



ANALYSIS OF ZAKAT MANAGEMENT EFFICIENCY LEVELS IN TWO ASEAN COUNTRIES (STUDIES IN INDONESIA AND MALAYSIA)

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ABSTRACT

Purpose: This study aims to determine the level of efficiency of the Zakat Management Agency in ASEAN, especially Indonesia, Malaysia and Singapore as a country that has a Zakat Institution and publish its financial statements in the period 2020 to 2023.

Method/design/approach: The efficiency of this research is processed using Data Envelopment Analysis (DEA) with a production approach. This method measures the ratio between input and output compared between the zakat institution studied. Output variables used in this study include collecting funds and distribution funds. While the input variables used are Personnel Costs, Operational Costs and Socialization Costs.

Result and conclusion: The results of this study indicate that the optimal efficiency consistently for four years was owned by MAIK (Majelis Agama Islam dan Adat Istiadat Melayu Kelantan) and MUI (Majelis Ulama Indonesia) while in BAZNAS had experienced inefficiencies in Maluku Utara 55%, in Papua 77%, and in Nusa Tenggara Timur it was 68%. The contribution of this research can be an evaluation tool for the Zakat Institution in terms of managing funds and arranging strategies for raising and channeling funds better.

Originality/value: Zakat is believed to be a means to create justice for the distribution of community wealth. However, in fact the reality emerged in Indonesia shows that the collecting of zakat is still far from the potential that exists. In Malaysia, the problem of zakat distribution is still found in many states. Therefore it is necessary to optimize zakat through efficiency.

Keywords: Efficiency, Zakat Institution, DEA.

ANÁLISE DOS NÍVEIS DE EFICIÊNCIA DE GESTÃO DO ZAKAT EM DOIS PAÍSES DA ASEAN (ESTUDOS NA INDONÉSIA E MALÁSIA)

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RESUMO

Objetivo: Este estudo visa determinar o nível de eficiência da Agência de Gestão Zakat na ASEAN, especialmente Indonésia, Malásia e Singapura como país que possui uma Instituição Zakat e publica suas demonstrações financeiras no período de 2020 a 2023.

Método/desenho/abordagem: A eficiência desta pesquisa é processada por meio de Análise Envoltória de Dados (DEA) com abordagem de produção. Este método mede a relação entre insumo e produto comparado entre a instituição zakat estudada. As variáveis de resultados utilizadas neste estudo incluem a recolha de fundos e os fundos de distribuição. Enquanto as variáveis de entrada utilizadas são Custos de Pessoal, Custos Operacionais e Custos de Socialização.

Resultado e conclusão: Os resultados deste estudo indicam que a eficiência ideal consistentemente durante quatro anos foi propriedade de MAIK (Majelis Agama Islam dan Adat Istiadat Melayu Kelantan) e MUI (Majelis Ulama Indonésia), enquanto em BAZNAS experimentaram ineficiências em Maluku Utara 55% , em Papua 77% e em Nusa Tenggara Timur foi de 68%. A contribuição desta pesquisa pode ser uma ferramenta de avaliação para a Instituição Zakat em termos de gestão de fundos e organização de estratégias para melhor captação e canalização de fundos.

Originalidade/valor: Acredita-se que o Zakat seja um meio de criar justiça para a distribuição da riqueza comunitária. Contudo, de facto, a realidade que surgiu na Indonésia mostra que a recolha do zakat ainda está longe do potencial que existe. Na Malásia, o problema da distribuição do zakat ainda é encontrado em muitos estados. Portanto é necessário otimizar o zakat através da eficiência.

Palavras-chave: Eficiência, Instituição Zakat, DEA.

ANÁLISIS DE LOS NIVELES DE EFICIENCIA DE LA GESTIÓN DEL ZAKAT EN DOS PAÍSES DE LA ASEAN (ESTUDIOS EN INDONESIA Y MALASIA)

RESUMEN

Propósito: Este estudio tiene como objetivo determinar el nivel de eficiencia de la Agencia de Gestión del Zakat en la ASEAN, especialmente Indonesia, Malasia y Singapur como país que cuenta con una Institución Zakat y publica sus estados financieros en el período 2020 a 2023.

Método/diseño/enfoque: La eficiencia de esta investigación se procesa utilizando Análisis Envoltorio de Datos (DEA) con un enfoque de producción. Este método mide la relación entre insumos y productos en comparación entre las instituciones de zakat estudiadas. Las variables de producción utilizadas en este estudio incluyen la recaudación de fondos y la distribución de fondos. Mientras que las variables de entrada utilizadas son Costos de Personal, Costos Operativos y Costos de Socialización.

