



ZAKAT AND ITS ROLE IN REDUCING ECONOMIC INEQUALITY IN INDONESIA

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Abstract

This research investigates the potential of zakat in reducing economic inequality in Indonesia through a meta-analysis approach. Economic inequality remains a major challenge in achieving social justice, and Zakat is viewed as a potential instrument for income redistribution. This research approach uses meta-analysis to identify trends, insights, and gaps in the literature. As a result of this research, Zakat has proven to contribute significantly to reducing economic inequality by improving the welfare of poor community groups (mustahiq). However, this effectiveness depends on the transparent, accountable, and data-driven governance of Zakat. This research recommends strengthening collaboration between Zakat institutions, the government, and the community to enhance the coverage and impact of zakat distribution. These findings support zakat as an important instrument in sustainably addressing economic inequality.

Keywords: Zakat, Economic Inequality, Income Redistribution, Zakat Governance.

Abstrak

Penelitian ini mengkaji potensi zakat terhadap pengurangan ketimpangan ekonomi di Indonesia dengan menggunakan metode meta-analisis. Ketimpangan ekonomi masih menjadi tantangan utama dalam upaya mencapai keadilan sosial, dan zakat dipandang sebagai instrumen potensial untuk redistribusi pendapatan. Pendekatan penelitian ini menggunakan meta analisis untuk mengidentifikasi tren, wawasan, dan kesenjangan dalam literatur. Hasil penelitian menunjukkan bahwa zakat dapat berkontribusi signifikan dalam menurunkan tingkat ketimpangan ekonomi dengan meningkatkan kesejahteraan kelompok masyarakat miskin (mustahiq). Namun, efektivitas ini bergantung pada tata kelola zakat yang transparan, akuntabel, dan berbasis data. Penelitian ini merekomendasikan penguatan kolaborasi antara lembaga zakat, pemerintah, dan masyarakat untuk meningkatkan cakupan dan dampak distribusi zakat. Temuan ini mendukung zakat sebagai instrumen penting dalam mengatasi ketimpangan ekonomi secara berkelanjutan.

Kata Kunci: Zakat, Ketimpangan Ekonomi, Redistribusi Pendapatan, Tata Kelola Zakat.

A. INTRODUCTION

Reducing economic inequality is one of the main focuses in Indonesia's 2024 draft state budget. According to the 2024 state budget data, the poor population in March 2025 decreased by 0,68 million people from March 2023 (Badan Kebijakan Fiskal - Fokus Utama APBN 2024: Penurunan Kemiskinan, Stunting, Dan Kesenjangan, n.d.). However, this figure is still quite large, considering that, according to Oxfam Indonesia, Indonesia ranks 6th in terms of economic inequality.

According to the goals of the Sustainable Development Goals or SDGs, namely achieving sustainable development that guarantees human rights and maintains environmental quality for a better life from generation to generation, economic inequality is one of the crucial points contained in the SDGs goals that have started since 2018 (Usman et al., 2024). Therefore, improving the welfare the quality of life can be done in various ways, especially in improving the governance of zakat institutions, considering that Indonesia has a majority Muslim population.

In Islam, there is one philanthropic instrument, zakat, which can have a significant impact in reducing economic inequality in Indonesia. Zakat can have a significant influence if zakat is optimized in its governance. One of the efforts to optimize zakat in reducing economic inequality is the collection, distribution, and supervision of zakat by sharia principles. (Majid, 2020). If the implementation of zakat is by Shariah signs, it can be said that the implementation of zakat has been optimized.

Since the 21st century, the enthusiasm of the Indonesian people in social fund distribution has been very high. Starting from the collection of social funds to help the domestic community, and the issue of genocide against Palestine. The distribution of funds is in the form of donations or in the form of zakat distribution, which is one of the instruments in improving the economy of the people. In the last six years, the growth rate of zakat in Indonesia has been 92.65% (Outlook Zakat Indonesia 2024, 2024). However, the implementation of zakat often faces challenges, such as bureaucracy and a lack of coordination between zakat institutions and the government, which reduces its effectiveness in addressing inequality (Ulumudin, Iskandar, and ... 2024).

