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The Tradition of Islamic Philanthropy in Indonesia: Harmony Between Faith and Social Culture

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Abstract

This study aims to explore the role of Islamic philanthropy, particularly zakat, infak, and waqf, within the social and cultural context of Indonesia. Using a literature review approach, the study examines various previous studies on Islamic philanthropy and its interaction with local wisdom and the practice of gotong royong (mutual cooperation) in Indonesia. The main findings of this study show that Islamic philanthropy not only serves as a religious obligation but also as an essential instrument in strengthening social solidarity and reducing economic inequality in society. Zakat, infak, and waqf have become integral parts of social life in Indonesia, contributing to the improvement of welfare and social justice. The study also reveals how the tradition of Islamic philanthropy can harmonize with Indonesian cultural values, which emphasize the importance of cooperation, mutual assistance, and solidarity. Additionally, the study highlights the critical role of technology in facilitating the management and distribution of philanthropic funds more efficiently and transparently, which is increasingly relevant in today's digital era. By utilizing a literature review approach, this study provides deeper insights into the vast potential of Islamic philanthropy in supporting socio-economic development in Indonesia, as well as the challenges and opportunities to optimize its impact.

Keywords: *Islamic Philanthropy, Zakat, Infak, Waqf, Socio-Economic, Indonesia*

Introduction

Islamic Philanthropy in Indonesia plays a crucial role in efforts to reduce social disparities and build community welfare. The fundamental principles of Islamic philanthropy, such as zakat, infak, sadaqah, and waqf, emphasize strong social values that aim not only to purify wealth but also to improve the welfare of the ummah (Amar, 2017). However, challenges arise when these principles must confront the evolving social and cultural dynamics in Indonesia. In this

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context, Indonesian society, known for its traditions of gotong royong (mutual cooperation) and familial values, often experiences tension between more conventional forms of philanthropy and the application of modern methods that prioritize efficiency and technology (Adeh Ratna Komala, 2023).

While technology can improve efficiency in the collection and distribution of charitable funds, there are concerns that an overemphasis on technological efficiency may undermine the social essence inherent in traditional philanthropy. Indonesian society, which is accustomed to philanthropy based on mutual cooperation and deliberation, sometimes struggles to adapt to methods that are more data-driven and organized in structure. On the other hand, implementing Islamic philanthropy rooted in religious and humanitarian values requires a more comprehensive approach that takes into account existing social and cultural characteristics. In other words, the success of Islamic philanthropy in Indonesia is not only determined by religious or economic factors but also by how well existing social values can be harmonized with evolving modern methods (Irham, 2019). This creates a need for a deeper analysis of how technology and social culture can work together to produce broader and more sustainable social impacts.

Studies on Islamic philanthropy in Indonesia have often focused on the religious and economic aspects without considering the significant influence of local culture on the success of charitable programs (Mahfud, 2018). Previous studies generally examine Islamic philanthropy within a normative framework, emphasizing the obligation of Muslims to fulfill zakat, infak, and sadaqah as acts of worship, without delving deeper into how social and cultural factors influence its implementation. In fact, the strong social character of Indonesian society, which is deeply rooted in values of togetherness, kinship, and mutual assistance, should be a key consideration in designing philanthropic programs. Existing studies often assess Islamic philanthropy only in terms of fund collection and distribution, while the aspects of sustainability and community empowerment, which are the ultimate goals of philanthropy, are often overlooked. In Indonesia, although many Islamic philanthropic institutions have utilized technology to expedite the collection and distribution of zakat, infak, and waqf, the greatest challenge remains the community's readiness to receive and manage these funds transparently and accountably (Adeh Ratna Komala, 2023; Fanani et al., 2021; Rizal & Pakkanna, 2023).

