

Increasing Public Awareness of the Role of Zakat in Realizing Social Justice and Sustainable Economic Growth towards the Golden Indonesia 2045

Rijal Mumazziq Zionis¹, Arif Zunaidi², Sri Anugerah Natalina³, Utari Rahmadanti⁴, Tiffany Dewi Laura⁵, Haedar Fathurrokhim⁶

¹Universitas Al-Falah Assunniah Jember, ^{2,3,4,5,6}IAIN Kediri

rijalmz@gmail.com¹, arifzunaidi@gmail.com², anugrah.sujadmiko@gmail.com³, tarirahmadanti30@gmail.com⁴, tiffanyla73@gmail.com⁵, fathurrokhimhaedar@gmail.com⁶

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Abstract

This community service activity aims to increase the awareness of students of the Faculty of Islamic Economics and Business, IAIN Kediri, regarding the role of zakat in realizing social justice and sustainable economic growth. This national seminar was held on September 18, 2024, in the 4th Floor Hall of the IAIN Kediri Library, with a service learning approach. Through this method, participants not only receive theoretical material but are also encouraged to apply this understanding in real life. This activity includes the delivery of material from experts in zakat and Islamic economics, interactive discussions, and simulations of the application of productive zakat in the context of the local economy. It is hoped that this seminar can equip students with deeper knowledge and awareness of zakat as a strategic economic instrument that has the potential to encourage social justice and community welfare in a sustainable manner. This activity also aims to prepare students to contribute to realizing the Golden Indonesia 2045 through the application of zakat values.

Abstrak

Kegiatan pengabdian masyarakat ini bertujuan untuk meningkatkan kesadaran mahasiswa Fakultas Ekonomi dan Bisnis Islam IAIN Kediri mengenai peran zakat dalam mewujudkan keadilan sosial dan pertumbuhan ekonomi berkelanjutan. Seminar nasional ini dilaksanakan pada tanggal 18 September 2024 di Aula Lantai 4 Perpustakaan IAIN Kediri, dengan pendekatan *service learning*. Melalui metode ini, peserta tidak hanya menerima materi teoritis tetapi juga didorong untuk menerapkan pemahaman tersebut dalam kehidupan nyata. Kegiatan ini mencakup penyampaian materi dari pakar zakat dan ekonomi Islam, diskusi interaktif, serta simulasi penerapan zakat produktif dalam konteks ekonomi lokal. Diharapkan seminar ini dapat membekali mahasiswa dengan pengetahuan dan kesadaran yang lebih mendalam mengenai zakat sebagai instrumen ekonomi strategis yang berpotensi mendorong keadilan sosial dan kesejahteraan masyarakat secara berkelanjutan. Kegiatan ini juga bertujuan untuk mempersiapkan mahasiswa dalam berkontribusi mewujudkan Indonesia Emas 2045 melalui penerapan nilai-nilai zakat.

1. INTRODUCTION

Zakat has a strategic role in the Islamic economy because it functions as an instrument for distributing wealth that can help create social justice and reduce economic disparities (Kakar et al., 2022). However, public awareness, including academics, of the important role of zakat is often still low. Students, as future intellectuals and leaders, need a deep understanding of how zakat can be an effective tool in driving sustainable economic development. This is especially important

for students majoring in Sharia Accounting at IAIN Kediri who will later be directly involved in sharia-based financial management.

Sharia Accounting students have a unique role in ensuring that the management of zakat and other Islamic economic instruments is carried out transparently, accountably, and in accordance with sharia principles. Based on data from the National Zakat Agency (BAZNAS), the potential for zakat in Indonesia reaches IDR 327.6 trillion per year, but in 2022, the realization of zakat collection only reached around IDR 20.5 trillion (Hadi & Hana, 2023). This shows that there is still a large gap between the potential and realization of zakat, which can be optimized with the involvement of more parties, including academics.

As prospective sharia accountants, students need to understand how zakat can be used as an instrument to strengthen the economy, especially in the MSME sector and the poor. Islamic economic theory emphasizes that zakat is not only an obligation of worship but also has an economic function to encourage the redistribution of wealth and empower underprivileged groups (Pratama et al., 2024). With this knowledge, students can play an active role in supporting better and more effective zakat management in society.

The implementation of zakat in Indonesia is not only a religious obligation but also has the potential to become a strategic economic instrument (Jaya et al., 2023). In the context of Indonesia Emas 2045, when Indonesia is targeted to become one of the largest economies in the world, Sharia Accounting students have a great responsibility to ensure that economic growth is not only oriented towards numbers but also on equal distribution of welfare. Zakat can be one of the important instruments in achieving this goal, especially in realizing social justice, which is one of the main pillars of national development (Hidayat et al., 2024).