Resultado y conclusión: Los resultados de este estudio indican que la eficiencia óptima consistentemente durante cuatro años fue propiedad de MAIK (Majelis Agama Islam dan Adat Istiadat Melayu Kelantan) y MUI (Majelis Ulama Indonesia), mientras que en BAZNAS había experimentado ineficiencias en Maluku Utara del 55%. , en Papúa el 77% y en Nusa Tenggara Timur fue el 68%. La contribución de esta investigación puede ser una herramienta de evaluación para la Institución Zakat en términos de administrar fondos y organizar estrategias para recaudar y canalizar mejor los fondos.

Originalidad/valor: Se cree que el zakat es un medio para crear justicia para la distribución de la riqueza de la comunidad. Sin embargo, la realidad surgida en Indonesia muestra que la recaudación del zakat aún está lejos del potencial que existe. En Malasia, el problema de la distribución del zakat todavía persiste en muchos estados. Por lo tanto, es necesario optimizar el zakat a través de la eficiencia.

Palabras clave: Eficiencia, Institución Zakat, DEA.

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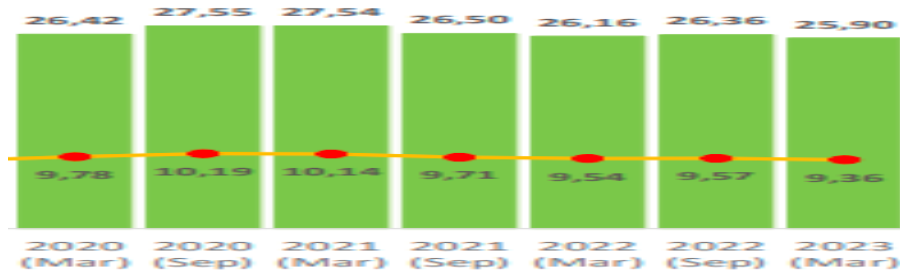
1 INTRODUCTION

Zakat is a form of worship that can be a means of reducing the social gap between those who are well-off or capable and those who still need it (Canggih, Fikriyah & Yasin, 2017). The main function of zakat is not only as a means of helping to ease the economic burden of mustahik, but also as a balancing instrument in the national economic sector. In the long term, zakat has the aim of changing status. The mustahik class is slowly becoming muzakki, which means becoming a group that has the financial maturity to be able to distribute zakat. This goal shows that zakat has great potential in overcoming economic disparities and alleviating poverty in a country.

In 2023, the Central Statistics Agency and the World Bank will release a statistical report regarding poverty and inequality rates in Indonesia which can be seen in the following table:

Table 1

Poverty and Inequality Statistics in Indonesia



Source: BPS Indonesia

There are various studies regarding the potential of zakat in Indonesia. First, research from the Center for Sharia Economics and Business at the University of Indonesia in 2009, where the approach used was the number of zakat givers in Indonesia with the assumption that 95 percent of muzakki paid zakat. The research resulting in a projected potential for collecting zakat funds reaching 12.7 trillion in 2009 (Indonesia Economic Outlook, 2010). Second, research in 2011 carried out by the Bogor Agricultural Institute in collaboration with the National Amil Zakat Agency and the Islamic Development Bank (IDB) published the results of its research which entitled Economic Estimation and Determinations of Zakat Potential in Indonesia states that the existing zakat potential is IDR 217 trillion, but unfortunately the realization of national zakat collection that occurs in the field has only reached around 1 percent of the actual zakat potential.



Facts in the field show that various studies related to the potential of zakat above have not been accompanied by adequate collection of zakat funds. There is a huge gap between the existing zakat potential and the collection of zakat funds that occurs. This can be proven by actual data from BAZNAS regarding the collection of ziswaf funds (zakat, infaq alms and waqf) on a national scale in 2021 which has only been collected at IDR 14.1 trillion, which can be said to be less than the potential of IDR 327 trillion.

In Malaysia, recent studies reveal that there are many deficiencies in the distribution of zakat funds (Ahmad et. al, 2006; Muhammad, 2008; Wahid et. al 2008, 2009). Ahmad (2006) examined factors that contributed to dissatisfaction with formal zakat institutions based on a sample of 753 respondents who paid zakat to six privatized institutions. Results shows that satisfaction with efficient distribution and management of zakat is the main factor influencing zakat payments.