Furthermore, public trust in zakat and waqf management institutions is highly influenced by local cultural values that emphasize transparency and accountability. Therefore, it is important to view Islamic philanthropy as part of a collective effort to improve community welfare, rather than just a religious obligation separate from social life. Previous studies have tended to overlook the fundamental relationship between Islamic philanthropy and local culture, which, in many ways, affects how communities channel assistance and receive its benefits. The success of Islamic philanthropy in Indonesia greatly depends on how religious and social cultural values can complement each other, thereby generating more significant and sustainable social impacts.

The goal of this paper is to fill the gap in studies of Islamic philanthropy in Indonesia by exploring how social and cultural characteristics of the society influence the adoption and implementation of Islamic philanthropy. In this context, it is essential to analyze how social values that underpin the life of Indonesian society, such as gotong royong and kinship, can play a role in supporting or hindering the implementation of Islamic philanthropic programs. The ability of the community to integrate technology in managing philanthropy must also be considered, as it significantly influences the effectiveness and transparency of zakat, infak, and waqf distribution. In Indonesia, there is much potential to develop Islamic philanthropy with a more inclusive approach that not only relies on formal religious aspects but also takes into account the social characteristics of the society. For example, Indonesian society, which prioritizes the principle of gotong royong, can leverage this potential in managing social funds for more equitable social development. Moreover, the question of the readiness of infrastructure and the community's capacity to manage philanthropy transparently and accountably also needs to be explored further. Given the importance of community acceptance of technology and efficient philanthropy management, this study aims to provide new insights that will be useful for formulating more effective social policies in developing Islamic philanthropy in Indonesia. By analyzing the relationship between social culture and the application of Islamic philanthropy, this paper aims to contribute to creating more harmonious and sustainable solutions for social development in Indonesia.

This study argues that the success of implementing Islamic philanthropy in Indonesia depends largely on the community's ability to integrate religious values with existing social culture. Indonesian society, known for its communal life orientation and social values that emphasize togetherness, has unique characteristics compared to more individualistic societies. In this context, the implementation of Islamic philanthropy, which relies on efficiency and technology, must consider the strong cultural aspects, such as gotong royong, which are foundational to Indonesian life. Technology, which often focuses on efficiency and data-based management, has the potential to undermine more collective social principles rooted in values of togetherness. Therefore, the use of technology in Islamic philanthropy must be tailored to meet existing social needs to ensure that it not only accelerates fund distribution but also ensures sustainability and positive social impact. Success in adopting technology for Islamic philanthropy also requires supporting infrastructure and an egalitarian social structure that guarantees equal access to zakat, infak, and waqf funds for all segments of society. In this sense, technology is not just a tool for efficiency but also a means of reinforcing existing social values within the community. Consequently, social engineering that involves adjusting religious, social, and technological values is crucial to ensuring that Islamic philanthropy functions effectively and maximizes benefits for Indonesian society.

This research adopts a literature review approach to gain a deeper understanding of the role of Islamic philanthropy within the social and cultural context of Indonesia. This approach was chosen as it allows the researcher to analyze various previous studies related to the tradition of Islamic philanthropy, such as zakat, infak, and waqf, and their impact on the predominantly Muslim society in Indonesia. The literature review method enables the researcher to explore a range of theories and concepts applied in previous studies, thereby providing a broader understanding of the relationship between Islamic philanthropy and Indonesian social culture. The findings are expected to contribute significantly to understanding how Islamic philanthropy can be a strategic solution to address socio-economic challenges in Indonesia, while still respecting the existing local cultural values.

Harmony Between Technology and the Culture of Gotong Royong in Islamic Philanthropy in Indonesia

Islamic philanthropy in Indonesia has long been an integral part of the social and cultural life of its people. The traditions of zakat, infak, and wakaf are not only religious obligations but also manifest real principles of social justice upheld in Islamic teachings. In this context, Islamic philanthropy in Indonesia is inseparable from the culture of *gotong royong*(mutual cooperation), which has long been a fundamental value in Indonesian society. Modern technology, which has rapidly developed over the past few decades, although initially seen as a threat to traditional values, now shows great potential in enhancing the effectiveness and efficiency of Islamic philanthropy. For example, the use of digital platforms for collecting zakat and donations has simplified the distribution of funds to those in need, making it faster, more transparent, and accountable (Faturohman et al., 2021). In this regard, technology not only supports but also strengthens the existing culture of cooperation, while introducing a new approach to managing philanthropy that is more modern and integrated with the development of the times.

