ZAKAH MANAGEMENT IN SAUDI ARABIA, 
SUDAN AND INDONESIA

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Abstract: According to Islamic law, zakah is one of the pillars of Islam that must be performed by every Muslim, wherever they are. Zakah is essentially part of assets that must be expended by any Muslim, under the command of Allah for the benefit of others according to the levels specified by Him. Those expenditures are mandatory for any Muslim as a sign of gratitude for the blessings and gift of Allah, as an attempt to draw closer to Him, and also as a means to clean the property and individuality as a human. In addition, the purpose of zakah (Islamic tithe) obligation is to achieve social justice and welfare. Therefore, amil (zakah collector) as zakah manager shall always try hard and ascertain that the zakah he manages can improve the welfare of the community. For that reason the effectiveness or ineffectiveness of zakah to the improvement of the community is largely dependent on the amil. But in reality, there are still some countries whose zakah institution has not been functioning properly such as Indonesia. Therefore, Indonesia must take lesson from the countries that have succeeded in managing zakah properly, such as Sudan and Saudi Arabia.

Keywords: zakat; amil.
1. Introduction

Islam regards humanity as one family, for that reason every human being is equal in the eyes of God and in front of the law of His divine revelation. To realize the kinship and companionship, there should be a cooperation and mutual help among the community members. The concept of brotherhood and equal treatment of all citizens before the law has no meaning if not accompanied by economic justice that entitles each person to obtain the right of his contribution to the society. With its distinctive and deep commitment to the brotherhood, economic and social justice, Islam considers unjust earnings and wealth inconsistent with Islam. However, the concept of Islamic justice in distribution of income and wealth as well as its conception of social justice does not require that everyone should receive equal payment regardless his contribution to society. Islam tolerates some degree of income inequality, because everyone is different from others in character, ability and his services to the community. As far as tawhid is concerned, one may enjoy the income according to his desires. The surplus of income or wealth should be spent as charity (shadaqah) in the name of God, or to be re-invested in a venture that will bring more benefits, employments and income for others. Charity has already been existing in human history. All religions and ethical systems regard charity as a high value, and Islam continue that tradition. In addition to charity, in Islam there is also the concept of zakah that can be used as a means of a balanced and proportional economic distribution. The structure of zakah in economic activities is a reflection from a practical theological stance (aqeedah) and is a combination of an absoluteness of Allah and the relativity of human beings with all their activities in the field of economics. The property rights, like individual rights or possessions, in a certain portion, according to the Sharia, is a social property, but in macro perspective it belongs to Allah. Positive effects of zakah institution on the socioeconomic aspects are the creation of welfare, social justice, public safety and removal of class conflict due to sharp differences in income. In order that zakah functions for the welfare of the people, amil (zakah distributor and collector) must always

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4Amrullah Ahmad, AE Priyono and Bintang Sucipto (Eds.) Islamisasi Ekonomi (Yogyakarta: PLP2M, 1985), p. 3
5Ibid.
try to carry out his duties professionally, because whether or not zakah functions maximally to achieve social justice and welfare all depend on amil of zakah. The problem is there are still some countries that have not maximized the management of the zakah. To maximize the management of zakah, each country has special policy in accordance with the circumstances. In this article, in addition to discussing the law of zakah, the author will also discuss the management of zakah in Saudi Arabia, Sudan, and Indonesia.

2. The Law of Zakah
In Islam, there are two main dimensions of relationship that must be maintained, the relationship between human and God and the relationship among human beings, both must work simultaneously. According to Islamic teachings, by employing both relationship equally human can live prosperously both in this world and in the hereafter. To achieve the objectives of welfare, in Islam, other than the obligation of prayer, fasting and pilgrimage, zakah is also an obligation to be performed. Zakah is intended to bridge and tighten human relationship, especially relationship between the powerful groups and the weak ones, between rich and poor.

The word "zakah" in Qur'an is often coupled with "shalah" (prayer) and is mentioned as many as 82 times. This shows how important the institution of zakah is in the development of harmonious and humane life. Zakah as an institution to overcome poverty is closely related to social problems. According to Islam, zakah is a principal basis for upholding the social structure of Islam. Zakah is a bond of solidarity within the community and means to educate people to overcome weaknesses, and to practice self-sacrifice and generosity. The implementation of the zakat will cause a sense of joy and satisfaction in the heart of Muzakki (zakah payer) because he has accomplished his obligation to Allah perfectly. The positive effects of socio-economic aspects contained in zakah may engender public safety and eliminate the development of a class struggle because of the sharp differences in earnings.

A. Definition of Zakah
From language point of view, the word zakat derives from the word "zaka" which means blessing, growing, clean and good. Another opinion says that the root word "zaka" means to develop and grow, while everything is growing is so-called zakah. From terminology point of view, there are many definitions the experts suggested. According to Islamic jurisprudence zakah means a certain amount of property which God requires to be expended to the entitled persons.
*According to Nawawi, the amount being expended from the property is called zakah because it was expended "to add more, make more meaningful and to protect property from the destruction". Meanwhile, according to Ibn Taymiyyah, the lives and wealth of people who performs zakah will become clean and his wealth will increase. This means that the meaning of growing and developing is not only for the wealth but more than that. Hopefully by performing zakah the heart and soul of the performer will be clean. This is consistent with the following verse of Qur’an:

"Take alms out of their property, you would cleanse them and purify them" (al-Tawbah: 103).

