

A Review on Digital Zakat Management Research

*Ahmad Rafiki, Hery Syahrial, Silvi Andika

Faculty of Economics and Business, Universitas Medan Area

*hahmadrafiki@gmail.com, ry.syahrial@gmail.com, silviandika0@gmail.com

Corresponding Author: Ahmad Rafiki

Abstract: Digital zakat management refers to the use of technology to facilitate the collection, distribution, and management of zakat, an Islamic tax on wealth. Digitalization can enhance zakat management by increasing efficiency, transparency, and convenience. However, digital zakat management also poses some challenges, such as the risk of zakat fund transfer failure, sharia compliance risk, and technological information risk. These risks can be addressed through global cybersecurity and fintech advancements. The main objective of this research is to review and analyze the use of digital zakat management research. It found that there are initial research had been done in emerging countries on digital zakat management, as well as authors from respective institutions. It is expected to have a clear view of the impact and benefit of using digital zakat management which then can be tested in empirical studies. An optimal collection of zakat funds is the aim as a result of an effective zakat management system.

Keywords: *Digital, Zakat, Management, Technology*

1. Introduction

Zakat is a worship that has two dimensions, apart from achieving pleasure and hoping for rewards from Allah SWT, zakat is a worship that has a social dimension. Therefore, in Islamic history, zakat has been widely used for social purposes. The manifestation of these social interests can be community empowerment, social security, education, health, and others. Zakat has a very noble social dimension, which indicates that Islamic teachings have thought about solutions to problems of inequality and unequal distribution of income in society (Akhyar Adnan & Barizah Abu Bakar, 2009).

Zakat is a fiscal instrument in economic practice that has been used since the Prophet Muhammad, and based on historical records, zakat has played a very important role in the income distribution mechanism in the economy (Amilahaq et al., 2021; Lubis & Azizah, 2018). This can be realized if the potential of zakat can truly be explored effectively and efficiently.

Digitalization has penetrated all aspects of human life, both from an economic perspective, political, social, cultural, and zakat management is no exception. There are at least three phases passed by zakat managers in all parts of the world, namely digitation, digitalization, and digital transformation (Mutamimah et al., 2021). Digitation means ownership of digital devices. Digitalization is defined as the process of converting physical data into digital data and the existence of digital standardization. Digital transformation is a whole action, process, or form of digital transformation so that the entire process is digitally integrated. Moreover, digital transformation in zakat management means digital integration of processes business to business models in managing zakat. It makes all aspects of zakat management starting from planning, collection, distribution and utilization, reporting, and control of zakat is carried out within the corridor digitalization gradually until being completed. It needs an exploration of research on digital zakat management which can be used as a reference for extensive or empirical research. It is also an exposure to the importance of digitalization in one of the Islamic social finance instruments which must be expanded due to the continuous impact on economic development.

2. Literature Review

Zakat holds significant importance in Islam for various reasons. It is a fundamental pillar of the faith, serving as an obligatory act of worship for Muslims to fulfill a religious duty. Zakat helps those in need by providing financial assistance for their necessities, promoting social justice, and reducing revenue inequality in society. Furthermore, Zakat fosters community bonds, encourages gratitude, and charitable giving, and serves as a way to earn rewards from Allah. It also emphasizes the balance between spiritual and material well-being, reminding Muslims of their accountability to Allah in using their wealth wisely and ethically (Saad et al., 2014;

Owoyemi, 2020). Overall, Zakat plays a crucial role in promoting compassion, social responsibility, and unity within the Muslim community while addressing economic inequality and empowering those in need (Cokrohadisumarto et al., 2020).

Zakat is a vital component of Islam, serving as the third pillar of the faith after the declaration of faith and prayer (Zakiy et al., 2023). It is a mandatory act of worship for Muslims who meet certain eligibility criteria, and its importance extends beyond spiritual growth to have a profound impact on both personal and communal levels (Hasan et al., 2019). The significance of Zakat is underscored in the Quran and Hadith, reflecting core Islamic values of compassion and social responsibility.

