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Research pa

Systemic Approach to Solve Problem of Managing Zakat in Contemporary Muslim Society in Indonesia

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Abstract

In a Muslim society, the issue of zakat has always been an interesting topic to be discussed. It is related to the fact that zakat from Muslim society has a huge potential. In Indonesia for instance, using the assumption of 1.7% of Indonesia GDP it reached 270 trillion Rupiah. This number is highly significant even though the management of zakat conducted by government agency from local until national level is yet to be optimized. This research is discussing several factors that causing failure in zakat management using the systemic approach. This approach is trying to analyze several factors of failures in optimizing zakat collection in Indonesia and alternative solution for the problem.

Keywords: *Zakat; GDP.*

1. Introduction

Condition in Indonesia is different from other Muslim country whereas the non-government institutions has a legal authority to manage the zakat funding. From this condition, Indonesia has more than one zakat institution. Thus, Indonesian Muslim has an option in where to pay their zakat to. In Indonesia, there are two zakat institutions, first: Government-managed zakat institution known as BAZNAS (National Zakat Institution) and BAZDA (Local Zakat Institution); second: Society-managed zakat institution.

Total zakat, *infaq* and *shodaqoh* collected by Badan Amil Zakat Nasional and Lembaga Amil Zakat Nasional is experiencing an increase. This fact shows that the ability of Muslim society in paying zakat is also increasing. Yet, this collected zakat fund is optimized if we see the potential of zakat fund Indonesia. It is about 270 trillion Rupiah (with the assumption of zakat from 1,7% GDP). The potential of zakat funding collected by Indonesian Zakat Institutions are 2.1 trillion Rupiah (Media Indonesia, July 14, 2015), it means there are still 267.9 trillion uncollected. This condition is indicating zakat funding collected is not optimized. Several factors are assumed to be the cause of failure in optimizing zakat funding in Indonesia conducted by BAZNAS and LAZNAS:

1. Muslim society still paying zakat directly to the recipient (*mustahik*)
2. Muslim society awareness of zakat institution is still low
3. Zakat institutions are yet to be trusted by the society

The problem of zakat funding in Indonesia is not only focused on the amount of funding paid by every person, but also the fact that a part of the society pays zakat directly to the recipient. It is because a part of the community is not fully trusted the zakat institution Indonesia. Thus, zakat institution in Indonesia need to educate every Muslim person to understand that paying zakat is a mandatory, but also to increase the society trusts to the institutions.

Table 1: Highest Zakat, *Infaq* and *Shodaqoh* Funding Collected (in Billion Rupiah) Year of 2014

Rankings	Zakat Institution	Total Funding Collected
1	Dompet Dhuafa Republika	251.000
2	Rumah Zakat Indonesia	230.000
3	Pos Keadilan Peduli Umat	40.133
4	Bazis DKI Jakarta	114.175
5	PPA Daarul Quran	86.038
6	Baitul Maal Hidayatullah	74.490
7	Yayasan Dana Sosial Al-Falah	38.565
8	BAZNAS (Government Zakat Institution)	41.897
9	Baitul Maal Muammalat	50.100
10	Bamuis BNI	33.264

Based on Table 1, it is known that the majority of *muzakki*, paid zakat to non-government zakat institutions. Government managed zakat institution only able to received 41.897 billion rupiah of zakat funding or 4,36 % from the total funding collected by community-managed zakat institution. This condition shows that trust built among the Muslim community is still very low.

In regard to [5] stating that if a non-profit public organization failed to fulfill society's demand as mandated or unable to create and distribute value, then the stakeholders will take back their credentials one by one. In addition, public organization will lose their existence to create value.

Based on variety of background mentioned before, focus of this research is about how the researcher able to explore the determinant factor of donator trust the zakat institutions so the institutions are able to fulfill stakeholders' requirements. A research conducted by [11] prove that a mandate to pay zakat without education and public trust to the zakat institution will only cause zakat evasion with any method.

