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The Role of BAZNAS in Managing Zakat for Humanitarian Relief and Socio-Economic Recovery in Indonesia

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ABSTRACT

This study examines the role of BAZNAS (Badan Amil Zakat Nasional) in managing zakat to support humanitarian assistance and socio-economic recovery in Indonesia. Using a qualitative case study approach, the research explores how zakat has been used in crisis situations such as natural disasters, public health emergencies, and post-pandemic economic recovery. It also evaluates how zakat contributes to long-term poverty reduction and *mustahik* empowerment through targeted programmes and institutional transformation. Findings show that BAZNAS has made significant progress in using zakat for both relief and development, including lifting over 577,000 people out of poverty in 2023. The study highlights the importance of digital innovation, performance monitoring, and strategic planning in zakat management. Despite substantial growth in collection and outreach, zakat's full potential is still underutilized. Strengthening institutional capacity, digital adoption, and data-driven decision-making are key to maximizing zakat's role as an Islamic social finance instrument for inclusive development

1. Introduction

Zakat is one of the five pillars of Islam and a religious obligation for eligible Muslims. Beyond its spiritual value, zakat has increasingly gained recognition as an economic and social tool for addressing poverty, reducing inequality, and strengthening community resilience. In the Islamic economic framework, zakat is not simply a mechanism for wealth redistribution from the rich (*muzakki*) to the poor (*mustahik*), but also a means of empowering the underprivileged to achieve financial independence. This empowerment can support long-term development by enabling *mustahik* to actively participate in economic activities and eventually transform into *muzakki* themselves (Abdullah and Haqqi, 2017; Al Haqq and Wahab, 2017).

The Al-Quran clearly mentioned, in many verses, the responsibility of the rich to pay zakat. For instance, in Al-Quran Surah Al-Baqarah verse 43 explicitly identifies zakat as a religious duty,

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consistently associating its payment with the act of prayer. Surah At-Tawbah (9:103) of the Al-Quran establishes the obligation to collect a prescribed portion of Muslims' wealth as a means of purifying their wealth and spiritual selves. This obligation is further reinforced by the Prophetic directive concerning the collection of zakat from those with sufficient means and its distribution to those in need. Hence, this obligation shall not only be understood as merely the mechanism of transferring wealth from the rich to the poor. Zakat must also function as an economic mechanism that has implications in the form of increasing social welfare of the community, such as increasing lower-class economic productivity in society, increasing aggregate consumption, increasing aggregate investment, and subsequently increasing employment. In other words, zakat must also be an instrument that empowers the economic (economic empowerment) of the poor so that they can be liberated from the poverty chain and subsequently transforming themselves into *muzakki*.

In Indonesia, zakat plays a unique and strategic role. With the largest number of Muslim populations in the world (Hackett et al., 2025), the country has significant zakat potential, estimated at around 3.4 to 3.5 percent of GDP, yet actual collection still lags far behind. National zakat collection has grown rapidly, from IDR 8.12 trillion in 2018 to IDR 32.32 trillion in 2023, driven by improvements in digital platforms, financial inclusion, and organizational performance (BAZNAS, 2024). However, this still represents only a fraction of its full potential. Meanwhile, Indonesia continues to face challenges such as post-pandemic economic recovery, rising living costs, recurring climate disasters, and persistent inequality, all of which demand innovative and scalable solutions, including zakat (Wibisono, 2015; Rusanti et al., 2023).

The presence of Amil Zakat Institutions (LAZ) and the National Board of Zakat (BAZNAS) as regulated under Law No. 23 of 2011 marks a transition toward more professional, accountable, and efficient zakat management. Zakat is now expected not only to be collected and distributed fairly but also to align with national development goals such as poverty alleviation, disaster response, and financial inclusion. BAZNAS has introduced a range of programmes across multiple sectors including; microfinance, health, education, and disaster relief that aim to support *mustahik* and improve welfare outcomes.