The phenomenon that occurs in Indonesia and Malaysia as countries where the majority of the population is Muslim but has problems in collecting and distributing zakat, while Singapore, as a country where Muslims are a minority but is quite good at collecting and distributing zakat, is quite interesting to study in terms of the efficiency of managing zakat funds.

Referring to Law Number 23 of 2011 article 3, it states that the aim of Zakat Management is to increase the effectiveness and efficiency of services in zakat management. In this case, Qardhawi (2005) emphasized that operational efficiency of amilin is very necessary for a Zakat Management Organization in carrying out its activities.

In the context of zakat institutions, efficiency refers to how well the institution uses its resources (e.g. staff, expenses, etc.) while governance refers to the system and series of processes in directing and managing zakat institutions to improve the social welfare of legitimate zakat recipients and demonstrating accountability to zakat payers. In carrying out its obligations, zakat institutions require operational funds that are not small. Expenditures include Amilin's salary, operational costs and other socialization costs. All costs are taken from zakat funds that have been collected by the zakat institution. If operational funds are not managed well by management, there can be waste in expenditure that should be used efficiently. Therefore, it really needs one efficiency of zakat institutions in terms of organizing and managing zakat funds that have been collected.

Organizations today face challenges that require effective management decisions that will achieve high levels of productivity and efficiency (Wahab, 2013). Likewise, Beik et al. (2014) stated that in their operations, zakat institutions are responsible for enforcement certain



basic principles, such as professionalism, accountability and transparency. Apart from that, the management of zakat institutions must be effective and efficient. The gap between the potential and realization of zakat fund collection is caused by a lack of public trust in zakat institutions. Measuring zakat management and the efficiency of zakat institutions can improve distrust public (Lessy, 2009). In this research, the efficiency of zakat institutions will be evaluated as one part of the performance measurement system.

2 LITERATURE REVIEW

In principle, Shari'ah Enterprise Theory provides a form The main responsibility is to Allah (vertical) which is then further explained in the form of accountability (horizontal) to humanity and the natural environment. In the view of shari'ah enterprise theory, stakeholders are:

Allah's caliphs were given the mandate to process resources and distribute them fairly to all creatures on this earth (Slamet, 2001).

Sharia Enterprise Theory views that collecting Zakat funds is not necessarily seen from the physical aspect but rather the intention in the heart, and a sense of sincerity in providing services. This is because in Sharia Enterprise Theory, Allah is the main source of trust (Meutia, 2010). This trust is manifested in the form of transparency (openness) in submitting regular accountability reports and also the accuracy of their distribution in line with the provisions of Islamic sharia.

2.1 ZAKAT

Statement of Financial Accounting Standards Number 109 concerning Accounting for Zakat and Infaq/Alms defines zakat as assets that must be distributed by muzakki in accordance with sharia provisions to be given to those entitled to receive them (mustahiq). Meanwhile, based on Law Number 23 of 2011 concerning Management of Zakat, zakat is defined as assets which are legally obligated to be handed over by Muslims or business entities to be given to groups entitled to receive them in accordance with the applicable Islamic sharia rules.



2.2 ZAKAT MANAGEMENT ORGANIZATION

An institution that carries out activities in terms of managing zakat, infaq and alms funds is called a Zakat Management Organization. Law Number 23 of 2011 defines zakat management as planning, implementing, coordinating, collecting, distributing and utilization of zakat.

Zakat institutions are institutions responsible for managing the collection and distribution of zakat funds, whether established by the government or the private sector (Wahab, 2013). Therefore, the state is responsible for collecting and distributing zakat funds in an organized system as regulated or determined by the Islamic religion. Zakat also involves the Muslim community as a whole, therefore several scholars such as Imam Syafie suggest that zakat must be paid to the authorities (Buang, 2000).

2.3 EFFICIENCY AND ITS MEASUREMENT

Karim (2011) states that "Efficient is doing the things right" which means efficiency is defined as an effort to carry out various things correctly in order to achieve optimal results. Efficiency in the production concept is within the scope of technical and operational relationships in a production, namely changing input into output. Meanwhile, economic efficiency looks holistically at the allocation of resources in an economy that brings prosperity to society (Sukirno, 2015).

