

THE RELEVANCE OF THE CENTRALIZED AND DECENTRALIZED ZAKAT MANAGEMENT IN POVERTY ALLEVIATION IN INDONESIA (ACCORDING TO UMAR BIN ABDUL AZIZ)

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Received: June 22, 2023

1st Revision: August 2, 2023

Accepted: September 5, 2023

Abstract. The problem of poverty in Indonesia is still unresolved until now. Zakat is one of the instruments to alleviate poverty according to Islam. Even the main purpose of zakat is to alleviate poverty. Indeed, zakat has been implemented in Indonesia, however, the centralization management system that has been implemented still cannot alleviate poverty. This study employed qualitative method with content analysis and research data sources from published sources, both classical and contemporary literature or presents data from interviews with zakat experts and practitioners, includes elements BAZNAS (National Zakat Agency) and LAZ. The other data were books, journals, and others. This study aims to determine the policy of Umar bin Abdul Aziz in his day as well as actualize charity in seeking relevance to modern policy of zakat in Indonesia, both in the form of fatwas of the scholars or regulatory policy in the form of legislation. The result of this study is to switch the policy to a decentralized system, as it has already proven its success when it was implemented by Umar bin Abdul Aziz. Muslims at that time were prosperous, until no more mustahiq zakat was found.

Key words: poverty, centralization, decentralization, Umar bin Abdul Aziz.

Introduction

Poverty is a major humanitarian problem. Every religion in the world combats it with all the instruments at its disposal. The problem that causes poverty to be born is very complicated. Poverty is not only caused by lack of income, but also related to narrow employment, geographical conditions, education levels, and mental attitudes that are interrelated with one another (Rosadi & Athoillah, 2016, p. 3).

Islam fights poverty, among other things with the obligation to pay zakat distributed to the poor. As an instrument of Islamic finance, zakat has a very important and strategic role in alleviating

poverty. According to Al-Qordhowi, the main purpose of zakat is to alleviate poverty at its roots. On several occasions, the Holy Prophetsa did not mention the purpose and function of zakat except to alleviate poverty. This role needs to be optimized so that the purpose of zakat can be realized. However, it is still recognized that the expected goals have not been fully realized, especially in Indonesia. According to data inputted by the Central Statistics Agency (BPS), the number of poor people in Indonesia in March 2022 reached 26.16 million people or 9.54% of the total population in Indonesia. Although this number is lower than the previous year, the poverty rate is still high (Roslan, 2022).



Figure 1 – Indonesia’s Population Poverty Data

Source: Central Bureau of Statistics

Umar bin Abdul Aziz was one of the Islamic figures and caliphs who succeeded in bringing Muslims to prosperity. Therefore, every concept and perspective in decision making at that time needs to be studied and examined carefully. Especially in the scope that will be discussed in this paper, namely zakat. According to Faisal Zakariya in the book *Islahiyatu Umar bin Abdul Aziz wa Siyasatuhu Fi Roddi Al-Madholim* that in the first year of his reign Umar bin Abdul Aziz used a centralized system in the management of zakat. Then in the following year, Umar changed his policy by distributing zakat directly in the city the zakat was collected or by using a decentralized system (Majdah Faisal Zakariya, 1987).

Another similar idea was conveyed by Masdar Farid Mas’udi. This idea alludes to the importance of decentralization in the management of zakat funds. With the principle of decentralization can avoid an irony, namely that an area is heavily drained of taxes (zakat) by the central government while the poor people in the area itself are left miserable in poverty. If observed the current zakat management system in Indonesia is centralized, in accordance with Law Number 23 of 2011. The law regulates the centralization of zakat management by BAZNAS, which is considered to trigger a monopoly on zakat management by the government which can harm private zakat institutions. So on August 16, 2012 several petitioners submitted applications for examination of the Act. Although it was finally

rejected by the Constitutional Court because the proposed article was considered unreasonable.

