

The Legacy of Umar bin Abdul Aziz in Indonesia's Zakat Law

Benny Nur Miftahul Ulum¹, Tika Widiastuti²

¹Universitas Airlangga

²Universitas Airlangga

Paper was presented at the 8th International Conference of Zakat (ICONZ)
17 - 19 December 2024, Bandung, Indonesia

ABSTRACT

This study aims to analyze Umar bin Abdul Aziz's zakat policies and compare them with zakat regulations in Indonesia. Adopting a qualitative approach through a literature review, the study examines key literature, including Ash-Shalaby's Umar bin Abdul Aziz: Ma'ālim at-Tajdīd wa al-İslāh ar-Rāshidī 'alā Minhāj an-Nubuwwah and Indonesian zakat regulations. The findings reveal congruent values between classical and modern zakat policies, along with challenges in technology application and zakat education in Indonesia. Practically, the study underscores the importance of optimizing technology to support transparency and accountability. This research offers contributions to improving zakat regulations in Indonesia.

Keywords: Sharia compliance, zakat distribution, transparency, zakat coverage, trust, wealth redistribution

INTRODUCTION

The leadership of Umar bin Abdul Aziz is considered one of the most equitable eras in Islamic history, particularly for zakat management, which significantly impacted social welfare. Umar implemented a zakat system rooted in Sharia principles, transparency, and accountability, achieving widespread prosperity and even a surplus, where zakat recipients became scarce (Ash-Shalaby, 2006). This professional zakat management serves as an inspiration for modern zakat administration, highlighting its potential as an effective instrument for poverty alleviation and economic stability (Labib & Nazhif Dhiya'elhaq, 2023).

As the country with the largest Muslim population, Indonesia has a substantial zakat potential—estimated at

approximately IDR 327.6 trillion annually by BAZNAS. To harness this potential, the government has issued various regulations, such as Law No. 23 of 2011 on Zakat Management, aimed at enhancing professionalism and effectiveness in zakat administration for broader societal benefit.

However, implementing these regulations faces significant challenges, including a lack of integration among zakat management institutions, resulting in distributional imbalances between economic centers and remote areas (Hidayatullah & Priantina, 2018). Additionally, limited public understanding of zakat as a tax deduction restricts participation and zakat collection through formal channels (Febriyanti, 2021). Regional differences in zakat policy, as seen in Aceh and Jakarta, create legal uncertainties and hinder a consistent

national standard for zakat calculation, affecting the transparency and accountability of zakat management (Fatimah & Susetyo, 2019; Nugraha et al., 2021).

This study provides novelty in two primary aspects. Firstly, it utilizes *Umar bin Abdul Aziz: Ma'ālim at-Tajdīd wa al-Iṣlāḥ ar-Rāshidī 'alā Minhāj an-Nubuwwah* by Dr. Ali Muhammad Ash-Shallabi as the main reference to explore Umar bin Abdul Aziz's zakat management principles in greater depth—an area rarely discussed specifically in the context of modern regulations. Secondly, the study not only compares Umar's zakat system with Indonesia's zakat regulations but also evaluates the compatibility of zakat management principles in Law No. 23 of 2011 with the values upheld by Umar. This research is thus expected to offer new insights for strengthening Indonesia's zakat regulations to be more effective in achieving social welfare and poverty alleviation while emphasizing the relevance of Umar bin Abdul Aziz's leadership values in modern zakat administration.

METHODOLOGY

This study employed a qualitative approach using a library research method to explore the principles of zakat management during the era of Umar bin Abdul Aziz and compare them with Indonesia's zakat regulations, specifically Law No. 23 of 2011. The primary data source was *Umar bin Abdul Aziz: Ma'ālim at-Tajdīd wa al-Iṣlāḥ ar-Rāshidī 'alā Minhāj an-Nubuwwah* by Dr. Ali Muhammad Ash-Shallabi, which provides comprehensive insights into Umar's leadership and zakat reforms, while secondary data included Law No. 23 of 2011, related BAZNAS regulations, MUI fatwas, journal articles, and books. Data was collected through documentation

analysis, involving the identification and review of both primary and secondary literature, followed by data coding and classification into themes such as Sharia compliance, transparency, accountability, zakat distribution, and coverage. The analysis involved comparative techniques to examine the alignment of principles between Umar's era and modern regulations and descriptive techniques to interpret findings, clarify their relevance, and identify gaps or areas for improvement. A synthesis of these findings informed policy recommendations applicable to contemporary zakat administration. Data validity was ensured through source triangulation by cross-referencing classical texts, legal documents, and academic literature to enhance accuracy and consistency.