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2. Literature Review

According to [13], there is no accurate definition for systemic approach. Several experts have yet to agree on the definition, it is because every person has their own idea and interpretation. It also stated that systemic approach is a scientific approach used to solve complex issue, which emphasize on the analysis and modelling as a whole of a philosophy or perception about coordinating structure. Systemic approach also known as a general framework in a decision making based on four main point of view:

1. Systemic approach demands us to decide a system in a characteristic introduced in the previous part.
2. Systemic approach demands us to develop a system as a whole. We shall not focus only to particular component or sub system, but we have to focus on objective achievement as a whole.
3. Systemic approach assumes that there will always be some alternatives that is why we always have more than one alternative solution. The difficulty is located in choosing the best alternative. We need to compare the available alternative solutions and choose one alternative solution, which is fit in order to achieve system's objectives.
4. Systemic approach needs to apply scientific method which is summarized as:

- First: Observe the situation and the existing problem
- Second: Decide the identified problem
- Third: Formulate research planning
- Fourth: Formulate new hypothesis and conclusion
- Fifth: Documenting the research result

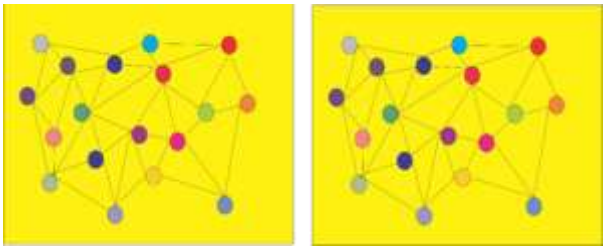
3. Methodology

This research is using the systemic approach as the research methodology. The procedure in applying the systemic approach is divided into several steps:

- First step: Objective declaration
- Second step: Synthesis
- Third step: Evaluation
- Fourth step: Election/choosing
- Fifth step: Application

4. Discussion

System is a group of subsystem or components which are connected and work together as a harmony in order to achieve an objective [13]. In [12] argues "A system is a collection of interrelated components that function together to achieve some outcome". System is made by the system creator with a particular intention and objective. In [10] system is a set of interrelated components, with a Clearly defined boundary, working together to Achieve a common set of objectives by accepting inputs and producing outputs in an organized transformation process. From the side strategically, in [7] describes a system of networks and procedures mutually work together to achieve a particular goal. Thus, the system is made with a unique characteristic fitted with the objective from the system creator as we can see from Figure 1.



System A System B

Fig. 1: Characteristic of System

Figure 1 explains that system A and system B have its own subsystem and components. Each subsystem and component is connected to another subsystem and component, and they are working with their own task and function in order to achieve the objective of the creation of that system. To build a system need time and energy, so that every component and subsystem working accordingly. Furthermore, if one of the subsystem or component was taken out and then put it back to another system it will cause a change in the characteristic of the system, so it will act contrary from the original objective from the system. This matter occurs because a released component cannot enter an existing system. It can be seen from Figure 2.

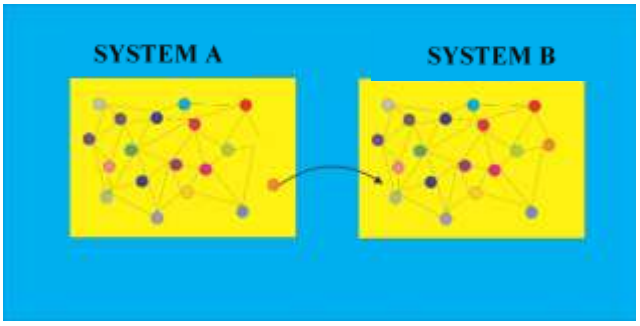


Fig. 2: Illustration Transplant from System A to System B

In regard to Figure 2, it can be explained that a released subsystem from system A cannot enter the system B. System B has already a unique characteristic. It can be seen that the subsystem or the component cannot enter the system B. Although we force the subsystem to enter system B, it will take a fairly long time to adapt with the new system, especially if it has a contrary or different objective. This is in accordance with the statement of [8] "when any element of a system is changed or eliminated, the rest of the system's elements and subsystems are Also Significantly affected".

