INNOVATION OF ONLINE ZAKAT INSTITUTIONS: OPPORTUNITIES AND CHALLENGES IN THE ERA OF SMART SOCIETY 5.0

Abstract: This article departs from the phenomenon of smart society 5.0, which affects various fields of life, including the people's economy, especially in the field of zakat management. This article wants to see the innovations of online zakat institutions in Indonesia and the opportunities and challenges in the era of smart science 5.0. The online zakat institutions studied in this article are Dompet Dhuafa, Lazismu and Rumah Zakat. This study used a qualitative approach with content analysis. This article finds that online zakat institutions have great opportunities in the era of smart society 5.0. These include Indonesia as one of the countries that supports the achievement of sustainable development. These institutions continue to grow and innovate by utilizing technology and paying attention to the community's welfare. Huge potential for Zakat in Indonesia; Community interest is increasing, Effective and efficient online Zakat, and The development of technology and science. However, in addition, some challenges must be answered by online zakat institutions in the 5.0 era, including Strengthening knowledge/literacy related to online Zakat Muzakki consciousness, Maintaining trust by increasing institutional accountability and transparency in collecting zakat funds, Online zakat management supervision; Socialization of e-zakat; Must continue to innovate; Strengthening of resources; and Strengthening regulations.

Keywords: Innovation, Online Zakat Institution, Smart Society 5.0
INTRODUCTION

Smart Society 5.0 is designed to respond to economic and social challenges by leveraging technology by providing a coordinated and forward-looking strategy to improve well-being. Not only focusing on the production process, smart society 5.0 is synonymous with integrating new technological systems in various fields for the benefit of humanity.

Looking at the economic reality of the people in Indonesia, which is not evenly distributed, data from the Central Statistics Agency in March 2022 amounted to 9.54 percent of the poor population of the entire population in Indonesia, which reached 26.16 million people.

As a country with a majority Muslim population, which is 87.2% of the total population, Zakat, as one of the pillars of Islam, is closely related to anticipating the economic problems of the people. Zakat has a very important role in improving the welfare of society. Data from the National Amil Zakat Agency (BAZNAS) shows the potential for Zakat in 2022 will reach Rp. 327 Trillion. It can be seen that the potential for Zakat in Indonesia is very large. Meanwhile, in 2021, the national zakat collection in Indonesia is Rp. 14 trillion; in 2022, BAZNAS targets the collection of Zakat of Rp. 26 Trillion.

So, it is necessary to optimize the collection and management of Zakat to reduce the community's socio-economic gap. This is the homework of zakat practitioners or zakat collection bodies to find ways to maximize the potential of Zakat. One is for zakat amil to continue improving services and innovations in Zakat management. Likewise, on the use of online media in collecting Zakat. As it is known that currently there are many online zakat institutions. These institutions respond to technological developments to provide alternatives for maximum collection, management, distribution, and utilization of zakat funds.

Based on the author's search for previous studies, in order to strengthen the research, the authors seek relevant research. Much research has been related to Zakat in general and online zakat institutions in particular. These include Khairul Rijal and Nilawati's research on the potential and realization of online and offline zakat payments in

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3 Badan Pusat Statistik (BPS), https://www.bps.go.id.
5 Badan Amil Zakat Nasional (BAZNAS), https://baznas.go.id.
Indonesia. Then, the article Winda, et al., examines the implementation of technology in Zakat to improve the welfare of low-income people. Uswatun Hasanah studied the potential for zakat receipts through e-commerce during the Covid-19 pandemic. Furthermore, Marhanum Che Mohd Salleh and Mohammad Abdul Matin Chowdhury, who studied technological transformation in Malaysian zakat institutions. Also research by Isnaetul Mutiya Rohmah, et al, which examines the effectiveness of online zakat institutions at Rumah Zakat.

The studies above discuss the emphasis on optimizing aspects of Zakat through technology media. However, few still study and relate it to the presence of the smart society 5.0 era. The author studied several online zakat institutions, namely Dompet Dhuafa, Lazismu, and Rumah Zakat. These institutions also continue to evolve and develop themselves; it is interesting to see the repositioning of zakat institutions in the current era. Therefore, it is deemed necessary and relevant to assess online zakat institutions to see how innovative they are and the opportunities and challenges in the era of smart society 5.0.