RESULT AND DISCUSSION

Overview of the Primary Reference: Umar bin Abdul Aziz's Zakat Policies

The book *Umar bin Abdul Aziz: Ma'ālim at-Tajdīd wa al-Iṣlāḥ ar-Rāshidī 'alā Minhāj an-Nubuwwah* by Dr. Ali Muhammad Ash-Shallabi, published by Daru At-Tauzi Wa An-Nasyr Al Islamiyah in Cairo in 2006, offers a comprehensive account of the life and governance of Caliph Umar bin Abdul Aziz, one of the most prominent reformers in Islamic history. Known for his commitment to restoring justice, Umar bin Abdul Aziz reformed numerous public policies, including zakat administration, to promote social welfare and wealth redistribution. One of the key themes in Ash-Shallabi's work is Umar's focus on governance rooted in justice and simplicity, aligned with the values of early Islamic teachings.

Ash-Shallabi highlights that Umar prioritized policies that bridged social and economic disparities by implementing zakat

policies centered on transparency and fairness. His reforms included appointing honest zakat officials, emphasizing strict adherence to Sharia principles, and ensuring zakat distribution targeted the rightful beneficiaries (asnaf). Through these reforms, Umar was able to enhance public trust in the zakat system, illustrating the impact of governance based on Islamic principles of justice. Ash-Shallabi's book provides valuable insights into the relevance of Umar bin Abdul Aziz's reforms as a model for contemporary Islamic governance.

Emphasis on Sharia Compliance

"Faqad 'azama 'Umaru 'ala ittibā'i hudā an-Nabiyyi ṣallallāhu 'alayhi wa sallam fī az-zakāh, wa kāna al-wulāh qabla-hu qad tahāwanū fī-hā, fa-akhadhūha min ghayri ḥaqqi-hā, wa ṣarafūhā fī ghayri maṣāriḥi-hā."

(Translation: "Umar resolved to follow the Prophet's guidance in matters of zakat, unlike previous leaders who had taken zakat from improper sources and misallocated it.") (Ash-Shalaby, 2006).

Umar bin Abdul Aziz prioritized strict adherence to Sharia as the foundation for zakat management (Ash-Shalaby, 2006). This principle aligns with Article 2 of Indonesia's Law No. 23 of 2011, which emphasizes that zakat administration must be in accordance with Sharia principles (Fatimah & Susetyo, 2019). Research by Takidah & Pratiwi (2017) suggests that Sharia-based regulation fosters trust among zakat payers in zakat institutions. Umar viewed zakat not merely as a financial duty but also as a moral responsibility aimed at creating social equity. His commitment to collecting zakat from lawful sources and ensuring its distribution to legitimate beneficiaries reflected his intent to uphold Sharia in zakat management.

The management of zakat in Indonesia is strictly regulated to ensure compliance with Islamic principles. Law No. 23 of 2011, Article 2, states that zakat management must adhere to Sharia principles, emphasizing integrity, benefit, justice, legal certainty, integration, and accountability. Additionally, Article 3 reinforces that the purpose of zakat management is to improve efficiency in zakat services and maximize its impact on social welfare and poverty alleviation. Government Regulation (PP) No. 14 of 2014, Article 4, requires BAZNAS to create zakat management guidelines that serve as a reference for national and regional zakat institutions, ensuring uniformity in Sharia-compliant practices.