This verse indicates that zakah paid by a Muzakki can purify and cleanse his hearts. The clean (sacred) heart means having no disgraceful nature of the property as greedy and stingy. As a righteous man who receives guidance from Allah, he will expend his zakah not solely because it is a duty the God commands, but truly because he, as a person who has surplus in property, feels that he is partly responsible for the majority of unfortunate people. With such a sense of responsibility, he at any time is willing to share his wealth when someone else is considered to need it, and he will have a mental attitude sensitive to the poverty and misery of others. From the poor side (recipients), zakah can also make their hearts clean and pure. By accepting charity he could repel envy and jealousy against those who have wealth and possessions. In terms of property itself, zakah can alleviate the property.

From the above definition, it is clear that zakah in addition to the worship to Allah, it also has a real social impact. From one aspect, zakah is worship and from other aspect it is a social obligation. Zakah constitutes one of public funds or assets that can be used to help people who can not meet the needs of everyday life so as to have a chance for things that are nobler as the vicegerent of Allah on earth. In Islam man is always given the opportunity to enjoy life in lawful ways, so that with the pleasure he feels that he can do good to himself and others.

Zakah is the fundamental basis to enforce Islamic social structure. Zakah is not the usual alms or charity, it is obligatory tithe. Zakah is God's
command to be executed. In the Qur'an and the Hadits there are many verses commanding to perform zakah, among others:

"And keep up prayer and pay the poor-rate and whatever good you send for yourselves, you shall find it with Allah; surely Allah sees what you do" (al-Baqarah: 110).

In addition to the above verse there are many other verses that contain commands to perform zakah. As for the Hadits employed as the legal basis for the obligation of zakah among other is Hadits narrated by Ibn Abbas as the following: From Ibn Abbas that the Messenger of Allah when he was to be sent Mu'az to Yemen, he said: Surely you will come to one of the People of the Book owner, therefore, invite them to testify that there is no god but Allah, and that I am the Messenger of Allah. Later if they obey you for the invitation, then Tell them, that God requires them to pray five times a day; then if they obey you for the invitation, then Tell them, that Allah made it compulsory for their charity, which is taken of wealthy people and returned to their poor; then if they obey you to call it, so be careful you are to honor their treasures, and be afraid of the prayer of the oppressed, because actually between the prayer and God there is no any hijab (barrier) ".

B. The Purpose of Zakah
Zakah which implies meaning of clean, pure, developing and growing has an important meaning in people's lives both as individuals and community member. Thus the institution of zakah is required to achieve certain objectives. The definition of objectives in this regard is its practical goal. The purposes, other than those already mentioned in the previous description, among others, are as follows:

a. To alleviate the poor and helped them out of the difficulties of life and suffering;
b. To assist in solving problems faced by the gharimin, ibnussabil (traveler) and other mustahiq;
c. To spread and foster ties of brotherhood among Muslims and people in general;
d. To eliminate stingy or and greedy character of the property owners;
e. To rid yourself of the nature of jealousy and envy in the hearts of the poor;
f. To bridge the gap between the rich and the poor in a society;
g. To develop a sense of social responsibility in a person, especially in those

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who have wealth;

h. To educate people to be disciplined and hands over rights due to fulfill the obligation of others;

I. Means of income distribution (good luck) to achieve social justice.

From the above objectives it is envisaged that zakah is one of the special worship to Allah, which has a huge impact for the welfare of the community. With the implementation of the institution of zakat properly, it is expected that the hardship and suffering of the poor can be reduced. In addition to the professional management of zakah, various problems occurs in people which has relationship with mustahiq can also be solved.

C. The Requirements of the Assets of Zakah Object

According to Yusuf al-Qaradawi, the requirements of the assets where zakah must be paid from are as follows:

a. Full ownership of assets
   The definition of full ownership is that the assets are under his own full control or under the authority of the owner himself. Most of jurists' suggest that such assets should be in the hands of property owners and it has no relation to the rights of others. It is the full ownership that makes people can use, grow and develop their own wealth or by others. It is therefore natural that Islam requires that the owners of assets might spend zakah;

b. Developing. The assets that zakah must be paid from them, are assets that are developing or have the potential to develop. According to the Islamic jurists, developing literally means growing. Terminologically, the understanding of the term is two fold. First, it develops as a result of breeding, trading and the like; and the second is that the assets have the potential to grow well in his hand or in the hands of another person on his behalf;

c. One nisab is met. Islam requires zakah on the growing assets by making a separate provision that a certain amount in jurisprudence called nisab. In other words nisab is the minimum amount of assets that zakah must be paid from.

d. Exceeding the basic needs. The definition of exceeding basic needs is exceeding the primary needs. The definition of primary need is something that must available for survival such as food, beverages, clothing, housing, and tools necessary to meet the needs of life such as books of knowledge, skills and tools of work;

Yusuf al-Qardawi, op.cit., p. 126-127
e. Free of debt. If someone owes money which will use up or subtract the amount of one nisab of assets in his hand, then the concerned person is not liable to pay zakah. However, there are some scholars arguing that the debt incurred shall not preclude the assets the zakah of which must be paid, in particular the visible assets such as livestock, agriculture products and others;

f. Meeting a period of one year of ownership, or has met a haul (one year), meaning that the assets ownership in the hands of the owner has passed twelve lunar months. One-year requirement is only for livestock, money and trading assets. These property types are categorized in terms of "zakah of capital". While agricultural products, fruits, honey, treasure of trove and other similar, one year is not required and it can be included in the term "zakah of income".