Interestingly, the system that has been maintained by the Constitutional Court through Law Number 23 of 2011 still does not show significant contribution in poverty alleviation. The proof is that the poverty rate in Indonesia is still quite high. Therefore, a new system that is right on target and accurate is needed in alleviating poverty completely. The alternative that can be offered is a decentralized system of zakat management that has been implemented during the reign of Umar bin Abdul Aziz. It has been proven during the leadership of Umar bin Abdul Aziz that zakat can alleviate poverty. At that time the success of zakat can be clearly seen from the absence of mustahiq zakat anymore which was an indicator of prosperity at that time. Umar bin Abdul Aziz’s success in realizing the welfare of Muslims at that time, not only because of his leadership capabilities but also because of his scientific capacity. Even according to Faisal Zakariya Umar bin Abdul Aziz is a leader who has the capacity to perform *ijtihad* (Majdah Faisal Zakariya, 1987).

Meanwhile, today it is very difficult to find a leader like Umar bin Abdul Aziz who is capable of Islamic leadership and scientific capacity to lead Muslims to prosperity. Therefore, it is important that we emulate and emulate the policies that Umar bin Abdul Aziz has taken during his leadership, especially in terms of decentralization of zakat management to be later implemented in Indonesia.

Literature review

On the issue of zakat collection, ijtihad Umar bin Abdul Aziz emphasized the integration of management by the state through a state-appointed authority or government. (Tanjung, 2017) As for the context of distribution, Umar bin Abdul Aziz's policy mentioned earlier is also relevant to the policy of a broader contemporary distribution program and in accordance with the community, such as allocating zakat funds for educational scholarships, da'wah programs, building mosques and assistance for victims of natural disasters (Aqbar, 2020).

In Indonesia, each region follows a centralized rule, is not allowed to make its own rules (Najiyah & Febriandika, 2019). From an Indonesian point of view, decentralization is the best choice of every option. Indonesia has enormous potential from zakat funds that can be collected. The funds should ideally be distributed to the place where they were raised, unless there has already been an Excess-Zakat. This is what is faced by the regional amil zakat agency or amil zakat institution. With its various programs, these programs sometimes do not touch the area where the data is collected, so that people are more interested in distributing zakat funds directly to mustahik in their area, or they form amil zakat institutions at the level of neighborhood pillars or community associations and then distribute the funds to mustahik in their area (Rosadi & Athoillah, 2015).

Methodology

The discussion method used in writing this final project is qualitative-descriptive. This method seeks to explore a problem, then describe and analyze it until it reaches a conclusion according to the initial goal. The choice of method is based on the consideration that in this paper the author wants to understand, study in depth, explain and analyze the influence of zakat management with a centralized and decentralized system according to Umar bin Abdul Aziz and its relevance in Indonesia. Therefore, it is relevant if this final project is discussed using a qualitative-descriptive approach. The data comes from published sources, both classical and contemporary literature or presents data from interviews with zakat experts and practitioners, includes elements BAZNAS (National Zakat Agency) and LAZ. The secondary data were books, journals, and others especially Majdah Faisal Zakariya's book about Umar bin Abdul Aziz and his policy to eliminate tyranny.

Results & Discussions

The position of Zakat in Islam

Before reviewing further regarding the position of zakat in Islam, it is necessary to know the meaning of zakat first. Zakat in terms of language is the root word (masdar) of zaka which means. blessing, growing, clean, and good. Something is zaka, meaning to grow and develop, so we can say that a plant is zaka or grows and a person is zaka, means that person is good or has more good qualities. Ibn Taimiah said, «The soul of the one who gives alms becomes clean and his wealth will be clean too: clean and increases in meaning» (Ibnu Taimiyah, 2004).

While according to the term fiqh, zakat is a certain amount of property required by Allah SWT to be given to people who are entitled to receive zakat (mustahiq) mentioned in the Quran. In addition, it can also mean a certain amount of property from certain property that is given to people who are entitled to receive it under certain conditions. According to Zamakhshari «Zakat is like almsgiving, berwazan fa'alah, and is a double meaning noun, used to mean a certain thing that is a number of things that are zakrated, or for a certain sense of meaning, which means the act of giving alms. Fools interpret at will the word of Allah, those who do zakat merella mean the object that is zakat, when what is meant by the joy of zakat itself.»

In Islam zakat has a high position. This is marked by the commandment of zakat in the Quran which is often juxtaposed with the command to pray. The word zakat itself has been mentioned 30 times in the Quran and 27 times juxtaposed with prayer. Sometimes zakat is also called using lafadz alms. So that zakat can be interpreted as alms and alms can be interpreted as zakat, different lafadznya but the meaning is one or the same. Like the verse below:

عَلَيْهِمْ إِنْ صَلَّوْا لَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ
خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ

«Take zakat from their possessions, to cleanse and purify them, and pray for them. Indeed, your prayer (grows) peace of soul for them. Allah is All-Hearing, All-Knowing.»