The Ministry of Religious Affairs Regulation (PMA) No. 52 of 2014, Article 15, further stipulates that the use of zakat for productive ventures must align with Sharia principles, be handled with caution, and aim to improve the welfare of zakat recipients. Additionally, MUI Fatwa No 8 of 2011 on Amil Zakat underlines the need for professionalism, trustworthiness, and transparency in the duties of zakat managers (amil), ensuring that zakat funds are managed with integrity and accountability. Collectively, these regulations uphold the importance of Sharia compliance in all aspects of zakat management, building public trust and maximizing the social and economic impact of zakat.

Historically, the principle of Sharia compliance as championed by Umar bin Abdul Aziz aligns closely with Indonesia's current regulatory approach to zakat. However, challenges persist, particularly regarding public literacy in zakat and the development of robust Sharia-compliant distribution mechanisms. In today's digital era, integrating advanced digital systems into zakat management could further

enhance adherence to Sharia principles by increasing transparency in collection and allocation processes. Such digital integration could bolster public trust in zakat institutions, ensuring that zakat efficiently reaches its intended recipients and significantly strengthens its social welfare impact across Indonesia.

Targeted Distribution

“Wa amara wulātahu bil-baḥṭhi ‘anhum wa i’tā’ihim ḥaqqahum, wa fī ḥālāti ‘adami wujūdi fuqara’ aw masākīn aw muḥtājīn amara ‘Umaru bishirā’ riqābi al-musta’badīn wa i’tiqāquhum min māli az-zakāh.”

(Translation: "He instructed his governors to find the poor and grant them their rights. In cases where no needy people could be found, Umar directed zakat to be used to emancipate slaves.") (Ash-Shalaby, 2006)

Umar bin Abdul Aziz implemented zakat distribution policies that emphasized targeted allocation, reaching out to individuals who qualified as zakat beneficiaries (mustahik). His governors were tasked with locating eligible recipients to ensure their needs were met, demonstrating a proactive approach that went beyond mere administrative practices (Ash-Shalaby, 2006). The impact of these measures was visible in the enhanced social stability and reduced inequality that marked Umar’s era, illustrating the potential for targeted zakat distribution to address poverty effectively.

Indonesia’s regulatory framework for zakat is structured to ensure that distribution strictly adheres to Sharia principles, focusing on targeted allocation to the eight asnaf categories as outlined in Article 25 of Law No. 23 of 2011. This mandate is further specified in Government Regulation No. 14 of 2014, Article 25, which requires that zakat distribution by BAZNAS and LAZ be conducted in line

with Islamic law, targeting eight eligible recipient categories: the poor, the needy, zakat administrators, new converts to Islam, slaves seeking freedom, those in debt, individuals striving in the way of Allah, and travelers in need. Similarly, BAZNAS Regulation (PERBAZNAS) No 3 of 2018, Article 4 Paragraph (1), prioritizes distribution to these eight categories, ensuring that zakat fulfills its intended social welfare impact.

To enhance zakat’s reach and effectiveness, BAZNAS Regulation No. 3 of 2018 also extends zakat allocation to strategic sectors, including education, healthcare, humanitarian efforts, and Islamic outreach, reflecting Umar’s proactive, socially focused approach to zakat distribution. However, challenges remain, especially in remote areas where logistical obstacles complicate the identification and reach of eligible beneficiaries.

In response, digital technology offers promising solutions, enabling transparent, real-time tracking of zakat disbursements and accurate targeting of beneficiaries. By aligning with Umar’s principles of targeted and strategic distribution, digital integration can help bridge regional disparities in zakat access, strengthening zakat’s role in poverty alleviation across Indonesia. Leveraging digital advancements could significantly enhance the transparency, precision, and social impact of zakat distribution, ensuring that zakat reaches those most in need and effectively contributes to alleviating poverty and fostering social welfare.

Transparency and Accountability

“Wa ‘ayyana ‘ummālan thiqātan mu’tamanīn wa amarahum bijībābatiha dūna ḥulmin aw ta’addin, wa amarahum bikitābati barā’atin ilā al-ḥawli lidāfi ‘iha.”

