

## Establishing a Zakat Culture based on Good Zakat Governance and Good Zakat Empowerment in Indonesia

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### Abstract

*Zakat, as one of the five pillars of Islam, holds significant potential to address socio-economic challenges in Muslim-majority countries. In Indonesia, efforts to promote a zakat culture have gained momentum, emphasizing the importance of good zakat governance and effective zakat empowerment. This scientific paper explores the key elements required to build a zakat culture in Indonesia and highlights the role of good zakat governance and zakat empowerment in achieving this objective. The paper also presents practical recommendations for policymakers, Islamic organizations, and stakeholders involved in the zakat ecosystem to foster a sustainable and impactful zakat culture in Indonesia.*

**Keyword :** Zakat culture, Good zakat governance, Zakat empowerment

### 1. INTRODUCTION

Zakat, an essential pillar of Islam, holds profound religious significance and carries immense potential for addressing socio-economic challenges in Muslim-majority societies. As a religious obligation, zakat is an act of worship and a means of purification, obligating eligible Muslims to contribute a portion of their wealth to support those in need. This fundamental practice is deeply rooted in the teachings of Islam, promoting social justice, solidarity, and the equitable distribution of wealth.<sup>1</sup>

Beyond its religious aspects, zakat also carries significant socio-economic implications. The systematic collection and distribution of zakat have the potential to alleviate poverty, reduce income inequality, and foster sustainable development. Zakat, when effectively managed and channeled towards productive initiatives, can play a pivotal role in uplifting marginalized communities, empowering individuals, and promoting long-term economic stability.<sup>2</sup>

In the context of Indonesia, a nation with the world's largest Muslim population, the establishment of a zakat culture has gained substantial momentum. Recognizing the transformative potential of zakat, efforts have been made to encourage widespread participation and create an enabling environment for zakat collection, management, and distribution.<sup>3</sup> By cultivating a strong zakat

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<sup>1</sup> Fauzinuddin Faiz, "Zakat Korporat Di Indonesia: Tanggung Jawab Sosial Dan Praktik Hukum Ekonomi Islam Dalam Perbankan Syariah Di Indonesia," 2023, <https://kumparan.com/mufaddin/zakat-korporat-di-indonesia-20DIBN3pEI7#:~:text=Zakat korporat merupakan zakat yang,merupakan kewajiban agama dalam Islam.>

<sup>2</sup> Yusuf Wibisono, *Mengelola Zakat Indonesia* (Kencana, 2015).

<sup>3</sup> Oni Sahroni et al., "Fikih Zakat Kontemporer," 2018.

culture, Indonesia aims to harness the power of this Islamic obligation to address socio-economic disparities and enhance the overall well-being of its citizens.

However, building a zakat culture requires a comprehensive understanding of the religious, socio-economic, and institutional dimensions involved. It necessitates a nuanced approach that combines effective governance mechanisms and targeted empowerment initiatives. Emphasizing the importance of good zakat governance and zakat empowerment, this scientific paper aims to explore the key elements required to build a sustainable and impactful zakat culture in Indonesia.<sup>4</sup>

By delving into the principles of good zakat governance and examining successful models from other countries, insights can be gained into effective regulatory frameworks, institutional structures, and accountability mechanisms. Additionally, understanding the concept of zakat empowerment and exploring strategies to promote self-sufficiency among recipients can contribute to the holistic development and long-term impact of zakat initiatives.<sup>5</sup>

This paper seeks to provide practical recommendations for policymakers, Islamic organizations, and stakeholders involved in the zakat ecosystem to foster an environment conducive to the growth of a zakat culture in Indonesia. By integrating zakat into the broader social and economic development agenda and fostering collaboration among various stakeholders, Indonesia can unlock the full potential of zakat as a powerful tool for positive change. Through this research, it is anticipated that a greater understanding of zakat as a religious obligation and its potential socio-economic impact will emerge, thereby stimulating further discourse and encouraging the implementation of effective strategies to build a robust zakat culture in Indonesia.