In addition, zakat is the third pillar of Islam where the law is obligatory ain (fardlu ain) for every Muslim if he has fulfilled the conditions prescribed by sharia. As for the person who is reluctant to issue zakat, then he sins. Even during the reign of Abu

Bakr, people who were considered obligatory to zakat but were reluctant to issue zakat were fought hard by the caliph. The reasons that can be inferred from Abu Bakr's actions in fighting them include: (1) zakat is the shiar of Islam, (2) zakat is property taken from the rich to be distributed to the poor.

Zakat itself can be interpreted as income distribution, where people who have more wealth can share with fellow Muslims who are less fortunate. That is why zakat is included in Islamic instruments that play an important role in poverty alleviation. The function of zakat for Muslims is how Muslims who are experiencing difficulties in meeting their needs will be facilitated through the utilization of zakat funds. This is in line with the Qur'anic verses that call for the poor to be cared for and compassionate, such as in Sura Al-Haqqah verses 30 to 34, in which the verse contains a threat to anyone who does not encourage feeding the poor.

Determination of Zakat Recipients and Their Objects by Umar bin Abdul Aziz

The policy of Caliph Umar bin Abdul Aziz in zakat was to follow the demands of the Prophet for the distribution of zakat. As explained in the Qur'an Surah At-Tawbah verse 60 where there are 8 groups who are entitled to receive zakat property. In the management or collection and distribution of zakat, Umar chose amils who were tsiqah (trusted) and trustworthy. Umar ordered them to be gentle in taking zakat without anyone feeling wronged. Then the amils recorded the person who had issued zakat (Aqbar, 2020).

According to Faisal Zakariya in his book *Umar bin Abdul Aziz wa Siyasatuhu Fi Roddi-l-Madzolim* that during his reign, Umar bin Abdul Aziz not only ordered amils to collect zakat from first livestock such as camels, cows, goats, buffaloes. Second, zakat from metals such as gold and silver. Third, zakat from plants and fruits such as dates, raisins, grains, wheat. In addition, Umar bin Abdul Aziz also ijthad and expanded the objects of property that must be zakati, including paper money, employee salaries, lost assets that were rediscovered, several types of agricultural products and marine products such as pearls and fish (Majdah Faisal Zakariya, 1987).

The objects of zakat above include the ijthad of Umar bin Abdul Aziz who had the capacity in the science of ushul fiqh and fiqh, so he is often called faqih. Ijthad Umar regarding the object of zakat above. Most of the opinions of scholars are in line with his ijthad, and some are not. Similarly, in the zakat of seafood, in the book *Al-Mausu'ah Al-*

Fihiyyah it is stated, that according to the majority of fiqh scholars, namely Hanafiyah, Shafiiyah, and Malikiyah seafood such as pearls and marjan stones are not obliged to be zakati. While Umar bin Abdul Aziz is of the view that the law of zakat from marine products is the same as zakat on produce. Therefore, according to Faisal Zakariya Umar bin Abdul Aziz was the first to argue that zakat seafood is mandatory (Majdah Faisal Zakariya, 1987).

Centralized and Decentralized Zakat Management

Etymologically, according to Koesoemahadja, centralization comes from the Latin *centrum*, which means center. So centralization is to concentrate all authority to a small number of managers or those at the top of the organizational structure. While decentralization comes from the Latin *de* which means loose and *centrum* which means center. Decentralization, then, is the transfer of authority from a higher level of government to a lower government (Bakarbesy, 2011).

In the context of zakat management, both centralization and decentralization have been carried out by the Holy Prophetsa during his leadership. The Holy Prophetsa sent Ala al-Hadrami to Bahrain and Amr to Oman in 8 Hijri and Muadz to Yemen in 9 Hijri. Some narrations confirm that zakat from one area was distributed to that area as well, not brought to Medina, but some narrations relate that some zakat was sent to Medina (Rosadi & Athoillah, 2016).

