



How Zakat Responds to the Global Recession? An Implementation From Indonesia's National Zakat Regency (BAZNAS)

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Abstract :

The global recession is an economic phenomenon that can have a significant negative impact on various sectors of life, especially for more vulnerable people. In this context, this study aims to examine the role of Zakat in overcoming the impact of the global recession.

Research Methods: *This study uses a literature review approach by analyzing related documents. The data obtained is analyzed thematically to identify various mechanisms and strategies that can be used by Zakat in overcoming the impact of the global recession.*

Finding/Results: *The results of the study show that zakat has great potential in making a significant contribution to overcoming the impact of the global recession. The role of zakat can be seen from several aspects, including Redistribution of Wealth, Economic Empowerment, and Improved Social Welfare. Conclusion:* *The findings of this study indicate that zakat can play a role in minimizing the impact of the global recession. This study is limited to the portrait of zakat management by the government, which is reflected in innovative zakat*

utilization programs but has not looked specifically at the direct benefits of zakat in improving the standard of living of the economy, one of which is through saving activities. In line with this, further research is needed on the integration of zakat in increasing economic activity and investment.

Keywords : *zakat, global recession, redistribution of wealth, economic empowerment, social welfare.*

INTRODUCTION

When viewed in nominal terms, the potential for zakat funds in Indonesia is enormous. Zakat in Indonesia in 2022 will reach a value of IDR 327 trillion. Potential zakat funds can be classified into several categories, namely: agricultural zakat, livestock zakat, zakat savings and deposits, zakat income and services, and finally, corporate zakat (companies) in Indonesia (Alam, 2018). The magnitude of the potential for zakat funds has yet to be accommodated from the realization of receipt of zakat funds. Completing the zakat collection still needs to be improved on its potential value. In 2022 the group of zakat that can be carried out reached a value of IDR 26 trillion, (BAZNAS, 2023). One of the reasons for the low collection of zakat in Indonesia is the low level of public literacy towards professional zakat management (Muizu & Effendi, 2015). It is evidenced by a study conducted by Indonesia's National Zakat Regency (BAZNAS) in 2020 which shows that there are still people who do not understand and understand the importance of making zakat payments at official institutions where there is still a

circulation of more than 30 trillion rupiah in zakat funds outside zakat institutions or non-administrative, (BAZNAS, 2022b).

Table 1. Zakat Potential by Category in 2022

No	Dimension Potential Zakat (Trillion Rupiah)	Potential Zakat (Trillion Rupiah)
1	Agricultural Zakat	19,79
2	Peternakan	9,51
3	Zakat on saving and time deposits	58,76
4	Zakat Services Revenue	
	Zakat of Civil Servants throughout Indonesia	9,15
	Zakat Individual non-civil servants throughout Indonesia	129,8
5	Zakat Agency (company) throughout	99,99
	TOTAL	327

Source: Zakat Fund Investment Study and BAZNAS Zakat Program Development, 2022

The global economic recession is expected to threaten the world economy in 2023. The global economy, which is already experiencing sluggishness, is getting worse after the outbreak of Covid-19. The economic downturn due to covid has become the worst since the great depression of the 1930s. During a world economy that is struggling and trying to recover, conditions are reversed due to the conflict between Russia and Ukraine (Zakiyah, 2022). The economic recession impacted the country's economy and directly resulted in

economic shocks in people's lives. In general, this will impact a decline in company profits, increasing unemployment, to national and global economic bankruptcy. The people will directly feel that the increase in prices, especially for essential goods such as groceries and other basic needs, if not accompanied by an increase in the Minimum Wage, will burden society very burdensome. Price increases will soon add to the burden on a family's expenses (Sudiana, 2022).

Studies on the impact of the global recession on the Islamic economy so far have tended to look at the Islamic economy at the macro level in responding to the global recession, as research conducted by (Zakiyah, 2022); (Saputra, 2021); (Sanaky, Yusril Arfan dan Amin, 2023); (Waluyo, 2020) and does not analyze Islamic financial instruments such as zakat. This paper aims to complement the study conducted by (Saifudin & Murtafiqoh, 2022) and (Abror & Hadi, 2022) in studying zakat in reducing the impact of the global recession.

This paper is based on the argument that zakat helps people affected by the economic recession. In this case, zakat plays a role in assisting the community in strengthening and developing the economy by developing the microeconomic sector and empowering the economy, as well as driving consumption and demand so that they are able to survive economically amid the uncertainty caused by the global recession.