THEORETICAL FRAMEWORK

Overview of Smart Society 5.0

The birth of the concept of society 5.0 was originally a proposal for sustainable human and social development as a national design in Japan. The implementation of Society 5.0 not only becomes a political-ideological concept of a country but extends to various dimensions of life, such as Innovation policies in various fields of life. Society 5.0 involves a human-centred community that can strike a balance between economic proliferation and fulfilling societal obligations with a core combination of cyber and physical space. Society 5.0 encourages worldly life to jump towards digital changes that develop in various layers of society.

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The Japanese government stated that the Industry 4.0 era focuses more on the production process, while Smart Society 5.0 emphasizes efforts to improve the quality of life social responsibility and develop sustainability. The Smart Society 5.0 concept makes humans a source of innovation, which is not only limited to industrial factors but also solves social problems with the help of the integration of physical and virtual spaces. One of the basic ideas of this concept is that it is hoped that artificial intelligence products will transform big data from internet transaction products in all areas of life into a new wisdom, namely creating hope to improve human abilities in opening new opportunities for humanity. In Smart Society 5.0, humans will be the centre (human-centred) while remaining technology-based. The emergence of Smart Society 5.0 requires patented breakthroughs to face the challenges that will be posed by Smart Society 5.0.

In general, the development of the Industrial Revolution 4.0 and Society 4.0 in Indonesia can be said to have not been implemented perfectly, but Japan first introduced the concept of Society 5.0 to the world. Society 5.0 is a concept where the development of the Internet of Things, Big data, and Artificial Intelligence is oriented to a better human life. This differs from the concept in the industrial revolution 4.0 where the technology developed is oriented towards the productivity of business processes. The existence of the Society 5.0 trend has an indirect impact where Indonesia, as a developing country, has the right to play an active role in preparing for the Society 5.0 trend in the future.

Digital Transformation in Zakat Online

The high use of technology in every line of life shows the high human need for technology. No exception in conducting economic transactions and fulfilling daily needs, the presence of fintech is the solution. This shift towards digitalization also touches on aspects of zakat management, especially in collecting Zakat. With fintech technology, paying Zakat by muzakki becomes easier because it can be done anytime and anywhere. In response to this phenomenon, the Amil Zakat Institute has tried digitizing Zakat as a medium for collecting Zakat, believing this innovation can increase zakat receipts. What’s more, digital Zakat can be a solution today, where people don’t need to come to mustahik or to the location of amil zakat institutions to pay Zakat, by making payments with an online system through the zakat institution’s website or mobile-based applications, people have fulfilled their religious obligations. These platforms cooperate with the Zakat Management Organization (OPZ) to distribute the collected Zakat funds. Several examples of digital wallet applications and online shopping can be used to pay

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Zakat, including: 1) DANA Digital Wallet in collaboration with the underprivileged wallet. 2) LinkAja has the LinkAja sharing feature in collaboration with several OPZ, namely the BAZNAS, Dompet Dhуaфа and Rumah Zakat. 3) Gojek, several official OPZs available that can be selected for tithing are Rumah Zakat, Lazismu, Kitabisa.com, Dompet Dhуaфа, Coastal Children’s Foundation, Griya Orphans and Dhуaфа 4) Tokopedia, in its application also provides a zakat calculator feature. Hence, users know the amount of Zakat that must be issued. To distribute zakat fitrah, Tokopedia collaborates with BAZNAS, Dhомет Dhуaфа, Rumah Orphan, Rumah Zakat and NU Care-Lazisnu Fitrah.

Fintech transaction law is permissible if the transaction does not conflict with Sharia principles. This is in line with the DSN-MUI fatwa No. 116/ DSN-MUI No.117/ DSN-MUI/ IX/2018 concerning Sharia-Based Information Technology Funding Services where this fatwa means supporting the development of fintech in collecting zakat funds for the Amil Zakat Institution. Currently, efforts to collect zakat funds (fundraising) are done traditionally or directly and can be done online through various digital platforms.