(Translation: "He appointed trustworthy officials and instructed them to collect zakat without injustice or excess, and also required them to issue receipts to payers annually.") (Ash-Shalaby, 2006)

Transparency and accountability were pivotal in Umar bin Abdul Aziz's zakat policies. By appointing trustworthy officials and implementing annual zakat receipts, Umar ensured a transparent and fair zakat collection process, which fostered public trust (Ash-Shalaby, 2006). In modern times, transparency in zakat management is crucial for gaining and maintaining public confidence, as studies show that transparent financial reporting boosts donor loyalty and strengthens institutional credibility (Ikhwandha & Hidayati, 2019; Munir, 2021).

Indonesia's regulatory framework for zakat management places a high priority on transparency and accountability, creating a foundation for public trust. Law No. 23 of 2011 mandates that zakat institutions prepare auditable financial statements, ensuring that zakat management is both transparent and accountable. Article 2 of this law outlines the principles of integrity, benefit, justice, legal certainty, integration, and accountability in zakat management, while Article 3 highlights the goal of efficient management to support community welfare and poverty alleviation. BAZNAS is responsible for upholding these principles, with Article 7 Paragraph (1) emphasizing regular reporting and accountability.

Government Regulation No. 14 of 2014 further strengthens transparency by requiring BAZNAS to establish guidelines that serve as a reference for provincial and district-level BAZNAS and Zakat Management Organizations (LAZ), with Article 30 mandating periodic public reports on zakat activities. At an operational level, BAZNAS Regulation No.

4 of 2018 reinforces accountability by requiring Unit Pengumpul Zakat (UPZ) to report regularly on zakat collection and distribution activities.

Digital systems can further enhance transparency by enabling zakat payers to monitor fund utilization in real time, aligning with Umar's historical approach to accountability through annual receipts. This modern digital reporting approach provides accessible, transparent data on zakat distribution, offering a sustainable solution for zakat management and reinforcing public trust. MUI Fatwa No. 8 of 2011 also supports these principles, emphasizing that zakat managers (amil) must act with professionalism, trustworthiness, and openness in fund management. Together, these regulations, supported by digital integration, offer a comprehensive, transparent framework for zakat management, allowing Indonesia's zakat institutions to maximize social welfare impact and uphold trust in their operations.

Expanding Zakat Coverage

"Baraza hādhā min khilāli fihihi fī zakāti ath-tharwati az-zirā'iyah wa zakāti al-ibili al-āmmah wa zakāti as-samak, wa zakāti al-'asal, wa hādhā al-fiqh min sha'nihi an yazīda al-amwāl al-khādi'ah li az-zakāh, mimmā yu'aththiru fī ziyādat jibāyatihā."

(Translation: "This was evident in his understanding of zakat on agricultural wealth, public camels, fish, and honey, which aimed to increase zakat revenue.") (Ash-Shalaby, 2006)

Umar bin Abdul Aziz implemented an expanded zakat coverage policy, broadening the zakat base to include a wider range of assets such as agricultural products, livestock, fish, and honey. This comprehensive approach sought to maximize zakat revenue, ensuring that all economically valuable assets contributed to social welfare (Ash-Shalaby, 2006).

Indonesia's regulatory framework on zakat has progressively expanded the scope of zakatable assets to include both traditional and modern sources of income, aligning closely with the inclusive policies of Umar bin Abdul Aziz in zakat management. Law No. 23 of 2011, Article 4 Paragraph (2), outlines that zakatable assets now encompass not only gold, silver, and agricultural products but also income from professions, industrial outputs, and services. This approach is further reinforced by Government Regulation No. 14 of 2014, Article 27 Paragraph (1), which mandates that income and services are subject to zakat in adherence to Sharia principles. The Ministry of Religious Affairs Regulation No. 52 of 2014, Article 26 Paragraph (1), specifies professional earnings from roles like doctors and consultants as zakatable income, broadening the zakat base to include contemporary income streams. Additionally, MUI (Fatwa MUI No. 3 Tahun 2003 Tentang Zakat Penghasilan, 2003) on Zakat Saham extends zakat obligations to financial instruments, clarifying that shares meet zakatable criteria if they reach nisab and haul.