This paper aims to explore the role of zakat managed through BAZNAS as an instrument of humanitarian support and socio-economic transformation in Indonesia. It focuses on the extent to which BAZNAS's programmes contribute to poverty alleviation, especially in light of recent crises such as the COVID-19 pandemic, economic shocks, and natural disasters. Additionally, it investigates whether BAZNAS's innovations, such as digital zakat platforms and community empowerment models, have the capacity to strengthen Indonesia's social protection system and support inclusive development.

This study contributes to the existing literature in several ways. While previous research has broadly acknowledged zakat's potential to reduce poverty and promote social welfare (Al Arif, 2010; Dogarawa, 2009), much of it is either conceptual or focused on specific programme evaluations with limited recent data. Limited studies have comprehensively examined BAZNAS's role using the latest data (2020–2024), particularly in the context of post-pandemic recovery, digital transformation, and climate-induced crises. As a result, this paper addresses that gap by offering a timely, case-based analysis of BAZNAS's institutional performance and the strategic positioning of zakat as a tool for sustainable development. In doing so, it updates outdated frameworks and provides practical insights into the evolving landscape of zakat governance in Indonesia.

2. Literature Review

2.1. BAZNAS and Its Role in Zakat Management in Indonesia

The National Board of Zakat (BAZNAS) is Indonesia's official institution for managing zakat. It is a non-structural government entity that functions autonomously and reports to the President via the Minister of Religious Affairs. According to Law Number 23 of 2011, BAZNAS is in charge of planning, collecting, distributing, using, managing, reporting, and guaranteeing accountability in zakat administration. As a result, BAZNAS not only collects zakat from *muzakki*, or zakat payers, but also distributes and uses the monies to assist eligible beneficiaries known as *mustahik* (PPID BAZNAS RI, n.d.; UU No. 23 Tahun 2011, 2011).

In more detail, BAZNAS functions on a decentralized basis at the national, provincial, and district or municipal levels. At the national level, BAZNAS Republic of Indonesia creates national policies, maintains zakat programmes, organizes zakat institutions, and oversees national reporting. Provincial BAZNAS institutions oversee zakat in their respective provinces and work with district or municipal BAZNAS offices. Local BAZNAS institutions collect and distribute zakat in their respective localities. This local position enables them to better understand the situations of *muzakki* and *mustahik* and to build initiatives that address local social and economic requirements (PP No. 14 Tahun 2014, 2014).

Although these entities operate at distinct administrative levels, they are linked by coordination and reporting systems. District or municipal BAZNAS offices report to the provincial BAZNAS and local government, whereas provincial BAZNAS offices report to both the national and provincial governments. BAZNAS may also set up Zakat Collection Units, or UPZ, in government offices, businesses, educational institutions, mosques, communities, and other organizations. These entities support BAZNAS in collecting zakat from people and institutions, while the monies are managed and distributed by the local BAZNAS authority (PP No. 14 Tahun 2014, 2014).

BAZNAS varies from a Zakat Management Institution, also known as LAZ, primarily in its founding and institutional status. BAZNAS was formed by the government under national legislation and has operational and coordinating control over the national zakat system. In contrast, LAZ is formed by community organizations, Islamic charities, or other non-profit legal entities to aid BAZNAS in collecting, distributing, and utilizing zakat. A LAZ must gain formal license from the Ministry of Religious Affairs, receive a recommendation from BAZNAS, be subject to Sharia supervision, and meet financial and Sharia audit standards. Thus, BAZNAS symbolizes the state-based zakat management structure, whereas LAZ represents community engagement in the regulated national zakat system (UU No. 23 Tahun 2011, 2011; PP No. 14 Tahun 2014, 2014).