D. Kind of Assets of Zakat Object.

Al-Quran mentions the assets of zakah object, in words very common in meaning, namely the property or assets as mentioned in at-Tawbah verse 103. There are various types of assets existing in this world; however, these types of assets can be classified as follows:

a. Gold and silver.

All scholars agree that zakah must be paid from gold and silver. This opinion is based on the word of Allah SWT., which states:

"... And those who keep the gold and silver, while they do not spend it in Allah's way, then Tell them that they will have a painful chastisement" (al-Tawbah: 34).

With regard to the nishab of gold and silver all scholars agree to 20 (twenty) dinars for the gold and 200 (two hundred) dirhams for silver. While each haul is one year and the levels zakah is two and a half percent each. 13

b. Cattle

The majority of scholars argue that the type of animal where zakah must be paid are cattle/buffaloes and goats. 14

c. Trading Assets.

Zakah shall also be paid from trading assets if the assets have reached its nishab and haul (one year). This is according to the word of Allah contained in Qur'an as follows:

"O you who believe! spend (benevolently) of the good things that you earn and
or what We have brought forth for you out of the earth" (al-Baqarah: 267).
The nishab and haul of the trading assets is similar to that of gold and silver
and the levels of zakah are two and a half percent.\textsuperscript{15}
d. Results of Plants and Fruits.
All Islamic scholars agree that zakah of wheat, rice, dates and dried grapes shall
be paid when they have reached their nishab and haul (at harvest time). The
difference of opinion among the scholars are in the types of agriculture products
beyond the above four types of crops. Malikiyah and Syafi’iyah scholars argue
that zakah is obligatory for all foods eaten and stored, dried grains and fruits
such as wheat and grain, corn, rice and the like.\textsuperscript{17} Ahmad argues that zakah is
mandatory on grains and fruits that have the properties of being able to be
weighed, fixed and dried.\textsuperscript{18} Meanwhile, Abu Hanifah argues that zakah is
obligated to be paid from all the plant results. He does not require that the plants
of zakah objects constitute staple food, dried, be able to be stored, mixed and
eaten. Therefore, according to Abu Hanifah and his followers, zakah must be
paid from sugarcane, turmeric, cotton, coriander, cashew fruit, pear, tar, mango
and others, both wet and dry, likewise, vegetables like cucumbers, squash,
carrots, turnips, cabbage and others.\textsuperscript{19} This opinion of Abu Hanifah is likely
based on the word of Allah swt. as follows:
"And it is He Who produces gardens (of vine), trellised and untrellised, and
palms and seed-produce of which the fruits are of various sorts, and olives and
pomegranates, like and unlike; eat of its fruit when it bears fruit, and pay the due
of it on the day of its reaping, and do not act extravagantly; surely He does not
love the extravagant"(al-An`am: 141).
All agree that the nishab of them are for five wasaq\textsuperscript{20} (=652.8 / 653 kg) of wheat.
While the level of zakah shall be 10% if the plants are rainfed, and 5% for the
plants watered with the use of tools. While the plants that are rainfed and
watered with tools alternately in the same comparison, the zakah shall be seven
and a half percent. The time to spend zakah is in the time of harvesting crops or
fruit in question.\textsuperscript{21}
e. Rikaz (trove) and Ma'din (mining) Treasures.
The definition of rikaz (trove) treasures is buried or hidden treasures. Those are

\textsuperscript{15} Yusuf al-Qardawi, op.cit., p. 350
\textsuperscript{16} Ibid., p.352
\textsuperscript{17} Ibid., p. 353-354
\textsuperscript{18} Sayid Sabiq, op.cit., p.50
\textsuperscript{19} Ibid., p. 66
\textsuperscript{20} Ibnu Qudamah, al-Mughni, Vol. III (Mesir, al-Manar, t.t.), p. 23
categorized as the rikaz treasures includes treasures held by the ancients in the soil, such as gold, silver, copper, precious coffers and others. While the definition of ma'din (mining) goods is what the earth gives formed from other materials, but worth it. Regarding the phrase "the earth gives" instead of "the sea gives" or "the soil and mud gives", Ibn Qudama suggests example for ma'din as gold, silver, tin, iron, diamonds, gemstones, agate, coal, petroleum and others. 22 The scholars agree that people who find the hidden treasures must pay zakah of fifth part (20%) of the treasures. According to Abu Hanifah, Ahmad and Malik, zakah is obligatory on rikaz treasures, either small or big in number unconditional to nishab. Meanwhile, according to the Shafi'i in his new opinion, the nishab shall be calculated. With regard to the haul, all scholars agree that the treasures does not require haul.33 Regarding to ma'din (mining) minerals, all scholars agree that zakah must be paid from mining minerals. The problem which they argue is the kind of mining minerals where zakah must be paid. Maliki and Shafi'i limit mining minerals of gold and silver only. Abu Hanifa and his companions argue that any minerals processed with a fire shall be subjected to zakah. Hanbali group believe that there is no difference between the fire-treated and non fire-treated minerals. They argue that the mining minerals subjected to zakah is all the product of earth formed from other elements, but the stuff have economic value.34 These above four scholars agree that the mining minerals does not require haul or full year of possession, but like plants, zakah shall be paid in immediately after obtained. As for the nishab, Shafi'i and Ahmad argue that these minerals must be equivalent to one nishab of money, namely 20 mitsqal for gold and 200 dirham for silver. All the three agree that the levels of zakah of the minerals are two and a half percent. While Abu Hanifah argues that there is no nishab for mining minerals and their level of zakah shall be fifth.