Islam as an ideology has a unique system whereas that system is built based on the Islam Law (Al-Quran, Ash-Sunnah, Ijma and *Qiyyas*). This system manages human relationship with God (*aqidah* and prayer), human relationship with other human (*muammalah* and *uqubat*) such as economic system, political system and government, law system, human relationship system and education system as can be seen from Figure 3.

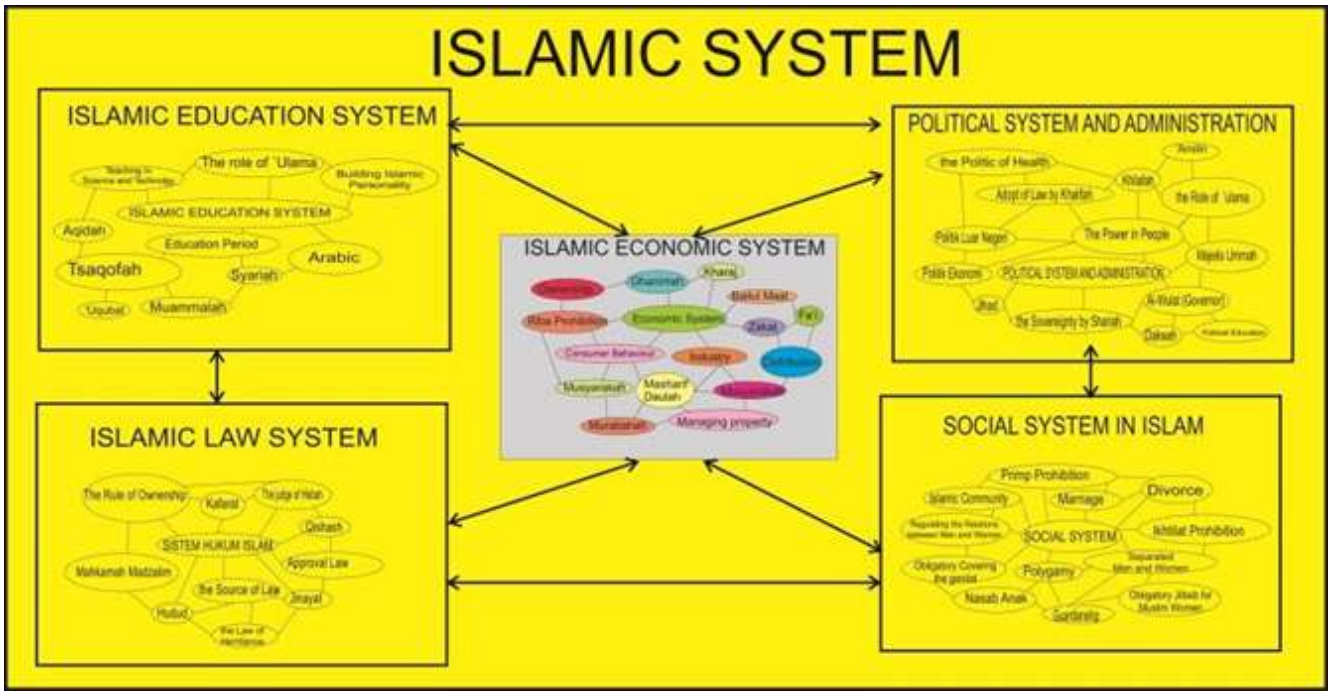


Fig. 3: Islamic system with regard to *muammalah* and *`uqubat* [2-4, 15] Al-Maliki, A. (2009)

Besides, Islam also manage the relationship of human with themselves (food, cloth and *akhlaq*). Islamic system has been applied since the prophet Muhammad SAW era in 1st *Hijriah* (631 M) by the establishment of Daulah Islam in the city of Madinah. Continued by the Khulafaur Rasyidin, Khilafah Umayah, Khilafah Abassiyah until Khilafah Utsmaniyah which is dissolved on 3rd March 1924. After the Khilafah Ummayah collapsed by the power of the British trough Mustafa Kemal At-Taturk who became the first Turkey president, Islamic system begins to be abandoned by Islam community, especially in term of *muammalah* and *uqubat*.