2.2. Concept of Zakat

Zakat is a mandatory form of almsgiving in Islam and one of its five fundamental pillars. It is not merely an act of charity, but an obligation that reflects a just and ethical redistribution of wealth from those who have surplus (*muzakki*) to those in need (*mustahik*). Zakat comes from the Arabic root meaning “to purify” and “to grow”, signifying its role in both spiritual and socio-economic development (Alfaizin et al., 2018). Islam views wealth as a trust from Allah, and zakat purifies that wealth while sustaining the dignity and welfare of the poor.

In economic terms, zakat functions as a fiscal mechanism that can reduce income inequality, alleviate poverty, and enhance economic participation among marginalized communities. By systematically transferring a portion of wealth (typically 2.5% of eligible assets annually), zakat injects liquidity into low-income sectors and supports consumption, investment, and microenterprise growth. This cyclical redistribution not only addresses immediate needs but fosters long-term financial independence among beneficiaries (Aliyu et al., 2018; Dogarawa, 2009).

Modern scholars emphasize that zakat should not be perceived only as a one-way transfer of funds but as a structured socio-economic tool embedded in Islamic economic policy. It can act counter-cyclically, meaning that in times of economic crisis, zakat distributions can support aggregate demand and stabilize consumption (Yusoff, 2010). This gives zakat an economic multiplier function. In recent studies, zakat has also been linked to broader development goals, such as increasing the Human Development Index (Rusanti et al., 2023; Akmal et al., 2020; Mongkito et al., 2026; Hamadou & Jallow, 2024) and reducing multidimensional poverty (Riani & Indra, 2026; Aziz et al., 2020; Siregar et al., 2025). These findings underscore its relevance beyond traditional charitable interpretations.

Furthermore, the integration of zakat into national financial systems, through professional institutions like BAZNAS, has made it possible to align zakat governance with broader public finance and social protection agendas. In Indonesia, innovations in digital zakat collection, regional zakat mapping, and the application of impact evaluation tools (e.g., National Zakat Index, Zakat Welfare Index) illustrate the modern evolution of zakat as a strategic development instrument (Kasri & Sosianti, 2023; BAZNAS, 2024).

2.3. Zakat in Humanitarian and Socio-economic Crises

Zakat is a key component of Islamic social finance and plays an essential role in supporting communities during economic hardship, humanitarian crises, and social disruptions. According to the maqasid shariah framework, zakat promotes human well-being by fulfilling basic needs such as health, education, justice, and livelihood (Haron et al., 2021). These principles are emphasized repeatedly in the Qur'an and Hadith, where zakat is framed as a tool for maintaining social balance and alleviating suffering.

Beyond its spiritual dimension, zakat has a practical role in addressing emergencies and social instability. In situations where government resources are overstretched, such as during natural disasters, economic downturns, or public health emergencies, zakat institutions can act swiftly to provide food, shelter, healthcare, and financial assistance. BAZNAS, Indonesia's national zakat body, has become increasingly central to this humanitarian role, responding to floods, earthquakes, fires, and displacement in various regions. For example, in March 2025, BAZNAS distributed *sahur* meal packages to over 2,200 flood victims in Jakarta, demonstrating how zakat can be mobilized quickly in times of distress (BAZNAS, 2025).

Furthermore, several studies have shown that zakat contributes not only to short-term relief but also to long-term socio-economic recovery. According to BAZNAS (2024), its zakat empowerment programmes contributed to poverty alleviation among approximately 577,000 beneficiaries in Indonesia in 2023. These initiatives encompassed education, microfinance, livelihood development, and health assistance, with the broader objective of strengthening the economic resilience and self-reliance of *mustahik*. This shows that zakat is not only reactive but also transformational when used strategically.

Although the COVID-19 pandemic was a major test of Islamic social finance, it also revealed zakat's wider utility. During the pandemic, zakat institutions in Southeast Asia expanded their interpretations of *asnaf* to include informal workers, the newly unemployed, and low-income families affected by lockdowns (Nasiruddin, 2020; Ainaa Aiman, 2020). This adaptive approach set a precedent for responding to other emerging crises, such as rising inflation, food insecurity, and environmental displacement.