3. Management of Zakah in Various Countries
The management of Zakah in various countries, whose most population is Muslim, is generally set in a law. This is aimed, among others, to administer the collection, management and distribution of zakah funds collected. Thus the rights of those entitled to receive zakah, are truly fulfilled. With zakah funds they receive, it is expected that mustahiq (zakah recipient) are released from their difficulties of life, and in time they will no longer be mustahiq but become muzakkky (zakah payer). In this chapter the author will examine the management of zakah in various countries, namely Saudi Arabia, Sudan, and Indonesia.

22Sayyid Sabiq, op.cit., p. 39
33Yusuf al-Qardawi, op.cit., p. 438-439
A. The Kingdom of Saudi Arabia

The implementation of management of zakah in Saudi Arabia is based on a decree of the King (Royal Court) No. 172/28/8634 dated 29/6/1370 H. /7/4/1951. The decree stated that in accordance with the provisions of Islamic Sharia, all individuals and companies who have Saudi citizenship are obligated to pay zakah. In the next regulation, it is allowed for the individual to disburse zakah himself directly to mustahiq at maximum of half, and the other half of zakah shall be paid through the Ministry of Finance, while for companies all zakah should be paid to the Ministry of Finance. The authority of collecting zakah from policy to technical implementation in Saudi Arabia, is fully under the control of the Ministry of Finance. Therefore, the existing regulations of zakah are mostly focused on the collection, while for the distribution, it is under the authority to the Ministry of Social Affairs, in the Directorate General of Social Security (dhoman ijima'i). In accordance with the decree of the King, zakah is only required for the citizens of Saudi Arabia, and before the verdict is issued, there had been decree on income tax for non-Saudi citizens, meaning that non-Saudi citizens are not obliged to pay zakah, but they are required to pay income tax, while Saudi are only obliged to pay zakah. To manage zakah and taxation, the Saudi Finance Ministry formed a special section called “maslahat az-zakah wa ad-dakhli” (Office of Zakat and Income Tax), therefore it was not uncommon for people of Saudi who identify zakah with tax because the system built for the collection were almost the same as income tax collection system. At that time the value of zakah paid by a person was still higher compared to income tax rate. It was because the tax was only a formality, so the policy was that zakah could be channeled by the payer himself maximum of 50%.

With the development of the income tax rules set by Saudi Arabia, with reference to the profits generated and the raising of the percentage of income tax that results in the tax rate higher than the value of zakah resulted, the Muslim citizens who live there and most of them are citizens of the Gulf, filed a petition to the Saudi government that they were obliged to pay zakah only as a replacement for their income tax, then it was agreed by the Saudi government and with the King decree, it was finally determined that zakah is required to the Saudi and Gulf residents who live in Saudi. Zakat in Saudi is applied to all kinds of wealth. Zakah is managed by a joint commission between the Ministry of Finance and Ministry of Home Affairs called "al-a'wamil" that is a special

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36 Ibid., p. 35-36.
commission of zakah whose work is collecting zakah of livestock to the outposts areas who then submit all results to the Ministry of Finance, similarly the case of zakah of agricultural products, zakah of trade, zakah of saving, and zakah of income. Those included in this category are income of physicians, contractors, lawyers, accounting, and employees, including artists, earning of hotels, travel agencies, all will be deducted from his account if the individual has reached nishab. The practice of the calculation is based on their financial reporting. While for distribution the Saudi government focuses more on social security for its citizens, because the authority of distribution of zakah is authorized to the Ministry of Social Affairs and Labor under the Directorate General of Social Security. Mustahiq is determined by the assessment made by the department with a charity value of approximately of RS 6000 or approximately IDR. 15 million annually.²⁶

B. Implementation of Zakat in Sudan

Regulation of the management of zakah in Sudan has been existing since the Law about Zakah Council was passed in April 1984, which became effective in September 1984. In the years before, zakah was conducted based on the awareness of each member of society; as a result, zakah collected was less than maximal. Therefore the Government issued a law that requires citizens of Sudan to pay zakah. In the management of zakah, Sudan has its own characteristic, namely:²⁷

1. Through the expansion of zakah assets. Law on Zakah in Sudan expanded the category of assets subjected to zakah, particularly assets of income from mustaghillat. The entire income from mustaghillat shall be subjected to zakah together with other treasures such as gold, silver, commerce/trading, agriculture, fruits, and livestock. The nishab and levels of zakah is equaled to zakah of gold. Income from mustaghillat referred to shall include net income from the rental/leasing, farm income, income from livestock, and the net income from transportation services. Law about Zakah in Sudan requires zakah on income or profession such as salaries of employees and other income. Zakah payments are made on receipt of such income provided that such income exceeds the minimum basic needs, and the level of zakah is 2.5%. The minimum standards of basic needs are determined through the Majlis Fatwa (Fatwa Council).