Research shows that zakat plays a role in reducing inequality in some countries. (Ramadhona et al., 2023), especially in rural areas (Vinet & Zhedanov, 2011). However, most studies focus more on the impact of zakat on poverty (Atabik 2015), and few analyze its effect on overall economic inequality. This study aims to fill the gap by meta-analyzing various existing studies to provide a more comprehensive picture of the role of zakat in reducing economic inequality.

Seeing the potential role of Zakat, which can still be optimized, the author took the initiative to review the literature on optimizing the role of Zakat to meet the Sustainable Development Goals, namely, economic inequality. In which the author will use a meta-analysis research methodology, namely, analyzing previous literature that has been done by previous researchers, and synthesizing the conclusions of the literature.

B. LITERATURE REVIEW

Zakat as an Instrument of Poverty and Inequality Reduction

Zakat is one of the five pillars of Islam, and is an important instrument that can be used in reducing inequality (lit Mazidah & Arivatu Ni'mati Rahmatika, 2021). It is also one of the instruments in Islamic economics that is compulsory for Muslims who fulfill the terms and conditions (Muzakki). Zakat has its purpose, which is related to its etymology and terminology definition, which means blessing, growth, holiness, and kindness (etymology), and it also has the meaning of a certain part of the treasure that has been required by Allah to be given to the entitled people to receive it. (Alfaizin et al., 2018), as mentioned in the Quran chapter At-Taubah verse 60 (Al-Quran).

In the context of macroeconomics, zakat is positioned as a wealth redistribution instrument that can reduce income inequality and strengthen the social structure of society. According to Ayuniyyah et al. (2018), the proper and targeted distribution of zakat can improve the welfare of the *mustahiq* (zakat recipients) and narrow the gap of economic inequality, especially when zakat is utilized in a productive form, such as economic empowerment programs. (Ayuniyyah et al., 2018). This is in line with the findings of Herianingrum et al. (2024), which emphasize that strategic zakat management by zakat institutions contributes to poverty reduction and enhances the economic independence of the *mustahiq* (Herianingrum et al., 2024). Thus, zakat functions not only as a religious obligation but also to create social justice and a more equitable distribution of wealth within society.

Productive Zakat and Mustahiq Welfare

Productive zakat, which involves allocating zakat funds to income-generating activities, has emerged as a vital mechanism for enhancing the welfare of *mustahiq* (zakat recipients). By providing capital and support for micro-enterprises, productive zakat aims to empower recipients economically, fostering self-sufficiency and reducing dependency. (Nurkartikasari et al., 2023a).

A study by Mawardi et al. (2023) in the *Journal of Islamic Accounting and Business Research* (Q1) examined the effects of productive zakat and business assistance on *mustahiq* welfare. (Mawardi et al., 2023). The research found that zakat empowerment programs and business assistantships positively impact the growth of *mustahiq* businesses, which in turn benefits their well-being. However, the study also noted that macroeconomic factors did not significantly affect *mustahiq* welfare, highlighting the importance of targeted support at the micro level.

Similarly, research conducted by Widiastuti et al. (2021) in *Cogent Business & Management* (Q2) explored the mediating effect of business growth on the relationship between zakat empowerment programs and *mustahiq* welfare. (Widiastuti et al., 2021). The findings indicated that zakat empowerment positively affects *mustahiq* welfare, with business growth serving as a significant mediating factor. This underscores the effectiveness of productive zakat in improving recipients' economic conditions through business development.

Furthermore, a study by Nurkartikasari et al. (2023) in the *Journal of International Conference Proceedings* (Q2) focused on the influence of productive zakat on *mustahiq* welfare through micro-enterprise development. (Nurkartikasari et al., 2023b). The research concluded that while productive zakat significantly impacts the development of micro-enterprises, it does not directly affect the overall welfare of the *mustahiq*. This suggests that additional factors, such as financial literacy and market access, may play crucial roles in translating business growth into improved welfare.

These studies collectively highlight the potential of productive zakat as a tool for economic empowerment. However, they also emphasize the need for comprehensive support systems, including business training and access to markets, to ensure that the benefits of productive zakat translate into sustained improvements in *mustahiq* welfare.