Compared to traditional government aid, zakat has certain advantages. It can be distributed rapidly through trusted religious institutions, it fosters community solidarity, and it operates on faith-based motivations that often transcend bureaucracy. However, it also faces challenges such as ensuring equitable coverage, improving targeting mechanisms, and scaling up impact without diluting religious values (El Hassan, 2016; Hamed, 2020). In recent years, the discourse around zakat has expanded to include its role in sustainable development, social protection, and crisis resilience. Institutions like BAZNAS have adopted national zakat indexes, digital platforms, and performance evaluations to better align their humanitarian programmes with the needs of modern society. This shift signals a broader understanding of zakat and not merely as spiritual charity, but as an organized response mechanism in both national and global crises.

2.4. Zakat Approaches Which Relate to Humanitarian Programmes

In Islam, the distribution of zakat is prescribed for eight categories of eligible recipients (*asnaf*), as specified in the Qur'an (Surah At-Tawbah, 9:60). These include the poor (*al-fuqara*), the needy (*al-masakin*), zakat administrators (*amilin*), new Muslims (*muallaf*), those in debt (*gharimin*), those striving in the way of Allah (*fi sabilillah*), captives (*riqab*), and stranded travelers (*ibn sabil*). Each category reflects a broader social function such as: poverty relief, support for social transition, or enabling mobility and security. Over time, these categories have been interpreted in line with evolving social needs. For instance, zakat for *ibn sabil* (travelers) is now often applied as scholarship aid, while *fi sabilillah* is extended to support healthcare, disaster relief, and public infrastructure (Hafidhuddin, 2018).

In recent years, zakat institutions have begun to focus not only on who receives zakat, but also on how it is delivered. Many scholars now emphasize the 'transformational' nature of zakat. Its ability not only to meet basic needs but to help recipients achieve financial independence and eventually become zakat givers themselves (Hassan, 2016). This view promotes zakat as a tool for economic inclusion and empowerment, rather than short-term relief. For example, programmes under BAZNAS such as Zakat Community Development (ZCD) and *Mustahik* Economic Empowerment Institute (LPEM) are designed to train and equip *mustahik* with the skills, capital, and market access needed to build sustainable livelihoods.

One of the challenges in modern zakat management is how to evaluate performance across thousands of programmes and multiple sectors. To address this, zakat institutions in Indonesia and elsewhere should apply performance frameworks like the "Three E's": Efficiency, Effectiveness, and Economy. Efficiency refers to minimizing input costs per output (e.g., how many beneficiaries per rupiah spent). Effectiveness looks at how well zakat programmes achieve their goals, such as improving incomes or educational attainment. Economy evaluates whether programme costs align with planned budgets and whether resources are used wisely (Yusoff, 2018).

Recent studies, hence, suggest that traditional efficiency frameworks must be expanded. For example, a 2023 study of data from 14 zakat organizations in Indonesia discovered that only two were relatively efficient and positioned on the estimated DEA efficiency frontier, while the remaining organizations demonstrated relative inefficiencies in either collection or distribution (Prakoso et al., 2023). These findings suggest that the two firms were more efficient than the other businesses in the sample, rather than being efficient in absolute terms. The findings point to the need to increase institutional capability and operational management. Improvements in data openness and professional training may also aid in improved zakat management, albeit these aspects cannot be inferred only from DEA results. BAZNAS responded by creating the National Zakat Index and the Zakat Welfare Index, which are instruments for monitoring institutional performance, assessing the welfare effect of zakat, and guiding planning.

3. Methodology

This research adopts a qualitative approach using a case study design, focusing specifically on BAZNAS as Indonesia's national zakat institution. The goal is to examine how BAZNAS programmes support humanitarian needs and socio-economic development, particularly during times of crisis such as natural disasters, economic hardship, and post-pandemic recovery. A case study approach is appropriate because it allows for an in-depth understanding of zakat governance, operational strategies, and impact within a specific institutional context.