METHOD

This study uses a literature review approach to analyze the potential and utilization of zakat in Indonesia in facing the global recession. The literature review was selected to explore the benefits of

zakat, more specifically, which is supported by primary and secondary data sources derived from interviews and government reports through Indonesia's National Zakat Regency (hereinafter referred to as BAZNAS).

The data used is in the form of secondary data sourced from previous studies, books, and BAZNAS reports that are relevant to the research topic. The information sought is the role of zakat in dealing with the economic recession.

Data collection was carried out through documentation from various literature that focused on data sources that were relevant to the research object. Then present and describe the data in several parts. Documentation was obtained from articles, books and government reports. The research begins by defining the scope of the topics to be reviewed, identifying relevant sources, reviewing the literature, writing reviews and applying the literature to the studies to be conducted (Adlini, 2022).

RESULT AND DISCUSSION

Zakat during the COVID-19 Pandemic

The trend of COVID-19 cases, which generally shows a decline, has had a positive impact on Indonesia's economic growth. Based on a report from the Central Statistics Agency (BPS), Indonesia's economy grew positively in the first quarter of 2023 by 5.03 per cent (yoy). Indonesia's economic growth above, which has improved, applies to the zakat ecosystem in Indonesia. Zakat collection is generally influenced by the number of community assets that have reached the nisab (Fajrina et al., 2020). Positive economic growth at

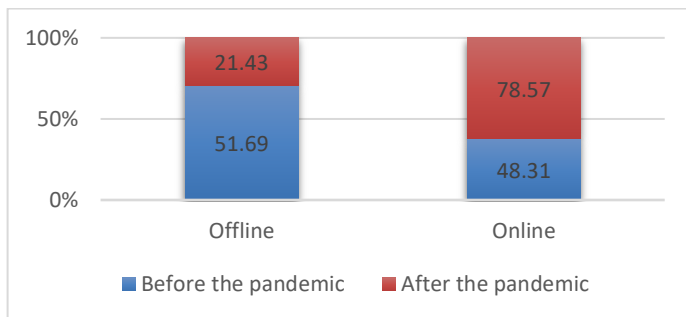
the macro level illustrates that there has been an increase in the majority of Indonesian people's income. This economic recovery momentum must be utilized by national organization of zakat management (OPZ) to improve the management of zakat in the new normal period.

In the scope of donations in general, Indonesia has the advantage of being the most generous country according to the Charities Aid Foundation (CAF) in the World Giving Index in 2018. It proves that the behavior of donating in Indonesia during the economic crisis has increased (Awaliah Kasri, 2013). Within the scope of zakat donations specifically, BAZNAS centre of strategic studies, found an extreme increase in zakat collection in Indonesia at the beginning of the 1998 monetary crisis, and it was getting slower along with the economic recovery. It also occurred in other crises, such as the 2004 Aceh Tsunami disaster and the COVID-19 crisis. This phenomenon shows that crises can increase zakat behavior provided that the community knows the crisis information well so that it influences the psychology of donating (Sari et al., 2020).

This is also reinforced by the research results of Gopay and Kopernik (2020), showing that the pandemic has affected people's habits of donating, especially digital donations. During the pandemic, digital donations increased in frequency and nominally increased at all age levels, with an average increase in the value of donations reported by donors of 72 per cent. Health and social justice are the top choices for donors, with preferences for health issues increasing by 11 per cent during the pandemic.

With the COVID-19 pandemic and Imposing Restrictions on Community Activities (PPKM) on the one hand, as well as technological developments and financial digitization on the other hand, OPZ takes advantage of this by developing digital-based payment channels, both alone and in collaboration with existing digital platforms (Abror & Hadi, 2022).

Figure 1. Donation System User Preferences by Muzaki BAZNAS



Source : Sari et al (2020)

Figure 1 shows that the massive digitization of zakat by OPZ has finally facilitated muzakki to pay their zakat through online media. This was confirmed in a survey by Sari et al. (2020) that after the COVID-19 pandemic, the use of online donation channels increased from 48.31 per cent before the pandemic to 78.57 per cent.

Zakat, as an Islamic financial instrument, can be managed to overcome the impact of COVID-19. Zakat is a social safety net that can help people who are vulnerable to the impact of the COVID-19 pandemic (Mega Novita Syafitri et al., 2021). Good zakat collection, in

the end, must be accompanied by good zakat distribution performance, especially during the COVID-19 period, so that the impact that occurs can be minimized (Thoharul Anwar, 2018).