²⁶ Ibid., p. 36-39.
2. Nationality and residence are requirements of zakah payer. Obligation of zakah in Sudan depends on the nationality and religion, therefore it only requires zakah to the people of Sudan, which are Muslim and own wealth, whether currently existing in the Sudan or outside Sudan. Article 14 paragraph (1) letter a states that "zakah is obliged for citizens of Sudan who are Muslims and have wealth of zakah object either in the country and overseas". Article 32 paragraph (2) states that "the property of State of Sudan in a foreign country must be subjected to zakah as property in the country, and the explanation of it is contained in the technical guide". These two statements mean that the Law does not require that property owners be at home at the time of payment. While Article 32 paragraph (1) says that "if the property was not in the country at the date of payment, the payment can be made by those responsible for such property or the person who under syar'i can represent him". There was no difference between the absence of property owners within a specified time or permanently absent because of death, for example in Article 32 paragraph (2) it states that "because the owner of property of zakat payer dies then the zakah is taken from his assets if he left a will regarding to that". The entry of the two considerations of domicile and citizenship became a mandatory requirement of zakah has several advantages:

a. The increase of amount of zakah funds because zakah can be taken from assets owned by Muslim either the assets is located in the country or in a foreign country, or the assets are owned by expatriate developed in Sudan;

b. Embodying the unity of Islam namely by unifying citizen and non-citizens of Sudan residing in Sudan, in keeping relationship of love, brotherhood and helping hand in hand in everyday life and in an effort to enforce Islamic law as the official laws of the State. This differs from the Saudi Government which obliges zakah to only Saudi citizens and companies officially registered in Saudi Arabia. As with the Yemen, the government requires zakah in a certain levels as determined by the Shari'a for foreign companies whose capital are owned by Muslim of foreign nationality residing in Yemen. If the owner of the company is non-Muslim he is obliged to pay taxes upon the assets. And if some of the owners of the company are Muslims and some other are non-Muslims, the zakah is obligated for Muslim-owned capital;

c. Some of the zakah funds may be distributed by Muzakki themselves. In order to maintain good relations between the Sudanese one another, the Law on Zakah of Sudan entitles Muzakki as much as 20% of the
obligatory zakah funds to be distributed directly to mustahiq of their family and relatives or companion, and the other 80% is channeled through Zakah Council;

d. The formation of the Supervisory Board and the Shura Board. The Supervisory Board and the Shura Council was formed at all levels of the institution of zakah. At the central level, its chairman is the Minister for Zakah with 14 members who consist of professionals, scholars, community leaders representing the donors, and representatives of the executive. The task of the scholars is to determine the operational steps that really fit with the Shari'a. The task of leaders representing the donors is to monitor the performance of the executive institution of zakah and give input in the development of the management of zakah. To strengthen the position of Higher Majlis in performing the above tasks, the agency is assisted by the Council of Ministers. The law also describes sanctions that those who refuse, avoid liability and circumvent the payment of zakah will be fined a maximum of twice the zakah that should be accomplished if the rejection is intentionally and unlawfully, while the one-year of jail sentence for those who deliberately refuses to fill the forms provided by the Board of Zakah to the Muzakki. The collection of zakah in Sudan is made one roof with tax collection, so that the tax employees also distribute zakah. Therefore, Zakah Council delegates the distribution of zakah to the Ministry of Finance and National Economic Planning. Based on the Fatwa Council, zakah is distributed to eight ashnaf (zakah recipients). The distribution of zakah also includes workers who have broken work relationships, the victims of disasters, orphans, widows, families of convicts and families left behind by the head of the family without any news. Sudan Zakah Council has several characteristics: 

1) Managed by the official institution protected by law; 2) the gradual application of four stages, 3) management structure follows the standards of public service in Sudan; 4) synergistic with the Ministry of Community Communication for the awareness charity; 5) having a broad rights to expand; 6) under the national institutions; 7) the amil (distributors) of zakah are part of government that have all the rights and obligations of civil servants; 8) management of zakah is autonomous or not centralized; 9) 10% of zakah income is allocated for operational and 12.5% of the remainder is taken for amil; 10) having the authority to

*ibid, p. 41-42*
conduct ijthad in Islamic law in the development of application; 11) the monitoring mechanism of the society; 12) the rights of charity management and tithe.

