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AN EXPLORATION OF THE INNOVATION DEVELOPED AND ADOPTED BY INDONESIAN ONLINE ZAKAT INSTITUTIONS IN THE ERA OF SMART SOCIETY 5.0

Abstract: This article aims to examine the paradigm shift towards Smart Society 5.0, a concept which has been observed to significantly influence diverse aspects of human existence, including the economic realm, with specific emphasis on the management of zakat. Furthermore, the investigation thoroughly explores aspects such as the advancements made by online zakat institutions in Indonesia, as well as opportunities and challenges presented within the framework of Smart Society 5.0. In order to achieve the stated aim, three online zakat institutions were examined in this article namely Dompot Dhuafa, Lazismu, and Rumah Zakat using a qualitative method with content analysis. The obtained results showed that online zakat institutions present great opportunities in the era of Smart Society 5.0, hence, leading to the categorization of Indonesia as a country that supports the achievement of sustainable development. Based on observations, the aforementioned institutions have experienced continuous growth, as well as developed and adopted various innovations through the use of technology while also paying substantial attention to the welfare and needs of the community. Over the years, Indonesia has shown immense potential for zakat, as evidenced by the rising community interest. This trend is further facilitated by the introduction of effective and efficient online zakat platforms, which use advancements in technology and science for seamless integration and operation. Moreover, it is important to acknowledge that online zakat institutions in the 5.0 era must address several challenges. These include enhancing knowledge and literacy regarding online Zakat among potential contributors, fostering muzakki consciousness, and ensuring trust through increased institutional accountability and transparency in fund collection. Additionally, it is crucial that these institutions implement robust management supervision systems, promote the awareness and adoption of e-zakat through

effective socialization efforts, uphold the concept of continual innovation, strengthen resources, and reinforce adopted regulatory frameworks.

Keywords: Innovation, Online Zakat Institutions, Smart Society 5.0

INTRODUCTION

Smart Society 5.0 is strategically designed to address economic and social challenges through the systematic use of technology. This societal framework offers a coordinated and forward-thinking approach aimed at improving entire well-being.¹ In addition to the emphasis on improving well-being, Smart Society 5.0 epitomizes the integration of new technological systems across various fields for the betterment of humanity.² As observed, the economic landscape of Indonesia shows a significant disparity in wealth distribution. This finding is supported by the observation made from the data compiled by the Central Statistics Agency in March 2022, which indicated approximately 9.54 percent of the Indonesian population (26.16 million individuals) living below the poverty line.³

As a country with a predominantly Muslim demographic, comprising 87.2% of the total population, Indonesia considers Zakat as a very important alm. This is primarily because it serves as both a fundamental pillar of Islam and as a means of addressing the economic problems faced by the populace.⁴ Furthermore, Zakat plays a very important role in improving societal welfare. This is evidenced by data obtained from the National Amil Zakat Agency (BAZNAS), which shows the substantial potential of Zakat to reach approximately Rp. 327 Trillion in 2022. From this sizable figure, it can be seen that the potential for Zakat in Indonesia is very large. In accordance, while the national zakat collection amounted to Rp. 14 trillion in 2021, BAZNAS aims to increase this to Rp. 26 Trillion in 2022.⁵

Considering this aim, it becomes important for Zakat practitioners or collection bodies to explore avenues and adopt capable measures with the goal of optimizing and maximizing the collection and management of Zakat as a means to mitigate the socio-economic disparities within the community.⁶ One approach that can be used in this regard includes a continual enhancement of services and the implementation of several effective innovative practices in Zakat management. Regarding innovative practices, leveraging online platforms for Zakat collection is very important, considering the proliferation of online Zakat institutions. These entities adapt to technological advancements to offer

¹ Atushi Deguchi, dkk., *Society 5.0, A People-Centric Super-Smart Society*, Hitachi-UTokyo Laboratory, The University of Tokyo, 2018, 1-25, <https://doi.org/10.1007/978-981-15-2989-4>.