While these regulations establish a comprehensive and modern zakat framework, challenges persist in raising public awareness about zakat obligations for various asset types, especially newer forms of income. Enhanced literacy efforts could improve compliance and broaden Indonesia's zakat base, reflecting the principle of inclusivity found in Umar's policies. Moreover, integrating digital systems for tracking and reporting zakat assets could facilitate accurate calculations and ensure equitable contributions across all eligible asset types. This alignment with Umar bin Abdul Aziz's approach underscores Indonesia's commitment to comprehensive zakat coverage as a tool for

reinforcing social welfare and economic justice.

Building Public Trust

"Wa qad aththarat fī dafa'i az-zakāh li ad-dawlah mubāsharatan li ziyādat ath-thiqqah bayna al-hākim wa al-mahkūm wa hādihā wādih min tadafu' an-nās li adā'i az-zakāh 'indamā sami'ū bi khilāfati 'Umar."

(Translation: "This policy promoted the direct payment of zakat to the state, which increased trust between the ruler and the people. This was evident in the enthusiasm of people to pay zakat upon hearing of Umar's caliphate.") (Ash-Shalaby, 2006)

Under Umar bin Abdul Aziz's leadership, public trust in zakat administration significantly increased. By prioritizing integrity, justice, and transparency, Umar created a government in which the people were eager to participate, fulfilling their zakat obligations directly to the state. This trust bolstered social stability, with the public confident that zakat funds would be used equitably to support social welfare (Ash-Shalaby, 2006). The increased public participation in zakat payments under Umar illustrates how trust in governance can reinforce civic responsibility, leading to greater social cohesion. Studies confirm that trust in zakat institutions motivates zakat payers (muzakki) to contribute actively, which increases the zakat funds collected (Bin-Nashwan et al., 2021; Salman & Mujahidin, 2022).

Indonesia's regulatory framework for zakat management incorporates various measures to build and sustain public trust, emphasizing transparency, accountability, and professionalism. Law No. 23 of 2011, Article 2, establishes that zakat management must be based on principles such as integrity, benefit, justice, legal certainty, integration, and accountability.

This is further supported by Article 3, which states that zakat management aims to increase the effectiveness and efficiency of services, ensuring the welfare of society and addressing poverty. Additionally, Article 7 Paragraph (1) requires BAZNAS to uphold reporting and accountability functions to guarantee transparent zakat management.

Government Regulation No. 14 of 2014 bolsters this framework by mandating BAZNAS to develop comprehensive zakat management guidelines (Article 4), which are to be followed by both national and regional zakat institutions. Article 30 obliges BAZNAS and LAZ to produce periodic reports for the government and the public, reinforcing transparency. In line with this, BAZNAS Regulation No. 4 of 2018, Article 6, mandates that Unit Pengumpul Zakat (UPZ) submit regular reports on zakat collection and distribution to the institutions that formed them, ensuring accountability at every level.

Furthermore, MUI Fatwa No. 8 of 2011 emphasizes professionalism, trustworthiness, and openness in amil (zakat managers), requiring that zakat be managed transparently and responsibly. These principles collectively foster public confidence, ensuring that zakat management is conducted with integrity and that zakat funds are effectively utilized for social welfare.

The Indonesian zakat system could further enhance trust by implementing digital platforms for transparent fund tracking and reporting, similar to Umar's use of annual receipts for zakat payers. In a modern context, digital transparency tools can provide direct access to zakat data, enabling the public to view fund allocations in real time. This fosters accountability and reinforces public trust, contributing to the social stability that is vital to zakat's role in poverty alleviation and welfare promotion.

Wealth Redistribution and Reducing Social Inequality

"Inna az-zakāta kānat fā'īdatan 'an ḥājāti an-nāsi fī dhālika az-zaman, fa kāna ar-rajulu ya'ī bi zakātihi fa-lā yajidu man ya'khudhuhā."

(Translation: "Zakat during that time exceeded the needs of the people, to the point where a man would bring his zakat but find no one to accept it.") (Ash-Shalaby, 2006)

Umar bin Abdul Aziz's zakat policies effectively redistributed wealth, reducing economic inequality to the extent that zakat funds were sometimes left without eligible recipients due to widespread prosperity. This illustrates the power of zakat as a redistributive tool when implemented effectively (Ash-Shalaby, 2006). Through targeted distribution and comprehensive zakat collection, Umar's administration significantly reduced poverty and created a more equitable society, exemplifying zakat's role as an instrument for social justice and wealth redistribution.

