an in QS. An-Nur: 33 that Allah is "the true Owner of all things." Thus, zakat works as a structured social redistribution mechanism, so that social balance and equality can be maintained.

In the perspective of maqashid al-shariah, zakat functions to protect property (hifz al-mal), but not in the sense of maintaining it on one side, but to maintain property for the benefit of as many individuals as possible. Therefore, zakat occupies a strategic position in maintaining economic stability, social harmony, and the implementation of the principle of distributive justice as emphasized by Al-Ghazali and Al-Mawardi.

Therefore, in Islamic law, zakat has a public law dimension. This means that the state has the authority to collect zakat compulsorily if the institutional structure of zakat has been formed and is running effectively. This was historically proven during the time of Caliph Abu Bakr ash-Siddiq who emphasized that those who are reluctant to pay zakat will be subject to legal action. So that the position of zakat is not only as an individual religious obligation, but also as a fiscal and public policy instrument.

### **The Position of Zakat as an Economic Distribution Instrument**

In essence, zakat moves from a legal position that is mahdhah (pure) and moral-individual in Islam, to an institutionalized state instrument in the Indonesian legal system. In-depth explanations based on flowcharts

Islamic Law Perspective: From Worship to Social Justice

Philosophical Foundation: Zakat is not just alms, but a pillar of economic justice The philosophy is: a. Cleansing Property (Tazkiyah): Cleansing property from the rights of others attached to it. b. Cleansing of the Soul (Tathir): Cleansing the soul from miserliness and excessive worldly love. c. Social Solidarity (Takāful Ijtimā'i): Establishing a bond of social responsibility between the rich and the poor.

### **Legal Foundation**

It is qath'i (definite and firm), based on the Qur'an (QS. At-Taubah: 60, 103) and As-Sunnah. Its obligation is equivalent to prayer, which signifies its urgency and central position in Islam.

Nature of Law: Mahdhah (pure) and Wajib 'Ain (individual obligation). That is, intention for the sake of Allah (Lillahi Ta'ala) is the main condition that distinguishes it from taxes. However, on the other hand, zakat has a very strong dimension of muamalah (relationship between people), namely the distribution of wealth.

Main Purpose & Distribution Mechanism (8 Ashnaf): a. The main goal in Islam is to achieve social balance. Wealth should not only circulate among the rich (QS. Al-Hasyr: 7). b. The distribution mechanism is arranged in detail for the 8 groups (ashnaf) of recipients (QS. At-Taubah: 60): Fakir, Mipoor, Amil, Mu'allaf, Riqab (Slave), Gharimin (Debtor), Fi Sabilillah, and Ibn Sabil. c. Sharp Analysis: The top priority is the poor and the poor, which directly targets the root of the problem of economic inequality. Giving to fi sabilillah can also be interpreted as funding for social development, education, and health.

### **Indonesia's Positive Legal Perspective: From Morality to Institutions**

1. Philosophical Foundation: Pancasila, especially the Fifth Precept: "Social Justice for All Indonesian People". Zakat is seen as an instrument that is in line with the ideals of social justice. 2. Legal Basis: Law No. 23 of 2011 concerning Zakat Management and its derivative regulations. This is a form of positivization of Islamic law into the national legal system. Zakat is recognized, regulated, and protected by the state.

Nature of Law: Positive Law that regulates obligations for Muslims. Although the source is religious, this law provides legal force for the state to regulate, supervise, and facilitate the management of zakat. This shifts zakat from the private realm to the institutionalized public realm.

### **Main Objectives & Distribution Mechanism (Strategic Programs):**

a. Its objectives are operationally expanded: alleviating poverty, improving people's welfare, and supporting national development that is aligned with the Sustainable Development Goals (SDGs). b. The distribution mechanism is no longer limited to direct consumptive provision, but is developed in strategic programs such as: 1) Direct Help: To meet basic needs (consumption). 2) Productive Programs: Business capital, entrepreneurship training, and assistance for mustahiq (poor) to become muzakki. 3) Other Strategic Programs: Scholarships for education, health assistance, and social infrastructure development.