The case in Indonesia (one of the Muslim most populations in the world). There are challenges by the zakat institutions in collecting and distributing zakat funds (Kasri & Yuniar, 2021; Mawardi et al., 2023):

Table 1: Aspects and Challenges of Zakat Fund Collection and Distribution

Aspect	Challenges
Planning	National zakat management planning is yet to be integrated completely with the Development Planning System National The lack of understanding of ongoing planning zakat by Amil Need more technical guidance regarding planning for provincial zakat institutions.
Collection	The lack of awareness among zakat payers. The number of unofficial zakat institutions is still high Unhealthy competition between Zakat institutions Security of data on digital platforms is still underdeveloped or needs a systematic and reliable system. Violation of the amil zakat's code of ethics which has an impact on the zakat payer's trust.
Distribution and Utilization	Collection and distribution are very dependent on economic and social conditions at a certain time, so they become very volatile. There is an opinion from some people that zakat distribution is carried out by some of zakat institutions which associated with illegal activities. Slowing economic growth and the emergence of new poor community classes due to potential natural disasters and climate change. Zakat institution's branding as a philanthropic institution is less competitive compared to other financial institutions.
Controlling	There is no comprehensive architecture and blueprint for zakat integration with other economic masterplans. Declining public trust in zakat institutions. Absence of binding regulations between zakat institutions and the government (local or central). Uncontrollable the extensive institutional network (zakat institutions) that oversight effective zakat implementation.
Reporting and Accountability	Less participation (not 100%) in national zakat management Amil's capability in using the Zakat integrated system is still minimal, thus requiring a continuous training program. Unaffordable to pay audit fees by zakat managers

The gap between the potential and realization of zakat collection is room for improvement and acceleration of zakat management performance through various aspects of challenges that need to be answered. Thus, the results of zakat management performance are not only reflected through a single indicator.

Importance of Zakat in Islam

Zakat comes from the purification, growth, and blessing of one's wealth. One should give a set percentage (2.5%) of their wealth based on their yearly earnings and give that percentage to those in need. This is usually set aside as what one expects to give whether through donations to charities or their Masjid. Zakat is a fundamental teaching of Islam, and Muslims must work to ensure those who don't have the means to thrive are given what they need to survive. Generosity is a central theme in Islam that Allah gives to those He loves, and He guides us to refrain from attachment to material wealth.

The Zakat system currently faces several challenges that need to be addressed to ensure its effectiveness in alleviating poverty and supporting the needy. The challenges of zakat management in Muslim developing countries are numerous and complex. Some of the key challenges include (Mawardi et al., 2023; Kamal et al., 2024; Ardani & Pujiyono, 2021; Bin-Nashwan et al., 2020):

- *Lack of integration with government programs:* There is a need for zakat programs to be integrated with government programs, particularly those aimed at poverty reduction, to maximize their impact
- *Low public awareness:* Increasing public awareness about zakat is crucial for its successful implementation and acceptance by the community
- *Low reporting:* Many zakat institutions do not report their zakat management activities, which makes it difficult to track and optimize the collection and distribution of zakat funds
- *Regulatory issues:* The current Zakat Act does not yet integrate zakat as part of state finances, which needs to be addressed to facilitate its use as a source of state revenue
- *Socialization and community engagement:* The community must be educated about the importance of zakat and its role in poverty alleviation
- *Instrumentation and institutional support:* The government needs to establish institutions and instruments to collect and distribute zakat funds efficiently
- *Trust and transparency:* Ensuring transparency in the collection and distribution of zakat funds is essential to build public trust and confidence in the system
- *Lack of staff and resources:* Zakat institutions may face challenges in managing their staff and resources effectively, leading to inefficiencies in the distribution of Zakat funds. The education and training of amil zakat officers is crucial for ensuring professional and capable personnel to manage zakat activities effectively.
- *Political issues:* The integration of zakat as an obligation in the law may raise political concerns, particularly regarding the perception of the country as an Islamic state
- *Corruption and mismanagement:* Ensuring that zakat funds are not misused or misappropriated is a significant challenge, as it requires strong governance and accountability mechanisms
- *Technological limitations:* The use of technology to improve the efficiency of zakat distribution and monitoring is limited, which can lead to issues in tracking recipient information and the distribution process
- *Governance of zakat institutions:* Ensuring the transparency, accountability, and effectiveness of zakat institutions is crucial for maintaining public trust and confidence in the zakat system