In Indonesia, Law No. 23 of 2011 enshrines zakat's redistributive function, emphasizing its role in poverty alleviation and economic equity. Article 3 explicitly states that the primary objective of zakat is to promote social justice and reduce poverty, aligning with Umar's commitment to equitable wealth distribution. BAZNAS Regulation No. 3 of 2018 also directs that zakat be allocated to support sustainable welfare programs, with a focus on initiatives that uplift impoverished communities. Research shows that effective zakat management can reduce social inequality and contribute to social stability (Sulaeman et al., 2021; Widiastuti et al., 2022).

The Indonesian zakat system could enhance its redistributive impact by prioritizing productive zakat programs, such as economic empowerment and education support, to address long-term poverty reduction. Additionally, digital tools can facilitate accurate data collection on community needs, enabling more precise zakat distribution that reflects local socioeconomic conditions. By leveraging digitalization and focusing on sustainable welfare projects, Indonesia can align its zakat practices with the redistributive success achieved under Umar bin Abdul Aziz's leadership, further reducing poverty and inequality.

Digitalization for Enhanced Efficiency and Accountability

The principles of Sharia compliance, targeted distribution, transparency, accountability, expanded coverage, trust, and wealth redistribution underscore the effectiveness of Umar bin Abdul Aziz's zakat management. Indonesia's zakat framework has incorporated many of these principles, yet digitalization presents new opportunities to strengthen zakat governance. Digital platforms can streamline zakat collection, improve

beneficiary tracking, and facilitate transparent financial reporting, addressing some of the practical challenges faced by zakat institutions.

Studies indicate that digitalization in zakat management improves operational efficiency, reduces errors, and enhances accountability by providing real-time insights into zakat allocation (Hadi et al., 2024). The introduction of digital zakat payment systems in Indonesia, such as mobile payment applications, has already demonstrated the potential of technology to broaden zakat participation and increase transparency. This aligns with Umar's commitment to accountable zakat practices through innovative governance mechanisms, such as issuing receipts for transparency.

By adopting advanced digital tools, Indonesian zakat institutions can implement more accurate monitoring systems, optimize fund allocation, and foster public confidence. Technology-driven transparency can ensure that zakat reaches the intended beneficiaries promptly and consistently, reinforcing the social and economic objectives of zakat.

Table 1. Alignment of Umar's Policies and Indonesia's Zakat Regulations

Umar's Policies	Zakat Regulations	Content
Compliance with Sharia in Zakat Management	UU No. 23 Tahun 2011 Pasal 2, Pasal 3; PP 14/2014 Pasal 4 (1) dan (2); Permenag No 52/2014 Pasal 15; Fatwa MUI No. 8 Tahun 2011	Zakat management must adhere to Sharia principles, including integrity, justice, and transparency.
Targeted Distribution of Zakat and ZIS Funds	UU No. 23 Tahun 2011 Pasal 25 Ayat (1); PP No. 14 Tahun 2014 Pasal 25; Peraturan BAZNAS No. 3 Tahun 2018 Pasal 4 Ayat (1)	Zakat distribution is accurate and aligns with Islamic principles, enabling zakat to effectively serve its purpose in aiding those who are entitled to receive it.
Transparency and Accountability in Zakat Management	UU No. 23 Tahun 2011 Pasal 2, 3, 7 (1) (d); PP No. 14 Tahun 2014 Pasal 4 (1), 4 (2), 30 (1), 30 (2);	These provisions highlight the emphasis on accountability and transparency in zakat management, detailing the