As technology advances, significant changes have occurred in the management of Islamic philanthropy in Indonesia, which has increasingly tapped into the social and economic potential of society. (Analiansyah et al., 2024) emphasizes the importance of the role of technosocioentrepreneurship in optimizing mosque-based philanthropy management, combining technology and social entrepreneurship to improve community service quality. Technology plays a significant role in speeding up the fundraising process, ensuring more efficient distribution, and simplifying the recording of philanthropic transactions that were previously reliant on manual methods. This not only increases transparency but also expands the reach of philanthropy, which was once limited by geographic and demographic factors. Moreover, (Usman et al., 2022) developed a more inclusive technology adoption model in the context of Islamic philanthropy, proposing the application of trust and religiosity factors to help communities more readily accept digital systems in managing zakat and wakaf. This technological innovation allows Islamic philanthropy to evolve in a more modern format that is relevant to the social needs of contemporary society.

The use of digital technology, particularly crowdfunding platforms, has increasingly shown its impact in facilitating public participation in Islamic philanthropy. (Aulia & Pimada, 2023) explains that crowdfunding platforms for collecting zakat or infak allow individuals to contribute directly in a way that is easier and more transparent, overcoming the barriers present in conventional systems. People no longer need to go through complicated or bureaucratic processes to channel their philanthropic funds. This system also enables real-time monitoring of how funds are distributed, enhancing public trust in philanthropic institutions.

Crowdfunding also introduces the concept of social inclusion in philanthropy, where all levels of society, from the wealthiest to the poorest, have an equal opportunity to contribute and benefit from philanthropic programs. In this way, technology further strengthens the core Islamic values of social justice and equality, which are central to the tradition of Islamic philanthropy in Indonesia.

However, despite the convenience and efficiency offered by technology, the adoption of technology in Islamic philanthropy is not without challenges, especially concerning acceptance among the younger generation. Although Indonesian youth are exposed to digital technology, they often have limited understanding of the values of Islamic philanthropy and how to integrate them into daily life. (Suryana, 2024) notes that while youth are a dynamic force for change, they are often less involved in philanthropic activities due to ignorance or a lack of education about the importance of zakat, infak, and wakaf in their lives. Therefore, empowering youth through technology-based education is essential. (Mahfud, 2018) also highlights the need to integrate Islamic values into the educational curriculum to introduce young people to the basic principles of philanthropy from an early age. By utilizing technology as a tool, education about the importance of participation in philanthropy can be carried out in a more engaging and relevant way, which will ultimately strengthen the culture of cooperation in society and ensure the sustainability of more inclusive and effective Islamic philanthropy practices in the future.

The Role of Zakat, Infak, and Wakaf in Empowering the Economy of Indonesian Society

Zakat, Infak, and Wakaf, as instruments of Islamic social finance, play a vital role in empowering the economy of Indonesian society. These three instruments not only function as mechanisms for wealth redistribution but also as highly effective tools for reducing poverty, improving social welfare, and stimulating economic growth. Indonesia, as the country with the largest Muslim population in the world (around 87% of the total population), holds great potential to leverage these instruments for economic empowerment (Mokodenseho et al., 2024; Susiatin & Haji-Othman, 2023). Zakat, as an obligation for every financially capable Muslim, has a significant impact on poverty alleviation and enhancing the welfare of society. This is reflected in the Zakat programs managed by the National Zakat Board (Baznas), which have directed Zakat funds towards various productive economic empowerment programs, not just as consumptive aid, but also to build long-term economic resilience for those in need (Chotib et al., 2023). Additionally, Infak, as a form of voluntary giving, expands the scope of social contributions, allowing individuals or groups to contribute beyond the obligatory Zakat, and offering the flexibility needed to address specific social and economic issues (Ascarya, 2022; Mokodenseho et al., 2024). Thus, the integration of these three instruments forms a strong foundation for developing an economy based on Islamic values in Indonesia.

