

Comparative Study of Zakat Funds Collection Through Manual Fundraising and Digital Fundraising in Indonesia

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Abstract

The potential of zakat fund collection in Indonesia reached Rp233.8 Trillion or 3% of Indonesia's GDP. However, the realization of the collection of zakat funds is only Rp. 8.2 trillion or 3.4% of the total zakat collection potential in Indonesia. The non-optimal realization of the collection of zakat funds is influenced by collecting zakat, namely manual fundraising and digital fundraising. This study aims to compare zakat collection methods through manual fundraising and digital fundraising. This study uses a mixed-method, a combination of quantitative and qualitative approaches. The type of data used in this study is secondary data sourced from the Indonesian National Baznas Report. Based on the results of the study using the Independent Sample T-Test, there was a significant difference between manual fundraising and digital fundraising with a significant value of 0.034 (Sig. (2-tailed) <0.05). The collection of zakat funds through digital fundraising is greater than manual fundraising. This happens based on a qualitative approach because zakat payments through digital fundraising are faster, safer, more convenient, and more reliable.

Keywords: Comparative, Manual Fundraising, Digital Fundraising

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1. INTRODUCTION

Indonesia has the largest Muslim population globally, with 236 million people. Besides Indonesia, which has the largest Muslim population, Pakistan (212.3 million), India (200 million), Bangladesh (153.7 million), Nigeria (95 million - 103 million), Egypt (85 million - 90 million), Iran (82.5 million), Turkey (74.4 million), Algeria (41.2 million), and Sudan (39.5 million) (RISSC, 2021). This is a momentum for the Indonesian Muslim community to show their influence at the international level (Hafidhuddin, 2019).

Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs reports that the total Muslim population in Indonesia has reached 236.53 million of the total population in Indonesia, which is 272.23 million. This shows that 86.88% of the population in Indonesia is Muslim. This potential is an opportunity for the

Muslim community to influence the country's progress positively.

Islam is a religion that teaches worship vertically (establishing a good relationship with Allah) or known as *Hablum Minallah* and requires worship horizontally (establishing good relations with fellow humans) or known as *Hablum Minannas*. The two worships are taught in a balanced way. This is indicated by Allah's command to oblige to pay zakat, which is one of the pillars of Islam (Ashari, 2018).

Zakat is one of the solutions in solving social problems, such as poverty and inequality, that occur in a country. The basic concept of zakat requires people who have excess sustenance (obligatory zakat) to be given to people in need (zakat recipients), such as the needy and poor. Therefore, eradicating poverty and inequality can be solved by applying zakat. It is mandatory for those who are able and meet the criteria (Purwanti, 2020; Efendi, 2017). The distribution of zakat is not only for socio-economic needs but also for

social needs. Engaged in education and health needs. This shows that zakat can contribute to increasing the Human Development Index. Therefore, the role of zakat is important for economic development in a country (Bahri, 2020).

There are two problems in Indonesia, namely socio-economic problems and economic development. Socio-economic problems and economic development in Indonesia can be solved with zakat, an obligation for the Muslim community (obligatory zakat). However, this isn't easy to realize if public awareness about zakat obligations is still not optimal (Amymie, 2017).

The potential for zakat in Indonesia reaches Rp233.8 trillion (3% of Indonesia's GDP) based on five indicators, namely agricultural zakat, livestock zakat, money zakat, company zakat, and income zakat. The income zakat indicator is the sector that has the highest potential value, which is Rp. 139.07 trillion. Next are cash zakat (Rp 58.76 trillion), agricultural zakat (Rp 19.79 trillion), livestock zakat (Rp 9.51 trillion), and corporate zakat (Rp 6.71 trillion) (Baznaz, 2020) This potential will make a big contribution to the Indonesian economy is realized properly. However, the realization in the zakat collection carried out by the National Amil Zakat Agency (BAZNAS) is IDR 8.2 trillion. This shows that the realization of zakat fund collection is only 3.4% of the total zakat potential in Indonesia (Outlook Zakat Indonesia, 2020).