² Carin Holroyd, "Technological Innovation and Building a 'Super Smart' Society: Japan's Vision of Society 5.0", *Journal of Asian Public Policy*, Vol. 15, No. 1 (2022), 18-31, DOI: <https://doi.org/10.1080/17516234.2020.1749340>

³ Badan Pusat Statistik (BPS), <https://www.bps.go.id>.

⁴ M. Arief Mufraini, *Akuntansi dan Manajemen Zakat, Mengomunikasikan Kesadaran dan Membangun Jaringan*, Cet. 1 (Jakarta: Kencana Prenada Media Group, 2006), 161.

⁵ Badan Amil Zakat Nasional (BAZNAS), <https://baznas.go.id>.

⁶ Abdurrahman Qodir, *Zakat dalam Dimensi Mahdah dan Sosial* (Jakarta: PT. Raja Grafindo Persada, 1998), 214.

alternative methods for optimizing the collection, management, distribution, and use of Zakat funds.

Numerous research have explored various aspects of Zakat, such as the broader implications of the alm and the introduction of online Zakat institutions. Among these, Khairul Rijal and Nilawati conducted particularly relevant research on the potential and actualization of both online and offline Zakat payments in Indonesia.⁷ In the same vein, Winda et al. explored the use of technology within the realm of Zakat to enhance the well-being of individuals with low incomes.⁸ Uswatun Hasanah, on the other hand, conducted research with a primary focus on the potential for Zakat collections via e-commerce platforms amid the COVID-19 pandemic.⁹ Marhanum Che Mohd Salleh and Mohammad Abdul Matin Chowdhury also researched the technological transformation within Malaysian Zakat institutions.¹⁰ Lastly, Isnaetul Mutiya Rohmah et al. carried out an investigation with the aim of examining the effectiveness of online Zakat institutions, while dominantly focusing on Rumah Zakat.¹¹

The aforementioned research works explore the importance of optimizing Zakat operations through technological mediums. However, it is important to acknowledge that only a few explorations have related such mediums to the advent of the Smart Society 5.0 era. Within the context of this research, three online zakat institutions were examined, namely Dompot Dhuafa, Lazismu, and Rumah Zakat. From the examination, it was observed that these institutions have experienced continuous evolvement and development over the years. This prompts a compelling investigation into the manner in which Zakat institutions are repositioning in the current era. Therefore, it is deemed necessary and relevant to assess online zakat institutions with the aim of examining the level of innovation adopted in the sector and identifying opportunities and challenges presented within the context of the Smart Society 5.0 era.

THEORETICAL FRAMEWORK

Overview of Smart Society 5.0

⁷ Khairul Rijal dan Nilawati, "Potensi Pembayaran Zakat Secara Online dan Offline Serta Realiasi Dana Zakat di Indonesia", *I-Economics : A Researc Journal on Islamic Economics*, Vol. 5 No. 2 (Desember 2019), 116-131.

⁸ Winda, "Implementasi Teknologi Informasi dan Komunikasi dalam Zakat untuk Meningkatkan Kesejahteraan Masyarakat Miskin", *JEBI : Jurnal Ekonomi dan Bisnis Islam*, Vol. 3 No. 2 (Juli-Desember 2018), 227-236.

⁹ Uswatun Hasanah, "Analisis Potensi Penerimaan Zakat Melalui E-Commerce pada Masa Pandemi Covid-19", *Journal of Islamic Social Finance Management*, Vol. 1 No. 1 (Januari-Juni 2021), 122-134.

¹⁰ Marhanum Che Mohd Salleh dan Mohammad Abdul Matin Chowdhury, "Technological Transformation in Malaysian Zakat Institutions: A Qualitative Analysis", *International Journal of Zakat*, Vol. 5 No. 3 (2020), 44-56.

¹¹ Isnaetul Mutiya Rohmah, dkk., "Analisis Efektivitas Pembayaran Zakat Melalui Layanan Online pada Lembaga Amil Zakat Rumah Zakat", *Jurnal Masharif al-Syariah: Jurnal Ekonomi dan Perbankan Syariah*, Vol. 6 No. 2 (2021), 478-490.