Zakat is one of the main pillars of the Islamic economic system, playing a role in distributing wealth to those who are entitled to receive it, such as the poor, orphans, and other underprivileged groups. The successful management of Zakat funds will have a profound impact on the social and economic empowerment of society. Research shows that well-managed Zakat receipts can reduce poverty levels and provide access to education and healthcare for the less fortunate, while also contributing to overall economic development (Alshater et al., 2021; Chotib et al., 2023; Mokodenseho et al., 2024). In this regard, Baznas has made significant efforts by channeling Zakat funds into productive empowerment programs, such as skill training, business capital assistance, as well as affordable education and healthcare for the underprivileged. According to Muqorobin & Urrosyidin (2023), Zakat funds allocated for skill-based empowerment programs and small enterprises play a critical role in creating jobs and enhancing the economic independence of beneficiaries. In this context, Zakat is not just about providing direct assistance, but also about creating long-term opportunities for recipients to improve their economic conditions.

Infak, as a form of voluntary contribution, plays a crucial role in supporting various social and economic initiatives in Indonesia. Its non-obligatory nature makes Infak more flexible in its use. Individuals can give Infak according to their capacity to support various programs, such as education, healthcare, and community infrastructure development (Nor et al., 2022; Urrosyidin, 2023). Furthermore, Infak can support the development of micro and small businesses, which can increase the income of the community. In synergy with Zakat and Wakaf, Infak strengthens the positive impact on community empowerment. For example, Infak funds can be allocated for scholarships for children from low-income families or to finance healthcare programs targeting the poor. This approach increases social awareness and a sense of responsibility within communities, ultimately fostering a sustainable culture of giving and strengthening the social structure. Research by Ascarya (2021) and Mokodenseho

(2024) shows that Infak plays a strategic role in supporting community development through voluntary long-term contributions, not just meeting immediate needs.

Wakaf, as a unique charitable instrument in Islam, offers tremendous potential for supporting sustainable economic empowerment. Unlike Zakat and Infak, which are more temporary in nature, Wakaf directs donations towards charitable purposes that are perpetual, with the endowed assets being used for long-term social purposes, such as the establishment of schools, hospitals, and other public facilities (Pratama et al., 2023; Susiatin & Haji-Othman, 2023; Uula et al., 2023). In Indonesia, Wakaf has been used to establish various social infrastructures that directly contribute to the economic development of society, such as free schools, affordable hospitals, and even infrastructure projects like roads and bridges that improve connectivity between regions. Research by Uula (2022) and Pratama (2023) reveals that the development of cash Wakaf, which has been increasingly applied in Indonesia, further strengthens the role of Wakaf in supporting productive investments that can be utilized for community empowerment. One of the best examples of cash Wakaf management is the establishment of Wakaf institutions that manage funds for investments in productive sectors, which in turn can provide long-term economic benefits to society. This cash Wakaf is expected to stimulate local economic growth by creating new business opportunities and increasing employment.

The integration of these three instruments Zakat, Infak, and Wakaf into a coordinated economic empowerment framework is essential to maximize their impact on Indonesia's economy. Effective coordination between Zakat, Infak, and Wakaf will lead to more holistic and efficient empowerment programs. Research by Tanjung & Windiarto (2021) and Urrosyidin (2023) shows that managing these three instruments in an organized and integrated manner will accelerate poverty alleviation, create new job opportunities, and encourage entrepreneurship within communities. One promising initiative is the establishment of micro Wakaf banks aimed at providing financing for micro, small, and medium enterprises (MSMEs), which have often struggled to access formal financing. Fauzi et al. (2022) and Nawawi (2015) stress that utilizing Wakaf funds, MSMEs can obtain the capital needed to expand their businesses and create job opportunities. Additionally, the development of digital technology plays an important role in enhancing the efficiency of managing and distributing Zakat, Infak, and Wakaf funds. Digital platforms allow for greater transparency, facilitate easier public access to contribute, and improve the efficiency of distributing funds to those in need (Rahman Ramadhan et al., 2023; Rizal & Pakkanna, 2023). Research by Ascarya (2021) shows that digitalization in the management of Zakat and Wakaf has proven effective, especially during the COVID-19 pandemic, which pushed philanthropic institutions to rely more on digital platforms to provide timely assistance to affected communities