According to Hadad, et al (2003) there are several approaches used to describe the relationship between input and output in measuring efficiency in assessing entity performance, including the following:

- a. The Production Approach is an approach that uses labor, capital expenditure on assets and other materials as input. Meanwhile, the number of deposit accounts and loan accounts provided as output;
- b. The Intermediation Approach, which is an approach that considers an entity as an intermediary that channels financial assets from units that have more funds to units that need funds. The inputs required are capital, labor costs and deposits. Credit loans and financial investments are considered output;
- c. The Asset Approach is an approach that looks at the main function of an entity as a credit maker. Asset efficiency measures an entity's ability to invest funds in the form of



installments, securities and other alternative assets as output. Meanwhile, input can be measured from labor and capital costs.

This research will use a production approach. The reason for choosing this approach is because it sees the Zakat Management Organization as a producer that produces two main products, namely collected funds and distributed funds. Apart from that, this approach was chosen to measure how the OPZ (Zakat Management Organization) performs in managing costs to generate ziswaf fund receipts and distribute zakat funds efficiently.

2.4 DATA ENVELOPMENT ANALYSIS (DEA)

The DEA method was created as a tool for evaluating the performance of an organization, which is called the Decision Making Unit, hereinafter shortened to DMU. In summary, measurement is expressed by the ratio of output to input which is a unit of measurement of efficiency or productivity. DEA analysis was specifically created as a tool to measure the relative efficiency of production units in situations where there are many inputs and outputs which are difficult to accurately measure by other efficiency measurement analysis techniques (Atmanti, 2005).

The DEA model is a multi-factor productivity analysis model to measure efficiency scores on various inputs and outputs (Ahmad & Ma'in, 2014). The DEA model uses mathematical programming to evaluate the level of efficiency for each Decision Making Unit which can be anything from an individual center or cost to an entire organization.

DEA has the function of measuring efficiency in the production process and determining improvement strategies for inefficient processes. The advantage of DEA is that it can accommodate many inputs and outputs in many dimensions so that it will produce precise and accurate efficiency measurements. Previous studies related to the use of DEA to find efficiency and inefficiency values in DMUs by Pulansari (2010) and Suryani (2014) show that the results of each DMU are the basis for making further improvements.

2.5 DEA METHOD FOR MEASURING THE EFFICIENCY OF OPZ (ZAKAT MANAGEMENT ORGANIZATIONS)

In the case of zakat institutions, there are several variables that can be included in the model. The variables can be personnel, administration and operational costs as input as well as



the total amount of zakat collected, total zakat distributed, total zakat payers and total zakat recipients as output.

The DEA method is suitable to be applied to zakat institutions because it has been successfully applied as an indicator of the efficiency of the non-profit and public organizational sectors. Then, Norazlina & Abdul Rahim (2013) measured the productivity growth of zakat institutions using the return to scale (VRS) variable and found that most zakat institutions operated in non-CRS (Constant Return Scale). Thus, the results of the study show that more improvements are needed by zakat institutions to increase overall efficiency.

3 METHODOLOGY

This research uses a quantitative type of research with a descriptive approach. Sekaran (2017) defines quantitative descriptive research as the process of collecting data that describes the characteristics of people, events or situations. The data used in this research is secondary data from the annual financial report of the Zakat Management Agency which publishes its financial reports via its official website for the period 2020 to 2023.

The variables in the stage of measuring the level of efficiency in this research include input and output variables using a production approach. The input variables in this research are Personnel Costs, Socialization Costs, and other Operational Costs, while funds collected and funds distributed are output variables.

The population in this research are all Zakat Management Organizations in Indonesia and Malaysia whose establishments are recognized and legalized by the Government, Presidential Decree or the Ministry of Religion of the three countries. The research time is based on data collected by researchers from each country. The research observation period, namely from 2020 to 2023, is based on the largest number of years when zakat management organizations started publishing their financial reports.

The research samples were taken using the purposive sampling method, namely a type of sample selection that has limitations, which can be in the form of certain people, objects or groups that can be processed and provide the required information based on criteria determined by the researcher (Sekaran, 2017). The sample selected by the researcher must meet the following criteria:

- a. Zakat Management Organization which is authorized and/or managed directly by the Government;



- b. Zakat Management Organization that consistently publishes annual financial reports from 2020 to 2023.

After eliminating the population using the purposive sampling method, the following will display a sample of zakat management organizations that have been selected according to the sampling criteria in the following table:

Table 2

Sample of Zakat Management Organizations

No	Country	Name of Zakat Management Organization
1.	Indonesia	BAZNAS (Badan Amil Zakat Nasional)
2.	Malaysia	JAWHAR (Jabatan Wakaf, Zakat dan Haji)

Source: Authors (2023)

In conducting this research the author divided it into three stages. First, measure the level of efficiency between zakat institutions using Data Envelopment Analysis. DEA was chosen because it has been standardized as a tool for measuring the performance and efficiency of a unit. All input and output variables use Warwick DEA software, so that the efficiency level of each Zakat Management Organization is obtained from a production approach. Efficiency is indicated by a score of 100% which means efficient and less than 100% indicates inefficiency.