The concept of Smart Society 5.0 was originally a national design in Japan and was introduced as a proposal for sustainable human and social development.¹² However, based on observations, it can presently be inferred that the implementation of Smart Society 5.0 has transcended the heights of being a political-ideological concept of a country to gain applicability in various dimensions of life, such as for the formulation of innovation policies across various facets of life.¹³ As accurately stated in previous research, Society 5.0 comprises a human-centered community that can strike a balance between economic proliferation and fulfilling societal obligations with a core combination of cyber and physical space. Essentially, this concept fosters a transition towards digital transformation across various strata of societal life, thereby promoting advancements that permeate multiple facets of existence.¹⁴

As observed by Perieira (2020), the Industry 4.0 era focused more on the production process, while Smart Society 5.0 emphasizes efforts to improve the quality of life and social responsibility, while also paying attention to the development of sustainability.¹⁵ The concept is intended to drastically foster innovation that transcends the limitation of industrial factors to solve other complex social problems with the help of the integration of physical and virtual spaces.¹⁶ Accordingly, a fundamental characteristic of the introduced concept comprises the efficient use of artificial intelligence products to transmute vast volumes of internet transaction data across diverse spheres of life into newfound wisdom. It is also important to establish that the concept has been observed to possess the capability to improve human abilities and foster novel opportunities for humanity. Within it, humans remain at the forefront, using a human-centric approach, while innovation is purely technology-based. As elucidated by Harayama (2017), the advent of Smart Society 5.0 necessitates innovative breakthroughs in order to adequately address the forthcoming challenges inherent in its framework.¹⁷

In general, the implementation of Industry 4.0 and Society 4.0 in Indonesia can be considered imperfect. However, the concept of Society 5.0, which was first introduced by Japan, embodies a vision where advancements in the Internet of Things, Big Data, and Artificial Intelligence are geared toward enhancing human well-being. This vision is in

¹² Keidanren (Japan Business Federation), *Toward realization of the new economy and society. Reform of the economy and society by the deepening of "Society 5.0"*, 2016, http://www.keidanren.or.jp/en/policy/2016/029_outline.pdf

¹³ S.Yousefikhah, *Sociology of Innovation: Social Construction of Technology Perspective*, AD-Minister, 2017, hlm. 31-43. doi:10.17230/ad-minister.30.2.

¹⁴ Meghna M Nair, Amit Kumar Tyagi "The Future with Industry 4.0 at the Core of Society 5.0: Open Issues, Future Opportunities and Challenges", *2021 International Conference on Computer Communication and Informatics (ICCCI)*, DOI: <https://doi.org/10.1109/ICCCI50826.2021.9402498>.

¹⁵ Andreia G. Pereira, dkk., "Industry 4.0 and Society 5.0: Opportunities and Threats", *International Journal of Recent Tecnology and Engineering (IJRTE)*, Vol. 8 No. 5 (2020), 3305-3308.

¹⁶ Dian Apriana dan Nanda Silvia, "Imbalance of Rights and Obligations of Husband and Wife in the Family," *MILRev : Metro Islamic Law Review* 1, no. 2 (27 Desember 2022): 214-30.

¹⁷ Yuko Harayama, (2017). *Society 5.0: Aiming for a New Human-centered Society. Collaborative Creation through Global R&D Open Innovation for Creating the Future*, Vol. 66 No. 6 (August 2017). *Hitachi Review*, hlm. 8-13. *Hitachi Review* Vol. 66, No. 6. http://www.hitachi.com/rev/archive/2017/r2017_06/pdf/p08-13_TRENDS.pdf.

opposition to the focus of Industry 4.0, which includes the enhancement of business process productivity. Based on the above observations, it can be concluded that the Smart Society 5.0 trend indirectly empowers developing countries like Indonesia to actively prepare for future societal advancements.¹⁸

Digital Transformation in Zakat Online

Presently, there is a widespread integration of technology into various aspects of daily life, and this emphasizes the significant human reliance on technological advancements. It is important to comprehend that such reliance extends to economic transactions and the fulfillment of daily needs, with fintech rising as a solution. Furthermore, the transition towards digitalization has been observed to also significantly impact zakat management, particularly in the collection process. Fintech facilitates easier zakat payments for muzakki individuals, thereby availing the comfort of contributing anytime and anywhere. In line with this trend, the Amil Zakat Institute has embarked on digitizing zakat collection methods, with the anticipation that innovation would facilitate zakat receipts.