Social Inequality and Infrastructure Readiness in Managing Islamic Philanthropy

Social inequality remains a major issue worldwide, and Islamic philanthropy has emerged as an important mechanism to address this challenge, particularly in Muslim-majority countries. The interaction between social inequality and infrastructure readiness is crucial for the effective management of Islamic philanthropy. This review synthesizes various academic studies to explore how Islamic philanthropy practices can be optimized to reduce social inequality, while considering the necessary infrastructure framework for the success of these initiatives.

Islamic philanthropy, which includes instruments such as zakat, waqf, and sadaqah, is deeply rooted in the principles of social justice and wealth redistribution taught in Islam. These instruments are designed to reduce poverty and social inequality by mobilizing resources from wealthier segments of society to support those less fortunate ("Venture Philanthropy Waqf Model," 2013). However, the effectiveness of these philanthropic efforts often depends on the existing infrastructure, which includes governance frameworks, technological support, and community engagement mechanisms (Azwar, 2023; Widiastuti et al., 2021). Therefore, the success of Islamic philanthropy is not only reliant on goodwill and contributions but also on proper management and robust infrastructure support. Without adequate systems, the targeted distribution of philanthropic funds will be difficult to achieve, and the impact on poverty alleviation and social inequality will be limited.

One of the major challenges in Islamic philanthropy is the lack of an integrated governance framework capable of effectively managing fund distribution and ensuring that the funds reach the right recipients. Widiastuti et al. (2022) emphasize the importance of developing an integrated Islamic social finance model that leverages technology to streamline the distribution process and avoid overlapping beneficiaries. The integration of technology is essential to enhance transparency and accountability, which are key aspects in building trust between donors and recipients. Furthermore, the establishment of a strong governance structure can facilitate better coordination among various philanthropic organizations, maximizing the impact of their efforts (Azwar et al., 2021). For example, with a connected digital system, philanthropic funds can be managed more transparently, enabling the tracking of fund flows and ensuring that the funds reach those in need in a timely and efficient manner.

In addition to governance and technological readiness, the cultural context plays a significant role in determining the effectiveness of Islamic philanthropy. Literature suggests that Islamic philanthropy is not just a financial transaction but is also deeply intertwined with the culture and social structure within Muslim communities (Khan et al., 2023; Susdarwono & S. Thoriqul Huda, 2023). For example, local cultural practices can influence how philanthropic activities are accepted and carried out within the community. Aligning Islamic philanthropy with local cultural values can enhance community participation and a sense of ownership over philanthropic initiatives, thereby extending the sustainability and impact of these programs (Lidiawati et al., 2023; Susdarwono & S. Thoriqul Huda, 2023). In some regions, zakat and waqf are not only viewed as religious obligations but also as part of the existing social solidarity, which makes it easier for the community to accept philanthropic programs and increases their participation levels.

Moreover, the socio-economic context in which Islamic philanthropy operates significantly influences the outcomes achieved. Studies indicate that although Islamic philanthropy efforts in countries such as Indonesia have been widely implemented, their impact on poverty alleviation and social inequality reduction has not been fully optimized, highlighting the need for a more strategic approach that takes into account local socio-economic dynamics (Fuadi, 2012; Hadiyati et al., 2024). Nia Zulinda & Samsul Hidayat (2023) highlight the importance of effectively involving human resources to optimize the potential of Islamic philanthropy in addressing socio-economic issues. One way to increase this engagement is by encouraging community-driven initiatives, which allow local populations to actively participate in the philanthropic process, thereby creating a stronger sense of ownership and responsibility. This can strengthen the social and cultural foundations of philanthropy and facilitate its acceptance and sustainability in the long term. Programs that involve communities in decision-making, implementation, and monitoring can create a larger impact, as the community feels it plays an important role in the changes taking place.