The dissolving of Khilafah Ummayah created an ex-country to become a nationalist-secular [14]. This condition cause to build their own system without regarding Islamic Law as the only principle and only using the Islamic Law as a reference. That condition is the reason that Islamic economic system is being abandoned by the Islam community, and one of them is the social security system.

Different from the socialist and capitalist economic system, Islamic economic system has a built in social security system, which already determined the obligation and right of every group of society. This obligation and right occur because of faith to God, brotherhood, and economic and social harmony commitment. Meanwhile, socialist economic system was born from the jealousy of proletarian society to the bourgeois society and capitalist economic system was born from the Great Depression in 1929 whereas at that time occurred several social and humanity tragedy [14]. Generally, the difference of social security system between Islamic economic system and socialist and capitalist economic system can be explained by Table 2.

Table 2: Comparison of Social Security System on Islamic, Capitalist and Socialist Economic System

Differences	Islamic Economic System	Capitalist Economic System	Socialist Economic System
The reason behind the birth of social security system	Right and obligation of the community organized by Islamic Law	Born from the great depression	Born from the jealousy of the proletarian community to the bourgeois community
Unity system	Built in to the system	Aid to the failure of the system	Response to the failure of the system
Point of view toward the society	Community is a group of individual with the same idea, rules and feeling.	Community is a group of community	Community is only an individual with any connections to other factors
Point of view toward spiritual value	Spiritual value is unseparated from every activity in daily life	Spiritual value involved in the individual activity is not involved in the public activity.	Does not approve spiritual value

Zakat is a fiscal instrument in solving a problem related to social security system. Yet, zakat is not the only social security system, but a subsystem inside the Islamic economic system. Thus, when zakat is applied in a country who do not apply the Islamic system the management is deeply depending on the country's system. Here is the illustration on how zakat being applied in the capitalist system:

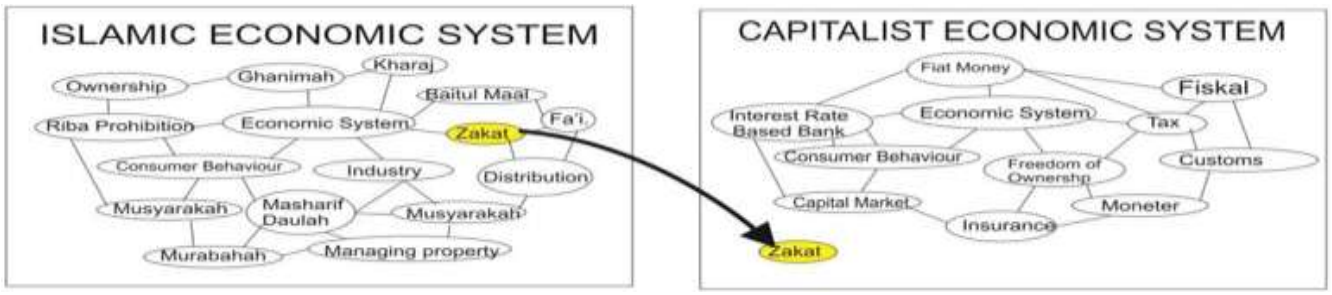


Fig. 4: Implementation of Zakat in the State to implement the Capitalist Economic System [2, 4, 14]

In the beginning of the rise of Islamic country, zakat management is conducted fully by the country.
Conversely, it changed in this era, zakat management in the majority of Islamic country is variable. According to [14], there are five forms of zakat management in the contemporary Muslim society, which are:

(i) Zakat collection as a mandatory by the country
(ii) Zakat collection as a mandatory conducted by the society
(iii) Zakat collection voluntarily by country
(iv) Zakat collection voluntarily by the society
(v) Zakat collection voluntarily in the level of individual, but managed collectively

In connection with [14], the institutional framework of contemporary zakat management is far more complex. In Pakistan, zakat is collected and distributed by government. In Malaysia, zakat is organized in the level of the state with different institutional arrangements. Different case in South Africa, zakat management is fully organized by private trough profit organization. In [14] also stated that zakat management in the contemporary Muslim society can be divided into the nature of its management and its collection.
Several countries are applying monopoly in the zakat management and a part of it, government and community has the same involvement in zakat management and distribution. Table 3 explains zakat management model in the world.