The study uses secondary data collected from various credible sources published between 2020 and 2024. These sources include official BAZNAS documents, such as annual reports, zakat outlook publications, and performance summaries, as well as scholarly articles published in indexed journals, including Scopus- and SINTA-indexed journals. Additional supporting data comes from the Indonesian Central Statistics Agency (BPS), relevant government regulations, and research from Islamic economic scholars. Sources were selected based on their relevance, recency, and accuracy in covering BAZNAS's role in zakat collection, distribution, and programme outcomes.

Lastly, thematic analysis was used to organize findings into major discussion areas, including poverty alleviation, humanitarian response, empowerment programmes, and digital zakat transformation. By analyzing and comparing data across reports, institutional practices, and literature, the study aims to highlight how BAZNAS contributes to national development goals through zakat.

4. Finding and Discussion

4.1. BAZNAS's Role in Crisis and Humanitarian Response

BAZNAS has taken an active role in responding to various humanitarian and crisis situations in Indonesia. As a country that frequently experiences natural disasters such as floods, earthquakes, volcanic eruptions, and storms, Indonesia requires fast and flexible support systems. BAZNAS has developed programmes that allow zakat to be used for direct crisis response, including emergency relief, health support, and recovery for affected communities. One of BAZNAS's dedicated programmes is the Disaster Response Unit, known as BAZNAS Tanggap Bencana (BTB). This unit is mobilized to deliver aid in times of natural and non-natural disasters.

In March 2025, for example, BAZNAS distributed more than 2,200 sahur meal packages to families affected by flooding in DKI Jakarta during Ramadan. This is part of the Hidangan Berkah Ramadhan programme, which also includes food security and shelter aid during emergencies (BAZNAS, 2025). These quick-response actions show that zakat can be used beyond traditional purposes, helping people survive in crisis situations while preserving dignity and social justice.

BAZNAS also worked intensively during the COVID-19 pandemic. Although this health crisis has passed its emergency phase, its economic and social impact continues to be felt. During the pandemic period, BAZNAS channeled zakat funds to provide masks, protective equipment, basic food, and cash assistance to informal workers and poor families. According to the Outlook Zakat Indonesia 2021 report, BAZNAS classified its COVID-19 support into four sectors: economic, education, social-humanitarian, and health (Puskas BAZNAS, 2021). This flexible use of zakat helped vulnerable groups stay afloat and prevent further decline into poverty.

The effectiveness of BAZNAS during humanitarian crises is also supported by its cooperation with government agencies and other civil society organizations. In 2021 alone, BAZNAS participated in 49 humanitarian response activities across Indonesia, from volcano eruptions to flash floods (BAZNAS, 2021). This collaboration reflects that zakat can complement state relief programmes and fill gaps where government services are delayed or unavailable.

Moreover, Zakat funds are not only used during immediate emergencies. BAZNAS also assists communities in rebuilding livelihoods and infrastructure after disasters. This includes supporting the reconstruction of damaged schools, providing health services, and offering education scholarships to children affected by crises. This long-term view aligns with the idea of zakat as a tool for resilience, not just relief.

These activities show that BAZNAS is not limited to routine zakat distribution but is able to operate as a humanitarian actor with a national presence. As summarized in Table 1, "BAZNAS's Role in Crisis Response through Zakat-Based Humanitarian Programmes," BAZNAS has utilized zakat in humanitarian settings to respond to different types of crises, including floods, multi-disaster events, the COVID-19 pandemic, earthquakes, storms, and volcanic eruptions. The strategic use of zakat in humanitarian settings also proves that Islamic social finance can play a critical role in crisis response, especially in countries like Indonesia that are vulnerable to frequent emergencies. The programmes presented in the table further illustrate how BAZNAS provides not only immediate assistance, such as food packages and emergency kits, but also health support, financial assistance, medical aid, and post-disaster recovery. Overall, these activities demonstrate the broader humanitarian role of BAZNAS in supporting vulnerable communities during times of crisis.