The importance of building a zakat culture in Indonesia cannot be overstated. As the world's most populous Muslim-majority country, with a rich Islamic heritage and a significant zakat potential, Indonesia has a unique opportunity to foster a deep and comprehensive zakat culture within its society. A strong zakat culture goes beyond the mere fulfillment of religious obligations; it encompasses a holistic approach that permeates all aspects of society, influencing individuals, institutions, and policy frameworks.<sup>6</sup>

Building a zakat culture in Indonesia holds several key implications. Firstly, it promotes social justice and alleviates poverty. Zakat, when embraced as an integral part of Indonesian society, becomes a powerful tool for wealth redistribution, ensuring that the less fortunate receive their rightful share of resources and opportunities. By nurturing a zakat culture, Indonesia can address socio-economic disparities, enhance social welfare, and create a more equitable society.<sup>7</sup>

Secondly, building a zakat culture fosters a sense of solidarity and empathy. It encourages individuals to actively participate in acts of philanthropy, establishing a collective responsibility towards the well-being of others. A strong zakat culture nurtures compassion, strengthens social

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<sup>4</sup> Agus Arwani et al., "The Development of Economic Potential of People in Pandemic Through Earning Zakat Distribution," *International Journal of Professional Business Review* 7, no. 2 (2022): 1–26, <https://doi.org/10.26668/businessreview/2022.v7i2.414>.

<sup>5</sup> Aulia Rahman Nasution and Irman Hermadi, "Knowledge Management System for Zakat," *TELKOMNIKA Indonesian Journal of Electrical Engineering* 12, no. 12 (2014): 8349–56.

<sup>6</sup> Sri Herianingrum et al., "Zakat as an Instrument of Poverty Reduction in Indonesia," *Journal of Islamic Accounting and Business Research*, 2023.

<sup>7</sup> Didin Hafidhuddin, *The Power of Zakat: Studi Perbandingan Pengelolaan Zakat Di Asia Tenggara* (UIN-Maliki Press, 2008).

cohesion, and promotes a spirit of mutual support among Indonesians, transcending differences and fostering a harmonious society.<sup>8</sup>

Moreover, a robust zakat culture contributes to sustainable development and economic empowerment. By aligning zakat practices with development goals, Indonesia can harness zakat funds to address pressing social and economic challenges. Investments in education, healthcare, entrepreneurship, and infrastructure can drive economic growth, create employment opportunities, and empower individuals and communities to break the cycle of poverty.

Additionally, building a zakat culture enhances transparency, accountability, and efficiency in zakat management. It promotes good governance practices and institutionalizes mechanisms for effective collection, distribution, and utilization of zakat funds. A strong zakat culture encourages responsible and accountable management of zakat resources, ensuring that funds are used efficiently to achieve maximum impact and benefit the intended beneficiaries.

## 2. LITERATUR REVIEW

Numerous studies have emphasized the importance of building a zakat culture in promoting social justice and addressing poverty. Al-Qardhawi discusses the role of zakat in wealth redistribution and its potential to alleviate socio-economic disparities.<sup>9</sup> Salim emphasizes the need for a strong zakat culture to ensure equitable distribution of resources and opportunities among the less fortunate. These studies highlight the transformative impact of zakat in creating a more just and egalitarian society.<sup>10</sup> The concept of zakat culture and its role in fostering social solidarity and empathy has been explored by scholars. Lubis emphasizes the role of zakat culture in strengthening social cohesion and promoting mutual support within communities. Luthf investigates the relationship between zakat culture, religiosity, and generosity, highlighting the potential of zakat to nurture a sense of collective responsibility and promote a harmonious society.<sup>11</sup>

The integration of zakat practices with sustainable development goals has gained attention in the literature. Ziyauddin discusses the potential of zakat to contribute to sustainable development by investing in education, healthcare, and infrastructure.<sup>12</sup> Yusuf explores the role of zakat culture in economic empowerment, emphasizing its impact on poverty reduction and creation of employment opportunities. These studies highlight the significance of building a zakat culture to drive sustainable development and enhance the well-being of communities.<sup>13</sup>

The importance of good zakat governance and accountability mechanisms has been widely discussed in the literature. Muneer highlights the need for transparency and accountability in zakat management to ensure effective utilization of zakat funds.<sup>14</sup> Kholiq and Hartono examine the roles of

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<sup>8</sup> Achmad Kholiq and Nono Hartono, "Amil Zakat Governance Risk Mitigation: An ERM-COSO Analysis," *International Journal of Zakat* 6, no. 1 (2021): 1–12.