Governance and Institutional Collaboration

Effective governance and institutional collaboration are critical for addressing complex societal challenges, particularly in environmental management and sustainable

development. Studies highlight that multi-level governance frameworks, which involve coordination across local, national, and international institutions, enhance policy coherence and implementation. (Ansell & Gash, 2008). For instance, (Emerson, Nabatchi, and Balogh 2012) Emphasizes the importance of collaborative governance networks in fostering trust and shared decision-making among stakeholders. Similarly, institutional collaboration is essential in disaster risk reduction, where inter-agency cooperation improves response efficiency. (Kapucu, Augustin, and Garayev 2009). However, challenges such as bureaucratic fragmentation and power asymmetries can hinder effective collaboration. (Ostrom, 2010). Thus, strengthening institutional partnerships and adaptive governance mechanisms remains vital for achieving long-term sustainability goals.

Digital Transformation in Zakat Management

The integration of digital technologies in zakat management has significantly enhanced efficiency, transparency, and accessibility in the collection and distribution of zakat funds. Digital platforms, such as mobile applications and blockchain-based systems, have streamlined processes, reduced administrative bottlenecks, and minimized fraud. (Che Mohd Salleh & Chowdhury, 2020). Studies indicate that digital transformation improves trust among zakat payers by providing real-time tracking of fund distribution. (Aryo et al., 2025). Additionally, artificial intelligence (AI) and big data analytics enable more accurate identification of eligible recipients (mustahiq), optimizing poverty alleviation efforts. (Omar & Khairi, 2021). However, challenges such as digital literacy gaps and cybersecurity risks remain barriers to full adoption. (Pulungan et al., 2024). To maximize benefits, Zakat institutions must adopt robust regulatory frameworks and invest in digital infrastructure while ensuring inclusivity for marginalized communities.

C. DATA & METHOD

This research uses a meta-analysis method with a meta-synthesis technique to combine and analyze qualitative studies that discuss zakat and its effect on reducing economic inequality. Meta-synthesis is a technique designed to integrate the results of previous qualitative research to produce a deeper and more comprehensive understanding. (Hadi et al., 2017).

This study adapted the standard SLR protocol from Okoli (2015), which consists of four main stages. The four main stages are the planning stage, which includes identifying objectives and developing research protocols. The research objective was formulated to evaluate the effect of zakat on economic inequality in Indonesia. The focus is on how zakat can be optimized to support the Sustainable Development Goals. The research protocol was developed to ensure a systematic and transparent process, including the development of search criteria and the screening of articles.

The second stage is the selection stage, which includes determining search criteria and searching for literature. The research began with a search for articles on the Scopus database. The keywords used include the following combinations: ("Zakat" OR "Islamic almsgiving" OR "Islamic philanthropy") AND ("Social inequality" OR "Economic inequality" OR "Income inequality" OR "Poverty alleviation" OR "Wealth distribution" OR "Social justice" OR "Poverty reduction"). Selected articles must meet the following criteria: Focus on the effect of zakat on economic inequality, Research object in Indonesia, use qualitative methods (interview, case study, observation, or document analysis), and published within

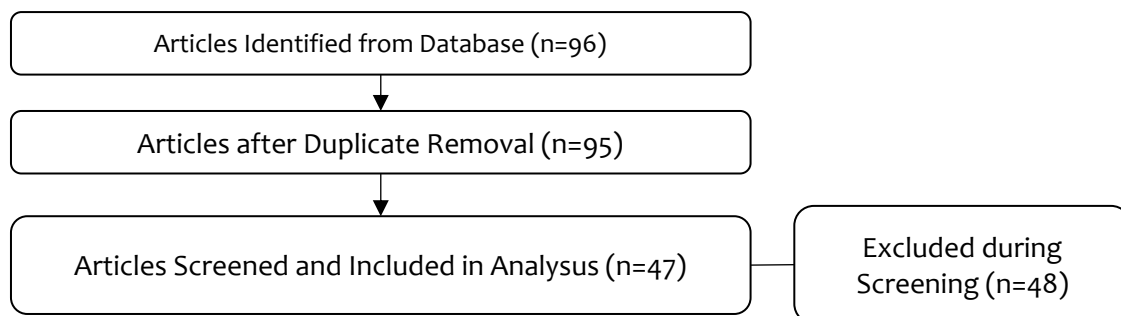
the 2020-2024 timeframe. Written in English to ensure consistency and ease of analysis, only articles published in reputable (peer-reviewed) journals are included. After initial screening, irrelevant articles were removed, resulting in a few articles ready for analysis.