### **Convergence and Impact Analysis as Distribution Instruments**

These two perspectives converge (meet) at one point: Zakat as a powerful economic distribution instrument.

### **Vertical and Horizontal Redistribution:**

a. Zakat transfers resources from the rich group (muzakki) to the poor group (mustahiq), which is a form of vertical redistribution. b. Zakat also distributes funds from sectors of the modern economy (such as professional and corporate zakat) to the lagging sectors, which is a horizontal redistribution.

### **Economic Multiplier Impact:**

a. Increase in Purchasing Power: The consumptive funds given to mustahiq are directly channeled to meet basic needs, which increases aggregate demand in the real sector. b. Strengthening MSMEs: Productive funds distributed in the form of business capital empower Micro, Small, and Medium Enterprises (MSMEs), which are the backbone of Indonesia's economy. c. Gap Reduction: By targeting the most vulnerable groups, zakat directly works to narrow the gap between the rich and the poor.

Thus, zakat is no longer just a religious ritual, but a sharia fiscal instrument that has great potential to realize economic justice, both in the view of Islam and the Indonesian constitution.

### **Regulation and Governance of Zakat in Indonesia's Positive Legal System**

Indonesia has placed zakat within the framework of national law through Law No. 23 of 2011. This law changes the zakat management system that was previously cultural and voluntary to a structured institutional system centered on BAZNAS as the implementer of the state mandate in managing zakat.

BAZNAS is given a position as a state institution that is directly responsible to the President through the Minister of Religion. This shows that the state recognizes zakat as an important part of national development policy. This recognition is strengthened by the existence of LAZ (Amil Zakat Institute) which plays a role in carrying out the function of collecting and utilizing zakat under state supervision.

However, operationally, the implementation of zakat management in Indonesia still faces several problems, including: 1. Muzaki's Awareness That Is Not Optimal Although the majority of Indonesia's population is Muslim, the rate of zakat payments through official institutions is still low. Many muzaki choose to pay zakat independently to mustahik for reasons of tradition, social closeness, or distrust in the management institution. 2. Amil Management and Transparency Not all zakat institutions apply strict sharia audit and financial audit standards. This has an impact on public trust and the effectiveness of poverty alleviation programs. 3. The

Integration of the Muzaki and Mustahik DatabaseThe national zakat digital system is still developing and has not achieved adequate database neatness to ensure targeted distribution.

Thus, even though regulations are strong, their implementation still requires institutional consolidation and governance reform so that zakat can function optimally as an instrument of economic justice.

**The Effectiveness of Zakat as an Instrument of National Economic Redistribution**

The effectiveness of zakat in the distribution of wealth can be seen through two distribution models: a) Consumptive Zakat

Zakat is given directly to meet the basic needs of mustahik, such as food, health, education, or housing. This model provides a quick but temporary impact. b) Productive Zakat. Zakat is distributed in the form of business capital, skills development, or economic empowerment programs. This model aims to transform mustahik into muzaki.

In theory, productive zakat is more appropriate to achieve equitable sustainable distribution. However, in national practice, the proportion of consumptive zakat is still much more dominant. This causes zakat not to fully function as a change in economic structure, but as short-term social assistance.

To make zakat an effective instrument of economic redistribution, the productive zakat model must be expanded with the following approaches: a.Construction of mustahik workforce skills, b.Micro business assistance, c.Access to marketing and digitization of MSMEs, d.Zakat partnership with the sharia industry sector

This model has been applied in several regions with significant results – for example in the BAZNAS productive mustahik empowerment program nationally – but the scale still needs to be expanded so that the socio-economic effects can be felt at the national level.

Of course, here is a sharp and comprehensive comparison table of zakat from the perspective of Islamic Law and Indonesian Positive Law.