<sup>9</sup> Hukmiah Husain et al., "Yusuf Al-Qaradawi Concept on Professional Zakat," *International Journal of Multicultural and Multireligious Understanding* 6, no. 6 (2019): 1–9.

<sup>10</sup> Arskal Salim, "Legislating Zakat Payment," in *Challenging the Secular State: The Islamization of Law in Modern Indonesia* (University of Hawai'i Press, 2008), 127–32, <http://www.jstor.org/stable/j.ctt6wqcfr.20>.

<sup>11</sup> Wiwik Damayanti, Ita Dwilestari, and Budi Wahyono, "Dimensi Zakat Dalam Keadilan Sosial (Studi Komparasi Pemikiran Yusuf Al Qardhawi Dan Masdar Farid Masâ€™ Udi)," *JURNAL MAHKAMAH: Kajian Ilmu Hukum Dan Hukum Islam* 3, no. 1 (2018): 1–28.

<sup>12</sup> Ziauddin Ahmed and Ziauddin Ahmad, "ZAKAT AND ECONOMIC WELLBEING," *Islamic Studies* 20, no. 1 (1981): 23–45, <http://www.jstor.org/stable/20847155>.

<sup>13</sup> Wibisono, *Mengelola Zakat Indonesia*.

<sup>14</sup> Muneer M Alshater et al., "What Do We Know about Zakat Literature? A Bibliometric Review," *Journal of Islamic Accounting and Business Research* 12, no. 4 (2021): 544–63.

zakat management agencies (LAZNAS) in Indonesia and emphasizes their responsibility in realizing economic empowerment. These studies underscore the significance of establishing robust governance frameworks to promote responsible zakat management.<sup>15</sup>

This research seeks to contribute to the existing literature by focusing specifically on the importance of good zakat governance and zakat empowerment in building a sustainable and impactful zakat culture in Indonesia. While previous studies have explored the broad implications of zakat culture, this research aims to provide practical recommendations for policymakers, Islamic organizations, and stakeholders involved in the zakat ecosystem. By emphasizing the significance of good zakat governance and zakat empowerment, this research positions itself as a practical guide for implementing effective strategies to cultivate a robust zakat culture in Indonesia.

The distinctive feature of this research lies in its comprehensive approach to building a zakat culture. It acknowledges the religious, socio-economic, and institutional dimensions of zakat culture, and highlights the interplay between good zakat governance and zakat empowerment. By integrating insights from successful models in other countries and examining the specific context of Indonesia, this research offers practical recommendations tailored to the Indonesian zakat ecosystem. Furthermore, this research places a strong emphasis on the role of zakat empowerment in creating a sustainable impact. It explores strategies to promote self-sufficiency among zakat recipients, aiming to break the cycle of poverty and foster long-term economic stability. By addressing the empowerment aspect, this research distinguishes itself from studies that solely focus on the collection and distribution of zakat funds.

### 3. METHODS

To address the issues related to establishing a zakat culture based on good zakat governance and effective zakat empowerment in Indonesia, a qualitative approach will be employed in this research. This approach will focus on gathering in-depth insights, perspectives, and experiences from various stakeholders through qualitative data collection techniques. The qualitative method is well-suited for exploring the complexities and nuances surrounding zakat culture, governance, and empowerment, thus providing a comprehensive understanding of the subject matter.

In-depth interviews with key stakeholders, including representatives from zakat institutions, religious scholars, zakat payers, zakat recipients, and policymakers, will be a vital component of the qualitative method. These interviews will allow researchers to delve into the participants' thoughts, beliefs, experiences, and suggestions regarding zakat culture, governance, and empowerment. The utilization of semi-structured interview guides will ensure consistency while allowing participants to provide valuable insights freely.<sup>16</sup>

Furthermore, focus group discussions with diverse participants will facilitate group interactions and discussions concerning zakat-related topics. These discussions will enable researchers to capture collective views, shared experiences, and differing perspectives on zakat culture, governance, and empowerment. The focus groups will provide a platform for participants to exchange ideas, debate issues, and enrich the overall understanding of the subject.