Collection and Distribution of ZIS Funds

National collection is the total funds collected by various BAZNAS or Amil Zakat Institution (LAZ) throughout Indonesia during a year. Those included in BAZNAS/LAZ throughout Indonesia are BAZNAS, Provincial BAZNAS, Regency/city BAZNAS, National LAZ, Provincial LAZ, and official Regency/City LAZ, which have an obligation to report collection and distribution to BAZNAS in accordance with Law Number 23 the Year 2011 concerning Management of Zakat.

Table 2. National Collection by Type of Funds 2019-2022

No	Type of fund	Year dan Percentage of Achievement					
		2019	%	2020	%	2021	%
1	Zakat Mal	4.257.850.853.779	41,6	-	-	3.238.120.235.675	22,9
2	Zakat Fitrah	1.406.144.490.186	13,7	-	-	246.708.084.558	17,5
3	Infaq	3.294.451.710.581	32,2	-	-	2.674.463.060.421	18,9
4	CSR	96.395.440.616	0,9	-	-	-	-
5	Other Religious Social Funds (DSKL)	1.173.101.311.393	11,5	-	-	980.987.558.606	6,95
6	ZIS and Fitrah Off Balance Sheet	-	-	-	-	4.912.914.506.197	34,8
	Qurban and DSKL Off Balance Sheet	-	-	-	-	2.065.002.301.822	14,6

	TOTAL	10.227.943.806.555	100	12.429.246.447.469	100	14.118.195.747.281	100
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Source : Indonesian Zakat Outlook 2021, 2022, 2023

Based on Table 2, the largest proportion of ZIS fund collection comes from Zakat Mal, both in 2019 and 2021. In the 2020 national collection, the data source does not include the type of fund in zakat collection because there are BAZNAS/LAZ, which is under development and zakat fitrah data which are not reported, while in 2021, the On Balance Sheet and Off-Balance Sheet reporting mechanisms will begin to be implemented.

Distribution Zakat, infak, and other social and humanitarian funds collected by BAZNAS are distributed to eight groups or asnaf who are entitled to receive (mustahik) through programs designed to bring about the glorification of mustahik and lead them to become muzakki. The distribution of collected zakat, infak funds, and other social-religious funds is carried out in the form of distribution (consumptive) and empowerment (productive) programs.

National distribution based on the distribution sector is the total funds disbursed by various official OPZs in Indonesia for one year. The total disbursement funds based on this sector are the total disbursement funds excluding asnaf, amil and operational costs. Based on PERBAZNAS Number 3 of 2018, the distribution of ZIS is divided into two approaches, namely distribution that are consumptive and utilization that is productive in nature. Those included in the field of distribution are education, da'wah, health and social humanity. Meanwhile, what is included in the field of utilization is a distribution for economic activities.

Table 3. Distribution of ZIS by Sector for 2019-2021

No	Bidang	2019		2020		2021
		Number of Mustahik	%	Number of Mustahik	%	%
1	Economy	841.159.855.062	13,5	871.059	5,25	9,72
2	Social-educational	1.201.622.002.187	19,3	1.177.337	7,10	15,78
3	Da'wah-Advocacy	1.553.693.450.575	25,0	3.916.128	23,62	18,88
4	Social-health	325.291.528.224	5,2	2.340.580	14,12	6,03
5	Social-humanity	2.296.711.735.408	36,9	8.273.216	49,90	49,48
	Total	6.218.478.571.456	100	16.578.320	100	100

Source : Indonesian Zakat Outlook 2021, 2022, 2023

Based on Table 3, zakat distribution is carried out for 5 (five) main programs, namely education, health, humanity, economy and da'wah advocacy. The largest number of beneficiaries of charitable programs are social and humanitarian programs, and the lowest is health.

Table 4. Effectiveness of ZIS Fund Distribution

No	Years	Collection	Distribution	Absorption (%)
1	2019	10.227.943.806.555	8.688.221.234.354	84,95% (Effective)
2	2020	12.429.246.447.469	11.530.645.166.257	92,77% (Very Effective)
3	2021	Dimensions	Value	IZN Value
		Macro : Institutional, APBN Support for BAZNAS, Database of Zakat Institutions	0,80	0,88 (Very Good)
		Micro :	0,91	

Source : Indonesian Zakat Outlook 2021, 2022, 2023

Based on Table 4, the cumulative national collection in 2019 reached Rp. 10.22 trillion, and the funds distributed were Rp. 8.68 trillion, which means that it has an absorption capacity of 84.95 per cent, so it is included in the effective category. The absorption capacity of ZIS funds distributed to mustahik in 2020 reached 92.77 per cent. If you look at this absorption capacity, OPZ's Allocation to Collection Ratio (ACR) performance in that year was said to be very effective (very effective value >90 per cent).