**Table of Differences in Zakat: Perspectives of Islamic Law vs. Indonesian Positive Law**

| Aspects                                  | Perspective of Islamic Law  | Indonesia's Positive Legal Perspective   |
|--|---|--|
| <b>Legal Resources &amp; Basis</b>       | Divine (Transcendental):<br><ul style="list-style-type: none"> <li>The Qur'an (QS. At-Taubah: 60, 103, etc.)</li> <li>As-Sunnah (Hadith of the Prophet)</li> <li>Ijma' (Consensus of Scholars)</li> </ul>   | Secular-Positivistic in nature:<br><ul style="list-style-type: none"> <li>The 1945 Constitution (Article 29 &amp; Article 34).</li> <li>Law No. 23 of 2011 concerning Zakat Management.</li> <li>Government Regulations and Regulations of the Minister of Religion.</li> </ul>                                    |
| <b>Nature &amp; Character of the Law</b> | Mahdhah (Pure) and Muamalah Worship:<br><ul style="list-style-type: none"> <li>Wajib 'Ain (the individual obligation of every Muslim).</li> <li>Validity depends very much on the Intention (Lillahi Ta'ala).</li> <li>It has a spiritual dimension (cleansing the property and soul).</li> </ul> | State Administrative Law:<br><ul style="list-style-type: none"> <li>Obligations for Muslims regulated by the state.</li> <li>Intention is not regulated in the law, but emphasizes the aspects of legal and administrative compliance.</li> <li>Emphasized as an instrument of social justice.</li> </ul>          |
| <b>Legal Sanctions</b>                   | Hereafter & Social Sanctions:<br><ul style="list-style-type: none"> <li>The main sanctions are ukhrawi (sin).</li> <li>In classical Islamic history, rulers can impose worldly sanctions on those who refuse.</li> </ul>  | Administrative & Criminal Sanctions:<br><ul style="list-style-type: none"> <li>Sanctions are aimed at the manager (amil), not muzakki.</li> <li>Managers who violate can be subject to administrative sanctions (warning, revocation of permits) to imprisonment and fines (Article 39 of Law 23/2011).</li> </ul> |
| <b>Subject (Giver/Zakat)</b>             | Muslim Individuals and Business Entities (through zakat mal):<br><ul style="list-style-type: none"> <li>Independent, reasonable, puberty (according to the majority of</li> </ul>   | Indonesian Citizens who are Muslims and Business Entities:<br><ul style="list-style-type: none"> <li>Regulated as an obligation for every Muslim who is able, in accordance with Islamic law which is then formalized by the state.</li> </ul>   |

|                                  |   |  |
|----------------------------------|---|--|
|                                  | scholars).• Property ownership reaches nishab and haul.   |  |
| <b>Object (Zakat Property)</b>   | Specific Types of Property:<br>• Gold, silver, money, agricultural products, livestock, trade, and found goods (rikaz).• Based on detailed sharia provisions.   | Merger with Tax Concept:<br>• The law defines the object of zakat in general (property owned), but also opens up space for contemporary types of property.• There is a provision that zakat can be deducted from Taxable Income (Law No. 36/2008 on Income Tax), creating a relationship with the tax system.        |
| <b>Governing Board</b>           | Flexible:<br>• Can be managed individually (given directly), community, or by Amil appointed by the ruler/priest.   | Institutionalized and Monopolized by the State:<br>• Only the National Amil Zakat Agency (BAZNAS) and the Amil Zakat Institution (LAZ) that have received government permission are authorized to administer zakat officially.• Management outside this institution is not administratively recognized by the state. |
| <b>Purpose &amp; Orientation</b> | Multidimensional:<br>1. Spiritual: Tazkiyatun Nafs (cleansing of the soul).2. Social: Alleviating poverty, reducing inequality (solidarity).3. Economy: Cleans and endows wealth, prevents hoarding.  | Hierarchical and Measurable:<br>1. Socio-Economic: Improving people's welfare, alleviating poverty, and realizing social justice.2. National Development: Improving the quality of human resources and national economic resilience.<br>3. State Function: Improving public services in religious matters.           |
| <b>Distribution Mechanism</b>    | Rigid and Structured:<br>• Must be channeled to the 8 Groups (Ashnaf) that have been stipulated in QS. At-Taubah: 60.• It is not permissible to be transferred for interests other than the 8 ashnaf. | Broader and Strategic:<br>• Still refers to the 8 ashnaf, but is described in more operational programs (consumptive assistance, business capital, scholarships, health funds).• Distribution is carried out based on data and strategic planning for sustainable impact.  |