RESEARCH METHODOLOGY

This research uses a descriptive-analytical research method with a qualitative approach. Primary and secondary data sources were collected using observation, documentation and online data-searching techniques. The data collected is processed and analyzed by describing the innovations of online zakat institutions. This research was conducted at the Dompet Dhуaфа, Lazismu and Rumah Zakat institutions. This study's object was selected based on several considerations, including zakat amil, who implemented innovations in online zakat payments and had established several collaborations with digital services.

RESULTS AND DISCUSSION

Online Zakat Institution Profile
1. Dompet Dhуaфа

Dompet Dhуафа Republiка is a non-profit organization owned by the Indonesian people who is solemn to raise the social dignity of humanity for people experiencing poverty with ZISWAF funds (Zakat, Infaq, Shadaqah, Waqf), as well as other halal and legal funds, from individuals, groups of companies/institutions. Its birth stems from the collective empathy of the journalist community, which interacts with the poor and often meets the rich. It was initiated by the management of gathering together with anyone who cares about the fate of people experiencing poverty.

In September 1994, the Dompet Dhуафа Republiка Foundation was established. His professionalism is increasingly felt as the awareness program expands from originally only local to national, even international. Not only focusing on financial assistance for people experiencing poverty in the form of cash, Dompet Dhуафа has also developed wider programs such as economic assistance, health, education and disaster relief. In October 2001, Dompet Dhуафа Republiка was inaugurated for the first time by the government as a National Zakat institution (Lembaga Amil Zakat) by the Ministry of Religion of the Republic of Indonesia.
The vision of Dompet Dhuafa is the realization of an empowered world community through services, advocacy, and empowerment based on a justice system. With the mission: 1) Building a world empowerment movement to encourage the transformation of the social order of society based on the value of justice. 2) Realizing services, advocacy, and empowerment and impacting sustainable community independence. 3) Realizing organizational sustainability through good governance, professional, adaptive, credible, accountable, and innovative.

Currently, Dompet Dhuafa has established six implementing organ units for humanitarian and social programs, namely: Community Service Institutions (LPM); Body Retrieval Agency (BARZAH); Disaster Management Center (DMC); Green Universe (SEMAI); Corps Dai Dompet Dhuafa (CORDOFA); and Stocking of Sacrificial Animals (THK). The economic development of Dompet Dhuafa is carried out through programs and program implementation organs as follows: 1) Independent Community Work (KMM). 2) Development of Sharia Microfinance (PKMS). 3) Development of the Madina Zone Area. 4) Batik Lestar Imogiri. 5) Jurug Trading Area. 6) Bedaya Indonesia Integrated Agriculture Cluster. 7) Grantmaking. 8) Zakat Management Institute.

2. Lazismu

Lazismu is a national-level zakat institution dedicated to community empowerment through the productive utilization of zakat funds, infaq, waqf and other philanthropic funds from individuals, institutions, companies and other agencies. PP founded Lazismu. Muhammadiyah, in 2022, was later confirmed by the Minister of Religion of the Republic of Indonesia as the National Amil Zakat Institution through 2002.

Two factors caused the background of the establishment of Lazismu. First, Indonesia is shrouded in widespread poverty, ignorance and a very low human development index. All of these have consequences and, at the same time, are caused by a weak social justice system. Second, Zakat is believed to be able to contribute to promoting social justice and human development and being able to alleviate poverty. As the country with the largest Muslim population in the world, Indonesia has a fairly high potential for Zakat, infaq and waqf. However, the existing potential cannot be managed and utilized optimally so that it does not significantly impact solving existing problems.

The establishment of Lazismu is intended as a zakat management institution with modern management that can deliver Zakat as part of solving social problems (problem solvers) that continue to develop in society. With a trustworthy, professional and transparent work culture, Lazismu strives to develop itself into a trusted zakat institution. Moreover, over time, public confidence has strengthened. With the spirit of creativity and innovation, Lazismu always produces utilization programs that can answer the challenges of change and social problems of the developing community. Lazismu has spread throughout almost all of Indonesia and has become an empowerment program capable of reaching all regions quickly, focused and on target.