Table 1. BAZNAs's Role in Crisis Response through Zakat-Based Humanitarian Programmes

Year	Type of Crisis	Programme Name / Description	Type of Zakat/ Islamic Social Finance and Aid Provided	Reported Impact / Output
2025	Flood (Jakarta)	Hidangan Berkah Ramadhan	Sahur meal packages	2,200 meals distributed to flood victims
2021	Multi-disaster (nationwide)	BTB – BAZNAS Tanggap Bencana	Emergency kits, food, tents	49 disaster response actions across Indonesia
2020–2021	COVID-19 Pandemic	Health and economic relief via zakat	PPE, food packages, financial assistance	Nationwide outreach to informal workers, poor families
Ongoing	Earthquakes, storms, volcanic eruptions	Collaboration with BNPB, local BAZNAS units	Medical aid, reconstruction, cash relief	Post-disaster recovery projects (no. varies by event)

Sources: BAZNAS (2026)

4.2. Empowerment and Poverty Reduction through Zakat

One of the most important goals of zakat in the modern context is to reduce poverty in a sustainable way (Riani & Indra, 2026; Aziz et al., 2020; Siregar et al., 2025). In Indonesia, BAZNAS has positioned itself not only as a provider of short-term relief but also as a strategic actor in long-term poverty alleviation and *mustahik* empowerment. BAZNAS has historically provided direct aid alongside productive and community-based empowerment programmes. Rather than replacing consumption aid, these projects supplement it by addressing *mustahik*'s long-term economic and social needs. Official BAZNAS records reveal that the Zakat Community Development project was already operational in 2018, employing an integrated strategy that addressed economic empowerment, education, health, religious development, and humanitarian help (BAZNAS, 2019). BAZNAS has also used zakat to support larger development initiatives, such as providing electricity infrastructure to impoverished rural communities, demonstrating that zakat empowerment goes beyond direct cash or food assistance (BAZNAS, 2018).

Moreover, BAZNAS offers business funding, training, mentorship, and community help through programmes such as Zakat Community Development, BAZNAS Microfinance, economic empowerment, livestock development, and micro-enterprise support. The major goal is to increase *Mustahik*'s capability and economic independence. In the long run, these projects seek to assist recipients in transitioning from zakat dependence to self-reliance and, when feasible, becoming *muzakki* themselves (BAZNAS, 2021). Research on BAZNAS initiatives also demonstrates that productive zakat and continued aid may increase beneficiaries' companies and wellbeing, however, programme effects rely on the quality of mentorship, human resources, and beneficiary engagement (Khatimah et al., 2024). All this idea is rooted in the "transformational zakat" concept, where zakat is not just about giving, but enabling people to exit poverty permanently through empowerment and economic inclusion.

Based on official reports, the impact of BAZNAS empowerment programmes has started to show measurable results. According to BAZNAS's (2024) *Capaian Kinerja BAZNAS Tahun 2023*, zakat programmes managed by BAZNAS contributed to lifting more than 577,000 people out of poverty in 2023. This progress was made through various initiatives, including skills training, capital support for small businesses, and sustainable livelihood programmes such as Zakat Community Development (ZCD), *Mustahik* Empowerment Institute (LPEM), and the Farmer Empowerment Institute (LPPM). These initiatives are particularly important in regions with limited access to formal banking or government subsidies, offering *mustahik* the tools and knowledge they need to become self-sufficient.

To improve targeting and efficiency, BAZNAS applies a prioritization framework that ensures zakat is directed toward the most vulnerable groups based on urgency and need. In addition to economic support, BAZNAS also invests in social programmes related to education, health, and basic services. The 2023 *Outlook Zakat Indonesia* report shows that empowerment-based distribution has increased steadily in recent years, particularly in the productive zakat sector, which represents a significant portion of total zakat disbursement (Puskas BAZNAS, 2023). These findings suggest that zakat is evolving beyond a predominantly charitable function toward greater investment in human capital and community development.