To address these challenges, it is essential to strengthen the governance of zakat institutions, improve transparency and accountability, and increase public awareness and education about the importance of zakat in supporting the needy and alleviating poverty. Moreover, the development of zakat has been driven by its potential to address social issues and contribute to the SDGs. It is a significant form of philanthropy that has been adopted globally and has the potential to make a significant impact on poverty, inequality, and other social issues.

Digital technologies used in zakat management include:

- *Web-based applications:* These offer several time-saving services in collecting, distributing, and utilizing zakat services, enhancing the efficiency of the zakat management process
- *Mobile applications:* These can facilitate zakat management by providing online financial reports, online zakat calculators, and online payment facilities, making zakat more accessible and efficient

- *Blockchain technology*: This can be used to create a more open, transparent, and secure online environment for zakat transactions, ensuring the integrity of the process.
- *Smart contracts*: These can automate and simplify zakat management and collection, increasing transparency and accountability, and reducing administrative costs.
- *Artificial Intelligence (AI)*: AI can help zakat organizations improve the efficiency, accuracy, and impact of zakat collection and management by analyzing and interpreting data, recognizing patterns, and making predictions or recommendations.
- *Digital wallets*: These can be used to accept and distribute zakat funds, enhancing the efficiency and transparency of zakat transactions.
- *Online payment services*: These can facilitate zakat payments, making it easier for donors to contribute to zakat and for recipients to receive support.
- *Digital-based information systems*: These can manage and track zakat funds, providing real-time updates on zakat collection and distribution, and enhancing transparency and accountability.

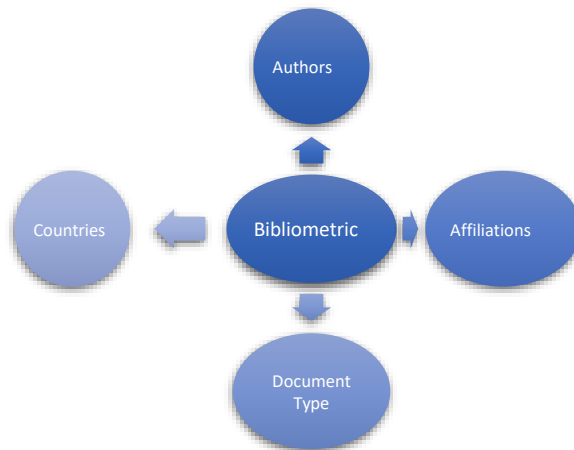
Zakat management systems link several organizations together. These can promote collaboration and address issues of information sharing and inefficient business processes, enhancing the overall efficiency of zakat management. These digital technologies have the potential to improve the efficiency, transparency, and accessibility of zakat management, ultimately enhancing the impact of zakat in addressing social and economic inequalities.

The zakat operator (amil) has its challenges for management zakat itself. Considering the high turnover of amil, this allows a management system The zakat that is built and implemented can change along with changes in the amil's human resources on duty. Thus, things related to prosperity, certainty career path, and merit system from Amil Zakat Management HR need to be completed immediately.