As the vision of Lazismu: "Becoming a Trusted Amil Zakat Institution". With the mission: 1) Improving the quality of ZIS management that is trustworthy, professional, and transparent. 2) Increasing the creative and innovative use of ZIS. 3) Improving donor services. The objectives of Lazismu are: 1) Improving the effectiveness and efficiency of services in managing Ziska funds to achieve the association's goals and objectives. 2) Increase the benefits of ZISKA funds to realize community welfare and reduce poverty to achieve the association's goals and objectives. 3) Improving the people's economic capacity through empowering productive businesses.

3. Rumah Zakat (Center of Zakat)

Based on the passion for becoming the best philanthropic institution in channelling happiness between donors and beneficiaries, Rumah Zakat is not only committed to being a trusted, progressive, and professional institution but also able to collaborate with various parties for the creation of empowerment of the Indonesian people. Rumah Zakat is part of the nation’s solution during the monetary crisis, which agreed to form a social institution focusing on humanitarian assistance.

In July 1998, an organization called Dompet Sosial Ummul Quro (DSUQ) was formed. Since 2007, Rumah Zakat has received legality as LAZNAS through the Decree of the Minister of Religion of the Republic of Indonesia Number 42 of 2007. Until 2022, Rumah Zakat has distributed happiness to 42 million beneficiaries. In addition, currently, Rumah Zakat already has 1,695 empowered villages spread throughout Indonesia. Various national and global awards were also won by Rumah Zakat, among others, Rumah Zakat won the GIFA Awards 2020 for the Zakat Management category, the Global Good Governance Award 2021 and 2022 for the category of Excellence in Social Impact and Best Social Responsibility.

The vision of Rumah Zakat: "International Philanthropy Institute based on professional empowerment." Rumah Zakat Mission: 1) Play an active role in building an international philanthropic network. 2) Facilitating community independence. 3) Optimizing all aspects of resources through human excellence.

The Rumah Zakat Program, among others: (1) Powerful Village. It empowers the target area based on local potential mapping in health, education, economy and the environment. The goal is to improve the quality of life of individuals and communities through community empowerment based on universal human values. (2) Education programs. Quality Education for All is a mandate of the 1945 Constitution. It is stated in Article 31, paragraph (1) of the 1945 Constitution namely every citizen has the right to education. Rumah Zakat distributes basic education through the Champion School and Champion Children Scholarship program. Rumah Zakat also improves adult skills and literacy through the Vocational and Literacy House. (3) Independent Smile (Economy). (4) Champion Smile (Educational). (5) Healthy Smile (Health). (6) Smile Lesatri (Environment).

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21 Lazismu, [https://lazismu.org](https://lazismu.org).
Analysis of Online Zakat Opportunities and Potentials in the Era of Smart Society 5.0

The development of technology has now penetrated the world of worship; for those who want to pay Zakat, it is even easier. Several online applications, including online shopping, provide zakat payment features for muzakki. The management of Zakat, especially in Zakat collection, has not been carried out properly. There is an online zakat institution for online zakat collection following technological developments. To empower the potential of Zakat, an institution that can manage and distribute Zakat funds is needed.

This payment method is considered less effective for several reasons, including not being so focused, using Zakat is limited to consumptive matters, being less measurable and possibly incomplete.23 Then, the online zakat innovation was born, namely the zakat payment mechanism carried out online, such as ATMs, the internet, websites and zakat providers. Digital applications as a medium for paying Zakat are still less popular in some circles. Then, responding to community needs and technological developments, online zakat institutions continue to develop and innovate. Several zakat/e-zakat applications can be used for zakat payments. Because it has a great opportunity to collect Zakat, all levels of society are familiar with gadgets.