Table 3: Pattern of Zakat Management in the Contemporary Muslim Community

No.	Pattern of Collection and Management			Country
1.	Mandatory system management	with	collective	Saudi Arabia Pakistan Malaysia
2.	Voluntary system management	with	collective	Singapore Indonesia Non-Muslim country
3.	Voluntary system management	with	individual	

In Indonesia case, the development of zakat management has been conducted since the establishment of Muslim kingdom in Indonesia. At that time, zakat management is fully conducted by the government. In the era of colonialization, zakat is managed by individual by entrusting it to the *kiyai* as the owner of *pesantren*. Here is the development of zakat management in Indonesia.

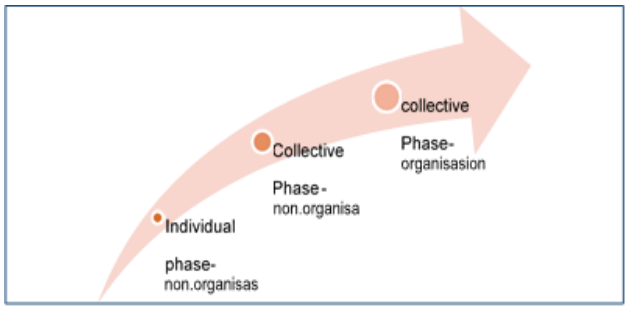


Fig. 5: Zakat Management development in Indonesia [14]

Based on Figure 5, it can be seen that zakat management in Indonesia is highly affected by political factor. Here are the explanations of each phase:

1. Voluntary phase – individual
2. Voluntary phase – collective
3. Mandatory – collective

Zakat can be categorized as social product where the characteristic is far more different from business product. According to [6], non-profit organizations obtain revenue from various sources, not only from their client who receive the services. If so, a question appears, what is the benefit expected by from zakat payer? That question related with the definition of value and benefit. Why would someone pay a significant amount of money for something that they would never receive?
In [3] explains that in connection with value, human will face phylosophist question regarding the nature of human, which is where do they come from, where they are going to live in the world and where they are going after life. Those questions are very important to identify the expected value from someone in doing something. What values are expected in life in the world and why they have to do it? That matters, are important to be known so that we have a whole point of view about values. Here is the framework constructed by [3] where the process of the value creation (*qimah*) on human and the values expected by human.



Fig. 6: Concept of Value in Islam [3]

Capitalist and socialist economic system views the key of happiness is material fulfillment. Meanwhile, Islamic system emphasizes on the balance of value, whereas human should be able to fulfill material needs, *akhlaq*, social and spiritual. The fulfillment of those needs has already built in the Islamic economic system. According to [1], Islam as an ideology regulate three aspects, human relationship with God, human relationship with human and human relationship with themselves. Muslim has a believe that Islam is a religion and an ideology at the same time, whereas every Muslim individual is bonded by every activity toward Islamic Law. Where ever Muslim society live, there will always be zakat obligation to be paid. Indonesia population is growing in every year. As can be seen from Table 4.