3. Method

This study's thorough bibliometric analysis sought to answer each of the predetermined research topics. Furthermore, bibliometric analysis reveals relationships between the publications. It also shows the development of research on the mentioned subjects in terms of document type, authors' productivity, affiliations, and countries. Below is the flow of bibliometric analysis for this study:

Figure 1: Flow of the Bibliometric Analysis



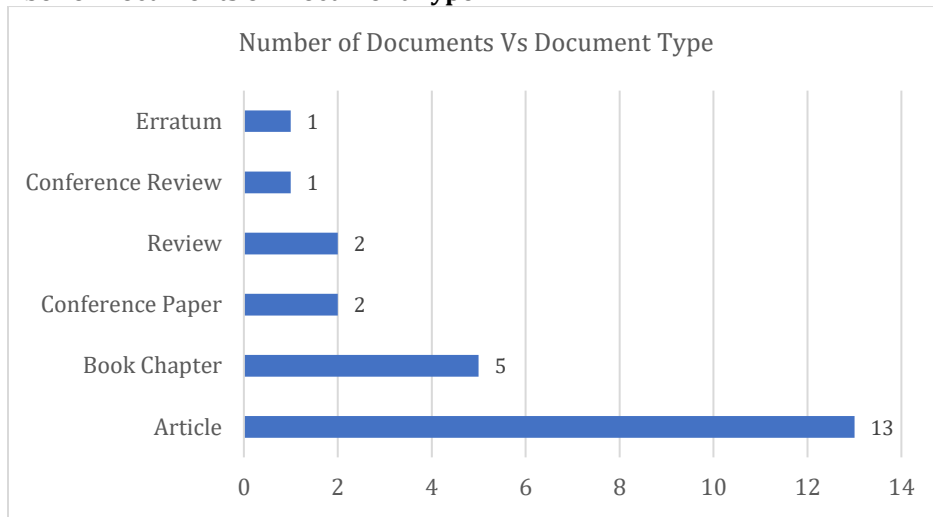
4. Results

Published Document Type

Figure 2 shows that the research output on digital zakat management is mostly written in articles (13 documents) rather than in books, even some published in conference papers. This means that the research on

digital zakat management could be explored and become a research interest among academicians/researchers who will publish their outcomes in the research article.

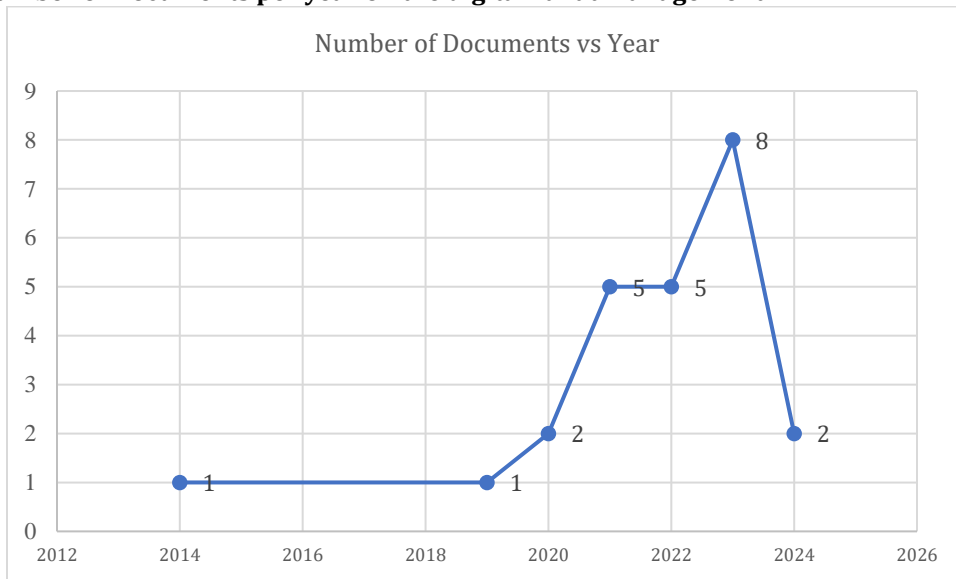
Figure 2: Number of Documents on Document Type



Number of Publications

Figure 3 shows the minimum number of publications appearing in the research of digital zakat management since the year 2014. The highest number of published documents is in the year 2023 with 8 documents. The interest of researchers on the subject is quite low due to the limited discussion by stakeholders on zakat management that see digitalization as one of the solutions to the effective collection and distribution of zakat funds.