The results of the BAZNAS National Zakat Index (NZI) in 2021 are in the Very Good category, with a weighting value of two dimensions (macro and micro) of 0.88. From the macro dimension, BAZNAS is included in the Good category with a value of 0.80. Regulatory and database indicators also get a perfect score (1.00), which means that BAZNAS already has zakat management regulations at the national level and the required database. However, the indicator for The State Budget (APBN) support for BAZNAS scores 0.00. This is due to the fact that the amount of BAZNAS funds in the APBN only covers less than 20 per cent of operational costs. Meanwhile, from the micro dimension, BAZNAS has a value of 0.91 which is in the Very Good category. The BAZNAS institutional index value is 1.00, which means that the collection, management, distribution and reporting variables are very good. However, the zakat impact indicator got a value of 0.85 (Very Good) with a CIBEST welfare index value of 1.00

(Very Good), a modified HDI variable value of 0.75 (Good) and an independent variable value of 0.68 (Good).

Impact of the BAZNAS Program

Measurement of the BAZNAS zakat distribution program has been carried out since 2019, and until now, there have been four measurements. There are two analytical tools used. The first is the BAZNAS Welfare Index (IKB) and the Poverty Indicator (IK). The IKB and poverty indicators use three standards in their measurement. These standards are the poverty line, had kifayah, and nisab zakat. The poverty line standard used is the March 2021 BPS poverty line standard of IDR 2,121,637 per family/month. The national Had Kifayah standard used is IDR 3,011,142 per family/month. The Zakat Nisab used in this study refers to the Decree of the Chairperson of BAZNAS RI Number 14 of 2021 concerning the Nisab Value of Zakat Income and Services for 2021, which is IDR 6,644,868 (BAZNAS, 2022a).

1. The Microfinance Program

The Microfinance Program is one of the program institutions in the field of mustahik economic empowerment. Through this institution, mustahik are provided with financing so that they can develop their business. The financing provided is included in the non-profit category. Mustahik, who receive financing from the Microfinance Program, are required to pay the financing every month for a predetermined period of time. Payment for the financing will be additional capital for mustahik

Table 5. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	1,00	0,75	0,60	0,83	Very good
2	Had Kifayah	1,00	0,75	0,60	0,83	Very goof
3	Nisab Zakat	0,00	0,75	0,60	0,83	Not good

Source: Impact Assessment of the 2022 BAZNAS Program

Overall, the calculation of general poverty indicators shows that there has been a reduction in poverty both in terms of the amount, depth, and severity of poverty for mustahik of the Microfinance Program after receiving zakat. Therefore it can be concluded that the impact of zakat felt by mustahik in the Microfinance Program is very good.

2. Mustahik Empowerment Economic Program

The Mustahik Economic Empowerment Program is one of the institutions formed by BAZNAS based on the decision of the Head of BAZNAS Number 18 of 2018, dated March 29, 2018, which has the task and function of improving the quality of life of people with low incomes (mustahik) through agriculture, livestock, fisheries, marine, plantation and forestry that is sustainable based on the values of empowering zakat and is one of the essential elements to fulfill the vision of BAZNAS.

Table 6. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of Poverty	1,00	0,75	0,68	0,85	Very Good
2	Had Kifayah	1,00	0,75	0,68	0,85	Very Good
3	Nisab Zakat	1,00	0,75	0,68	0,85	Very Good

Source: Impact Assessment of the 2022 BAZNAS Program

The overall calculation of general poverty indicators from the results of a study on the impact of zakat on Mustahik Economic Empowerment Program institutions shows that there has been a decrease in poverty both in terms of number, depth and severity of poverty for mustahik of the Mustahik Economic Empowerment Program after receiving zakat. Therefore it can be concluded that the impact of zakat felt by mustahik, the Mustahik Economic Empowerment Program, has been very good.