	Peraturan BAZNAS No. 4 Tahun 2018 Pasal 2 (2), 6 (1)	principles, functions, and reporting obligations of BAZNAS, LAZ, and UPZ.
Expanding the Scope of Zakat to Increase Collection	UU No. 23 Tahun 2011 Pasal 4 Ayat (2); PP 14/2014 Pasal 27 (1); Permenag No. 52 Tahun 2014 Pasal 26 (1); Fatwa MUI No. 3 Tahun 2003	Through these regulations and fatwas, Indonesia has broadened the scope of zakatable assets to include various sources of modern income and assets, ensuring the relevance and effectiveness of zakat within the contemporary economic context.
Efforts to Enhance Public Trust in Zakat Management	UU No. 23 Tahun 2011 Pasal 2, Pasal 3, Pasal 7 (1) huruf (d); PP No. 14 Tahun 2014 Pasal 4 (1), Pasal 4 (2), Pasal 30 (1), Pasal 30 (2); Peraturan BAZNAS No. 4 Tahun 2018 Pasal 2 (2). Pasal 6 (1)	These provisions underscore the importance of principles, functions, and reporting obligations that BAZNAS, LAZ, and UPZ must fulfill in zakat management to build and sustain public trust.
Zakat as Wealth Redistribution for Prosperity Equity	UU No. 23 Tahun 2011 Pasal 3, Pasal 25 (1); PP 14/2014 Pasal 27 (1); Perbazznas No 3/2018 Pasal 4 (1) dan (2); Fatwa MUI No. 15 Tahun 2011	Zakat management in Indonesia is aimed at actively redistributing wealth and reducing economic inequality by ensuring that zakat reaches those entitled to it and is used to improve societal welfare.

CONCLUSION

This study concludes that Umar bin Abdul Aziz's approach to zakat management presents a comprehensive and effective model for achieving social welfare through Sharia compliance, targeted distribution, transparency and accountability, expanded zakat coverage, trust-building, and wealth redistribution. A comparative analysis with Indonesia's zakat regulations demonstrates that many of these principles have been incorporated into Law No. 23 of 2011 and BAZNAS regulations, aligning zakat management practices with the broader objectives of social equity and poverty alleviation.

However, challenges remain in implementing these principles on a practical level, particularly in enhancing zakat literacy and utilizing digital technology to strengthen transparency and accountability. Public education on zakat obligations,

especially in understanding zakat as a financial responsibility that aligns with broader social welfare goals, can foster greater participation and compliance. Moreover, the integration of digital tools in zakat management can further improve transparency and accessibility, allowing zakat institutions to track and allocate funds with greater precision and accountability.

Overall, this research emphasizes that adopting zakat management policies similar to those applied by Umar bin Abdul Aziz can enhance the effectiveness of zakat regulations in Indonesia, especially in the areas of accountability, targeted distribution, and public literacy on zakat. This study's contribution lies in presenting opportunities to reform Indonesia's zakat policy based on time-tested Sharia principles proven effective in achieving social welfare. Future research can explore the practical implementation of these recommendations, particularly the role of digital literacy in

zakat and the impact of productive zakat distribution on sustainable poverty reduction.