The management of zakat during the caliphate of Umar bin Abdul Aziz was the same as during the time of the Prophet Saw. Namely, both had used a centralized and decentralized system. In the book *Umar bin Abdul Aziz wa Siyasatuhu fi Roddi-l-Madzolim*, it is mentioned that in the first year of his reign Umar bin Abdul Aziz used a centralized system in the management of his zakat. Then in the following year, Umar changed his policy by distributing zakat directly in the city the zakat was collected or by using a decentralized system (Majdah Faisal Zakariya, 1987).

Meanwhile, zakat management in Indonesia according to Law Number 23 of 2011 concerning zakat management mentions the centralized management of zakat by BAZNAS. Then zakat will be managed centrally by BAZNAZ or in other words BAZNAZ has the authority to carry out the task of managing zakat nationally.

The Effect of Centralized and Decentralized Zakat Management According to Umar bin Abdul Aziz

As explained above, that the policy of Umar bin Abdul Aziz in the first year of his reign was to use a centralized system in the management of zakat. Then in the following year, he changed it to decentralization. More specifically, in the first year Umar argued that half of the zakat that had been collected in each region should be collected in the bait-l-maal while the other half was distributed directly to the area. While in the following year, Umar bin Abdul Aziz changed his policy by becoming decentralized, namely Umar ordered amil zakat to distribute zakat directly in the area where the zakat was collected (Majdah Faisal Zakariya, 1987).

Of course, the policy shift taken by Umar bin Abdul Aziz was not without reason. Because basically every policy of Umar bin Abdul Aziz aimed to raise the standard of life of the poor whose rights were deprived of the leadership of the previous Umayyad caliph. According to Faisal Zakariya, the policy shift was motivated by Umar bin Abdul Aziz's desire that the zakat that had been collected in each region could meet the needs of the poor in the area without exception. The policies taken by Umar bin Abdul Aziz have proven successful in alleviating poverty. As proof that during his leadership there was no mustahiq zakat. It is one indicator of prosperity or welfare state (Kusumastuti & Ghozali, 2019).

Indonesia is currently adhering to a centralized zakat system, but wants to estimate that the effect

of decentralization of zakat management in Indonesia is the efficiency and effectiveness in the implementation of zakat management. This is because LAZ itself collects zakat in certain areas, then distributes it to the same area and utilizes it without BAZNAZ interference. So that the function of zakat as one of the instruments of poverty alleviation can run optimally and these benefits will reach every element of the poor as an object of zakat. Therefore, the fact related to the vast territory of the Republic of Indonesia and the spread of poverty in every corner of the region to remote areas will not be a significant problem or reduce the effectiveness of income distribution through zakat. In addition, decentralization can attract public enthusiasm and participation in zakat activities; in terms of management and paying zakat (Nuradhawati, 2019).

Meanwhile, the centralization system in accordance with Law Number 23 of 2011 in the management of zakat does have a positive impact. Because the task of managing zakat is more directed and organized because in this system only the center, namely BAZNAS which has the authority to manage zakat. While the negative impact of LAZ will only serve as a national institution that helps the performance of BAZNAS so that there is subordination to LAZ. The following are the differences in provisions between BAZNAS and LAZ after the issuance of Law Number 23 of 2011:

Table 1 – The differences in provisions between BAZNAS and LAZ after the issuance of Law Number 23 of 2011

No	BAZNAS	LAZ
1	BAZNAS has the authority to manage zakat: The Government establishes BAZNAS as a non-structural government institution responsible to the President through the Minister in carrying out zakat management nationally. Specifically, BAZNAS carries out all zakat management functions in accordance with articles 5, 6 and 7	LAZ has the authority to assist BAZNAS: LAZ is in charge of assisting BAZNAS in the collection, distribution and utilization of zakat. LAZs can be formed by the community with the permission of an official appointed by the Minister or the Minister directly.
2	BAZNAS has a regulatory function, namely the authority to recommend LAZ in accordance with article 18 paragraph 2 letter c.	The establishment of LAZ must receive the recommendation of BAZNAS in accordance with article 18 paragraph 2 letter c.
3	In accordance with article 9, BAZNAS as the coordinator of zakat management, BAZNAS is authorized to receive reports on the collection, distribution and utilization of zakat.	LAZ must report to BAZNAS regarding the collection, distribution and utilization of zakat.
4	In accordance with articles 30 and 31 financial sources for the management of the organization come from: APBN, APBD and amil rights.	In accordance with article 32, the financial resources of the LAZ organization come only from the right of amyl.
Source: Constitutional Court ruling		