**The Core Analysis of the Differences is as follows:**

1. From Worship to Institutions: Islamic Law emphasizes zakat as personal worship that has a social impact While Indonesian Positive Law sees it as a public policy instrument that must be regulated, controlled, and institutionalized by the state to achieve national goals. 2. From Hereafter Sanctions to Worldly Sanctions: In Islam, the main sanctions are moral-spiritual. Indonesia imposes concrete positive legal sanctions, but strategically only aimed at managers (amil) to ensure accountability, not to force people to pay zakat.

3. Convergence with the Modern System: Indonesian Positive Law seeks to "modernize" zakat by integrating it into the modern state administrative system (as it relates to taxes) and demands professional, transparent, and measurable management, which may not be regulated in detail in classical jurisprudence. 4.Flexibility vs. Standardization: Islamic law provides flexibility in management as long as it is in accordance with sharia. Indonesia, for the sake of legal certainty and broad scope, has standardized and centralized through BAZNAS, which can be seen as a form of "formalism" towards religious practices. This difference is not a contradiction, but an evolution of functions. Zakat in Indonesian Positive Law is an effort to transform the values of pure worship into a systemic force that is integrated in the framework of nation building, without losing its spiritual essence.

## **Strategy to Strengthen Zakat as an Instrument of Economic Justice in the National Legal System**

The strategy of strengthening zakat as an instrument of economic justice in Indonesia's national legal system can be analyzed from the aspects of regulation, institutional, and socio-economic implementation. Zakat in the national legal system has been formally regulated, but there are still operational challenges and the need to strengthen it to be able to become an effective instrument of wealth distribution and economic equity.

### **Legal and Regulatory Basis**

Law Number 23 of 2011 concerning Zakat Management is the main foundation for the existence of zakat as part of the Indonesian national legal system. This law mandates the establishment of the National Amil Zakat Agency (BAZNAS) as the regulator and main operator of zakat management in the country, accompanied by the Amil Zakat Institute (LAZ) as the technical implementer.

Nevertheless, the implementation of regulations still faces challenges, especially in terms of supervision, reporting integration, and enforcement of sanctions for violations or fraud in the management of zakat funds. Revision of regulations to clarify the role and institutional function of zakat is needed to strengthen the effectiveness of the zakat system nationally and make zakat truly integrate with the tax system fairly.

Law No. 23 of 2011 concerning Zakat Management does provide a formal legal basis, but there are several crucial weaknesses that have been identified in the literature and its implementation in the field. There are major weaknesses of Law No. 23 of 2011

### **Sanctions and Enforcement**

This law does not emphasize the obligation of zakat for muzakki (zakat givers) because the payment of zakat is still voluntary and there are no sanctions for those who neglect the obligation of zakat, so that the regulatory impetus is weak to create public compliance with the obligation of zakat.

### **Position and Role of the Institution**

There is a tug-of-war between the government (through BAZNAS) and civil society/traditional zakat operators (LAZ/amil zakat). This law tends to concentrate authority on BAZNAS, and limits the role of LAZ, including the threat of criminal sanctions for traditional LAZ/amil zakat that operate without a permit. This is considered to discriminate against LAZ and can reduce the spirit of local-based zakat management that has been running well in the community.

### **Marginalization of Mustahik and Muzakki**

With the restrictions on LAZ authority and strict requirements for operational permits, mustahik (zakat recipients) and muzakki sometimes lose optimal access to zakat services. The choice of muzakki to distribute zakat directly to local LAZ/traditional amil has decreased—even though they trust more in a familiar system.