Figure 3: Number of Documents per year on the digital zakat management



Most Dominant Author

Table 1 shows the most dominant authors in digital zakat management. The highest published documents are at least 2 papers and mostly with 1 paper. Some opportunities should be filled up by initiating a plan to expand the research works. Both Beik, I.S. and Utami, P. have 2 published documents so far in digital zakat management.

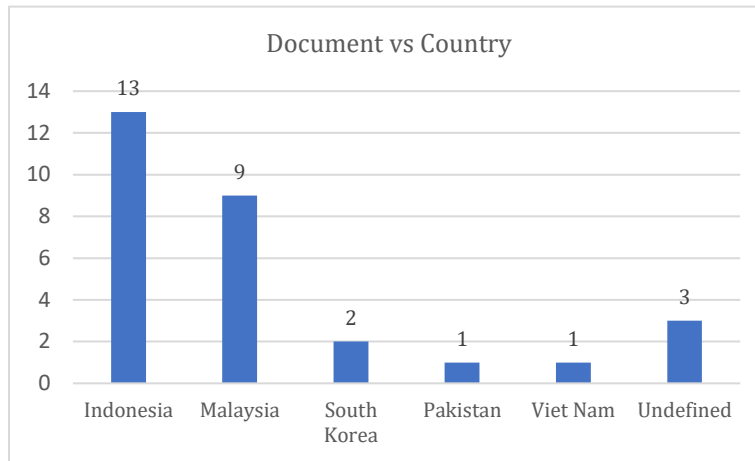
Table 2: A list of Authors who have published documents on digital zakat management

Author	Cited	Author	Cited	Author	Cited
Beik, I.S.	2	Kasri, R.A.	1	Ratnasari, R.T.	1
Utami, P.	2	Khairi, K.F.	1	Riyadi, S.	1
ABDULLAH, N.S.N.	1	Khalidin, B.	1	Rizal	1
Abdullah, L.H.	1	Laili, N.H.	1	Rizkiningsih, P.	1
Abdullah, Z.	1	Lee, Z.O.	1	Robbana, A.	1
Abidin, A.	1	Maman, U.	1	Rosele, M.I.	1
Ahmad, A.	1	Mariyanti, T.	1	Ryandono, M.N.H.	1
Ahmad, S.	1	Md Hussain, M.H.	1	Saad, R.A.J.	1
Ahmad, U.S.	1	Mohammed, M.O.	1	Sabri, H.	1
Alamab, A.	1	Mohd Ariff, A.H.	1	Saoqi, A.A.Y.	1
Ali, A.K.	1	Mohd Nasir, M.H.	1	Septiani, N.	1
Amilahaq, F.	1	Mohd Nasir, N.E.	1	Shafrani, Y.S.	1
Anwar, S.M.	1	Mohd Sharif, M.H.	1	Sukmana, H.T.	1
Ascarya, A.	1	Mubarik, F.	1	Suprihadi, R.	1
BASARUD-DIN, S.K.	1	Muflikh, Y.H.	1	Surawijaya, C.I.	1
Bakar, M.F.A.	1	Muneem, A.	1	Swandaru, R.	1
Basrowi	1	Musa, A.	1	Thaidi, H.A.A.	1
Bedoui, H.	1	Nor, S.M.	1	Tran, M.D.	1
Caraka, R.E.	1	Nugroho, B.	1	Wahid, H.	1
Ghofur, R.A.	1	Pham, V.H.	1	Wijayanti, P.	1
Hadi, R.	1	Rahman, A.A.	1	Yaacob, S.E.	1
Hermawan, A.	1	Rahman, A.A.	1	Yuniar, A.M.	1
Hilyatin, D.L.	1	Rahman, M.F.A.	1	Yusrawati	1
Hudaefi, F.A.	1	Rahman, N.N.B.A.	1	Zaenal, M.H.	1
Ichsani, Y.	1	Rahmawati, E.	1	Zulfikar, T.	1

Most Dominant Country

Figure 4 shows the most dominant countries with highly producing papers on digital zakat management, among others Indonesia and Malaysia with 13 and 9 documents respectively. Indonesia and Malaysia are known as the countries that implementing zakat management for quite some time. There are factors and challenges related to digital zakat management in both countries that need to be explored in continuous research works.