The third stage is the extraction stage, which includes quality assessment and data extraction. Data was extracted from each article that passed the selection, including Title, abstract, and keywords, Main findings related to zakat and economic inequality, and Methodology used in related articles. Finally, the analysis and synthesis stage consists of data analysis and synthesis of findings. Data from the selected studies were analyzed to identify patterns, key themes, and research gaps. Meta-synthesis is used to integrate the findings from various studies, thus generating new insights on the role of zakat in reducing economic inequality. (Okoli, 2015).

This methodology has several limitations, including reliance on available literature, so findings only reflect the results of previous studies. Focus on publications in English, which may exclude high-quality research in Indonesian. Potential selection bias due to limited access to articles outside the Scopus database.

The choice of meta-analysis and meta-synthesis methods was based on the aim to integrate existing research and provide a comprehensive overview of the topic at hand. This approach allows for cross-study analysis, which results in a richer understanding than relying on a single study.

Figure 1. Flow Diagram of the Search Strategy



Source: Author's Compilation 2024

D. RESULT & DISCUSSION

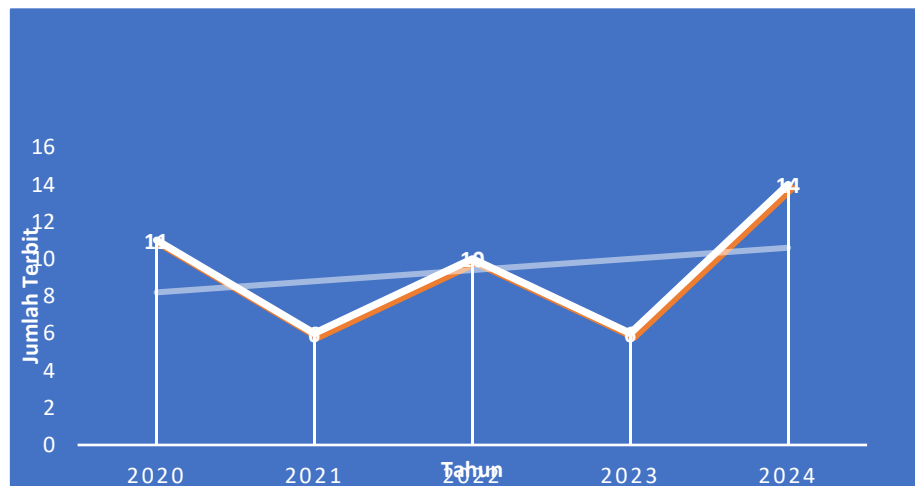
Figure 2 shows the trend of publications related to zakat and reducing economic inequality over the period 2020 to 2024. This graph has a horizontal axis that shows the year, and a vertical axis that shows the number of publications. Overall, the graph shows fluctuations in the number of publications with an up-and-down pattern throughout the five years.

In 2020, the number of publications started at 11, but decreased significantly to 6 in 2021. Subsequently, the number of publications increased again to 10 in 2022 before falling back to 6 in 2023. A sharp increase occurred in 2024, with the number of publications reaching 14, the highest number during this period.

The general trend that this graph shows is a volatile pattern with sharp decreases and increases in some years. However, the gray linear trend line gives an indication that overall. There is a slight increase in the number of publications over time. This suggests that there

is a consistent interest in the topic of Zakat and efforts to reduce economic inequality, despite significant annual fluctuations.

Figure 2. Publications on Zakat & Decreasing Economic Inequality Throughout the Year



Source: Author's Compilation 2024

Citation Analysis

Table 1 shows the 10 most cited articles in the Zakat literature related to reducing economic inequality. This data includes the author, title of the article, source, journal or publishing source, total citations (TC), and number of citations per year (CpY).