### **Limitations of Education, Technology, and Transparency**

This law has not anticipated technological advances, transparency, and modern governance, so that supervision, reporting, and integration efforts of the national information system have not been optimal. In addition, the lack of socialization and zakat education to the community causes the level of awareness, compliance, and participation of zakat to be low.

#### **e. The Relationship between Zakat and Taxes**

There is no clarity and legal certainty regarding the relationship between zakat and taxes, in terms of fiscal incentives and recognition of zakat payments as tax deductions. This hinders

the attractiveness of zakat as an instrument of economic justice that synergizes with national fiscal policy. f. Effectiveness and Efficiency. Many national zakat operators operate, but the collection of zakat funds is still relatively small compared to the existing zakat potential. Inefficient management and unclear coordination between agencies are challenges in the implementation of this law.

### **Academic Analysis and Improvement Proposals**

In this study, it is suggested that this law be revised by: a. Clarify the position and role between BAZNAS and LAZ without reducing the participation of civil society. b. Increasing fiscal incentives and the recognition of zakat as a tax deduction. c. Strengthening education, technology-based governance, as well as transparency and protection of mustahik/muzakki. d. Regulating fair sanctions for both negligent muzakki and unaccountable zakat managers.

These criticisms are supported by zakat experts, LAZ operators, and national zakat supervisory institutions, and are reflected in a number of Constitutional Court rulings and public trust surveys on the effectiveness of national zakat management.

Thus, the fundamental weakness of Law No. 23 of 2011 is in the aspects of regulation, institutional, sanctions, education, and the relationship between the zakat-tax system which has not been fully integrated to support the vision of national economic justice.

### **Zakat as an Instrument of Economic Justice**

The concept of zakat in Islam places zakat as a mechanism for redistribution of wealth that is directed directly to eight groups of recipients (asnaf), especially the poor and the poor. Zakat funds that are optimally distributed can reduce socio-economic disparities and support poor household consumption. Thus, zakat plays a role as a catalyst for inclusive economic growth, as well as a means of equity and economic justice, as explained by classical Islamic economic thinkers such as Ibn Khaldun who emphasized the need for the state's active involvement in the management of zakat to ensure social justice.

### **Zakat Strengthening Strategy**

Some of the priority strategies that can be implemented include: a. Strengthening regulations and revising the Zakat Management Law to clarify the position and authority of BAZNAS and LAZ, as well as allowing integration with the national tax system to provide fiscal incentives for muzakki and corporations. b. Improve oversight and integration of reporting through a uniform and transparent information technology system under the Ministry of Religious Affairs.

c. Expansion and optimization of education and socialization to the community to increase awareness and participation in paying zakat officially. d. Empowerment of zakat for financing the productive sector, such as the creation of new jobs, entrepreneurial training, and increasing the income of poor households.

### **Socio-Economic Implications**

Strengthening zakat as an instrument of economic justice can encourage the creation of a more just and prosperous society, especially in terms of fulfilling the basic needs and rights of weak economic groups. In addition, well-managed zakat is able to increase social stability and prevent conflicts due to inequality in the distribution of wealth, in accordance with the main spirit of zakat in Islamic sharia to uphold social justice.

Based on the above analysis, the strategy of strengthening zakat in Indonesia can be carried out through: 1. Strengthening national zakat literacy through public education, mosques, and digital media. 2. Integration of the zakat digital system to unite the muzaki and mustahik databases nationally. 3. Improving the professionalism of amil through HR certification standards, sharia audits, and financial audits. 4. Zakat synergy with government poverty

alleviation programs, including Village Funds, MSMEs, and BLT. 5.Strengthening fiscal incentive regulations, including reviewing the relationship between zakat and taxes to further encourage muzaki compliance.

If this strategy is implemented consistently, zakat can become an alternative fiscal force for the state to reduce economic inequality without burdening the national budget.