According to a report by the World Bank (2023), Indonesia's economy is projected to grow at an average annual rate of 5.2% between 2023 and 2025, driven by strong domestic demand and investment. However, despite this impressive economic growth, Indonesia still faces significant challenges in terms of inequality and poverty (Hill, 2021). The Gini coefficient, a measure of income inequality, in Indonesia was 38.1 in 2020, indicating a high level of inequality. This inequality is exacerbated by the lack of access to education, healthcare, and other basic services for many Indonesians.

Zakat can play a crucial role in addressing these challenges by redistributing wealth from the rich to the poor and creating opportunities for economic empowerment (Nayak & Hegde, 2023). Studies have shown that zakat can have a significant impact on poverty reduction, income inequality, and social justice (Azizah et al., 2021). For example, a study by the Islamic Relief Worldwide found that zakat programs in Indonesia have helped to lift millions of people out of poverty by providing them with access to food, shelter, education, and healthcare (Hisan et al., 2022).

In addition to its social benefits, zakat can also contribute to economic growth by stimulating productive investment. When zakat funds are invested in productive sectors such as agriculture, education, and small businesses, they can create jobs, increase productivity, and boost economic activity (Khaliq et al., 2023). This can lead to a more inclusive and sustainable economic development that benefits all Indonesians.

Therefore, Sharia Accounting students have a unique opportunity and responsibility to contribute to the realization of Indonesia Emas 2045 by promoting the implementation of zakat as a strategic economic instrument. By studying and applying the principles of zakat accounting, these students can help to ensure that economic growth is not only measured in terms of GDP but also in terms of its contribution to social justice and human welfare.

The importance of this understanding is increasingly relevant among students because they will be part of a professional community that will be involved in managing zakat, infaq, sedekah, and waqf. If they have a strong understanding, zakat management in the future will be more transparent and efficient. Based on the theory of service learning, this educational activity not only aims to provide knowledge but also train students in practical applications, which will enrich their learning experience while having a positive impact on society.

Thus, this community service activity was held to equip IAIN Kediri students in general and Sharia Accounting students in particular with the knowledge, awareness, and skills needed to play an active role in effective and sustainable zakat management, as well as to help realize the goals of sustainable development and social justice from a sharia economic perspective.

2. METHODS

This community service uses a service learning method that combines theoretical learning processes with practical applications that are directly felt by participants (Zunaidi, 2024). The first

step in implementing this activity is choosing the right theme, namely "Increasing Public Awareness of the Role of Zakat in Realizing Social Justice and Sustainable Economic Growth." This theme was chosen because of its relevance to the Sharia Accounting study program and its urgency in the context of Islamic economics in Indonesia, especially to achieve Indonesia Emas 2045. With this theme, students are expected to not only understand the theory of zakat but also be able to apply it in real life.

The selection of speakers is the next important stage. The speakers selected are experts in zakat and Islamic economics who have practical experience in zakat management, both in terms of sharia law and financial management. These speakers are expected to be able to provide comprehensive insights to students, covering aspects of sharia, economics, and real examples of the application of productive zakat in society. In addition, speakers with academic and practical backgrounds were chosen to be able to answer technical and strategic questions from seminar participants.

The selection of the time for implementing the activity was also carefully considered. The seminar was held on September 18, 2024, which was the right time because it was near the end of the semester, where students had already gained a basic theory of Islamic economics in lectures and were ready to gain a more applicable understanding. The material delivery technique in this seminar was carried out interactively, with a combination of material presentations, panel discussions, and case simulations to actively involve participants. This method was chosen so that students would not only be passive listeners but would also be involved in the learning process and could develop critical and analytical thinking skills. At the end of the activity, the organizers provided an evaluation to all participants through questionnaires and reflective discussions. This evaluation aims to measure students' understanding of the material that has been presented, as well as to assess the extent to which they are able to apply the concept of zakat in the context of social justice and sustainable economic growth. The results of this evaluation are also used to identify the success of the activity as well as as material for improvement for similar activities in the future. This evaluation is an integral part of the service learning method, where the success of teaching is assessed by how well participants can internalize and apply the knowledge they have gained.



Figure 1. Service Process

3. RESULTS AND DISCUSSION

Community service activities with the theme "Increasing Public Awareness of the Role of Zakat in Realizing Social Justice and Sustainable Economic Growth" were held on September 18, 2024, in the 4th Floor Hall of the IAIN Kediri Library. This national seminar succeeded in attracting the participation of 100 students of the Faculty of Islamic Economics and Business, especially from the Sharia Accounting study program. Based on the service learning method, this activity not only focuses on delivering theory but also on the practical application of zakat in the context of Islamic economics. With an interactive approach, this seminar has a significant impact on students' understanding and awareness of the role of zakat in economic development.

The initial results of this activity show an increase in students' understanding of the concept of productive zakat. Based on the results of the pre-test and post-test given to participants, there was a 35% increase in understanding of zakat management as an economic instrument. The theory presented by the speakers emphasized the importance of zakat in the redistribution of wealth and poverty alleviation, as stated by Chapra (2008) in his theory on the role of zakat in Islamic economics. Participants were able to understand that zakat is not only a spiritual worship but also has a major social and economic impact.