The role of Islamic philanthropy in promoting social justice is further reinforced by its alignment with the Sustainable Development Goals (SDGs). Islamic social finance instruments, such as zakat and waqf, can make significant contributions to achieving these goals by addressing issues of poverty, inequality, and social welfare (Nia Zulinda & Samsul Hidayat, 2023; Rusydiana et al., 2024). However, to harness this potential, collective efforts are needed to build a framework that facilitates the integration of Islamic philanthropy into broader development strategies. Collaboration among various stakeholders, including government agencies, non-governmental organizations, and community groups, is crucial to creating a cohesive approach to poverty alleviation and social equity (Anugrah, 2023; Notolegowo et al., 2023). The COVID-19 pandemic further highlighted the importance of Islamic philanthropy in crisis management and social support. During this period, many Islamic organizations mobilized resources to provide assistance to vulnerable populations, demonstrating the adaptability and responsiveness of Islamic philanthropy practices (Ascarya, 2022; Umar, 2024). However, the pandemic also exposed gaps in infrastructure and readiness, emphasizing the need for better systems to manage philanthropic efforts effectively during times of crisis. This includes the establishment of emergency funds, rapid-response mechanisms, and partnerships with local authorities to ensure timely and effective aid distribution (Ichsan, 2020; Nasyaya, 2021).

In conclusion, addressing social inequality through Islamic philanthropy requires a comprehensive approach that considers the interaction between infrastructure readiness, governance, cultural context, and socio-economic dynamics. By developing an integrated governance framework, leveraging technology, and enhancing community engagement, Islamic philanthropy can be more effective in reducing social inequality and promoting social justice. Future research should focus on identifying best practices and innovative strategies that can improve the effectiveness of Islamic philanthropy efforts across different contexts, ultimately contributing to a more just and prosperous society.

Building Public Trust in the Management of Digital Zakat and Waqf

Building public trust in the management of digital zakat and waqf is a complex and multifaceted challenge, requiring a thorough understanding of foundational principles, technological advancements, and community engagement strategies. Zakat and waqf, as key instruments in Islamic philanthropy, have great potential to improve social welfare, but their effectiveness heavily relies on transparency, accountability, and public trust. Digitalization offers opportunities to enhance these three aspects through the use of digital platforms that can optimize the management of zakat and waqf funds, speed up distribution, and ensure proper and beneficial use for society. As technology evolves, the digital management of zakat and waqf can now facilitate greater transparency, reduce the potential for misuse, and expand outreach to a broader public, especially younger generations who are more familiar with technology. When managed well, the integration of technology in zakat and waqf management can create a more efficient system that benefits all involved parties (Rahman Ramadhan et al., 2023; Rofiqo et al., 2021).

One of the main challenges in waqf management is the lack of transparency and accountability in the management of waqf assets, which often leads to a decline in public trust. Studies show that transparent management of waqf assets can accelerate the achievement of the social, economic, and educational goals of waqf itself (Islamiyati, 2023). In this context, digitalization plays a crucial role in modernizing waqf management, particularly through the utilization of blockchain technology. This technology offers solutions for creating a decentralized and immutable system that records all transactions related to waqf assets, thus enhancing transparency and reducing the potential for misappropriation. For example, blockchain can help clearly record the flow of waqf funds, making it easier for stakeholders to monitor asset management and ensure that waqf funds are used according to the established goals (Huang et al., 2023; Mutamimah et al., 2021). This technology also improves the accountability of waqf managing institutions and provides donors with the assurance that their contributions are used transparently and responsibly.