Digital Zakat presents a contemporary solution by eliminating the need for individuals to physically visit mustahik or the premises of Zakat institutions to fulfill obligations. Through the availability of online payment systems accessible via the websites or mobile applications of Zakat institutions, individuals can conveniently fulfill pledged religious duties. Accordingly, these platforms collaborate with Zakat Management Organizations (OPZ) to distribute the collected Zakat funds. Several examples of digital wallet applications and online shopping platforms have facilitated Zakat payments. Some of these platforms include 1) DANA Digital Wallet, collaborating with the underprivileged wallet. 2) LinkAja, featuring the LinkAja sharing option in partnership with various OPZs such as BAZNAS, Dompot Dhuafa, and Rumah Zakat. 3) Gojek, offering several official OPZs for Zakat contributions, including Rumah Zakat, Lazismu, Kitabisa.com, Dompot Dhuafa, Coastal Children's Foundation, Griya Orphans, and Dhuafa. 4) Tokopedia, provides a Zakat calculator feature within its application, enabling users to determine the amount of Zakat owed. Additionally, this wallet collaborates with Zakat institutions such as BAZNAS, Dompot Dhuafa, Rumah Orphan, Rumah Zakat, and NU Care-Lazisnu Fitrah to distribute Zakat Fitrah.

Typically, the legality of fintech transactions within this context is contingent upon the correspondence of the organizations with Sharia principles. This rule is consistent with the DSN-MUI fatwa No. 116/DSN-MUI No.117/DSN-MUI/IX/2018 regarding Sharia-Based Information Technology Funding Services, which supports the advancement of fintech for collecting zakat funds by Amil Zakat Institutions. Presently, zakat fundraising efforts are conducted through traditional or direct means, as well as online channels via various digital platforms.

RESEARCH METHODOLOGY

¹⁸ P. O. Skobelev, S. Y. Borovik, "On the way from Industry 4.0 to Industry 5.0: From digital manufacturing to digital society", *International Scientific Journal "Industry 4.0"* (2017), 307-311.

This research was conducted using a descriptive-analytical method with a qualitative approach. It included the use of both primary and secondary data, both of which were collected through observation, documentation, and online data-searching techniques. The collected data was then processed and analyzed with the aim of describing innovation within online zakat institutions. Furthermore, the investigation was carried out at three distinct Zakat institutions namely the Dompot Dhuafa, Lazismu, and Rumah Zakat institutions, all of which were selected based on specific criteria. These criteria included the status of zakat amil entities in terms of implementing innovation to facilitate online zakat payments and the collaborations with these entities with digital service providers.

RESULTS AND DISCUSSION

Online Zakat Institutions Profile

1. Dompot Dhuafa

Dompot Dhuafa Republika is a non-profit organization that is dedicated to the upliftment of the social welfare of impoverished individuals through ZISWAF funds (Zakat, Infaq, Shadaqah, Waqf), as well as other halal and legal contributions, sourced from individuals, corporate entities, and institutions. Accordingly, this organization is incepted as a result of the collective empathy of the journalistic community, which intimately interacts with both the impoverished and the affluent.

The Dompot Dhuafa Republika Foundation was established in September 1994 and was initiated by proactive management, alongside individuals concerned about alleviating poverty. The professionalism of this organization has been observed to experience steady growth, anchoring awareness programs transcending from local to national and international spheres. Beyond mere financial aid, Dompot Dhuafa has diversified its efforts to comprise broader initiatives such as economic empowerment, healthcare, education, and disaster relief. Furthermore, in October 2001, the organization attained official recognition as a National Zakat institution (Lembaga Amil Zakat) by the Ministry of Religion of the Republic of Indonesia.

Dompot Dhuafa has a distinct vision, which includes achieving a globally empowered community through service, advocacy, and empowerment grounded in principles of justice. This vision is pursued through the following mission objectives 1) Fostering a global empowerment movement aimed at reshaping societal structures based on principles of justice. 2) Actualizing sustainable community independence through the provision of services, advocacy, and empowerment initiatives. 3) Ensuring organizational sustainability through practices of good governance, professionalism, adaptability, credibility, accountability, and innovation.