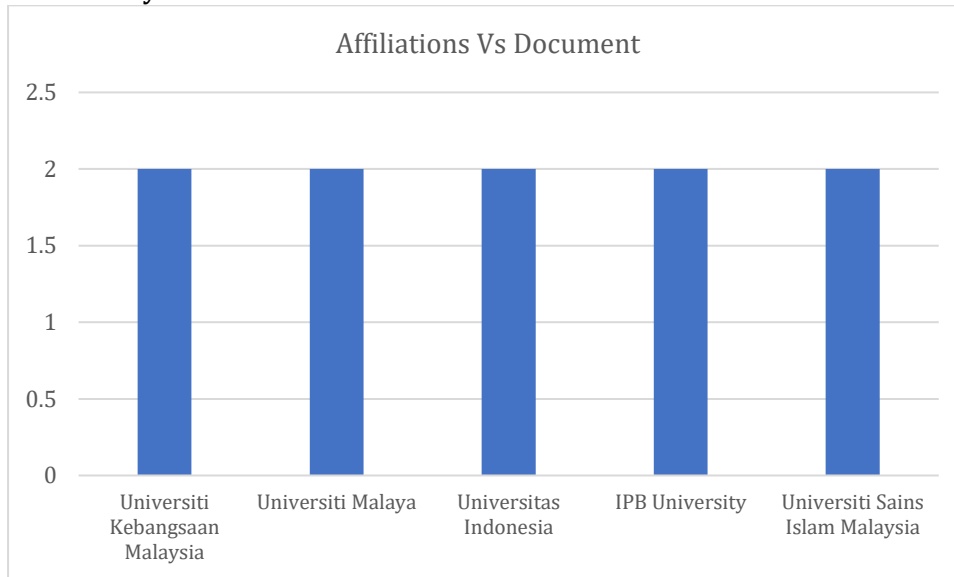
Figure 4: Documents published by Country on Digital Zakat Management



Most Dominant Institutions

Figure 5 shows the most dominant institutions that have published articles on digital zakat management. Five institutions have published 2 documents each. Most of them are located in ASEAN regions like Malaysia and Indonesia. This could be an example to other zakat institutions worldwide to see the best practices of zakat management in both countries as well as the research outcome on the subject.

Figure 5: Affiliations by Published Documents



5. Conclusion

Zakat management cannot be separated from professional human resources (HR). Aspects like planning, implementation, control, reporting, and activities accountability for collection, distribution, and utilization of zakat must be considered and implemented (Müller, 2017). HR is the most valuable asset because it determines a company's success in organization/work. The demands of changing times and policies are also encouraging zakat management to adapt through a more professional paradigm shift. Previously the traditional paradigm allowed zakat management activities to become side jobs, part-time jobs, and unpaid management, but now quality and reliable zakat operators are indeed very crucial. The existing management facilities are something that needs to be abandoned and changed to a modern paradigm. The modern paradigm in managing zakat is

making the amil a full-time profession, having a certain level of quality, and being paid appropriately, so that every potential and competent person is devoted to managing zakat professionally (Kamal et al., 2024).

The purpose of this research is to investigate the topic of digital zakat management through a comprehensive bibliometric analysis and a developmental map of the field. For example, the highest publication on digital zakat management started in 2014. The highest number of published documents is in the year 2023 with 8 documents. While mostly written in articles (13 documents) rather than in books, even some published in conference papers, most dominant authors in the digital zakat management have at least 2 papers and mostly with 1 paper. Greater initiatives should be considered to enhance more research work. Finally, the most dominant institutions that have published articles on digital zakat management are concentrated in two countries Malaysia and Indonesia. The findings demonstrated the most common contributors who have a major influence on digital zakat management and highlighted the growing attention of eminent academics and organizations worldwide in this area. The fact that this study used a single source or database for data collecting and synthesis is one of its drawbacks.

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