C. Management of Zakat in Indonesia
Since Islam arrived at Indonesia, zakah has been a source of funds to Islamic teachings and in Indonesian struggle against Dutch colonialism. In Sumatra, for example, the Netherlands was involved in a prolonged war against the fanatic people of Aceh. Similarly, in other places where the population was Muslim, they were generally stronger in the fight against the Dutch, partly because they had the financial resources in the form of zakah, infaq (tithe) and sadaqah (charity). At the beginning of Indonesian independence there had been efforts made to develop and improve the implementation of zakah in various regions, and even there were some government officials who helped the implementation of the zakah, however, there has not been an official body established by the Government except in Aceh (1959) . Government's attention to the implementation of zakah could not took place until the new order era, beginning with the suggestion of President to perform zakah effectively and efficiently and develop it with the more appropriate direction. The recommendation was made in a speech on the anniversary of Isra 'Mi'raj at the State Palace on October 26, 1968. President spoke to all Muslims in Indonesia that he personally was willing to take care of collecting zakah on a large scale, or in other words he was willing to be amil zakah. Therefore it was necessary that management of zakah be carried out in the form of institutions of implementing organization, consideration and supervision. It was this presidential recommendation that encouraged the formation of amil zakah bodies in various provinces spearheaded by the Government of DKI Jakarta, in addition to those established by the President who was more than ten years later (1982) gave birth to Yayasan Amal Bakti Muslim Pancasila (Pancasila Muslim Charity Foundation). Later at that year the Government issued Regulation of the Ministry of Religious Affairs No. 4/1969 dated July 15, 1968 on the establishment of the Amil Zakah Body, and Regulation the Ministry of Religious Affairs No. 5/1968 dated October 22, 1968 on the establishment of Baitul Mal at central, provincial and regency / municipality. Actually in 1967 the Government has prepared a bill on zakah to be submitted the House Mutual Aid (DPRGR), hoping support from the Minister of Social Affairs and the Minister of Finance. But in response, the Minister of Finance argued that the rules of zakat did not need to be made in the form of legislation, but simply by regulation. On the basis of these considerations then the instructions of the Minister of Religion No. 1 in 1968
was issued to delay the implementation of Regulation of the Minister of Religious Affairs No 4 and 5 above in 1968.  

Under Governor Ali Sadikin, Jakarta Government established the National Amil Zakah (BAZ) on December 5, 1968 by Decree of the Governor of Jakarta No. Cb-14/8/18/68 on the establishment of Amil Zakat based on the Islamic Sharia in the area of Jakarta Special Capital Region. Based on the Decree the organization is then determined from the level area of the city / municipality, district, down to the village, to carry out the task of collecting zakah (wealth) across Jakarta, to carry out distribution for the entitled recipients of zakah with priority for the poor.

The establishment of Amil Zakah by the Jakarta Government was then followed by other provinces, spearheaded by officials or representatives of the government with the support of the scholars or Islamic leaders. In other words, at the time, semi-official amil zakah bodies were established. BAZIS or BAZ were already established among others in Aceh (1975), West Sumatra (1973), South Sumatra, Lampung (1975), Jakarta (1968), West Java (1974), South Kalimantan (1977), East Kalimantan (1972), North Sulawesi, South (1985), and West Nusa Tenggara. The agencies appeared in different names, although generally, taking the name of BAZ, BAZIS, BAZI (plus infak), BAKAT or BAZID (plus donations) and other names such as Religious Assets Agency (Aceh), the Institute of Islamic Heritage (North Sumatra), or the Social Foundation of Islam (West Sumatra). The development of the institutions in each region also varied, there were only just concept, there were formed only at the level of districts such as those found in East Java and is only implemented by the Regional Office of the Ministry of Religious Affairs, or there has been no progress at all. There is also an established institution but it has not any activity at all.

According to the observations of Dawam Rahardjo, of the existing institutions, three patterns of organization can be drawn. First, those concentrate in the collection of zakah as found in West Java. Second, those emphasize on zakah of wealth and tithe coupled with charity; this is seen in the operations of BAZIS of Jakarta. The third pattern is those cover all types of Islamic assets. This leads to the establishment of Baitulmal that raises funds and assets as covered in the legal jurisprudence. In connection with the management

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10 DKI Jakarta, Rekomendasi dan Pedoman Pelaksanaan Zakat, result of seminar, 30 June and 7 July 1975 (Jakarta: BAZIS DKI, 1987), p. 34  
of zakah which is less than optimal, there are some people who was drawn to think of a productive zakah management, so as to improve the welfare of Muslims in particular and society in general. Therefore, in the 1990, several companies and communities established Baitul Mal or zakah institution in charge of managing ZIS funds (Zakat, Infaq and Sadaqah) from employees of the company in question, or people, such as Dhu'afa Wallet of Republika (DDR). At that time, with the strength of Republika Media, DDR openly persuaded people to forward their ZIS through DDR. With this open call, the secret competition between zakah collector institutions was disclosed more openly and transparently to the public. In 1997, DDR held seminar of corporate zakah in Jakarta, with participants of more than one hundred people, 70% of them representing Baitul Mal of zakah institutions of various companies. After the end of the seminar, under the requests of participants, it gives birth to an association that handles zakah namely Forum of Zakat (FOZ). FOZ overarches the existence of LPZ and this association was much needed at that time because it was a consultative, coordinative and informative institution about zakah. To maximize ZIS funds, FOZ establishes cooperation among LPZ created by the government and non government. In addition, FOZ was also expected to resolve possible conflicts among the members of FOZ. Moreover FOZ was also expected to be an institution that had the strength to fight for the needs of members, including the attempt to pass bill on the Management of Zakah to be law.

In early August 1999, the Minister of Religion Affairs, A. Malik Fajar, read the Draft of Law on Management of Zakah in front of Parliament plenary session, and after going through a hard and long struggle, then on September 23, 1999, President, B. J. Habibie promulgated the Law No. 38 Year 1999 on zakah. The Law No. 38 Year 1999 was followed by the Decree of the Minister of Religious Affairs No. 581 of 1999 on the Implementation of Law Number 38 Year 1999 on the Management of Zakah. If observed, Muslims in Indonesia in recent years are very desireous that zakah can be carried out as well as possible. They expect that zakah organizations can improve the poor living, improve public health, provide scholarships to those who need to continue their learning, and provide capital to those who want to do business and so on. The general objectives of zakah development efforts in Indonesia is that Indonesian people perform more completely the entire teachings of their religion, in this respect zakah, which is expected to be able to support the struggle of Indonesian people in achieving a just and prosperous society materially and spiritually based on Pancasila and 1945 Constitution. Although Muslims always perform their obligation to pay zakah, but the influence of these institutions do not appear
strong in the economic development of the community or in other words zakah has not been able to improve the welfare of the people as a whole. Actually, where the zakah is managed in an optimal and professional standards while maintaining the functions of management, namely planning, organizing, directing (actuating) and controlling, it will definitely be able to improve the welfare of people and bring about social justice.