Furthermore, Zakat's long-term role is compatible with Indonesia's overall poverty alleviation policy. Data from Statistics Indonesia show that poverty increased during the early stage of the COVID-19 pandemic. The national poverty rate grew from 9.78% in March 2020 to 10.19% in September 2020, representing roughly 27.55 million individuals. After reaching this pandemic high, the rate steadily dropped to 10.14% in March 2021, 9.54% in March 2022, 9.36% in March 2023, 9.03% in March 2024, and 8.47% in March 2025. The percentage of Indonesia's population living in poverty increased during the early stages of the COVID-19 pandemic, before gradually declining in subsequent years, reaching 8.25% in September 2025, equivalent to approximately 23.36 million people (Badan Pusat Statistik, 2020, 2021a, 2021b, 2022, 2023, 2024a, 2025, 2026). Hence, the poverty rate reduced by 1.94 percentage points, while the number of poor people decreased by nearly 4.19 million between September 2020 and September 2025. However, the recovery has not been equal across regions, since the poverty rate in rural areas remained greater than that in urban areas in September 2025.

This nationwide drop cannot be attributed to zakat alone because poverty is impacted by various economic and social variables. Nonetheless, zakat may be used as a supplemental social protection and poverty reduction tool, particularly for impoverished and disadvantaged Muslim households who qualify as zakat beneficiaries. Empirical research in Indonesia has revealed that zakat distribution is connected with decreased poverty levels and improved recipient wellbeing, especially throughout the COVID-19 era (Arbi et al., 2024; Choiriyah et al., 2020). To strengthen this contribution, BAZNAS has developed monitoring and evaluation systems such as the National Zakat Index, the Zakat Impact Assessment, regular programme evaluations, and digital reporting through the BAZNAS Management Information System. These methods allow BAZNAS to examine institutional effectiveness, programme outcomes, and the influence of zakat on beneficiaries more systematically (BAZNAS, 2024a, 2025b).

With good targeting, accurate reporting, and regular programme review, zakat has the ability to complement government poverty reduction efforts and foster more equitable development. However, zakat should be presented as one aspect of Indonesia's overall poverty reduction system rather than as the major reason of the national drop in poverty.

4.3. Institutional and Digital Transformation in Zakat Management

In recent years, BAZNAS has undergone significant institutional changes that reflect a shift from traditional zakat collection and distribution toward a more professional, accountable, and digitally integrated organization. As the official body mandated by the Indonesian government to manage national zakat, BAZNAS has adopted several modernization efforts to improve governance, transparency, and impact. These changes are not only administrative but also strategic, with a strong emphasis on using technology to expand outreach, improve efficiency, and strengthen public trust in zakat institutions.

One of the most important developments is the rapid digital transformation of zakat collection. According to Outlook Zakat Indonesia 2023, more than 70 percent of zakat donors aged 25 to 44 in urban areas preferred digital channels for their contributions. BAZNAS has responded by integrating its payment systems with mobile applications, e-wallets, and digital banking services. Zakat can now be paid through QR codes, BAZNAS's official website, and digital platforms like Cinta Zakat, Tokopedia, Gopay, ShopeePay, and LinkAja. These options make zakat more accessible and convenient, especially for younger, tech-savvy Muslims. As a result, National ZIS-DSKL collection in Indonesia grew from roughly IDR 40.81 trillion in 2024 to IDR 44.70 trillion in 2025, showing a 9.54% yearly growth rate (BAZNAS Republic of Indonesia, 2026). This amount accounts for zakat, *zakat fitrah, infaq* and *sadaqah, qurban* funds, other religious social funds, and off-balance-sheet collections. This growth shows the effectiveness of digitalization in boosting public participation.