This research uses the DEA model to answer problem formulations related to the level of efficiency in zakat management bodies in Indonesia and Malaysia. DEA is a non-parametric method that uses a linear programming model to calculate the ratio of output and input ratios for all units or Decision Making Units (DMU) being compared.

4 RESULTS AND DISCUSSIONS

This study analyzes the effectiveness in zakat receiving (input) and distributing zakat (output) activities in each province in Indonesia and in Indonesia as a whole, as well as in every state in Malaysia and in Malaysia as a whole, based on data from the National Amil Zakat Agency (BAZNAS) Indonesia 2019-2022 and from the Department of Waqf, Zakat and Hajj (JAWHAR) Malaysia from 2018-2022. The data used is secondary data from the BAZNAS and JAWHAR websites as official announcements regarding zakat statistics in Indonesia and Malaysia.



4.1 RESULTS OF DEA ANALYSIS OF ZAKAT MANAGEMENT IN INDONESIA

Efficiency measurement in this study uses two components of zakat, namely how effective zakat activities in Indonesia are by looking at the inputs and outputs of zakat distribution for 4 years. This measurement is done in order to be able to assess efficiency. Data was measured over 4 years from 2019-2022, where each DMU used 4 inputs and produced 4 outputs as well (Table 3).

Table 3
Data on Zakat Reception and Distribution in Indonesia

Provinsi	2022o	2021o	2020o	2019o	2022i	2021i	2020i	2019i
Aceh	137,265,258,901	92,442,187,683	62,799,597,769	47,354,993,450	102,092,319,710	86,442,612,238	72,352,344,909	89,058,367,526
Sumatera Utara	10,835,829,416	14,691,320,248	6,570,611,573	5,357,009,278	18,071,346,270	9,279,930,463	10,528,670,205	7,565,306,235
Sumatera Barat	33,096,605,685	29,939,413,578	24,998,450,687	14,839,358,108	31,041,554,841	28,078,518,719	25,112,936,641	19,863,768,522
Riau	34,804,560,009	13,324,558,887	15,755,962,749	9,203,130,674	39,232,335,957	16,313,056,157	16,160,535,927	12,640,423,340
Jambi	2,439,571,074	4,169,524,279	2,985,356,521	3,173,485,998	2,653,654,371	3,390,697,744	2,744,287,150	2,918,411,963
Sumatera Selatan	5,611,051,693	4,013,706,684	4,099,116,652	4,481,163,269	7,248,576,447	5,442,794,548	3,885,490,910	3,679,044,535
Bengkulu	4,456,920,068	5,941,361,645	4,241,854,584	4,257,984,184	4,949,982,902	5,014,042,671	4,325,939,083	4,325,939,083
Lampung	1,314,560,600	1,775,529,129	1,114,035,658	1,445,206,015	1,112,016,284	1,728,138,769	1,314,402,953	1,569,304,261
Bangka Belitung	3,919,554,555	-	6,941,420,180	15,214,841,686	9,517,759,636	4,345,859,085	12,757,326,966	12,244,199,135
Kepulauan Riau	2,357,760,762	4,442,947,969	3,480,938,482	4,757,225,916	4,388,178,287	4,397,800,993	3,806,272,790	5,113,222,670
DKI Jakarta	219,972,788,743	197,881,016,139	142,913,143,595	134,468,180,571	214,530,436,636	187,725,159,470	111,470,697,720	209,253,205,888
Jawa Barat	40,739,706,190	49,937,279,492	30,077,374,280	30,707,642,119	48,777,346,024	38,406,821,663	45,917,058,395	26,713,604,529
Jawa Tengah	84,981,893,778	55,444,608,463	27,272,676,864	50,223,928,485	83,721,292,430	58,400,647,957	55,178,832,226	49,089,974,207
DI Yogyakarta	13,284,974,228	12,395,236,722	5,654,278,390	5,011,773,081	13,560,828,538	12,340,181,116	5,521,357,911	4,714,094,810
Jawa Timur	23,739,180,802	16,137,634,532	16,535,217,996	11,330,347,894	37,019,742,886	16,749,114,889	13,678,103,446	11,667,075,099
Banten	26,784,644,196	21,594,992,256	19,018,149,090	17,217,641,344	25,780,204,442	23,369,554,887	19,423,093,680	17,880,367,179
Bali	226,460,081	533,658,952	543,312,697	1,166,791,181	272,989,081	498,395,370	718,452,742	1,190,220,927