Currently, Dompot Dhuafa has established six operational units dedicated to humanitarian and social programs, namely, Community Service Institutions (LPM), Body Retrieval Agency (BARZAH), Disaster Management Center (DMC), Green Universe (SEMAI), Corps Dai Dompot Dhuafa (CORDOFA); and Stocking of Sacrificial Animals (THK). Moreover, the economic development of the organization is usually carried out through various programs and operational units as follows, 1) Independent Community Work (KMM), 2) Development of Sharia Microfinance (PKMS), 3) Development of the

Madina Zone Area, 4) Batik Lestari Imogiri, 5) Jurug Trading Area, 6) Bedaya Indonesia Integrated Agriculture Cluster, 7) Grantmaking, and 8) Zakat Management Institute.¹⁹

2. Lazismu

Lazismu is a national-level Zakat institution committed to community empowerment through the productive use of Zakat funds, infaq, waqf, and other philanthropic contributions from individuals, institutions, companies, and other entities. This organization was founded by the Muhammadiyah Central Board (PP Muhammadiyah) and was officially recognized by the Minister of Religion of the Republic of Indonesia as the National Zakat Administrator in 2002.

The establishment of Lazismu was driven by two key factors. Firstly, the issue of Indonesia being grappled with pervasive poverty, widespread ignorance, and a significantly low human development index, all of which were intensified by a deficient social justice framework. Secondly, Zakat was perceived as a potent tool for fostering social justice, advancing human development, and alleviating poverty. As the nation with the largest Muslim population in the world, Indonesia possesses significant potential to generate substantial funds from almsgiving such as Zakat, infaq, and waqf. However, the existing potential remains underused and poorly managed, hence, leading to the failure of substantially addressing the prevailing societal challenges.

Lazismu was founded with the aim of establishing a modern zakat management institution that is capable of effectively addressing social issues and solving societal problems. By fostering a culture of trustworthiness, professionalism, and transparency, the organization has evolved into a reputable and reliable Zakat institution. In accordance, this commitment to integrity and excellence has been observed to drastically foster public confidence in the operations carried out by the organization.²⁰ With a spirit of creativity and innovation, Lazismu has also been reputed for the consistent development of use programs that are tailored towards addressing the evolving challenges and social issues faced by communities in terms of development. This organization operates across nearly all regions of Indonesia and has established itself as an empowerment program capable of swiftly and effectively reaching communities with targeted interventions.

In line with its vision of "Becoming a Trusted Amil Zakat Institution," Lazismu is guided by the following mission objectives 1) Enhancing the quality of Zakat, Infaq, and Sadaqah (ZIS) management through trustworthiness, professionalism, and transparency, 2) Promoting creative and innovative use of ZIS funds, and 3) Enhancing donor services to foster a supportive and engaged community. Accordingly, in order to achieve these missions, the organization has set forth the following objectives 1) Enhancing the effectiveness and efficiency of ZIS fund management to fulfill the goals and objectives of the organization, 2) Maximizing the impact of ZIS funds to enhance community welfare

¹⁹ Dompot Dhuafa Pusat-Zakat Online Terpercaya, <https://donasi.dompetdhuafa.org>.

²⁰ Suud Sarim Karimullah, "The Implications Of Islamic Law On The Rights Of Religious Minorities In Muslim-Majority Countries," *MILRev : Metro Islamic Law Review* 2, no. 2 (9 November 2023): 90-114, <https://doi.org/10.32332/milrev.v2i2.7847>.

and alleviate poverty in line with the goals and objectives, and 3) Strengthening economic resilience by empowering productive businesses within the community.²¹

3. *Rumah Zakat (Center of Zakat)*

Rumah Zakat is driven by the aspiration to become the premier philanthropic institution fostering joyous connections between donors and beneficiaries. This institution is dedicated to embodying trust, progressiveness, and professionalism. Furthermore, the organization actively seeks collaboration with diverse stakeholders to empower the Indonesian populace. Originating as a response to the financial crisis of the country, the organization can be thought of as a social institution with a primary focus on humanitarian aid, thereby serving as a significant contributor to the resilience of Indonesia during challenging economic times.