Table 4: Total Population Indonesia (Year 1971 – 2010) [16]

Province	**Population**					
	1971	**1980**	**1990**	**1995**	**2000**	**2010**
Aceh	2 008 595	2 611 271	3 416 156	3 847 583	3 930 905	4 494 410
North Sumatera	6 621 831	8 360 894	10 256 027	11 114 667	11 649 655	12 982 204
West Sumatera	2 793 196	3 406 816	4 000 207	4 323 170	4 248 931	4 846 909
Riau	1 641 545	2 168 535	3 303 976	3 900 534	4 957 627	5 538 367
Jambi	1 006 084	1 445 994	2 020 568	2 369 959	2 413 846	3 092 265
South Sumatera	3 440 573	4 629 801	6 313 074	7 207 545	6 899 675	7 450 394
Bengkulu	519 316	768 064	1 179 122	1 409 117	1 567 432	1 715 518
Lampung	2 777 008	4 624 785	6 017 573	6 657 759	6 741 439	7 608 405
Bangka Belitung Islands	-	-	-	-	900 197	1 223 296
Riau Islands	-	-	-	-	-	1 679 163

DKI Jakarta	4 579 303	6 503 449	8 259 266	9 112 652	8 389 443	9 607 787
West Java	21 623 529	27 453 525	35 384 352	39 206 787	35 729 537	43 053 732
Central Java	21 877 136	25 372 889	28 520 643	29 653 266	31 228 940	32 382 657
DI Yogyakarta	2 489 360	2 750 813	2 913 054	2 916 779	3 122 268	3 457 491
East Java	25 516 999	29 188 852	32 503 991	33 844 002	34 783 640	37 476 757
Banten	-	-	-	-	8 098 780	10 632 166
Bali	2 120 322	2 469 930	2 777 811	2 895 649	3 151 162	3 890 757
West Nusa Tenggara	2 203 465	2 724 664	3 369 649	3 645 713	4 009 261	4 500 212
East Nusa Tenggara	2 295 287	2 737 166	3 268 644	3 577 472	3 952 279	4 683 827
West Kalimantan	2 019 936	2 486 068	3 229 153	3 635 730	4 034 198	4 395 983
Central Kalimantan	701 936	954 353	1 396 486	1 627 453	1 857 000	2 212 089
South Kalimantan	1 699 105	2 064 649	2 597 572	2 893 477	2 985 240	3 626 616
East Kalimantan	733 797	1 218 016	1 876 663	2 314 183	2 455 120	3 553 143
North Sulawesi	1 718 543	2 115 384	2 478 119	2 649 093	2 012 098	2 270 596
Central Sulawesi	913 662	1 289 635	1 711 327	1 938 071	2 218 435	2 635 009
South Sulawesi	5 180 576	6 062 212	6 981 646	7 558 368	8 059 627	8 034 776
South East Sulawesi	714 120	942 302	1 349 619	1 586 917	1 821 284	2 232 586
Gorontalo	-	-	-	-	835 044	1 040 164
West Sulawesi	-	-	-	-	-	1 158 651
Maluku	1 089 565	1 411 006	1 857 790	2 086 516	1 205 539	1 533 506
North Maluku	-	-	-	-	785 059	1 038 087
West Barat	-	-	-	-	-	760 422
Papua	923 440	1 173 875	1 648 708	1 942 627	2 220 934	2 833 381
Total Population	119 208 229	147 490 298	179 378 946	194 754 808	206 264 595	237 641 326
Notes: Including Non-Residential (Homeless, Sailorman, Ship/Floating House						
Total population in 1971, 1980, 1990, 2000 and 2010						

Based on Table 4, Indonesian population according to 2010 census is 237.641.326 (www.bps.go.id). From that number, 87% are Muslim, that amount is the biggest in the world. This condition should create a significant increase to the zakat funding potential and make zakat contribute in solving economic problem in the country.

In the Islamic system, zakat is a mandatory for every individual who has the ability to pay. That zakat is taken by *Amil* as the representative of the government. This condition make the government has the authority to force Muslim individual to pay zakat to the government representative. Meanwhile, in the non-Muslim country the obligation of paying zakat is bestowed to the individual and it is becoming voluntary, so that zakat is highly depending on the awareness and understanding toward zakat institution. In non-Islam country, the government does not have the authority to force individual to pay zakat. The payment of zakat funding is highly depending on every individual Muslim.