The most cited article is A. Ascarya with the title "The role of Islamic social finance during the Covid-19 pandemic in Indonesia's economic recovery," ranked highest with 62 citations and an average of 23.00 citations per year. This article was published in the International Journal of Islamic and Middle Eastern Finance and Management. (Ascarya, 2022).

Table 1: 10 Most Cited Articles in Zakat Literature on Reducing Economic Inequality

Author	Title Sources	Sources	TC	CpY
A. Ascarya	The role of Islamic social finance during the COVID-19 pandemic in Indonesia's economic recovery	International Journal of Islamic and Middle Eastern Finance and Management	62	23.00
N. Kailani	Accelerating Islamic charities in Indonesia: zakat, sedekah, and the immediacy of social media	South East Asia Research	32	10.25
U.H. Umar	The potential of Islamic social finance to alleviate poverty in the era of COVID-19: the moderating effect of ethical orientation	International Journal of Islamic and Middle Eastern Finance and Management	16	15.00
M. Mutamimah	An ICT-based collaborative framework for improving the performance of zakat management organisations in Indonesia	Journal of Islamic Accounting and Business Research	12	6.67

Y. Aziz	The nexus between zakat and poverty reduction is the effective utilization of zakat necessary for achieving SDGs: A multidimensional poverty index approach	Asian Social Work and Policy Review	11	4.00
M. Syahbandir	State Authority for Management of Zakat, Infaq, and Sadaqah as Locally Generated Revenue: A Case Study at Baitul Mal in Aceh	Al-Ihkam: Jurnal Hukum dan Pranata Sosial	10	7.00
I. Mawardi	Analyzing the impact of productive zakat on the welfare of zakat recipients	Journal of Islamic Accounting and Business Research	10	14.00
A. Iskandar	Islamic Philanthropy and Poverty Reduction in Indonesia: The Role of Integrated Islamic Social and Commercial Finance Institutions	Al-Ihkam: Jurnal Hukum dan Pranata Sosial	9	3.67
M. Bouanani	Does Zakat reduce poverty? Evidence from Tunisia using the Fuzzy Approach	Metroeconomica	7	2.50
S. Herianingrum	Zakat as an instrument of poverty reduction in Indonesia	Journal of Islamic Accounting and Business Research	7	10.00

Source: Author's Compilation 2024

Other Notable Articles N. Kailani discusses accelerating Islamic charity through social media with 32 citations and 10.25 CpY. (Kailani & Slama, 2020a). U.H. Umar examines Islamic social finance for poverty reduction with 16 citations and 15.00 CpY (Umar et al., 2022a). Most articles have citations between 7 and 16, with CpY varying from 2.50 (M. Bouanani) to 23.00 (A. Ascarya).

Frequently used journals are the Journal of Islamic Accounting and Business Research and Al-Ihkam: Journal of Law and Social Institutions, showing the relevance of these journals in zakat and economic studies. The focus of the research is on the role of zakat in reducing poverty, the management of zakat organizations, and Islamic philanthropy in supporting economic development, especially in the context of Indonesia and other countries such as Tunisia.

This data confirms that research on zakat and reducing economic inequality is gaining importance and widespread attention, as evidenced by the significant number of citations. The article by A. Ascarya became the most influential, demonstrating the role of Islamic social finance during the COVID-19 pandemic in Indonesia's economic recovery.

Content Analysis

In the analysis of Zakat literature related to reducing economic inequality, there are five main themes that reflect the strategic role of Zakat in fighting poverty and economic inequality. First, zakat is seen as a highly effective tool in reducing poverty and improving the social welfare of the mustahiq through productive zakat programs. (Iskandar et al., 2021). These programs, which focus on mustahiq economic empowerment, such as

entrepreneurship, help to create sustainable sources of income and contribute to the reduction of income inequality. (Arifin & Anwar, 2021).