Although there are quite a lot of things that encourage Muslims to collect and perform the obligation of zakah, but in the community there are still some problems. This problem includes the understanding of zakah. The meaning of understanding in this respect is the Muslim understanding about this zakah organization. Until now their understanding on zakah is still very limited compared with the problem of prayer, fasting and pilgrimage. The second problem encountered is the problem regarding the conception of zakah in Islamic jurisprudence. Islamic Jurisprudence on zakah which is currently taught in educational institutions in Indonesia are almost entirely the formulation of the experts of a few centuries ago, which of course influenced by local circumstances. The formulation is clearly no longer appropriate to be used to set zakah in today's modern society. Indonesia's economic growth now, which has industrial sectors, services etc, is not yet completely accommodated by the existing Islamic jurisprudence. The third problem is the clash of interests of Islamic organizations or social institutions collecting zakah for example BAZ (Badan Amil Zakat) or the Institute of Amil Zakah, a new zakah management organization. Besides, there are still some people who lack trust to the existing institutions of zakah collector. As a result, there are still many people to give zakah directly to Muzakki they wants without any coordination with the existing zakah management institution. To address the problems above, there are some endeavors to take. These efforts include the dissemination of zakah understanding. The good and right dissemination of zakah understanding should be carried out through education, both formal and non formal. In addition, dissemination of understanding of zakah can also be carried out through seminars, electronic media, print media and education, especially on its laws, the assets subjected to zakah, the present utilization and organization scheme of zakah. Lately, the dissemination of understanding of zakah has been started. Other effort to do is to formulate a new zakah jurisprudence. To create a new conception of jurisprudence of zakah, we must have a multidisciplinary collaboration between experts of different fields closely related to zakah. The new zakah jurisprudence is expected to accommodate the existing and future development of zakah in Indonesia. Regarding to zakah object of assets, as a source of zakah, hopefully all kinds of economically valuable goods that exist in
Indonesian society are subjected to zakah. With the promulgation of Law No. 38 Year 1999, it is hoped that amil zakat in Indonesia is able to manage zakah productively and optimally. To implement the Law No. 38 Year 1999 on Zakah Management, the Minister of Religious Affairs has issued The Decree of the Minister of Religious Affairs of the Republic of Indonesia Number 581 Year 1999. Based on the Law No. 38 Year 1999, the management of zakah is carried out by Amil Zakat Board established by the Government, both at central and regional levels. BAZ organizations at all levels are coordinative, consultative and informative. BAZ board consists of the elements of society and government that meet certain requirements, among others, have trustful nature, just. dedicated, professional, and high integrity. Although the government may establish Amil Zakat, but in the Decree of the Minister of Religious Affairs No. 581 Year 1999, the public are still given the opportunity to establish zakah management institution that are fully formed at the initiative of and by people themselves called Amil Zakat Institutions (LAZ). LAZ which have been or will be established, shall be fostered and protected by the Government. With BAZ and LAZ it is expected that zakat, sadaqah and infaq given by the Muslims who have excessive assets, can be managed and can be distributed to those entitled as well as possible. Although the people have been given the opportunity to form LAZ, but in the society, there are still other zakat management institutions. This condition would undoubtedly be difficult to coordinate.

Successful management of zakah is not only dependent on the amount of zakah collected, but it really depends on the impact of the management of the zakah in the community. Zakah can be regarded successful in its management when zakah can actually promote welfare and social justice in society. Such a situation is highly dependent of management adopted by the amil zakat and the political will of the governments. Although management of zakah has been regulated in the law, but in reality the collected zakat and benefits for mustahiq are still far from expected. According to Jamal Dova, the potential wealth of zakat that should be collected in Indonesia is amounted to 84.49 trillion rupiah a year. This figure is too high according to the author. As Said Agil al-Munawwar illustrates, the potential of zakah in Indonesia is 7.5 trillion per year. However, the zakah, the existing data in the National Agency for Amil Zakat (BAZNAS) for 2006, the charity, tithe, sadaqah, waqf, and sacrifice

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33Majalah Modal, No. 2/1 Desember 2002.
34Public Interest Research and Advocacy Center, Pola dan Kecenderungan Masyarakat dalam Berzakat (Jakarta: 2002), p. 2.
(ZISWK) only collected 800 billion. While the survey results of PIRAC indicates that the potential ZISWK which should be raised 3.7 trillion rupiah, was only collected 174.5 billion rupiah.34