In addition to technology implementation, communication and community engagement also play a key role in building public trust. Digital platforms allow zakat and waqf institutions to provide real-time updates to donors and the public regarding the projects funded by waqf and their impact on the community. This not only provides transparency but also offers a sense of involvement and ownership of the projects, which is crucial for increasing community participation (Adinugraha et al., 2024). Furthermore, the use of social media and digital marketing strategies can help expand the reach of waqf institutions to younger generations who are more likely to interact with digital content. With this more inclusive and technology-based approach, zakat and waqf institutions can build stronger relationships with the community, enhancing a shared sense of responsibility to create social welfare (Fanani et al., 2021; Hosen et al., 2022). Transparent updates on how zakat and waqf funds are used also provide greater trust among donors, as they can see the concrete impact of their contributions in reducing poverty or facilitating educational and infrastructure development.

Public education and awareness about the benefits and basic principles of digital waqf and zakat are also crucial in building public trust. Studies show that a better understanding of how digital waqf works, and its benefits for social and economic development, can encourage more people to participate in this system. Educational campaigns targeting the public, both directly and through digital media, can explain how waqf funds are managed and the positive impacts they can generate. In addition, research shows that factors such as trust, website image, and perceptions of the usefulness of digital platforms significantly influence individuals' intentions to participate in digital waqf initiatives (Lis Sulistiani et al., 2023; Rion, 2024). Therefore, zakat and waqf institutions should actively educate the public about the benefits and security of managing waqf funds through digital platforms, and reduce public doubts by providing clear and open information. Moreover, professionalism and the competence of waqf managers (nazir) in using digital platforms are essential to maintaining public trust. Ongoing training for nazir to understand and manage waqf assets efficiently will strengthen the integrity of these institutions, thereby enhancing trust among the public and donors (Qolbi & Sukmana, 2022; Wadi & Nurzaman, 2020).

On the other hand, digitalization also presents a great opportunity to improve zakat management through more transparent reporting systems. By using digital platforms, zakat institutions can ensure that zakat funds are collected efficiently and distributed directly to those in need. Through data analytics and digital tracking systems, zakat institutions can provide clear reports on fund allocations and their impact on poverty alleviation and community empowerment (Rahman Ramadhan et al., 2023). This assures donors that their funds are being used for the intended purpose. Additionally, the importance of regulations governing the management of digital zakat and waqf cannot be overlooked. Establishing a clear and transparent regulatory framework will ensure that zakat and waqf institutions adhere to ethical guidelines in fund management, which will further enhance public trust (Rahmatullah & Putra, 2020; Sulaiman, 2023). With clear regulations, these institutions can demonstrate their commitment to ethical managerial practices and protect the interests of both donors and beneficiaries. Therefore, the synergy between regulations, technology, education, and the professionalism of managers is crucial for building and maintaining public trust in the management of digital zakat and waqf.

Conclusion

This study reveals that the digital management of zakat and waqf holds great potential to enhance transparency, accountability, and public trust in these two Islamic social finance instruments. Technology, particularly blockchain, can play a crucial role in creating a more transparent system, enabling donors to track the flow of funds in real-time and ensuring that zakat and waqf funds are used in accordance with the established social objectives. By implementing advanced digital systems, the management of zakat and waqf can become more efficient, reduce the potential for fund mismanagement, and increase accountability. Furthermore, this research also highlights the importance of community involvement in maximizing the impact of digital zakat and waqf. Digital platforms provide a space for managing institutions to communicate more effectively with the public, as well as encourage greater participation, especially among younger generations who are more familiar with technology. This also fosters a stronger sense of ownership over the social activities, which, in turn, can enhance the sustainability of zakat and waqf programs. Education about zakat, waqf, and the underlying technologies that manage them is also a key factor. The public needs to clearly understand how these digital systems work and the benefits that can be gained from more transparent and efficient zakat and waqf management. Additionally, enhancing the capacity of nazir (waqf managers) is essential to ensure they can optimally utilize technology.

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