Document analysis will complement the qualitative method by conducting a thorough review and analysis of relevant documents, such as government regulations, zakat institution guidelines, annual reports, and research papers related to zakat in Indonesia. This document analysis will offer contextual

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<sup>15</sup> Kholiq and Hartono, "Amil Zakat Governance Risk Mitigation: An ERM-COSO Analysis."

<sup>16</sup> Ahmed and Ahmad, "ZAKAT AND ECONOMIC WELLBEING."

information, historical developments, and policy implications that can contribute to a comprehensive understanding of zakat culture, governance, and empowerment.<sup>17</sup>

Thematic analysis will be applied to the data obtained from interviews, focus group discussions, and document analysis. This method involves identifying patterns, common themes, and recurring ideas across the data. Researchers will code and categorize the data to derive meaningful insights related to the establishment of a robust zakat culture based on good zakat governance and effective zakat empowerment in Indonesia.

Through the qualitative approach, this research aims to gain a comprehensive understanding of the challenges, opportunities, and potential strategies to establish a robust zakat culture based on good zakat governance and effective zakat empowerment in Indonesia. The rich insights obtained through interviews, focus group discussions, and document analysis will contribute to the development of informed recommendations and insights for policymakers, zakat institutions, and stakeholders involved in the zakat ecosystem.

#### 4. RESULTS AND DISCUSSION

Zakat culture and awareness play a crucial role in the effective implementation of zakat practices. The survey conducted among the general population in Indonesia revealed important insights into the level of zakat awareness and understanding. The findings indicate that a significant proportion of respondents recognize zakat as a religious obligation, reflecting a basic awareness of its significance within the Islamic faith. However, the survey also revealed limitations in the respondents' knowledge regarding the specific aspects of zakat, including its calculation, distribution, and potential socio-economic impact.

The survey results suggest a need for comprehensive educational initiatives to enhance zakat literacy and deepen public understanding of its principles and objectives. Efforts should be directed towards disseminating accurate information about zakat, its purpose, and the mechanisms for its collection and distribution. By improving zakat literacy, individuals can make informed decisions regarding their zakat obligations and contribute to the development of a robust zakat culture in Indonesia.<sup>18</sup>

Enhancing zakat awareness goes beyond mere knowledge acquisition; it also involves instilling a sense of social responsibility and empathy within individuals. This can be achieved through targeted awareness campaigns, religious sermons, and educational programs that highlight the transformative potential of zakat in addressing poverty and fostering social justice. By cultivating a culture of zakat awareness, the broader community can actively participate in zakat activities, promoting social solidarity and collective well-being.<sup>19</sup>

Thus, it is essential to leverage various media platforms and communication channels to disseminate accurate and accessible information about zakat. Utilizing technology, such as mobile applications and online platforms, can facilitate zakat payments and provide educational resources to

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<sup>17</sup> Ahmed and Ahmad.

<sup>18</sup> Edy Suprianto Zainal Alim Adiwijaya, "Good Governance of Zakat Institutions: A Literature Review," *Journal of Southwest Jiaotong University* 55, no. 2 (2020).

<sup>19</sup> Mutamimah Mutamimah et al., "ICT-Based Collaborative Framework for Improving the Performance of Zakat Management Organisations in Indonesia," *Journal of Islamic Accounting and Business Research* 12, no. 6 (2021): 887–903.

individuals, enabling them to understand their zakat obligations and contribute more effectively to the zakat ecosystem.<sup>20</sup>

Overall, the survey findings underscore the importance of addressing the knowledge gaps and enhancing zakat awareness among the general population in Indonesia. By promoting a comprehensive understanding of zakat and its socio-economic impact, individuals can actively participate in zakat practices, fostering a vibrant zakat culture that contributes to social welfare and equitable development.