In July 1998, the organization's Dompot Sosial Ummul Quro (DSUQ) was established. However, in 2007, it obtained legal recognition as a LAZNAS (National Zakat Institution) through the Decree of the Minister of Religion of the Republic of Indonesia Number 42 of 2007. As of 2022, Rumah Zakat has positively impacted the lives of approximately 42 million beneficiaries, and established 1,695 empowered villages, thereby spreading happiness across the country. The organization has been honored with numerous national and global awards, including the GIFA Awards 2020 for Zakat Management, as well as the Global Good Governance Awards 2021 and 2022 for Excellence in Social Impact and Best Social Responsibility, respectively.

Rumah Zakat envisions becoming an "International Philanthropy Institute based on professional empowerment." Over the years, this vision has been actively pursued through the following mission objectives 1) Playing an active role in constructing an international philanthropic network. 2) Facilitating community independence, and 3) Maximizing resource use through human excellence across all aspects.

In accordance with this, the Rumah Zakat Program includes various initiatives namely 1) Powerful Village, an initiative that focuses on empowering target areas by mapping local potential in health, education, economy, and the environment. The goal is to enhance the quality of life for individuals and communities through community empowerment based on universal human values. 2) Education Programs implemented following the mandate of the 1945 Constitution for Quality Education for All. Within this context, the institution implements programs such as the Champion School and Champion Children Scholarship to provide basic education. Additionally, adult skills and literacy are enhanced through the Vocational and Literacy House. 3) Independent Smile (Economy): This program aims to foster economic independence among communities. 4) Champion Smile, an educational initiative that is focused on improving educational opportunities and outcomes for individuals and communities. 5) Healthy Smile (Health), a program that is aimed at promoting health and well-being among communities, and 6) Smile Lesatri (Environment), an initiative dedicated to environmental conservation and sustainability efforts within communities.²²

²¹ Lazismu, <https://lazismu.org>.

²² Rumah Zakat-Donasi Online Rumah Zakat, <https://www.rumahzakat.org>.

Analysis of Online Zakat Opportunities and Potentials in the Era of Smart Society 5.0

The advancement of technology has gained applicability in various facets of human life, including in the realm of religious practices. Technological advancements have been observed to play significant roles in the domain of religious practices. This is evidenced by the fact that technology provides individuals with the enablement to fulfill various obligations, such as Zakat payment, seamlessly. Several online applications, including those for online shopping, now offer features for Zakat payment, thereby efficiently catering to the needs of muzakki. However, the management of Zakat, particularly in its collection, has not been adequately addressed. In order to efficiently harness the potential of this almsgiving initiative, there is a need for the development of institutions that are capable of proficiently managing and distributing Zakat funds, specifically in response to the evolving landscape of technological advancements.

The conventional payment method is considered less effective for several reasons, including its lack of focus, limited use of Zakat funds for consumptive matters, difficulty in measurement, and potential incompleteness in addressing broader societal needs.²³ However, when online zakat innovation was adopted, several zakat payment mechanisms, such as through ATMs, the internet, websites, and dedicated zakat providers, were introduced. It is important to acknowledge that although digital applications for Zakat payment are not yet widely adopted in certain circles, online Zakat institutions are continuously evolving and innovating in response to community needs and technological advancements. Over the years, numerous zakat/e-zakat applications have been developed to facilitate zakat payments, capitalizing on the widespread use of gadgets across all segments of society.