Nusa Tenggara Barat	12,450,091,959	30,317,072,579	29,932,663,069	24,954,245,442	22,377,432,118	31,143,225,370	28,366,696,961	26,066,934,052
Nusa Tenggara Timur	-	-	40,819,088	-	-	83,218,615	71,035,950	135,796,181
Kalimantan Barat	3,702,283,155	4,359,036,456	11,430,857,592	3,959,031,851	3,767,724,571	4,190,041,456	8,763,215,583	3,794,405,169
Kalimantan Tengah	400,059,940	238,048,828	201,570,824	218,097,500	410,511,441	231,664,831	221,513,038	132,480,000
Kalimantan Selatan	12,044,345,736	12,704,629,694	10,182,249,274	10,855,607,099	16,743,470,889	11,749,899,374	13,214,203,077	9,589,322,652
Kalimantan Timur	6,190,216,671	4,826,161,626	4,831,584,680	16,383,482,990	7,724,461,677	7,352,164,468	6,889,712,920	7,560,144,308
Kalimantan Utara	1,284,156,316	1,097,757,867	491,075,112	-	192,478,870	2,498,949,298	1,143,451,708	-
Sulawesi Utara	250,025,557	1,017,095,223	1,281,961,124	1,546,337,760	721,313,565	878,789,682	1,932,459,989	1,323,648,383
Sulawesi Tengah	2,847,970,013	3,608,251,337	2,756,905,369	1,846,565,292	3,622,391,374	3,442,696,720	3,402,292,577	1,950,865,939
Sulawesi Selatan	3,259,343,684	2,849,944,862	1,705,310,500	800,804,000	3,413,592,353	2,747,137,272	2,243,571,050	1,859,794,456
Sulawesi Tenggara	383,781,154	1,033,907,000	1,737,848,003	1,819,062,000	472,009,533	886,191,948	1,662,163,303	1,556,358,854
Gorontalo	7,682,898,207	10,209,951,528	10,874,806,812	10,131,936,341	10,236,017,647	10,511,837,304	10,545,038,019	10,610,439,447
Sulawesi Barat	617,245,806	1,926,420,900	2,229,432,661	606,462,000	1,047,827,623	1,690,014,936	1,582,601,974	10,610,439,447
Maluku	-	-	507,195,000	-	-	1,565,000	604,484,084	940,428,320
Maluku Utara	44,654,631	49,303,238	129,940,738	129,940,738	99,437,906	149,791,082	217,222,967	217,222,967
Papua	5,249,058,539	2,228,057,130	2,463,264,485	1,560,607,109	5,898,228,283	5,061,377,518	3,382,184,035	3,556,893,223
Papua Barat	658,192,107	-	985,320,100	507,141,037	460,667,093	1,051,580,946	795,567,367	539,352,567
Indonesia	21,635,709,041,188	14,265,668,203,098	11,943,301,204,837	8,580,974,739,448	22,475,655,478,672	14,222,002,607,119	12,510,956,821,116	10,119,560,096,450

Source: Baznas.go.id

Table 3 contains data on the amount of zakat received in each province and throughout Indonesia, as well as zakat distributed in each province and throughout the country in Indonesia, for the period 2019-2022. Based on the data collected above, an effectiveness analysis was carried out using MaxDEA software, and the results were obtained as in Table 4.



Table 4

Results of Data Analysis Using DEA Regarding the Effectiveness of Zakat Management in Indonesia

DMU	Score
Aceh	100%
Sumatera Utara	100%
Sumatera Barat	99%
Riau	100%
Jambi	100%
Sumatera Selatan	98%
Bengkulu	97%
Lampung	100%
Bangka Belitung	100%
Kepulauan Riau	90%
DKI Jakarta	100%
Jawa Barat	100%
Jawa Tengah	93%
DI Yogyakarta	100%
Jawa Timur	100%
Banten	96%
Bali	100%
Nusa Tenggara Barat	92%
Nusa Tenggara Timur	68%
Kalimantan Barat	100%
Kalimantan Tengah	100%
Kalimantan Selatan	90%
Kalimantan Timur	100%
Kalimantan Utara	100%
Sulawesi Utara	98%
Sulawesi Tengah	95%
Sulawesi Selatan	93%
Sulawesi Tenggara	100%
Gorontalo	90%
Sulawesi Barat	100%
Maluku	100%
Maluku Utara	55%
Papua	77%
Papua Barat	100%
Indonesia	97%

Source: Authors (2023)

Based on the results of DEA analysis, the effectiveness of zakat implementation in Indonesia in 2019-2022 as a whole is 97%. This means that in general, zakat management in Indonesia has been good and effective in distributing the collected zakat to people in need, even though it has not achieved a score of 100%.