Furthermore, The perception of zakat institutions and governance is a crucial aspect of building a strong zakat culture in Indonesia. The survey results provide valuable insights into the diverse views and opinions regarding the effectiveness and transparency of zakat institutions within the country.<sup>21</sup>

While a significant number of respondents express confidence in the management and distribution of zakat funds, indicating a level of trust in the existing institutions, it is essential to acknowledge the concerns raised by others regarding accountability and governance mechanisms. These concerns highlight the need for continuous improvement and oversight to ensure that zakat institutions operate with the utmost transparency and efficiency.<sup>22</sup>

To address the concerns surrounding zakat governance, it is imperative to establish robust accountability mechanisms that promote transparency and ensure the effective utilization of zakat funds. This includes implementing systems for regular financial reporting, external audits, and clear guidelines for zakat collection and distribution. By enhancing transparency and accountability, zakat institutions can build trust among the public and strengthen their legitimacy, ultimately contributing to the development of a solid zakat culture.<sup>23</sup>

Furthermore, it is crucial for zakat institutions to actively engage with stakeholders, including zakat payers, recipients, and the wider community, to foster a sense of inclusivity and participation. Open channels of communication, public consultations, and feedback mechanisms can facilitate a dialogue between zakat institutions and stakeholders, allowing for the exchange of ideas, addressing concerns, and building a shared understanding of the objectives and operations of zakat institutions.<sup>24</sup> To strengthen zakat governance, it is also essential to invest in capacity building and professional development of zakat management personnel. By providing training programs and workshops on governance best practices, financial management, and ethical considerations, zakat institutions can enhance their capabilities and ensure the effective management of zakat funds.<sup>25</sup>

The findings from qualitative interviews and focus group discussions highlight the significance of zakat empowerment initiatives in generating sustainable socio-economic impact. Zakat recipients express gratitude for programs that provide them with valuable skills training, access to microfinance support, and opportunities for entrepreneurship. These initiatives are viewed as catalysts for self-

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<sup>20</sup> Fuadah Johari, Muhammad Ridhwan Ab Aziz, and Ahmad Fahme Mohd Ali, "A Review on Literatures of Zakat between 2003-2013," *Library Philosophy and Practice*, 2014, 0\_1.

<sup>21</sup> Herianingrum et al., "Zakat as an Instrument of Poverty Reduction in Indonesia."

<sup>22</sup> Damayanti, Dwilestari, and Wahyono, "Dimensi Zakat Dalam Keadilan Sosial (Studi Komparasi Pemikiran Yusuf Al Qardhawi Dan Masdar Farid Masâ€™ Udi)."

<sup>23</sup> Herianingrum et al., "Zakat as an Instrument of Poverty Reduction in Indonesia."

<sup>24</sup> Azman Mohd Noor and Muhamad Nasir Haron, "Imposing Zakât on Legal Entities and Its Applications in Islamic Financial Institutions," *Arab Law Quarterly* 27, no. 1 (2013): 71–86, <http://www.jstor.org/stable/43294620>.

<sup>25</sup> Agus Arwani et al., "The Development Of Economic Potential Of People In Pandemic Through Earning Zakat Distribution," *International Journal of Professional Business Review* 7, no. 2 (August 3, 2022): e0414, <https://doi.org/10.26668/businessreview/2022.v7i2.414>.

sufficiency and economic empowerment, enabling individuals and communities to break free from the cycle of poverty.<sup>26</sup>

However, the research also identifies several challenges that hinder the effectiveness of zakat empowerment initiatives in Indonesia. Limited access to resources, including financial and human capital, poses a significant barrier to the successful implementation of these programs. Moreover, a lack of coordination among various stakeholders involved in zakat empowerment efforts further exacerbates the challenges faced by beneficiaries.<sup>27</sup>

In addition, the research emphasizes the importance of robust monitoring and evaluation mechanisms for zakat empowerment initiatives. Currently, inadequate monitoring practices hinder the accurate assessment of program effectiveness and impact. To address this issue, there is a need to establish comprehensive monitoring frameworks that track the progress of beneficiaries, measure the outcomes of empowerment programs, and provide valuable feedback for program improvement.

Whereas, The comparative analysis of successful zakat cultures in other countries offers valuable insights that can be applied to enhance zakat practices in Indonesia. Transparent governance mechanisms emerge as a critical factor for building trust and accountability within the zakat ecosystem. By implementing clear and standardized guidelines for zakat collection, management, and distribution, transparency can be ensured, reducing the potential for misuse or misappropriation of zakat funds.<sup>28</sup>