The advent of online zakat institutions in the era of Smart Society 5.0 presents several opportunities, namely,

1. Correspondence with Sustainable Development Goals: Indonesia's commitment to sustainable development is supported by the programs offered by online zakat institutions, which are in line with the principles of sustainable development.
2. Continuous Growth and Innovation: Online zakat institutions are continuously growing and innovating, leveraging technology and prioritizing community welfare, in correspondence with the objectives of Smart Society 5.0. These innovations and strategies have been observed to attract individuals to opt for online zakat payments.
3. Expansive Potential for Zakat: The potential for Zakat in Indonesia is vast and is expected to continue growing annually.
4. Increasing Public Interest: There is a significant increase in public interest, as evidenced by the development of online zakat institutions. Technological advancements accessible to all levels of society further support this trend.
5. Effective and Efficient Online Zakat Payments: Online zakat payments offer easy access and high-quality service, allowing muzakki to make payments conveniently through

²³ Yuskar, "Kajian Efektivitas Pengelolaan Zakat sebagai Suatu Usaha untuk Pemberdayaan Masyarakat dan Pengentasan Kemiskinan di Kota Padang", *Jurnal Kajian Akuntansi dan Auditng*, Vol. 8 No. 1, April 2013.

digital systems or online platforms without the need for direct interaction with Zakat Amil.

6. Development of Technology and Science: The advancement of technology and science has significantly impacted community activities. Several zakat institutions have embraced this trend by implementing online zakat payment services through dedicated applications or using features offered by e-commerce platforms.

Following opportunities presented by zakat institutions in Smart Society 5.0, it is important to also explore the various services offered by these institutions, which include,

1) Online Zakat via the Internet: This service facilitates Zakat payments through online platforms, such as the websites of Zakat institutions or online banking services. Additionally, Zakat payments can be processed through ATMs.

2) Mobile Zakat: This service allows Zakat payments through cellular phone service facilities. Muzakki can access the mobile zakat menu or use zakat SMS features provided by cellular service providers.

3) Zakat Card: This service enables Zakat payments via credit or debit cards, implying that Muzakki can conveniently pay Zakat using existing cards, similar to other online transactions.

These online zakat applications were developed with the specific aim of tapping into the existing zakat potential and simplifying the Zakat payment process for individuals by overcoming limitations related to distance and time.

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

The introduction of Smart Society 5.0 presents challenges across various aspects of life, including in the development of Zakat. These challenges can be addressed by adopting the following measures,

1. Muzakki Awareness: Building and enhancing muzakki awareness is very important, specifically considering the current gap between the potential and actual collection of Zakat. This aspect necessitates a focus on zakat literacy.
2. Institutional Accountability and Transparency: Upholding trust through increased institutional accountability and transparency in zakat fund collection is crucial. Especially in an era marked by a crisis of trust, clarity, and integrity zakat fund circulation is considered very important.
3. Supervision of Online Zakat Management: Effective supervision, both internal and external, is essential for online Zakat institutions. To efficiently carry out such supervision, competent and responsible oversight is required to ensure proper management.
4. Socialization of E-Zakat: Enhancing muzakki awareness and participation in e-zakat payment necessitates targeted and comprehensive socialization efforts. In this regard, it is important to establish that the proper use of available resources can increase public willingness to engage with online zakat institutions.

5. Continuous Innovation: Progressive innovation is vital to address challenges posed by Smart Society 5.0. Breakthroughs are needed to optimize the use of Zakat and expand institutional benefits in line with the goal of comprehensive welfare advancement.
6. Resource Strengthening: The presence of technology experts who are abreast of technological advancements is essential for effective Zakat management.
7. Regulatory Strengthening: Well-defined regulations are indispensable for the smooth functioning of the Zakat system. This is particularly important because regulatory frameworks serve as a foundation for reinforcing the system's integrity and efficiency.

CONCLUSION

In conclusion, online zakat institutions are positioned for significant opportunities in the era of Smart Society 5.0, and the availability of these institutions in Indonesia led to the categorization of the country as one that supports sustainable development. Furthermore, these institutions were observed to have experienced continuous growth and developed significant innovation over the years through the use of technology, and as a result of paying attention to the welfare of the community. Based on the observations made during the course of this research, Zakat has immense potential in Indonesia, with growing community interest, effective and efficient online Zakat mechanisms, and advancements in science and technology. However, online zakat institutions in the 5.0 era must address several challenges, including enhancing knowledge and literacy regarding online Zakat and muzakki awareness, fostering institutional accountability and transparency in zakat fund collection, implementing effective supervision of online zakat management, promoting socialization of e-zakat, fostering a culture of innovation, strengthening resources, and reinforcing regulatory frameworks.

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