REFERENCES

- Ash-Shalaby, A. M. (2006). عمر بن عبد العزيز معالم التجديد والإصلاح الراشدي على منهاج النبوة.
- Bin-Nashwan, S. A., Abdul-Jabbar, H., & Aziz, S. A. (2021). Does trust in zakat institution enhance entrepreneurs' zakat compliance? *Journal of Islamic Accounting and Business Research*, 12(5), 768–790. <https://doi.org/10.1108/JIABR-09-2020-0282>
- Fatimah, T., & Susetyo, H. (2019). THE IMPLEMENTATION OF CIVIL SERVANTS' INCOME ZAKAT IN DKI JAKARTA AND ACEH PROVINCE. *International Journal of Law, Government and Communication*, 224–234. <https://doi.org/10.35631/ijlgc.415002>
- Fatwa MUI No. 3 Tahun 2003 Tentang Zakat Penghasilan, Majelis Ulama Indonesia (2003).
- Fatwa MUI No 8 Tahun 2011 Tentang Amil Zakat, Majelis Ulama Indonesia (2011).
- Febriyanti, N. (2021). ENHANCING THE EFFECTIVENESS OF THE ZAKAT MANAGEMENT SYSTEM TO REDUCE TAXABLE INCOME FOR MUSLIM COMMUNITIES IN EAST JAVA. *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan*, 21(2), 271–279. <https://doi.org/10.30631/alrisalah.v21i2.821>
- Hadi, R., Shafrani, Y. S., Hilyatin, D. L., & Riyadi, S. (2024). Digital zakat management, transparency in zakat reporting, and the zakat payroll system toward zakat management accountability and its implications on zakat growth acceleration. *International Journal of Data and Network Science*, 8(1), 597–608. <https://doi.org/10.5267/j.ijdns.2023.8.025>
- Hidayatullah, A., & Priantina, A. (2018). Toward Zakat Management Integration in Indonesia: Problems and Solution. *AHKAM: Jurnal Ilmu Syariah*. <https://doi.org/10.15408/AJIS.V18I2.6319>
- Ikhwandha, M. F., & Hudayati, A. (2019). The influence of accountability, transparency, affective and cognitive trust toward the interest in paying zakat. *Jurnal Akuntansi & Auditing Indonesia*, 23(1), 39–51. <https://doi.org/10.20885/jaai.vol23.is1.art5>
- Labib, M., & Nazhif Dhiya'elhaq, M. G. (2023). Umar bin 'Abdul 'Aziz's Ijtihad on Zakat Management. *Al-Ahkam: Jurnal Ilmu Syari'ah Dan Hukum*, 8(1). <https://doi.org/10.22515/alahkam.v8i1.6164>
- Munir, Z. A. H. (2021). THE EFFECT OF FINANCIAL REPORT TRANSPARENCY AND ZAKAT MANAGEMENT ON MUZAKKI TRUST IN BAZNAS LOMBOK TIMUR. *Al-Risalah: Forum Kajian Hukum Dan Sosial Kemasyarakatan*, 21(2), 194–207. <https://doi.org/10.30631/alrisalah.v21i2.889>
- Nugraha, E., Refmasari, V. A., & Fatriansyah, A. I. A. (2021). Critical Review Zakat as Tax Deduction (Indonesia-Malaysia Comparative Study). *Journal of Economics, Business, & Accountancy Ventura*, 23(3), 426–440. <https://doi.org/10.14414/jebav.v23i3>

- 2481
- Peraturan Menteri Agama RI No 52 Tahun 2014 Tentang Syarat Dan Tata Cara Penghitungan Zakat Maal (2014).
- PERBAZNAS No 3 Tahun 2018 Tentang Pendistribusian (2018).
- PERBAZNAS No. 4 Tahun 2018 Tentang Pelaporan Pelaksanaan Pengelolaan Zakat (2018).
- PP Nomor 14 Tahun 2014 (2014).
- Salman, K. R., & Mujahidin, M. (2022). Studies on Transparency of Financial Statements, Management of Zakat and Attitudes of Amil and Efforts to Increase Muzakki's Trust. *Al-Kharaj: Journal of Islamic Economic and Business*, 4(1), 10–22. <https://doi.org/10.24256/kharaj.v4i1.2033>
- Sulaeman, S., Majid, R., & Widiastuti, T. (2021). Zakat and Its Impact on Socio-Economic Welfare Before COVID-19 Pandemic in Indonesia. *International Journal of Zakat*, 6(2).
- Takidah, E., & Pratiwi, A. (2017). Governance and Trust in Zakat Institution. 1st International Conference on Islamic Economics, Business, and Philanthropy, 870–875. <https://doi.org/10.5220/0007091508700875>
- Undang-Undang RI Nomor 23 Tahun 2011 Tentang Pengelolaan Zakat (2011).
- Widiastuti, T., Herianingrum, S., & Zulaikha, S. (2022). Ekonomi dan Manajemen ZISWAF (Zakat, Infak, Sedekah, Wakaf). In *Ekonomi dan Manajemen ZISWAF (Zakat, Infak, Sedekah, Wakaf)*. https://books.google.com/books?hl=en&lr=&id=2Q1pEAAAQBAJ&oi=fnd&pg=PP1&dq=wakaf&ots=axreK08o3T&sig=n4r5M7iFMDF_SuuRR
- 36d_J5dX2Q