3. Mustahik Breeder Empowerment Program

In 2018, BAZNAS formed the Mustahik Breeder Empowerment Program whose task was to empower mustahik through the livestock sector. The sources of funds used for empowerment are zakat, infaq, alms, and social and other religious funds. Apart from having a mission to improve the welfare of

farmers, some of the missions of the Mustahik Breeder Empowerment Program are to develop local institutions, production centers, farms, and marketing networks.

Table 7. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	1,00	0,75	0,68	0,85	Very Good
2	Had Kifayah	1,00	0,75	0,68	0,85	Very Good
3	Nisab Zakat	1,00	0,75	0,68	0,85	Very Good

Source: Impact Assessment of the 2022 BAZNAS Program

The overall calculation of general poverty indicators shows that there has been a decrease in poverty both in terms of number, depth and severity of poverty for mustahik of the Mustahik Livestock Empowerment Program after receiving zakat. Therefore it can be concluded that the impact of zakat felt by mustahik the Mustahik Breeder Empowerment Program is good.

4. Community Development Program

The BAZNAS program institution, whose job is to distribute zakat with the integration of the five dimensions, is the Community Development Program institution formed in 2018. In carrying out its duties, the Community Development Program does not only use zakat funds but also infaq funds, alms, and other socio-religious funds. In general, the Community Development Program has four principles in its programs, namely being trustworthy and responsible, sustainable, participatory and integrated.

Table 8. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	0,75	0,50	0,45	0,61	Good
2	Had Kifayah	0,50	0,50	0,45	0,49	Pretty good
3	Nisab Zakat	0,25	0,50	0,45	0,36	Not Good

Source : Impact Assessment of the 2022 BAZNAS Program

The overall calculation of general poverty indicators shows that there has been a decrease in poverty both in terms of number, depth and severity of poverty for mustahik of the Community Development Program after receiving zakat. Therefore it can be concluded that the impact of zakat felt by mustahik of the Community Development Program is good.

5. Mualaf Empowerment Program

The Mualaf Empowerment Program moves to provide guidance and assistance to converts according to the demands of Islamic law so that they become Muslim and Muslimah kaffah and have economic independence. There are two main programs of the Mualaf Empowerment Program, namely syiar and advocacy, as well as empowerment and advocacy.

Table 9. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value	Indicator
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					of IKB	
1	Line of poverty	0,00	0,50	0,31	0,15	Not Good
2	Had Kifayah	0,00	0,50	0,31	0,15	Not Good
3	Nisab Zakat	0,00	0,50	0,31	0,15	Not Good

Source : Impact Assessment of the 2022 BAZNAS Program

Although in the Headcount Index poverty indicator, there is a change that has not been significant for mustahik before and after Zakat on the nisab zakat standard. Therefore it can be concluded that the impact of zakat felt by mustahik of the Mualaf Empowerment Program is still not good.

6. Health program

The Health Program is one of the BAZNAS program institutions that provides integrated health services to all mustahik, including health services in disaster areas which include curative, preventive, rehabilitative, promotive and advocative aspects, by following health laws and regulations in the Republic of Indonesia.

Table 10. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	0,00	0,50	0,31	0,15	Not Good
2	Had Kifayah	0,00	0,50	0,31	0,15	Not Good
3	Nisab Zakat	0,00	0,50	0,31	0,15	Not Good

Source : Impact Assessment of the 2022 BAZNAS Program

Overall, the calculation of the general poverty indicators shows that there has been a reduction in poverty both in terms of the number, depth, and severity of poverty for the Health Program

mustahik after receiving zakat. Therefore it can be concluded that the impact of zakat felt by mustahik in the Health Program is quite good.

7. Boarding Program

The boarding school program is a free-of-charge and boarding school for poor achievers. Starting from the teaching and learning activity centre (PKBM), this institution focuses on education for orphans and poor people. This PKBM is called Yatim Islamic Boarding School (YIBS) Ahbabullah, equivalent to a junior high school with a boarding concept. YIBS provides full scholarships for three years.

Table 11. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	1,00	0,75	0,00	0,58	Pretty Good
2	Had Kifayah	1,00	0,75	0,00	0,58	Pretty Good
3	Nisab Zakat	1,00	0,75	0,00	0,58	Pretty Good

Source : Impact Assessment of the 2022 BAZNAS Program

The overall calculation of general poverty indicators from the results of a study on the impact of zakat on Boarding School Program institutions shows that there has been a reduction in poverty both in terms of number, depth, and severity of poverty for

boarding school program mustahik after receiving zakat. Therefore it can be concluded that the impact of zakat felt by mustahik in the boarding school program is quite good.