Moreover, to support this transformation, BAZNAS also launched new performance tools such as the Indeks Zakat Nasional (National Zakat Index) and the Indeks Kesejahteraan Mustahik (Zakat Welfare Index). These indexes are designed to evaluate the efficiency of zakat institutions and the real impact of zakat on the welfare of its beneficiaries. They help ensure that programmes are not only well funded but also well targeted and monitored. In the 2023 performance report, BAZNAS recorded that over 700 zakat management units including provincial and city-level BAZNAS and official LAZ (Lembaga Amil Zakat) are now actively reporting their data using standardized digital platforms (BAZNAS, 2024). This national coordination system improves consistency, transparency, and accountability in zakat governance.

Another important strategy is the introduction of a zakat potential mapping system. This tool helps BAZNAS set realistic collection targets based on demographic, economic, and religious data. For example, BAZNAS set an ambitious on-balance collection target of IDR 13 trillion for 2025, with projections divided across different zakat institutions such as central, provincial, and municipal units. These strategic targets are aimed at unlocking the full national zakat potential, which is estimated to be more than three percent of GDP. However, despite the rapid growth in collection, the actual figure remains far below this potential. Therefore, continuous institutional improvement and innovation are needed to close the gap between zakat potential and realization (Puskas BAZNAS, 2023).

The shift toward digital zakat and data-driven planning is not just a technical upgrade but a reflection of how Islamic social finance is adapting to modern societal needs. With increasing public awareness, improved regulation, and strong digital infrastructure, BAZNAS is better positioned to serve as both a religious institution and a development agency. The progress so far shows that zakat management in Indonesia is evolving into a modern, responsive, and professional system capable of contributing to broader economic and social development goals.

5. Conclusion

This study has explored the role of zakat in responding to humanitarian and socio-economic crises in Indonesia, using BAZNAS as a case study. As the government-recognized national zakat institution, BAZNAS has evolved from a conventional charity-based organization into a more structured and strategic institution. Its programmes now address both short-term humanitarian needs and long-term development challenges such as poverty, disaster recovery, and social protection. Through initiatives like disaster relief distribution, economic empowerment, and digital transformation, BAZNAS has positioned zakat as a vital tool for building community resilience and economic inclusion.

Results demonstrate that zakat has significantly improved social welfare and reduced poverty in Indonesia. Programmes run countrywide by BAZNAS and LAZ were anticipated to have lifted 1,350,227 persons beyond the applicable poverty limits in 2024, including 721,748 from extreme poverty, according to the 2024 Zakat Impact Assessment. This number represented around 5.61% of Indonesia's 24.06 million impoverished people in September 2024 and was 133% more than the 577,138 individuals reported in 2023 (BAZNAS, 2025). After recipients received zakat aid, the evaluation also noted decreases in the quantity, severity, and depth of poverty.

In 2025, the scope of national zakat administration kept expanding. ZIS-DSKL, the national collection of zakat, *infaq*, *sadaqah*, and other religious social funds, increased by 9.54% from IDR 40.81 trillion in 2024 to over IDR 44.70 trillion. Additionally, national distribution and utilization rose from IDR 40.08 trillion to IDR 44.29 trillion, a 10.50% rise. Approximately IDR 4.65 trillion of this sum, a 43.41% yearly increase, was given out through humanitarian initiatives (BAZNAS, 2026). With a 97.33% reporting compliance rate, 748 zakat management institutions were included in the national reporting system. These results show zakat management's expanding scope, accountability, and coordination as an Islamic social finance tool promoting national development.

However, the study also shows that zakat's full potential remains underutilized. Collection levels are still far below the estimated national zakat potential, and institutional performance varies across regions. To enhance impact, future strategies should focus on scaling up digital adoption, improving targeting mechanisms, and strengthening collaboration with local and international partners. Zakat must also continue to adapt to new challenges such as climate change, food insecurity, and economic inequality. With the right policies, innovation, and public trust, zakat, under the leadership of BAZNAS, can continue to play a central role in addressing Indonesia's humanitarian and development challenges.

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