In more detail, the effectiveness of zakat implementation in each province in Indonesia can be seen as follows:

- a. Aceh, North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Bengkulu, Lampung, Bangka Belitung, and Riau Islands have 100% effectiveness in implementing zakat.



This means that zakat management is very good, and that all zakat collected in these provinces is successfully distributed to people in need;

- b. DKI Jakarta, West Java, Central Java, DI Yogyakarta, and East Java have an effectiveness of zakat implementation of 96% to 100%. This means that zakat management in these provinces is already good, but there is still potential to increase its effectiveness;
- c. Banten, Bali, West Nusa Tenggara, and West Kalimantan have an effectiveness of zakat implementation of 92% to 96%. This means that zakat management in these provinces is already good, but there is still potential to increase its effectiveness;
- d. Central Kalimantan, South Kalimantan, East Kalimantan, North Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi, Southeast Sulawesi, and Gorontalo have an effectiveness of zakat implementation of 90% to 92%. This means that zakat management in these provinces is already good, but there is still potential to increase its effectiveness;
- e. Maluku, North Maluku, Papua, and West Papua have an effective zakat implementation of 55% to 77%. This means that zakat management in these provinces still needs to be improved.

4.2 DEA ANALYSIS RESULTS OF ZAKAT MANAGEMENT IN MALAYSIA

This efficiency measurement in Malaysia uses two components of zakat, namely how effective zakat activities in Malaysia are by looking at the inputs and outputs of zakat distribution for 5 years. This measurement is done in order to be able to assess efficiency. Data was measured over 5 years from 2018-2022, where each DMU used 5 inputs and produced 5 outputs (Table 5).



Table 5

Data on Zakat Reception and Distribution in Malaysia

NEGERI	2022o	2022i	2021o	2021i	2020o	2020i	2019o	2019i	2018o	2018i
JOHOR	n/a	n/a	n/a	n/a	299,837,853	300,855,627	299,809,513	311,727,367	261,310,156	285,784,094
KEDAH	177,289,629	252,250,188	n/a	252,250,188	195,698,217	217,913,021	192,622,521	206,055,560	178,463,803	183,556,548
KELANTAN	200,412,526	228,219,483	174,126,345	228,219,483	185,584,047	202,654,987	189,017,291	195,138,060	181,936,431	183,034,916
MELAKA	n/a	n/a	97,811,396	n/a	80,269,854	100,720,992	96,620,295	98,838,099	87,073,849	87,815,012
NEGERI SEMBILAN	n/a	n/a	n/a	n/a	114,237,224	144,088,232	123,406,206	141,521,193	127,748,585	131,116,487
PAHANG	n/a	n/a	n/a	n/a	134,991,564	165,260,316	146,767,912	167,220,291	141,910,722	138,696,397
PULAU PINANG	n/a	n/a	126,531,077	n/a	126,581,574	130,875,633	111,384,872	121,432,704	101,010,172	119,734,213
PERAK	n/a	n/a	n/a	n/a	165,047,591	191,633,581	196,836,278	207,187,053	171,489,516	176,246,175
SELANGOR	1,049,288,951	1,067,855,832	n/a	1,067,855,832	867,227,310	912,956,543	868,263,524	855,137,860	829,878,020	793,679,701
TERENGGANU	233,339,525	228,036,120	n/a	228,036,120	171,122,296	185,104,612	191,240,463	178,654,906	163,138,683	160,718,726
SABAH	121,998,470	133,427,076	93,586,964	133,427,076	88,575,346	101,788,328	71,621,953	88,997,520	68,268,316	79,661,793
SARAWAK	n/a	n/a	n/a	n/a	71,597,656	110,374,939	68,143,056	105,963,561	n/a	n/a
WILAYAH PERSEKUTUAN	n/a	928,302,963	732,445,878	928,302,963	526,470,917	761,851,601	445,352,346	688,405,441	550,231,376	658,763,368
MALAYSIA	1,782,329,101	2,838,091,662	1,224,501,660	2,838,091,662	3,027,241,450	3,526,078,411	3,001,086,230	3,366,279,615	2,862,459,630	2,998,807,430

Source: <https://www.e-maik.my/v2/>

Table 5 contains data on the amount of zakat distributed in each province and throughout Malaysia, as well as zakat distributed in each state in Malaysia, for the period 2018-2022. Based on the data collected above, an effectiveness analysis was carried out using MaxDEA software, and the results were obtained as in Table 6.