Second, the integration of zakat with Islamic social finance strengthens its impact in reducing economic inequality, with collaboration between zakat institutions and the Islamic financial sector expanding the reach of social assistance, creating financial inclusiveness, as well as promoting sustainable economic growth. (Sarif et al., 2024). This approach not only focuses on the distribution of zakat but also ensures that zakat is used productively to empower the community's economy. (Al-Isawi, 2024). Third, the utilization of digital technology in zakat management, such as zakat payment platforms and campaigns through social media, increases efficiency, transparency, and accountability in zakat distribution. (Mutamimah et al., 2021).

Collaboration between zakat institutions and technology-based institutions opens the potential for faster and more effective zakat management, thus increasing its impact in reducing economic inequality. (Ghofar et al., 2024). Overall, zakat not only functions as a philanthropic instrument but also as a strategic solution in addressing economic inequality, strengthening the socio-economic system based on Islamic values, and improving the quality of life of underprivileged communities. (Aziz et al., 2020). The success of zakat in poverty alleviation is highly dependent on effective management, transparency, as well as innovation in the utilization of technology and collaboration between various parties. (Musa et al., 2022).

Table 2. Content Analysis of Zakat in Decreasing Economic Inequality

Topic	Keywords	Zakat's Concern in Reducing Economic Inequalities
Zakat and Poverty Reduction	Poverty Alleviation; Productive Zakat; Mustahiq Welfare; Economics Empowerment; Social Welfare; Effective Distribution; Islamic Philanthropy; Income Inequality Reduction.	• Zakat distribution improves the economic welfare of the mustahiq. • Zakat effectively reduces income inequality and poverty. • The integration of zakat with Islamic social finance strengthens its inequality-reducing impact. • Technology and multi-actor coordination improve the efficiency of zakat management. • Zakat strengthens social solidarity and community stability.
Zakat as an Instrument of Economic Development	Poverty Reduction, Islamic Social Fund, Financial Inclusion, Sustainable Finance, Income Generation, Social Justice.	• Zakat is a tool for poverty alleviation and welfare improvement through productive zakat programs. • Effective Zakat Management Models, such as the "three circles model," and partnerships with Zakat Collection Units (UPZ). • The contribution of zakat to the growth of the halal industry, financial inclusiveness, and increased accountability and transparency.

Efficiency and Accountability of Zakat Management	Zakat Management; Accountability; Transparency; Governance; Efficiency; Fundraising Management; Regulation; Monitoring and Evaluation; Distribution Effectiveness; Institutional Capacity.	• Effective zakat management is important for poverty alleviation with accountability and transparency. • SimBaznas needs improvement to increase zakat payments in various regions. • Baitul Mal plays a role in economic empowerment and poverty reduction. • Professional zakat management is needed to achieve the goal of community welfare.
Technology Utilization in Zakat	Digital Platforms; Zakat Payments; Social Media; Information and Communication Technology; Zakat Management Organization;	• Utilizing Digital Technology for Zakat Payment • Zakat Campaign through social media • Efficiency in Zakat Management

Source: Author's Compilation 2024

Future Research Directions

The relationship between the studies in the table can be elaborated to show the continuity and potential integration between different aspects of zakat and Islamic philanthropy. Kailani & Slama (2020) highlighted the role of social media in accelerating the practice of Islamic charity, such as zakat and sadaqah, but its influence on the governance and efficiency of zakat management has not been explored in depth. (Kailani & Slama, 2020b). . This research can be linked to the study of Umar, Baita, Haron et al. (2022), which underlines the potential of Islamic fintech and crowdfunding to support social finance. (Umar et al., 2022b). Both studies contribute to the development of digital strategies in zakat management, thus expanding its accessibility and efficiency.

Furthermore, research on the impact of zakat on poverty by Choiryah, Kafi, Hikmah et al. (2020) and Mawardi, Widiastuti, Al Mustofa et al. (2023) complement each other. Choiryah et al. showed that zakat has a significant impact in reducing the number of poor people, but less impact on the depth and severity of poverty. Meanwhile, Mawardi et al. highlighted the limited scope of research on specific zakat institutions, so the results are less general (Mawardi et al., 2023). These two studies can be combined to evaluate the long-term impact of zakat with wider data coverage and variables, including education, health, and entrepreneurship of zakat recipients.