Several studies indicate a lack of realization of the potential for zakat collection. This is due to the lack of public awareness of their obligations to pay zakat, especially professional and agricultural zakat. It is necessary to optimize the socialization of the importance of paying zakat through da'wah media so that public awareness of their obligations in paying zakat can be fulfilled (Aziz, 2020; Sophisticated, 2017; Mubarak, 2014).

Other studies show that transparency in the distribution of zakat funds on public trust in paying professional zakat is also important. If the transparency of zakat distribution is not optimal, the community will not participate in zakat payments. On the other hand, clear transparency will give people confidence in fulfilling their obligation to pay zakat (Yuliafitri, 2016).

The most significant cause of the non-optimal realization of the potential of zakat funds in Indonesia is the method of collecting zakat funds. There are two

methods of collecting zakat funds: manual and *digital fundraising*. This type of zakat fund collection method significantly affects the collection of zakat funds. Realization of the potential of zakat funds in Indonesia depends on the method used in collecting zakat funds (Nopirando, 2018)

Several studies have shown that the collection of zakat funds must be by the needs of zakat payers. Urban communities can use *digital fundraising* because it is more effective in collecting zakat funds. However, rural communities are more effective in using manual *fundraising* in collecting zakat funds (Rohim, 2019; Soleh, 2020; Nurhidayat, 2020)

Manual and digital fundraising methods each have the potential to collect zakat funds. This needs to be analyzed to optimize the potential realization of zakat funds. (Saputro, 2020). Analyzing the differences between the two methods of collecting zakat funds is the first step in determining the optimization strategy to realize the potential for zakat funds in Indonesia. Therefore, this study aims to compare the collection of zakat funds through manual and *digital fundraising* in Indonesia. Therefore, the research results can be considered in making policies to realize the potential of zakat funds in Indonesia.

2. RESEARCH METHOD

This research was conducted in Indonesia by analyzing the comparison of zakat collection through manuals and *digital fundraising*. Manual *fundraising* is in the form of collecting zakat funds through counter payment channels, while *digital fundraising* is in the form of collecting zakat funds through transfer and payment channels *e-payment* (Solihin, 2022). The data used in this study is secondary data sourced from the BAZNAS Indonesia Report. This research's data collection techniques are literature study, observation, and documentation.

This study uses the *Mixed Method*, a combination of quantitative and qualitative approaches. A quantitative approach to test how significant the difference is in collecting zakat funds through *manual fundraising* and *digital fundraising*. On the other hand, a qualitative approach to describe the differences between the two methods of collecting zakat funds (*manual fundraising* and *digital fundraising*) uses a phenomenological approach.

The data processing technique in this study uses a quantitative approach using the Independent Sample T-Test Test on the SPSS application. This test is used

to determine how significant the difference between *manual fundraising* and *digital fundraising* is in collecting zakat funds. The hypothesis used is as follows.

- a. H_0 = There is no difference in the collection of zakat funds through *manual fundraising* and *digital fundraising*
- b. H_1 = There is a difference in collecting zakat funds through *manual fundraising* and *digital fundraising*. The

Basis for decision-making in this test is as follows.

- a. If the value of Sig. (2-tailed) < 0.05 , then there is a significant difference in the collection of zakat funds through *manual fundraising* and *digital fundraising*.
- b. If the value of Sig. (2-tailed) > 0.05 , then there is no significant difference in the collection of zakat funds through *manual fundraising* and *digital fundraising*

Data processing techniques for qualitative approaches use the model *Miles and Huberman* with three flows, namely first data reduction, which is selecting data, classifying, directing, discarding unnecessary data, and organizing data to obtain conclusion and data verification. Second, data presentation, namely documentation, will be analyzed according to the theories described previously. Third, concluding, namely the activities of a complete description of the object under study in drawing conclusions based on the incorporation of information that has been compiled in a form that is suitable for the

presentation of data through the information. Researchers can present conclusions from the researcher's point of view to further emphasize the writing of this study. (Miles, 1994)

3. RESEARCH RESULTS AND DISCUSSION

3.1. Research results

Based on the observations, the following are data on the collection of zakat funds through *manual* and *digital fundraising* in Indonesia.

