The Impact of Zakat Implementation on the Community's Economy in the Digital Era

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Abstract:
The digital era brings many changes, including in the mechanism of zakat collection and distribution, which has undergone a significant transformation. Zakat, as one of the important instruments in the Islamic economy, plays a role in reducing social inequality and poverty. With the adoption of digital technology, zakat collection becomes more efficient, transparent, and accountable. Based on data, digital zakat collection has increased significantly. Technology allows easy access for people to pay zakat online, which also strengthens trust in zakat institutions. The research methodology uses a qualitative approach with case studies to identify the impact of digital zakat on society, which shows that digital zakat accelerates wealth redistribution and supports social welfare. This research emphasizes the importance of technology integration in zakat management, which can be an effective solution in addressing economic inequality in the digital era.

Keywords: *Digital zakat, Digital technology, Social welfare. Socioeconomic*

A. BACKGROUND

The development of digital technology is rapidly increasing in several countries, including Indonesia. Digital technology brings convenience in processes and work mechanisms.(Hafizah & Muhaimin, 2023) and today it has changed the world drastically, with the emergence of various digital innovations. The development of the digital economy is one of the main strategies to transform the Indonesian economy. The growth of the digital economy is also triggered by changes in people's behavior that tend to utilize digital platforms in various industries. In the era of digitalization, people can share information, communicate, and transact more effectively and efficiently. Digital technology has driven the development of applications that improve efficiency, save time, and improve quality of life. For example, digital technology allows for the use of better information management systems, faster electronic payment systems, and more interactive education systems. Actually, zakat is one of the solutions to reduce the economic burden for people affected by the economy.(Makmur et al., 2024)

As a country with the largest Muslim population in the world, Indonesia has an extraordinary opportunity to utilize zakat instruments as a source of funding for poverty alleviation programs, improving people's welfare, and economic development. Although the potential for zakat in Indonesia is estimated to reach Rp 327 trillion per year, the realization of zakat collection is still far below this figure, only around Rp 10 trillion per year. This shows that the management and utilization of zakat in Indonesia is not optimal.(Hajar & Amelia, 2023)

The existence of data on the growth of zakat collection by the National Amil Zakat Agency in collaboration with the Amil Zakat Institute (LAZ) can be considered responsive to the development of existing situations and conditions. This also means that BAZNAS which was born by the State and LAZ which was established by the community also carry out a similar zakat collection strategy, namely by means of intensive collection. This means that the collection is not only manual but also digital. When people cannot do activities in public, one form of collecting zakat through e-commerce is one of the solutions in collecting zakat.(Makmur et al., 2024). This research is designed to explore the impact of the implementation of zakat on the community's economy in the digital era.

B. LITERATURE REVIEW

Zakat

According to the language (etymology), the word zakat comes from the Arabic zaka-yazku zakaan-zakaatan, which means an-numuw wa az-ziyadah to develop, increase, bless, grow, clean and good. In mu'jam al Wasith it is explained that zakat in language is a blessing, holy, good, growing, and the cleanliness of something. While zakat in the sense of blessing is the rest of the property that has been issued zakat, if it is qualitative, it will get blessings and will grow even though quantitatively the amount decreases. In the Qur'an Allah says (QS. At-Taubah: 103).

Meaning: Take zakat from some of their wealth, with that zakat you cleanse and purify them and pray for them. Verily, your prayer is peace of mind for them. And Allah is All-Hearing, All-Knowing.

Shadaqah is also called zakat, because in essence shadaqah is the cause of the development and blessing of the wealth of a person who fulfills shadaqah. However, this meaning is then affirmed, when referring to zakat, it is called shadaqah obligatory, while for other than zakat, it is called shadaqah or alms(Jufri Jacob et al., 2024)

In Islam, zakat is a religious obligation that requires Muslims to give a portion of their wealth to people in need. Zakat is intended to reduce social disparities, reduce poverty, and encourage economic equity. However, zakat has also undergone changes and adjustments in digital form in the information era.(Farid et al., 2023). Zakat is one of the pillars of Islam which has an important role for the economy of the community, but in this digital era, the mechanism of collecting and distributing zakat has significant transformation and allows it to expand its reach.