8. Disaster response program

The Disaster Response Program is a work unit in the Distribution and Utilization of BAZNAS whose task is to reduce the impact of disasters that result in poverty and reduce the risk of worsening poverty due to disasters. The Disaster Response Program aims to increase public knowledge about Disaster Risk Reduction (DRR) through education; handling disaster victims through the stages of Rescue, Relief, Recovery, and Reconstruction; as well as fostering a volunteer spirit in the community, strengthening capacity and building a network of volunteers.

Table 12. BAZNAS Welfare Index (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	0,75	0,75	0,43	0,59	Pretty Good
2	Had Kifayah	0,50	0,75	0,43	0,59	Pretty Good
3	Nisab Zakat	0,00	0,75	0,43	0,59	Pretty Good

Source: Impact Assessment of the 2022 BAZNAS Program

The overall calculation of general poverty indicators shows that there has been a decrease in poverty both in terms of number, depth and severity of poverty for mustahik of the Disaster Response Program after receiving zakat. Therefore it can be concluded that the impact of zakat felt by the mustahik of the Disaster Response Program is quite good.

9. Educational Scholarship Program

Equitable education is still a classic problem in Indonesia. The quality of education and the lack of access are separate obstacles for marginalized communities. In terms of quality, differences in the quality of schools at the secondary education level have an impact on students' opportunities to continue on to tertiary institutions as well as the successful completion of university education. Based on this, BAZNAS provides opportunities for underprivileged groups to gain access to education which is the main basis for the utilization of zakat for educational scholarships.

Table 13. Indeks Kesejahteraan BAZNAS (IKB)

No	Information	CIBEST	IPM Modification	Independence	Total Value of IKB	Indicator
1	Line of poverty	0,75	0,75	0,43	0,59	Pretty Good
2	Had Kifayah	0,50	0,75	0,43	0,59	Pretty Good
3	Nisab Zakat	0,00	0,75	0,43	0,59	Pretty Good

Source: Kaji Dampak Program BAZNAS 2022

The overall calculation of general poverty indicators shows that there has been a decrease in poverty both in terms of number, depth and severity of poverty for mustahik of the Education Scholarship Program after receiving zakat. Therefore, it can be concluded that the impact of Zakat felt by mustahik of the Education Scholarship Program is good

The Role of Zakat in Responding to the Impact of the Global Recession

The results of an analysis of the collection and distribution of zakat before and after the pandemic as well as the innovative programs implemented by BAZNAS, show that zakat has great potential to make a significant contribution to overcoming the impact of the global recession. The role of zakat can be seen from several aspects, including:

1. **Redistribution of Wealth:** Zakat has the function of transferring some of the wealth from more able groups to groups that are more in need. In the context of a global recession, zakat can help reduce social and economic disparities, as well as provide assistance to those who are directly affected.
2. **Economic Empowerment:** Zakat can also be used to empower more vulnerable communities by providing business capital, skills training, or assistance in starting small businesses. This helps reduce people's dependence on the formal sector, which is

affected by the recession and provides a sustainable alternative income.

3. **Improved Social Welfare:** Zakat has the potential to improve social welfare by providing assistance to groups in need, such as orphans, widows, the poor, and those directly affected by the recession. In the context of a global recession, zakat can function as a social safety net that helps reduce economic pressure on vulnerable groups.

CONCLUSION

It turns out that studies on the impact of the global recession on the Islamic economy so far have tended to look at the Islamic economy from a macro perspective and have not analyzed much of Islamic financial instruments such as zakat. The findings of this study indicate that zakat can play a role in minimizing the impact of the global recession. The utilization of zakat that is implemented in BAZNAS programs is able to show that zakat helps strengthen the economy so that vulnerable people are able to face the impact of the global recession.

Innovative zakat management is able to have an impact on vulnerable communities to build and strengthen economic conditions at least economically able to meet their daily needs. Thus zakat as an Islamic financial instrument not only plays a role in the redistribution of wealth but also provides opportunities for economic empowerment and social welfare improvement.

This study is limited to the portrait of zakat management by the government, which is reflected in innovative zakat utilization

programs but has not looked specifically at the direct benefits of zakat in improving the standard of living of the economy, one of which is through saving activities. In line with this, further research is needed on the integration of zakat in increasing economic activity and investment.

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