

# Optimizing the Role of Zakat, Infaq, Sedekah, and Waqf (ZISWAF) in Poverty Alleviation in Indonesia

**Siti Nuraini**

UINSA Surabaya

Email: [siti.nuraini.iainsmd@gmail.com](mailto:siti.nuraini.iainsmd@gmail.com)

## Abstract

---

This research is motivated by the paradox of persistent poverty in Indonesia despite the country's status as one of the most generous nations with vast Islamic philanthropy potential. The core problem lies in the suboptimal management of Zakat, Infaq, Sedekah, and Waqf (ZISWAF), which is still dominated by charity-consumptive patterns and low institutional transparency. This study aims to analyze the optimization strategies of ZISWAF through the transformation of productive empowerment models and digital technology integration to achieve sustainable poverty alleviation. The method employed is a Systematic Literature Review (SLR) using the PRISMA protocol on 25 reputable journal articles from Scopus and Sinta databases (2021-2025). Research data indicates that the adoption of FinTech and hybrid instrument innovations, such as Cash Waqf Linked Sukuk (CWLS), significantly enhances accountability and fund collection volumes. The findings conclude that ZISWAF optimization requires synergy between professional management (Amil), tax regulation legality, and a shift in distribution paradigms toward human capital investment. The final conclusion emphasizes that integrating the digital ecosystem and strengthening the economic resilience of Mustahik through intensive mentoring are key to transforming Islamic philanthropy into a social fiscal force capable of permanently breaking the chain of structural poverty in Indonesia.

## Keywords

---

Islamic Social Finance, Poverty Alleviation, Productive Zakat, ZISWAF.

## Introduction

---

The poverty paradox in Indonesia remains a crucial issue amidst the nation's title as the most generous country in the world according to the *World Giving Index*. Factually, there is a significant gap between the national zakat collection potential, projected to reach hundreds of trillions of rupiah, and the actual realization by official institutions, which remains below ten percent. This reality is exacerbated by distribution patterns still dominated by short-term consumptive aid, failing to provide a significant impact on the economic independence of recipients or *Mustahik*. According to the analysis by [Beik \(2021\)](#), this ineffectiveness is rooted in institutional fragmentation and weak management transparency, which triggers a public trust deficit toward formal institutions. This condition creates an urgency to reorient Islamic philanthropy management strategies so they are not merely charitable rituals but social fiscal instruments capable of intervening in the structural roots of poverty. Without synchronization between vast potential and professional management, ZISWAF will only serve as an administrative supplement without real social transformative power for millions of vulnerable people in Indonesia. Therefore, an objective mapping of the problem is a mandatory first step in formulating optimization models that are more responsive to contemporary economic dynamics.

Current literature facts show a sharp disconnection between classical Islamic economic theories and the implementation of ZISWAF policies in facing the complexities of modern poverty. Most literature remains trapped in normative discussions regarding the obligation of zakat without being able to answer technical challenges related to digital literacy and accountable Sharia financial reporting standards. According to a study by [Sartika \(2021\)](#), conventional zakat management theories often fail to mitigate moral hazards and bureaucratic inefficiencies occurring at the field level, causing aid to overlap. Furthermore, the analysis by [Muthohirin \(2021\)](#) emphasizes that the literature gap lies in the lack of studies integrating the psychosocial aspects of *Mustahik* with empowerment models based on productive capital. The inability of existing theoretical instruments to provide an applicable framework causes many empowerment programs to stall at the capital provision stage without sustainable mentoring. This reality indicates that the academic foundation used so far requires updating through a multidisciplinary approach to provide solutions to the deadlock of wealth distribution in Indonesia. Thus, a systematic literature review is needed to synthesize various current findings to close the gap between theoretical idealism and implementational reality in the Islamic philanthropy sector.

The primary objective of this research is to analyze and formulate strategies for optimizing the role of ZISWAF as a major instrument in poverty alleviation in Indonesia through a systematic literature review approach. Specifically, this study seeks to map the institutional, technological, and regulatory barriers that have hindered the maximum potential of Islamic philanthropy funds within the national economic structure. As explained by [Hasan \(2023\)](#), the synchronization between Sustainable Development Goals (SDGs) and ZISWAF programs is a top priority to ensure that every fund collected has a measurable economic leverage. Additionally, this research aims to identify transformation models from charitable aid models toward productive empowerment models based on human resource capacity building. Referring to the thoughts of [Beik \(2021\)](#), achieving this goal is expected to provide a new framework for the National Amil Zakat Board (BAZNAS) and Amil Zakat Institutions (LAZ) in increasing the index of distribution effectiveness. By gaining a deep understanding of optimization mechanisms, this research aspires to become a strategic reference for policymakers to integrate Islamic philanthropy into the national social protection architecture. This focus on optimization is crucial to ensure that ZISWAF is not just an instrument of individual piety but also a transformative force for collective welfare.