Table 6

Results of Data Analysis Using DEA Regarding the Effectiveness of Zakat Management in Malaysia

DMU	Score
JOHOR	100%
KEDAH	95%
KELANTAN	100%
MELAKA	100%
NEGERI SEMBILAN	100%
PAHANG	100%
PULAU PINANG	100%
PERAK	100%
SELANGOR	100%
TERENGGANU	100%
SABAH	100%
SARAWAK	100%
WILAYAH PERSEKUTUAN	100%
MALAYSIA	94%

Source: Authors (2023)

Based on the results of DEA analysis, the effectiveness of zakat implementation in Malaysia in 2018-2022 as a whole is 94%. This means that in general, zakat management in Malaysia has been good and effective in distributing the collected zakat to people in need, although it has not achieved a score of 100%. In more detail, the effectiveness of zakat implementation in each state in Malaysia can be seen as follows:



- a. Johor, Kelantan, Melaka, Negeri Sembilan, Pahang, Penang, Perak, Selangor, Terengganu, Sabah, Sarawak, Federal Territories, have a 100% effectiveness in implementing zakat. This means that zakat management is very good, and that all zakat collected in these provinces has been distributed very well to people in need;
- b. Kedah has an effectiveness of zakat implementation of 95%. This means that zakat management in Kedah is good, although there is still potential to increase its effectiveness.

4.3 DISCUSSIONS

The DEA analysis results suggest that zakat management in Indonesia is largely effective, with an overall score of 97%. This shows that Indonesian zakat institutions are effectively collecting and distributing zakat to those in need. However, there is still potential for improvement, as some provinces perform worse than others.

Aceh, North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Bengkulu, Lampung, Bangka Belitung, and Riau Islands have the highest efficacy rankings. These provinces have all received a 100% effectiveness score, indicating that they are extremely effective at collecting and distributing zakat. North Maluku, Papua, and West Papua have the lowest levels of efficacy. The effectiveness scores for these provinces are 55% and 77%, respectively. This suggests that zakat management in these regions still has a lot of opportunity for improvement.

The DEA analysis results suggest that zakat management in Malaysia is also effective, with an overall score of 94%. This indicates that Malaysian zakat institutions are also collecting and distributing zakat to those in need. Malaysia's states all have an effectiveness score of 95% or better. This signifies that zakat management is good in all Malaysian states.

The overall effectiveness of zakat management in Indonesia is slightly higher than the overall effectiveness of zakat management in Malaysia. However, the difference in effectiveness scores is not significant. Both Indonesia and Malaysia have good zakat management systems in place.



5 CONCLUSIONS AND SUGGESTIONS

5.1 CONCLUSIONS

According to the findings of the study, zakat management in Indonesia and Malaysia is generally effective in collecting and distributing zakat to those in need. Both countries, however, have potential for development. Aceh, North Sumatra, West Sumatra, Riau, Jambi, South Sumatra, Bengkulu, Lampung, Bangka Belitung, and Riau Islands have the greatest levels of efficacy in Indonesia. These provinces have all received a 100% effectiveness score, indicating that they are extremely effective at collecting and distributing zakat.

North Maluku, Papua, and West Papua have the lowest levels of efficacy. These provinces have effectiveness rankings of 55% and 77%, respectively. This suggests that zakat management in these regions still has a lot of opportunity for improvement. Malaysia's states all have an effectiveness score of 95% or better. This signifies that zakat management is good in all Malaysian states.

Overall, the effectiveness of zakat management in Indonesia is slightly higher than that of zakat management in Malaysia. The difference in effectiveness scores, however, is not statistically significant. Both Indonesia and Malaysia have effective zakat management systems.

5.2 RECOMMENDATIONS

The following recommendations are given based on the study's findings:

- a. Zakat institutions in Indonesia and Malaysia should continue to seek to improve their zakat collection and distribution efficiency;
- b. In Indonesia, zakat institutions should concentrate on enhancing their efficacy in the provinces with the lowest effectiveness rankings;
- c. Malaysian zakat institutions should focus on exchanging best practices with Indonesian zakat institutions in order to help them increase their efficacy.



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