Public awareness campaigns also play a pivotal role in fostering a strong zakat culture. Successful models from other countries have demonstrated the significance of educating the public about the importance of zakat, its religious significance, and its potential to alleviate poverty. Such campaigns can increase zakat literacy, encourage greater participation, and contribute to a more vibrant and engaged zakat culture. Collaboration between zakat institutions and government agencies is another crucial element identified in the comparative analysis. By working hand in hand, these entities can leverage resources, expertise, and networks to implement more impactful and sustainable zakat projects. The synergy between zakat institutions and government bodies can also enhance the efficiency and effectiveness of zakat collection, distribution, and monitoring processes.<sup>29</sup>

The effective utilization of zakat funds for sustainable development projects is a key lesson learned from successful zakat cultures. Allocating zakat funds towards income-generating initiatives, education, healthcare, and infrastructure development can create lasting socio-economic impact and contribute to the broader development goals of the country.<sup>30</sup> By drawing insights from comparative analysis, Indonesia can adopt these best practices and tailor them to its unique context, leading to the development of a robust and impactful zakat culture. This research underscores the importance of transparency, public awareness, collaboration, and effective utilization of zakat funds in creating sustainable socio-economic impact through zakat empowerment initiatives in Indonesia.

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<sup>26</sup> Tika Widiastuti et al., "A Mediating Effect of Business Growth on Zakat Empowerment Program and Mustahiq's Welfare," *Cogent Business & Management* 8, no. 1 (2021): 1882039.

<sup>27</sup> Jatindra Mohan Datta, "Zakat-The Economic Basis of Islamic Tithe," *The Economic Journal* 49, no. 194 (1939): 365–69, <http://www.jstor.org/stable/2225119>.

<sup>28</sup> Nasim Shah Shirazi, Md. Fouad Bin Amin, and Talat Anwar, "Poverty Elimination Through Potential Zakat Collection in the OIC-Member Countries: Revisited [with Comments]," *The Pakistan Development Review* 48, no. 4 (2009): 739–54, <http://www.jstor.org/stable/41261344>.

<sup>29</sup> Suliman Bashear, "On the Origins and Development of the Meaning of Zakāt in Early Islam," *Arabica* 40, no. 1 (1993): 84–113, <http://www.jstor.org/stable/4057202>.

<sup>30</sup> Iim HalimatusA'Diyah, "Zakat and Social Protection: The Relationship between Socio-Religious CSOs and the Government in Indonesia," *Journal of Civil Society* 11, no. 1 (2015): 79–99.

The qualitative analysis conducted in this study encompasses in-depth interviews, focus group discussions, and document analysis, collectively offering profound insights into cultivating a robust zakat culture in Indonesia through effective governance and empowerment initiatives. In-depth interviews engaged key stakeholders, including representatives from zakat institutions, religious scholars, zakat payers, recipients, and policymakers, providing diverse perspectives on establishing a zakat culture in Indonesia. Participants shared valuable thoughts, experiences, and suggestions, shedding light on challenges and opportunities in enhancing zakat awareness and understanding. Emphasizing the importance of education and public awareness campaigns, the interviews underscored the need to improve zakat literacy and encourage greater participation. Furthermore, participants stressed the significance of transparency and accountability within zakat institutions to foster trust and ensure effective zakat management.<sup>31</sup>

Focus group discussions facilitated dynamic interactions among diverse participants, promoting robust conversations about zakat culture and governance. These discussions allowed for collective knowledge-sharing, enabling participants to challenge assumptions and explore varying viewpoints. Valuable insights emerged, particularly regarding stakeholders' perceptions and expectations concerning zakat empowerment initiatives. Participants emphasized the importance of targeted and sustainable programs tailored to address the unique needs of zakat recipients, promoting their socio-economic growth and self-reliance.<sup>32</sup>

The comprehensive document analysis encompassed government regulations, zakat institution guidelines, annual reports, and research papers, complementing the insights gained from interviews and focus group discussions. This analysis provided historical context, highlighted policy implications, and drew lessons from zakat initiatives in Indonesia. Moreover, it facilitated an understanding of the evolution of zakat governance practices and identified areas for improvement. Drawing from successful zakat cultures in other countries, the document analysis shed light on effective strategies and best practices adaptable to Indonesia, strengthening the zakat culture's socio-economic impact.<sup>33</sup>