The urgency of conducting this research is based on the argument that without data-driven and technology-based optimization, ZISWAF will lose its relevance as a solution to market failures in distributing welfare fairly. The importance of this research is reinforced by the fact that the digitalization of Islamic social finance has created new opportunities and challenges requiring profound academic validation. According to [Fauzia \(2021\)](#), the adoption of financial technology or *zakat-tech* is an absolute prerequisite for mitigating collection inefficiencies and increasing the transparency demanded by modern society. Based on the established research objectives, this study is vital as it seeks to harmoniously bridge government macro-policies with micro-practices at the level of zakat management institutions. Resisting the renewal of philanthropy management systems will only perpetuate poverty cycles and widen the inequality gap, which currently threatens national stability. In line with the opinion of [Nurdin \(2021\)](#), the success of poverty alleviation highly depends on the institution's ability to convert public trust into real and sustainable empowerment actions. Therefore, the results of this research are expected to provide scientific justification for the need for regulatory reforms that support the synchronization of ZISWAF with the state fiscal system to create a more massive and equitable social impact.

## Literature Review

---

The conceptual definition of zakat in contemporary Islamic economic discourse transcends mere religious ritual dimensions; it is understood as a transformative instrument of mandatory wealth transfer. Epistemologically, zakat is a specific portion of wealth that every eligible Muslim (*mukallaf*) is required to give to designated recipients (*asnaf*). According to the views of [Qomar \(2021\)](#), zakat is positioned as the primary pillar of Islamic distributive justice, aiming to purify the soul while simultaneously strengthening the economic structure of society through capital circulation. In a modern context, zakat is defined as a religious fiscal obligation that functions as a social safety net to address market failures in distributing income equitably. A study by [Suharto \(2021\)](#) asserts that zakat should be viewed as a collective property right of the poor stored within the wealth of the rich, making its collection an act of upholding economic human rights. Thus, zakat is not merely an act of voluntary charity but a legal enforcement mechanism within the Islamic system to ensure social balance. A precise conceptual understanding of zakat is a crucial foundation for management institutions in designing programs that are not just temporary relief but oriented toward long-term public welfare.

The categorization and manifestation of zakat in Indonesia are currently undergoing significant evolution, particularly through the distinction between consumptive and productive zakat. Consumptive zakat manifestations are typically realized in the form of direct cash transfers or logistics to meet the basic needs of *mustahik* instantly during emergencies. However, current literature trends emphasize the categorization of productive zakat, where zakat funds are utilized as business capital or skill investments for beneficiaries. According to the classification proposed by [Abdurakhman & Suroso \(2021\)](#), productive zakat can be manifested through the provision of working capital grants, entrepreneurship training, and the supply of production tools that enable *mustahik* to become financially independent. Furthermore, zakat manifestations also extend to the education and health sectors as an effort to break the intergenerational poverty chain through human resource empowerment. In practice, institutions like BAZNAS categorize zakat distribution into thematic programs such as "Smart Indonesia," "Healthy Indonesia," and "Prosperous Indonesia" to ensure effective distribution according to specific regional needs. This categorical distinction is vital to ensure that zakat is not merely exhausted for daily consumption but transformed into sustainable productive assets for the poor.

The conceptual definition of waqf within the Islamic economic framework refers to the endowment of property rights to be utilized for public interest, either permanently or for a specific term. Unlike zakat, which is mandatory and immediately distributed, waqf emphasizes the perpetuity of the principal asset (*tahbīs al-aṣl*) and the distribution of its benefits (*tasbīl al-manfa'ah*). According to [Abdullah \(2021\)](#), waqf is a social investment instrument that provides high flexibility for managers or *Nazhirs* in developing assets for sustainable public benefit. In a modern economic perspective, waqf is understood as an endowment fund where the principal value must be maintained or developed to continuously generate a surplus for financing public services. Analysis by [Kasri & Ahmed \(2021\)](#) indicates that the concept of waqf has transformed from mere immovable assets like land or buildings into more liquid and dynamic concepts. Reorienting this definition is crucial in the era of disruption so that waqf can be integrated with the formal financial system through modern instruments. The uniqueness of waqf lies in its uninterrupted sustainability of benefits, making it the backbone of long-term Islamic social infrastructure development.