Seeing the potential pictures of zakah from some people and institutions above, it is apparent that if Muzakki orderly pay zakah and the zakah is managed in a productive, professional and credible way, the author believe that zakah in Indonesia can be used to solve social and economic problems faced. However, seemingly, it is not enough that zakah is managed by the agencies having ideal character as above. Considering that there are many amil in Indonesia, the manager of zakah in Indonesia should also be coordinated by an institution capable of sheltering any amil and mustahiq. In Islamic countries, generally, zakah is managed by government. This model is good, because only the state that have data on various topics and issues including poverty, education, unemployment, and others. The question is, are Muslims in Indonesia ready to accept a policy that zakah is managed by the government? To answer this question properly, there should be any research first. But according to the author, now Muslims in Indonesia have not been fully prepared. This is evidenced by the persistence of some people who argue that the existence of LAZ is still needed. Maybe later when public awareness to pay zakah have developed, and the government has demonstrated its ability to manage zakah, and zakah has been really empowered people economy, the author is sure that Muzakki will hand over their zakah through amil which is formed by the government. Muslims in Indonesia, especially those involved to the management of zakah, according to the author, should study and take lesson from the experience of other countries such as Sudan, Saudi Arabia, and Jordan.

Therefore, according to the author, LAZ should still be given the opportunity to manage zakah (in addition to BAZNAS) as regulated in Law Number 38 Year 1999 on the Management of Zakah. This is because at the moment the spirit of the community to pay zakah through both institutions are still strong. But in Law No. 23 Year 2011 on the Management of Zakah in lieu of Law Number 38 Year 2009 on the Management of Zakah in Article 5, paragraph (1), it is stated that in order to carry out the management of zakah, the Government establishes BAZNAS; later in paragraph (2) it is stated that BAZNAS referred to in paragraph (1) is domiciled in the state capital, and paragraph (3) states that BAZNAS as referred to in paragraph (1) is the government agency that is independent, nonstructural and responsible to the President through the Minister. Then paragraph 6 Law No. 23 Year 2011 also states that BAZNAS is the competent authorities to perform administration tasks of zakah nationally. Then Article 7 paragraph (1) states that in carrying out
the tasks referred to in Article 6, BAZNAS conducts the functions:

a. planning collection, distribution, and utilization of zakah;

b. implementation of collection, distribution, and utilization of zakah;

c. controlling the collection, distribution, and utilization of zakah; and

d. reporting and bearing accountability for the implementation of the management of zakah. Then in paragraph (2) it states that in carrying out its duties and functions, BAZNAS may cooperate with relevant parties in accordance with the provisions of legislation, and paragraph (3) states that BAZNAS report the results of its operation in writing to the President through the Minister and to the Speaker of the House of Representatives of the Republic of Indonesia at least 1 (one) time in 1 (one) year.

According to Law No. 23 Year 2011 National Board of Amil Zakat (BAZNAS) is formed starting from national level down to regency / city level. Then, in Section 17 it states that to assist the implementation of BAZNAS in collection, distribution, and utilization of zakah, the public can form LAZ. Then in Article 18 paragraph (1) it states that the establishment of LAZ must obtain a permit from the Minister or officials appointed by the Minister, and paragraph (2) states that the permit referred to in paragraph (1) is given only if it meets the minimum requirements:

a. being registered as a Muslim community organization that manages the field of education, Islamic call, and social;

b. in the form of legal entities;

c. holding recommendation from BAZNAS;

d. having Sharia supervisor;

e. having the skills of technical, administrative, and financial assistance to carry out its activities;

f. Non-profit;

g. having a program to harness zakah for the welfare of the people; and

h. being prepared to be audited periodic financially and in Sharia manner.

And Article 19 states that LAZ shall report the implementation of the collection, distribution, and utilization of zakah, which has been audited, to BAZNAS periodically. The provisions regarding the requirements of the organization, licensing mechanisms, the establishment of a representative, reporting, and accountability of LAZ is stipulated in Government Regulation (Article 20). Based on Law No. 23 Year 2011, it is clear that the role of the National Agency for the management of Zakat Amil is very strong, whereas Amil Zakat institution established by the community is only to help BAZNAS in the
collection, distribution, and utilization of zakah. Zakah management model as set out in Law No. 23 Year 2011 on the management of Zakah is very good if the people are ready, especially the parties relating to the management of zakah. However, when seen from the terms of LAZ as defined in Article 17 paragraph (2), it still seems a little heavy because based on the fact that there are still quite a lot of amil zakat who do not meet the requirements as specified in the Law. In order for the management of zakah can run and well developed as expected, according to the author the dissemination of Law Number 23 Year 2011 on the management of zakah should be intensified and training for amil zakat must be done immediately. Thus the purpose of zakah to promote social justice and welfare can be realized.

4. Conclusion
From the discussions above, it can be concluded that zakah is one of the Islamic economic institutions with has huge potential to be developed. Therefore, zakah should be managed professionally and productively by amil. In countries where zakah management have developed such as in Saudi Arabia and Sudan, zakah can actually be used for economic empowerment of the people. This is because in those countries zakah is managed by amil who is able to manage zakah productively and the management is regulated by appropriate legislation. In Indonesia as the country whose majority of the population are Muslim, zakah should be able to help the government in tackling social and economic problems of society. But the reality is, until now zakah in Indonesia cannot be utilized properly. This is probably due to the fact that the existing amil are generally unprofessional. It is expected that by the Law No. 23 Year 2011 on the Management of Zakah, amil, either of BAZNAS or LAZ can manage zakah productively that the assets so collected can be utilized to bring about social justice and welfare of the people as happened in Saudi Arabia and Sudan.

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