Table 3.1

Total Zakat Fund Collection			
No Payment Channel		Amount of Zakat Fund	
		2018	2019
1	Counter	Rp12,696,795,048	Rp7,798,664,544
2	E-Payment	Rp32,204,405,895	Rp40,183,311,927
3	Transfer	Rp161,472,974,632	Rp238,992,463 .834

Source: Baznas Indonesia, 2018–2019

Based on the data above, the receipt of zakat funds through *digital fundraising* is greater than *manual fundraising*. The receipt of zakat funds through *digital fundraising* increased in 2018–2019. On the other hand, the receipt of zakat funds through *manual fundraising* decreased in 2018–2019.

Furthermore, the zakat fund collection data was analyzed using the Independent Sample T-Test Test to see how significant the difference in zakat fund collection was through *manual fundraising* and *digital fundraising*. The results of the Independent Sample T-Test can be seen in table 2.2 below.

Table 2.2.

Independent Sample Test T-Test

		t-test for Equality of Means						
		t	df	Sig.(2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Output of Zakat Collection	Equal variances assumed	-5,308	2	,034	-226,00000	42,57347	-409,17884	-42,82116
	Equal variances not assumed	-5,308	1,007	,034	-226, 00000	42.57347	-758.24022	306.24022

Source: Processed data, 2021

Based on the Independent Sample T-Test, the significance value is 0.034 (Sig.(2-tailed) < 0.05). So

the results of the hypothesis, namely H_0 are rejected and H_1 . This shows a significant difference between

manual and *digital fundraising* in collecting zakat funds in Indonesia.

3.2. Discussion

The acceptance of zakat funds through *digital fundraising* is approximately four times greater than manual *fundraising*. Therefore, there is a significant difference in accepting zakat funds through *digital fundraising* and manual *fundraising*. This happens because there are many benefits that zakat payers feel in making payments through *digital fundraising*.

Some of the benefits of paying zakat through digital fundraising, namely

- 1) Increasing the security of zakat payments. In this case, public trust in *fundraising* has increased with the payment method model *digital*
- 2) Fast transactions, in this case, people who want to pay zakat no longer need to come to institutions of zakat and get through *digital payment* payments;
- 3) Transaction security in paying zakat compared to cash. In this case, *internet banking* or *mobile banking* is one of the leading financial service products. In the digital payment model, we often encounter these two financial service products to transfer physical money transactions into digital money transactions. (Ningrum, 2021)

The application of zakat payments through *digital fundraising* can increase the collection of zakat funds. This can happen because of the following things, namely

- 1) Safe, this happens because prospective donors pay zakat by transferring through a BANK or ATM;
- 2) Reliable, this happens because digital payments have a high level of security with distribution according to the target; and
- 3) Comfort and convenience when transacting. This happens because it can be seen through digital technology used by donors. (Beik, 2021; Salma, 2020)

4. CONCLUSION

Based on the study results, it can be concluded that there is a significant difference in the collection of zakat funds through manual and *digital fundraising*. The results of collecting zakat funds through digital and manual fundraising in the last two years have developed. However, some of the results are also in the development stage. The increase in ratios is *fundraising* because such a digital system is easy to use. In addition, there are uses for the use of digital fundraising systems, including:

- a. Increasing public security and trust in digitally paying zakat;
- b. Accelerate transactions to pay zakat through *e-payment*; and
- c. Securing how to transact zakat.

The results of this study can be used as a basis for considering optimizing the digitization of zakat fund collection. There are some suggestions for Baznas of the research, which is to conduct an optimization socialize the importance of zakat payment via social media (Masyarakat Indonesia Dominant Literacy Technology), optimize the use of the application of zakat payment (*Digital Fundraising*), and bertransparansi in the management of zakat funds through social media.

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