Meanwhile, Iskandar, Possumah, Aqbar et al. (2021) discuss how the integration of Islamic social and commercial finance can be complementary to Anoraga's (2024) study, which emphasizes the importance of crowdfunding platforms to support social justice-based Islamic philanthropy. (Anoraga, 2024). The two can be integrated to explore how digital technology and integration between financial sectors can improve transparency and accountability of zakat management. (Mukhlisin et al., 2024). Similar research by Mukhlisin, Wahab, Setiaji et al. (2024) also underlines the importance of using modern technology to improve the coordination and efficiency of the decentralized zakat system in Indonesia.

Related to zakat governance, research by Mustari, Razak, Junaedi et al. (2024) and Muthoifin & Anfas (2024) shows the importance of multi-stakeholder collaboration between the government, zakat institutions, and the community. (Mustari et al., 2024)(Muthoifin & Anfas, 2024). Mustari et al. highlight the urgency of an integrated governance framework, while Muthoifin & Anfas focus more on optimizing productive zakat to improve mustahiq welfare. This research is also relevant to the findings of Roziq & Yuliarti (2022), who point out the need to increase the scale and effectiveness of productive fund allocation, as currently only 11% of funds are allocated for such programs. (Roziq et al., 2022).

Overall, these studies can be combined in a more holistic framework to address the challenges at hand. The focus is on the synergy of digital technology, good governance, and innovative strategies in optimizing zakat as a sustainable poverty alleviation tool. This approach can increase the impact of zakat, both directly on mustahiqs and on economic stability and social justice in general.

Table 3. Future Research Direction

Authors	Title	Research gaps	Future research direction
Kailani & Slama (2020)	Accelerating Islamic charities in Indonesia: zakat, sadaqah, and the immediacy of social media	• The transformation from compulsory zakat to voluntary alms and the influence of social media in accelerating Islamic charity need to be studied in more depth. • The influence of neoliberal values on Islamic charity and the variations of its practice in different regions and social groups is less explored.	• Examine the impact of social media in shaping practices, transparency, and relationships between givers, recipients, and charitable organizations. • Examine the influence of neoliberal values and variations in Islamic charity practices across regions and social groups on social welfare and justice.
Umar, Baita, Haron et al. (2022)	The potential of Islamic social finance to alleviate poverty in the era of COVID-19: the moderating effect of ethical orientation	• Further studies are needed on how regulations can improve the effectiveness of zakat and waqf. • The potential of Islamic fintech and crowdfunding to support social finance is yet to be explored.	• Review policies to improve the effectiveness of Zakat and waqf in reducing poverty. • Explore the role of Islamic financial technology in expanding access and efficiency of social finance.

Authors	Title	Research gaps	Future research direction
Choiriyah, Kafi, Hikmah et al. (2020)	Zakat and Poverty Alleviation in Indonesia: A Panel Analysis at the Provincial Level	• The study only covers 2017-2018, so it does not yet illustrate the long-term impact of zakat on poverty alleviation. • Zakat significantly reduces the number of poor people (Po), but does not affect the depth (P1) and severity of poverty (P2).	• Using long-term data to understand the sustainable impact of zakat. • Adding variables such as education, health access, and entrepreneurship to understand the effect of zakat on inequality and poverty severity.
Mawardi, Widiastuti, Al Mustofa et al. (2023)	Analyzing the impact of productive zakat on the welfare of zakat recipients	• The research is limited to seven zakat institutions, so the results are less general. • Macroeconomic variables (inflation, GRDP) are insignificant to the welfare, indicating a gap in Understanding the macroeconomic relationships and the impact of zakat.	• Expanding the scope of the research by involving more Zakat institutions in various regions. • Additional variables such as mustahiq demographic characteristics (age, education, income) for more in-depth analysis.
Iskandar, Possumah, Aqbar et al. (2021)	Islamic Philanthropy and Poverty Reduction in Indonesia: The Role of Integrated Islamic Social and Commercial Finance Institutions	• Research focuses on region-specific micro data, rather than national macro analysis. • Has not explored the integration of Islamic social and commercial finance in depth.	• Integrating Islamic social and commercial finance in economic impact studies. • Using alternative measures such as waqf for more extensive analysis.