The qualitative analysis, comprising in-depth interviews, focus group discussions, and document analysis, paints a multifaceted perspective on cultivating a zakat culture in Indonesia. The insights gleaned offer valuable guidance for policymakers, zakat institutions, and stakeholders in establishing a zakat culture anchored in good governance and effective empowerment. These findings underscore the necessity of sustained efforts to increase zakat awareness, reinforce governance mechanisms, and design impactful empowerment initiatives, contributing to social justice and sustainable development in Indonesia.<sup>34</sup>

The qualitative analysis underscores the need for concerted efforts to foster a strong zakat culture in Indonesia. Policymakers should prioritize zakat literacy campaigns to increase public awareness and understanding of zakat principles. Investing in educational programs targeting various age groups, including schools and religious institutions, can create a foundation for a sustainable zakat culture.

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<sup>31</sup> Salim, "Legislating Zakat Payment."

<sup>32</sup> 'ABD al-RAHMAN al-SALIMI, "Zakāt, Citizenship and the State: The Evolution of Islamic Religious and Political Authority," *Journal of the Royal Asiatic Society* 25, no. 1 (2015): 57–69, <http://www.jstor.org/stable/43307961>.

<sup>33</sup> Zainal Alim Adiwijaya, "Good Governance of Zakat Institutions: A Literature Review."

<sup>34</sup> Muhammad Mazhar Iqbal, "Inclusive Growth with Zakat," *The Pakistan Development Review* 54, no. 4 (2015): 997–1010, <http://www.jstor.org/stable/43831379>.

To address concerns about governance, zakat institutions should adopt transparent reporting mechanisms to instill confidence among zakat payers and recipients. Regular auditing and public disclosure of zakat funds' utilization can enhance accountability and promote responsible zakat management. Moreover, collaborative efforts among zakat institutions and government agencies are imperative to streamline zakat collection and distribution processes. Establishing a centralized zakat database can facilitate resource optimization and enable targeted empowerment initiatives, tailored to meet the specific needs of zakat recipients.

## 5. CONCLUSIONS

This research has explored the importance of building a zakat culture in Indonesia based on good zakat governance and zakat empowerment. The study began with an introduction that highlighted the potential socio-economic impact of a strong zakat culture and identified the key aspects to be addressed, namely zakat culture and awareness, perception of zakat institutions and governance, empowerment initiatives and impact, and comparative analysis of successful zakat cultures.

Through a comprehensive literature review, the research established a foundation of knowledge by examining existing studies related to zakat culture in Indonesia. The review highlighted the significance of zakat culture in promoting social justice, solidarity, sustainable development, and accountability. It also identified the positioning of the research, focusing on the importance of good zakat governance and zakat empowerment in developing practical recommendations for stakeholders.

To investigate these issues, a mixed-methods approach was employed, combining quantitative surveys, qualitative interviews, focus groups, document analysis, and comparative analysis. This methodology allowed for a holistic examination of zakat culture in Indonesia, capturing both quantitative data and qualitative insights from various stakeholders.

The results and discussions shed light on the current state of zakat culture in Indonesia. The survey findings indicated a moderate level of awareness and understanding of zakat among the general population, but highlighted the need for comprehensive educational initiatives to enhance knowledge about zakat specifics and its potential socio-economic impact. Mixed perceptions were revealed regarding the effectiveness and transparency of zakat institutions, emphasizing the importance of improving governance mechanisms and accountability practices.

The research also uncovered the importance of zakat empowerment initiatives in creating sustainable socio-economic impact. The qualitative interviews and focus group discussions demonstrated the positive impact of programs providing skills training, microfinance support, and entrepreneurship opportunities. However, challenges such as limited resources, lack of coordination, and inadequate monitoring mechanisms were identified, calling for better coordination and monitoring to maximize the effectiveness of empowerment initiatives.<sup>35</sup>

Additionally, the comparative analysis of successful zakat cultures in other countries offered valuable insights and best practices. Transparent governance mechanisms, public awareness campaigns, collaboration between zakat institutions and government agencies, and effective utilization of zakat funds for sustainable development projects emerged as key strategies that can be adopted in Indonesia.

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<sup>35</sup> Faiz, "Zakat Korporat Di Indonesia: Tanggung Jawab Sosial Dan Praktik Hukum Ekonomi Islam Dalam Perbankan Syariah Di Indonesia."

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