We know that the growth of Indonesian GDP 2009-2014 experiencing a decrease. It is caused by the world economic condition which facing an economic recession. With the assumption of zakat potential of 1.7% from the total GDP, then the potential of zakat funding collected is 270 trillion Rupiah. Zakat payment conducted by the community after reduced by daily cost is 959 billion Rupiah. Meaning, the total funding collected by zakat institution in National level is less than 1%. To explain the characteristic of the level of income affecting the zakat funding paid by individual. In [9] explains the characteristic of asset zakat mandatory on Figure 7.

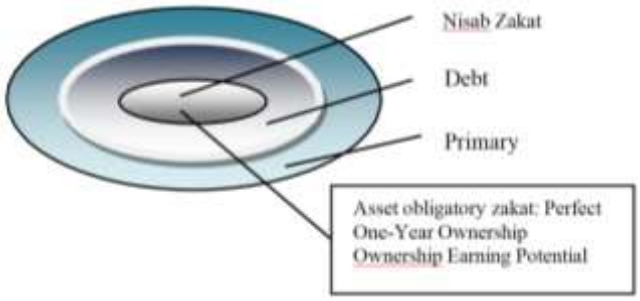


Figure 7: Characteristic of Zakat obligatory asset [9]

Furthermore, if income per capita decreases, it is predicted that the collection of zakat will decreases as well. It because the obligation of paying zakat is applicable to individual who classified as *nishab* and haul. Meaning, if the price of basic needs is increasing, meanwhile the relative fix income and inflation level is also relatively high, it is predicted that the allocation of zakat funding will also decrease. However, if we see it from the zakat funding collection by LAZNAS and BAZNAS keep experiencing growth, as can be seen from Table 5.

Table 5: Total Funding Zakat, *Infaq* and *Shodaqoh* in Indonesian Zakat Institution (Year 2010 – 2014) [14]

No.	Zakat Institution	Total of Funding Zakat				
		2010	2011	2012	2013	2014
1	Dompet Dhuafa Republika	176.000	106.964	95.482	173.241	251.000
2	Rumah Zakat Indonesia	134.214	146.000	146.000	188.000	230.000
3	Pos Keadilan Peduli Umat	72.000	77.352	107.552	34.626	40.133
4	BAZIS DKI Jakarta	52.768	64.780	81.000	105.658	114.175
5	PPA Daarul Quran	35.723	56.300	56.300	103.891	86.038
6	Baitul Maal Hidayatullah	28.963	28.963	28.963	59.534	74.490
7	YSDF Surabaya	36.126	36.491	36.860	37.428	38.565
8	BAZNAS	26.985	40.669	40.669	41.076	41.897
9	BM Muammalat	25.601	40.669	35.143	42.622	50.100

Although experiencing positive growth, potential zakat funding is yet to be fulfilled. Zakat funding management professionally is expected to increase donator trust to the label of zakat institution. In an Islamic country zakat management is conducted by the ministry, so that country has the authority to force individual to pay zakat. Government will give sanction to any individual who refuse to pay zakat. According to [14], community is not allowed to manage their own zakat.

5. Conclusion

Various fundamental theory and empirical facts show that a system has a unique characteristic. Whereas, component or subsystem inside the system are connected to each other and work together as a harmony in order to achieve the objective of the system creation. A subsystem or component on a system cannot be implemented easily on other system which has different or contrary objective.

Zakat as a subsystem building work to support the building above, which is the Islamic economic system. Meanwhile, Islamic economic system is also a subsystem of the Islamic system applied by the country. Zakat is an activity with an objective to get the payer closer to the Allah SWT. Zakat application in a country who is not applying Islamic system as *kaaffah* will resulting in the losing of original objective, which is getting closer to Allah SWT and poverty abolition.

In addition, Islamic intellectuals should focus on the matter of application of Islamic system rather than discussing on how to apply zakat in a country without Islamic system. Because, the effort to force the zakat implementation in country without Islamic system will push away Muslim community from understanding the Islamic economic system holistically.

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