Authors	Title	Research gaps	Future research direction
Anoraga (2024)	A Decade of Charitable Crowdfunding and Its Impacts on the Social Justice Trajectory of Islamic Philanthropy in Indonesia	• Previous studies have focused less on the impact of donation-based crowdfunding on broader social outcomes, especially in non-Western contexts such as Southeast Asia. • There is a lack of understanding of the role of the grassroots in shaping Islamic philanthropy towards social justice, especially regarding inclusivity, sustainability, and governance.	• Researching the long-term impact of crowdfunding in promoting strategic and sustainable social justice philanthropy and mitigating impulsive and short-term charitable trends. • Explore the role of policy and legal reforms in improving the accountability and transparency of crowdfunding platforms to support inclusive and sustainable Islamic philanthropy.
Mukhlishin, Wahab, Setiaji et al. (2024)	Zakat Maal Management and Regulation Practices: Evidence from Malaysia, Turkey, and Indonesia	• The decentralized zakat management system in Indonesia and Turkey faces obstacles to coordination, efficiency, and inconsistent regulations, thus hampering the optimization of zakat collection and distribution. • The lack of utilization of modern technology in Zakat management as well as the low public Trust in zakat institutions in Indonesia and Turkey, are important area for Improvement.	• Researching the impact of the integration of technology and government systems, such as in Malaysia, on the socio-economic outcomes of zakat and its adaptation to the Indonesian and Turkish context. • Exploring governance models that increase transparency, accountability, and public participation through education campaigns and increasing trust in Zakat institutions.

Authors	Title	Research gaps	Future research direction
Mustari, Razak, Junaedi, et al. (2024)	Multipartner governance and the urgency of poverty alleviation policy: Zakat fundraising management	• The lack of research on the application of multi-stakeholder governance models in zakat management and poverty alleviation simultaneously. • Lack of studies related to power imbalance, limited resources, and coordination between stakeholders in zakat management	• Assessin the effectiveness of the integrated governance framework in improving zakat management and poverty alleviation. • Research the applicability of policy recommendations, such as resource allocation and collaboration mechanisms, across different socio-economic contexts.
Muthoifin & Anfas (2024)	Optimizing the Potential of Zakat to Alleviate Poverty Problems and Improve Community Economy in Surakarta City	• The optimization of zakat in Surakarta is still hampered by the lack of awareness, transparency, and understanding of productive zakat. • Coordination between the Zakat Institution, the government, and UPZ is not optimal.	• Developing a collaboration model for more efficient zakat management • Evaluation of the impact of productive zakat programs on the mustahik economy.
Roziq & Yuliarti (2022)	Model of Productive Islamic Social Fund Management for Poor Empowerment	• The research only focuses on BAZNAS in Lumajang district, so the application of the proposed Islamic social fund management model has not been tested in other regions or contexts. • Only 11% of the funds distributed were allocated to productive activities, indicating the need to increase their scale and effectiveness.	• Future research needs to test and refine the integration, interaction, and innovation approach in different regions to validate and generalize the model. • Research could focus on strategies to increase the share and impact of productive economic activities, including the integration of technology and modern finance. • Tools.

Source: Author's Compilation 2024

D. CONCLUSION AND SUGGESTION

This study shows that zakat has significant potential to reduce economic inequality in Indonesia. By functioning as an income redistribution instrument, zakat can improve the welfare of the mustahiq and reduce inequality as reflected by the decline in the Gini index. However, the effectiveness of zakat is highly dependent on good governance, including transparency, accountability, and targeted distribution. Collaboration between Zakat institutions, the government, and society is needed to increase zakat coverage, ensure fair allocation, and maximize

its impact on the poor. Therefore, Zakat can be a strategic and sustainable solution in overcoming economic inequality if it is managed with an efficient and inclusive system.

This research recommends strengthening the modern technology-based zakat management system, increasing public education about the importance of zakat, and periodic evaluation of its impact. Thus, Zakat can play a more optimal role in creating social justice and economic welfare.

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