The speakers in this seminar, consisting of academics and practitioners, one of whom gave real examples of productive zakat management that has succeeded in empowering poor communities. One example raised was the productive Zakat program by Sahal Mahfud, where Zakat funds were used to develop businesses. This example provided participants with a concrete picture of how zakat can be a tool to create social justice. Through this discussion, participants began to realize that zakat can be a solution in improving community welfare, especially in the MSME sector (Khasanah et al., 2024).

This activity also succeeded in increasing participants' awareness of the importance of transparent and accountable zakat management. In one of the discussion sessions, the speaker explained the importance of zakat accounting in accordance with sharia standards. Sharia Accounting students realized that they had a great responsibility in ensuring that the zakat collection institution (LAZ) carried out its duties professionally and honestly. This awareness is very important considering that, according to data from the National Zakat Agency (BAZNAS), the realization of zakat collection is still far from its maximum potential (Zunaidi et al., 2024).

In addition to technical understanding, this seminar also had a positive impact on changing the attitudes of participants regarding their obligations as the younger generation in supporting Indonesia Emas 2045. Students understand that zakat is not only relevant for scholars or amil institutions but also for them as prospective sharia accountants. They are encouraged to be actively involved in managing zakat in the future, both as individuals and as professionals in sharia financial institutions. This seminar succeeded in instilling the importance of social responsibility among participants.

Evaluation of the activity was carried out through a questionnaire distributed to participants at the end of the seminar. Based on the evaluation results, 85% of participants stated that they felt more prepared to be involved in managing zakat after participating in this activity. In addition, 90% of participants felt that this activity was relevant to their studies in Sharia accounting and provided applicable insights into zakat management. This shows that this activity has succeeded in fulfilling its main objective, namely increasing students' awareness and understanding of the role of zakat in Islamic economics (Zunaidi et al., 2023).



Figure 2. Process of Implementing Service

The service learning theory applied in this activity has proven effective in providing a deeper learning experience to students. They not only gain theoretical knowledge but also practical skills in managing zakat (García-Taibo et al., 2023). By actively participating in the zakat management simulation, students are able to apply their understanding of zakat principles to real-world scenarios, enhancing their learning and retention.

This service activity aligns with the goals of higher education by bridging the gap between theory and practice (Ferraz & Boas, 2020). Students are encouraged to connect their academic knowledge with community needs, fostering a sense of social responsibility and civic engagement. The involvement of students in zakat management simulations provides a valuable opportunity for them to experience firsthand the challenges and rewards of implementing zakat programs.

The successful implementation of this seminar demonstrates the significant potential of zakat in supporting sustainable economic growth. By engaging students in zakat management, the activity aims to cultivate a new generation of zakat advocates who are committed to promoting transparency, accountability, and effectiveness in zakat administration (Syahputra et al., 2024). Through their involvement, students can contribute to building a more just and equitable society.

Overall, this seminar has effectively conveyed the message that zakat is not only a religious obligation but also a powerful tool for creating social justice and economic welfare. By providing participants with a deeper understanding of zakat's role in society, the seminar has inspired students to become agents of change who can contribute to the sustainable development of their communities.

The success of this community service activity demonstrates the potential for similar programs to be implemented and expanded in the future. By involving more stakeholders, such as local zakat institutions and community organizations, the reach and impact of these activities can be significantly increased. This collaborative approach can foster stronger partnerships and create a more sustainable and effective model for zakat management.

According to a report by the Islamic Relief Worldwide (2023), community-based zakat programs have been shown to be particularly effective in addressing the needs of vulnerable populations. These programs often involve local communities in identifying and addressing their own priorities, leading to more targeted and sustainable interventions. By partnering with local zakat institutions, this community service activity can leverage their expertise and resources to develop more effective and impactful programs (Salim et al., 2024).



Figure 3. Process of Implementing Service

The involvement of IAIN Kediri Sharia Accounting students in these activities is crucial for promoting sharia-based economic development towards Indonesia Emas 2045. By applying their knowledge and skills to real-world zakat management challenges, these students can contribute to the development of innovative and sustainable zakat programs that can benefit both individuals and communities. Through their active participation, these students can become agents of change who can help to shape the future of zakat in Indonesia and contribute to the realization of a more just and equitable society.

4. CONCLUSION

This community service activity has succeeded in increasing the understanding and awareness of IAIN Kediri Sharia Accounting students regarding the role of zakat as an economic instrument in realizing social justice and sustainable economic growth. Through the service learning method, students not only gain theoretical knowledge about zakat but also practical skills in managing productive zakat, which is relevant to their studies and responsibilities in the future. The evaluation shows that this activity is effective in instilling a deep understanding and motivating participants to play an active role in managing zakat towards achieving Indonesia Emas 2045.

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