Community Economy

One of the important topics in the discussion about zakat is the economic sector, through this sector it can be used as a barometer of the progress and improvement of a country's economy. In other words, zakat can play an important role in reducing and suppressing the poor, with the management and use of zakat funds in a targeted and equitable manner, an increasing economy will definitely be achieved, and the poor will be eroded.(Mustarin, 2017)

Digital Age

Technology as a result of the implementation of human knowledge has an impact on the ease of human activities in fulfilling the needs of life. The development of technology is tangible evidence of changes in people's lifestyles, offline activities to online activities. An effective technology system is advantageous in meeting the needs of millennials. Digital technology helps data to be integrated comprehensively effectively. The information technology that is widely used is the management information system. The system is a database that has been integrated with a computer and selected based on indicators so as to provide convenience for users. The steps that must be taken by organizations in supporting the modernization of the use of technology in the form of automatic financial management. There are 4 phases of change that are passed in the process of shifting the behavior of using financial technology.(Wijaya, 2024)

The potential for digital zakat increases every year. Therefore, BAZNAS has made a digital zakat collection plan as a way to pay zakat. Digital zakat collection continues to increase. Starting from 2016 at 1%, it rose to 14% in 2019 and is expected to reach 30% in 2000. This is contrary to the regulation of the Minister of Religion number 6 of 2020 and the MUI fatwa on the management of zakat in a non-crowded manner. Because BAZNAS and the Amil Zakat Institution provide zakat online, digital zakat collection is a solution during the pandemic. In addition, digital zakat has the ability to reduce poverty levels like during Covid-19.(Makmur et al., 2024)

C. RESEARCH METHODOLOGY

This study uses a qualitative approach with secondary data analysis. This approach aims to understand the impact of digital zakat on the community's economy based on available data such as the results of previous research related to zakat in the digital era. which discusses the impact of digitalization in the management of zakat and studies related to zakat as an Islamic economic instrument.

D. RESULTS AND DISCUSSION

The implementation of digital zakat has had a number of significant positive impacts on the community's economy, especially in the context of increasing efficiency, transparency, and accountability in its collection and distribution.

Improving the Efficiency of Zakat Collection through Digital Technology

The use of digital platforms in the zakat collection mechanism has significantly increased the efficiency of the collection process. Based on the data collected, there has been a substantial increase in the amount of zakat that has been collected since the introduction of the digital system. For example, in 2020, there was a 30% increase in zakat collection compared to previous years. This increase can be linked to several key factors, such as: Ease of access offered by digital platforms, where people can fulfill their zakat obligations without having to come directly to the amil zakat institution. This is in line with the purpose of zakat in Islamic economics, where zakat functions as an important instrument for the redistribution of wealth from the more affluent group to the needy group. With the increase in efficiency in zakat collection, the amount of funds available to be distributed to mustahik has also increased, so that zakat can play a more effective role in reducing social and economic disparities in society.(Sujantoko et al., 2024)

Transparency and Accountability in Zakat Distribution

Another important aspect that emerges from the implementation of digital zakat is increased transparency and accountability in the distribution of zakat. In Islamic economics, transparency and accountability are important values that must be upheld in every economic activity, including in the management of zakat. Through the use of digital platforms, amil zakat institutions can now provide more detailed and real-time online reports on the collection and distribution of zakat funds. The existence of a tracking system feature in the zakat application allows donors to directly monitor how and to whom their zakat is distributed. This gives donors greater confidence that the funds they provide actually reach the parties who are entitled to receive them, and that there is no abuse in the process of disbursing them. This trust is very important, because one of the main challenges in the management of zakat in the past was the public's distrust of zakat management institutions, especially related to the transparency of distribution.(Subeno & Asyari, 2024)

Zakat as an Islamic Economic Instrument in Realizing Social Welfare

From an Islamic economic perspective, the results of this study support the view that zakat is not only a religious obligation, but also an important economic instrument to create social welfare. Zakat acts as a tool for wealth distribution that aims to overcome poverty, reduce economic injustice, and promote the welfare of the people as a whole. With digital implementation, zakat can be managed more efficiently and have a wider impact in overcoming social inequality.

In line with the principles of justice, welfare, and brotherhood in Islam, digital zakat has been proven to help accelerate the distribution of wealth from the rich to the underprivileged.

This research also confirms that zakat has the potential to be an effective solution in overcoming the problem of poverty and social injustice in the digital era, provided that its application still complies with sharia principles and utilizes technology in an ethical and responsible way. Digital technology allows amil zakat institutions to expand their reach, improve operational efficiency, and have a greater impact on the welfare of the people.(Aravik, 2017)

E. CONCLUSION

The integration of technology in zakat management has brought significant positive changes to the way zakat is collected and distributed. The increase in efficiency, transparency, and accountability resulting from the use of digital platforms has had a direct impact on increasing the amount of zakat collected and the satisfaction of zakat recipients.

Thus, digital zakat not only answers the challenges faced by zakat management institutions in the modern era, but also strengthens the role of zakat as an important instrument in creating economic and social welfare in society.

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