## **CONCLUSION**

### **In the Perspective of Islamic Law:**

a. Zakat has a position as an instrument of economic distribution that is obligatory and structural. Based on the Qur'an and As-Sunnah, zakat is not just an individual worship (mahdah worship) but is an institutionalized redistribution mechanism with the following characteristics: - Binding nature (obligatory 'ain) as a religious legal obligation. - The function of distributive justice to prevent the circulation of wealth only in the rich group (QS. Al-Hasyr: 7). - Structured distribution mechanism through 8 ashnaf with priority for the poor and poor.- The dimension of public law where the state is authorized to collect and distribute zakat

### **In the Perspective of Indonesian Positive Law:**

Zakat undergoes a transformation from a religious norm to a public policy instrument through: - Legal positivization in Law No. 23 of 2011 which integrates zakat into the national legal system. -Institutionalization through BAZNAS and LAZ as recognized state institutions. - Expansion of functions from pure worship to a tool of redistribution of national wealth. - Integration with development systems through strategic programs that are aligned with the SDGs.

Based on the identification of challenges and effectiveness analysis, the strategy of strengthening zakat includes: 1. Regulatory Reform: a) Revision of Law No. 23 of 2011 to clarify the position of BAZNAS-LAZ, b) Clear fiscal incentive arrangements between zakat and taxes, c) Enforcement of proportionate sanctions for zakat managers.

2. Institutional Transformation: a) Capacity building and professionalism through certification, b) Strengthening the sharia and financial audit system, c) Integrated digitization of the national muzaki-mustahik database. 3. Optimization of Productive Distribution: a) Paradigm shift from consumptive to productive zakat, b) Development of MSME-based empowerment programs and entrepreneurship, c) Continuous assistance for the transformation of mustahik into muzakki.

4. Systemic Synergy: a) Integration of zakat with government poverty alleviation programs, b) Collaboration with the Islamic finance sector and Islamic philanthropy, c) Harmonization with the national social protection system. 5.Education and Literacy: a) Increasing public understanding of productive zakat, b) Strengthening transparency and public accountability, c) Advocacy of zakat compliance through official institutions. Zakat has undergone an evolution of strategic function from an instrument of individual worship to an instrument of sharia fiscal policy in the Indonesian legal system. This dual position—as a religious obligation as well as an instrument of the state—provides great potential to realize economic justice, provided that comprehensive structural reforms are carried out in the aspects of regulation, institutional, and implementation of its distribution. The success of zakat as an instrument of economic redistribution is highly dependent on the integration of Islamic legal values with the modern governance system within Indonesia's positive legal framework.

### **Increasing Literacy and Public Awareness**

The government together with MUI, Islamic community organizations, and amil zakat institutions need to conduct more intensive education regarding zakat obligations, the benefits of productive zakat, and the importance of distributing zakat through official institutions to ensure accountability and equitable distribution. 2.Strengthening Governance and

Professionalism of Zakat Institutions. Zakat management institutions (BAZNAS and LAZ) need to increase managerial capacity, report transparency, sharia audits, and data integration in order to be more trusted by the public and able to manage zakat funds on a large scale and on target. 3.Optimizing Productive Zakat for Economic Empowerment.

The distribution of zakat should not only be in the form of consumptive, but more directed to economic empowerment programs such as micro business financing, entrepreneurship training, and mustahik business management assistance so that they can be economically independent. 4.Synergy with the National Financial System. The government needs to continue to develop the integration of zakat with the fiscal and macroeconomic systems, including the possibility of adjusting tax incentives for muzakki who distribute zakat through official institutions. 5.Strengthening the Zakat Digitalization Ecosystem

The implementation of digital technology in the collection and distribution of zakat needs to be expanded through mobile applications, big data, and technology-based monitoring systems so that zakat can be distributed faster, more precisely, and with a measurable impact.

By strengthening the synergy between Islamic law values and positive Indonesian law, zakat governance has a great opportunity to become the main pillar in the national welfare system. Zakat is not only a religious instrument, but also an effective, sustainable, and equitable socio-economic development strategy. Through transparent, professional, and productive governance, zakat can encourage structural transformation for the sake of achieving economic equality and social justice within the framework of the Unitary State of the Republic of Indonesia.

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