Criticism of the centralized zakat management system

The system of centralization has been adopted since the days of the jahiliyyah and was to be improved with the arrival of Islam. Umar bin Abdul Aziz himself had indeed used this system in the management of zakat, but as explained above that in the following year he changed the system with a decentralized system. According to Faisal Zakariya, this policy was taken to further optimize the role of zakat in poverty alleviation. Abu Ubaid in his book *Al-Amwaal* revealed that according to news from Sufyan bin Said one day zakat from Roy area had been collected and would be distributed to the residents of Kufa, then Umar bin Abdul Aziz returned it and distributed it to mustahiq zakat in Roy (Abu Ubaid, n.d.).

According to Yusuf Al-Qordhowi, the system of centralization adopted by society in the era of jahiliyyah needs to be improved. He criticized the system by bringing many hadiths containing the spirit of the Prophet in distributing zakat with a decentralized system. Al-Mawardhi in his book *Al-Ahkām al-Ṣulṭāniyah*, also agrees with Al-Qordhowi and Umar bin Abdul Aziz. According to him, the majority of Fiqh scholars agree that zakat should be distributed directly to the area where the zakat is collected, unless there is no more mustahiq zakat in that area. Because in every zakat collected there is a mustahiq zakat right from the area. While collecting zakat from all regions at one point and then distributing it, will increase the potential for insufficiency of the rights of some zakat recipients.

From the various opinions above, it can be revealed that the centralized zakat management system is less able to optimize the main role of zakat as an instrument of poverty alleviation in Indonesia in particular. Because the centralization of zakat management by BAZNAS in accordance with Law Number 23 of 2011 articles 18, 13 and 41 is able to paralyze LAZ and traditional zakat amyl that have been in direct contact with the community. So that this is very likely to reduce public interest and participation in the management and payment of zakat.

Decentralization as a Solution to Poverty Alleviation in Indonesia

The decentralized zakat policy that has been practiced by Umar bin Abdul Aziz during his reign is the organization of zakat coordinated directly by the regional leadership. More specifically, in the first year of his reign, zakat was coordinated by

the central amil and then collected zakat. Half of the zakat collected is distributed in the area, while the other half is collected in Baitu Maal. But in the following year, Umar bin Abdul Aziz changed his policy by using a decentralized system, namely by ordering trusted amils in each region to collect zakat in that area and then distribute all of them in the same area. This is because decentralization is considered to make the process of controlling zakat management easier. In addition, the collection and distribution of zakat becomes more optimal. So that the main goal of zakat to alleviate poverty can also be achieved optimally.

The spirit of decentralization has also been practiced during the time of the Holy Prophet, Abu Bakr and Umar bin Khattab. At that time the zakat that had been collected from an area was distributed directly in the area, while the rest was collected in Baitul Maal. According to Abu Ubaid the zakat that had been collected had to be distributed to his mustahiq in the area where the zakat was collected (Abu Ubaid, n.d.).

Therefore, it is important to emulate the above zakat management practices and reapply them in Indonesia. According to the Central Bureau of Statistics, the population in Indonesia in 2022 is around 275 million people, of which 26.16 million people are poor. Indonesia with 37 provinces on a land area of 735,400 mi needs a decentralized zakat management system that has proven effective and on target to alleviate poverty in every corner of the region.

Conclusion

From the discussion above, it can be concluded that, Umar bin Abdul Aziz had indeed used a centralized system in the management of zakat, but as explained above that in the following year he changed the system to a decentralized system. This is because decentralization is considered to make the process of controlling zakat management easier. In addition, the collection and distribution of zakat becomes more optimal. So that the main goal of zakat to alleviate poverty can also be achieved optimally. At that time the success of zakat can be clearly seen from the absence of mustahiq zakat anymore which was an indicator of prosperity at that time. Therefore, it is important to emulate the above zakat management practices and reapply them in Indonesia. So that the problem of poverty can be truly resolved and the glory of the community during the reign of Umar bin Abdul Aziz can be realized again, in the Indonesian state in particular.

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