The following is a description of opportunities from online zakat institutions in the era of Smart Society 5.0:

1. Indonesia is one of the countries that supports the achievement of sustainable development; then, looking at the programs offered by the online zakat institutions above, the author sees that the program is in line with sustainable development.
2. These institutions continue to grow, innovate by utilizing technology and pay attention to the community's welfare. In line with the goals of smart society 5.0. The innovations and strategies presented by this institution attract people to make online zakat payments.
3. The potential for Zakat is very large in Indonesia, and it will likely continue to grow yearly.
4. Public interest is increasing, as seen from the development of the online zakat institutions above. Technological advances in all levels of society support this.
5. Effective and efficient online Zakat. There is easy access where zakat payments become easier with good service quality. Zakat payments are made through the help of a digital system or online, where muzakki does not have to meet directly with Zakat Amil to make zakat payments.
6. The development of technology and science. This is very influential in the majority of community activities. At this time, several zakat institutions have implemented zakat payment services through online services using application features or services that e-commerce companies have created.

In online Zakat, there are several forms of online zakat services that zakat institutions, namely as follows have provided:

First, online zakat internet. Payment of Zakat through internet online services, namely through the website of the zakat institution concerned or through online zakat

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services from the website of the muzakki bank account, or online zakat payments through ATMs. Second, mobile zakat. Payment of Zakat can use cellular phone service facilities. Zakat can be paid through the mobile zakat menu and zakat SMS. The mobile zakat menu is a menu that has been provided in every cellular service, so when a muzakki intends to pay Zakat, he just needs to open the menu on his cellular phone. For SMS zakat, the concept is the same as the mobile zakat menu. The difference is that SMS zakat can be done manually. Muzakki sends an SMS containing the name of the muzakki, the muzakki's account, and the amount of Zakat paid to the zakat service member of the zakat institution. Third, the zakat card. Zakat payment service facility via credit card. With this facility, muzakki can pay Zakat through their debit/credit, as with all other technologies. With this online zakat application, it is hoped that it will absorb some of the existing zakat potential and help make it easier for people to pay Zakat because of the limited distance and time.

Analysis of Online Zakat Challenges in the Era of Smart Society 5.0

The existence of Smart Society 5.0 poses challenges in various fields of life, as well as in the development of Zakat.
1. Awareness of muzakki: The most important thing is to build and increase awareness of muzakki. As mentioned earlier, the potential and amount of Zakat collected is still very far away. This is also related to zakat literacy.
2. Maintain trust by increasing institutional accountability and transparency in collecting zakat funds. One of the crises in this technological era is a crisis of trust, especially towards institutions engaged in raising funds, so the circulation of zakat funds must be clear and clean.
3. Supervision of online zakat management, both from within and outside the institution. So, in this case, it needs supervision by the authorities. A competent and responsible party is needed to manage the online zakat institution.
4. Socialization of e-zakat. This is related to the awareness of muzakki in paying Zakat. With the right and directed socialization involving existing resources, the public's desire to pay Zakat through online institutions also increases.
5. Must continue to innovate to answer the challenges of Smart Society 5.0 and so on; breakthroughs are needed to explore Zakat more optimally. Then, by expanding the institution's benefits, by continuing to evaluate and innovate as expected from smart society 5.0, namely to realize comprehensive welfare in various fields. Also, the zakat base's expansion concentrated on certain types of Zakat, such as zakat fitrah and zakat profession.
6. Strengthening resources, it is necessary to have technology experts who follow and understand technological developments.
7. Strengthening regulations so that a system can run well, regulation is needed as a reinforcement of the system.

CONCLUSION

It can be concluded that online zakat institutions have a great opportunity in the era of smart society 5.0. These include Indonesia as one of the countries that supports sustainable development. These institutions continue to grow, innovate by utilizing
technology and pay attention to the community's welfare. Huge potential for Zakat in Indonesia; Community interest is increasing; Effective and efficient online Zakat; and The development of technology and science. However, in addition, some challenges must be answered by online zakat institutions in the 5.0 era, including Strengthening knowledge/literacy related to online Zakat and muzakki consciousness, Maintaining trust by increasing institutional accountability and transparency in collecting zakat funds, Online zakat management supervision; Socialization of e-zakat; Must continue to innovate; Strengthening of resources; and Strengthening regulations.

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