Manifestations of waqf in Indonesia are becoming increasingly varied, shifting from a dominance of traditional social waqf toward productive waqf and cash waqf models. Traditionally, waqf manifestations were limited to static assets such as the construction of mosques, madrasas, and public cemeteries with localized benefits. However, the emergence of cash waqf has changed this landscape to be more inclusive, allowing people from various economic levels to contribute without needing large land assets. As explained in a study by [Nasution \(2022\)](#), productive waqf manifestations are realized through asset management for business units such as minimarkets, hospitals, and even financial instruments like *Cash Waqf Linked Sukuk* (CWLS). The CWLS model is a sophisticated manifestation that connects the Islamic social sector with the state capital market, where the returns from the sukuk are used to finance sustainable social programs. Additionally, waqf manifestations are also seen in the form of professional waqf and stock waqf managed professionally by Sharia financial institutions. This categorization shows that waqf potential in Indonesia is dynamic and capable of targeting various strategic sectors previously underserved by the state budget. Managing waqf to be more productive and diversified is the key to creating future fiscal independence for the Ummah.

The conceptual definition of poverty alleviation within the context of Sharia-based development involves systematic efforts to free individuals from material and spiritual dependency. Poverty alleviation is not merely understood as meeting minimum calorie requirements or daily income but as an effort to restore human dignity through capacity building. According to the view of [Sartika \(2021\)](#), poverty alleviation must be holistic, covering economic dimensions, access to education, health services, and strengthening faith (*aqidah*). Within the ZISWAF framework, this concept is translated as a transformation process of an individual's status from *mustahik* to *munfiq* (giver of infaq) and ultimately to *muzakki*. Poverty alleviation also involves deconstructing structural barriers that prevent the poor from accessing productive resources and fair market opportunities. Theoretical analysis by [Aziz et al. \(2021\)](#) emphasizes that the effectiveness of poverty alleviation highly depends on the accuracy of targeting and the sustainability of the mentoring provided. Therefore, the concept requires a multidimensional approach combining short-term interventions through emergency aid and long-term interventions through human capital development. The success of poverty alleviation is ultimately measured by the level of economic and social independence achieved permanently by the affected community.

The manifestations of poverty alleviation through Islamic economic instruments in Indonesia can be categorized into three main pillars: social protection, economic empowerment, and inclusive development. The social protection pillar is realized through the distribution of

consumptive zakat to vulnerable groups without productive capacity, such as the elderly and people with disabilities. Meanwhile, economic empowerment manifestations are carried out through the provision of business capital based on *Qard al-Hasan* contracts or partnership systems for micro-enterprise groups. A study by [Ma'arif \(2021\)](#) shows that effective poverty alleviation manifestations involve active community engagement in managing village funds synergized with local zakat institutions. Furthermore, inclusive development is manifested through the provision of free education infrastructure and quality health access funded by productive waqf surpluses. This categorization allows the government and philanthropic institutions to strategically divide roles based on the specific vulnerability levels of the poor. A tangible manifestation of program success is the emergence of "Zakat Independent Villages" capable of managing local potential without constant external dependency. With clear mapping of manifestations, every rupiah of ZISWAF funds can be directed toward sectors that provide the greatest multiplier effect on national poverty reduction.

## Research Methods

---

This study employs the SLR method to provide an objective, transparent, and replicable synthesis of existing research. Unlike traditional reviews, SLR uses a rigorous filtering process to minimize researcher bias. The study focuses on the period 2021-2025 to capture the post-pandemic economic recovery and the rapid digitalization of Islamic finance in Indonesia.

Data collection was conducted through major electronic databases including Scopus, Web of Science, Sinta (S1/S2), and Dimensions. The keywords used were "ZISWAF Optimization," "Poverty Alleviation Indonesia," "Productive Zakat," and "Islamic Social Finance Digitalization."

The initial search yielded 350 potential studies. After applying inclusion criteria (peer-reviewed journals, Indonesian context, published 2021-2025, and relevant to poverty alleviation), the sample was narrowed down to 25 core articles.

**Table 1: Research Questions and Methodological Alignment**

ID	Research Question	Analytical Approach
RQ1	What are the core strategies for optimizing ZISWAF in current literature?	Thematic Content Analysis
RQ2	How does technology mitigate the "Trust Deficit" in ZISWAF institutions?	Digital Governance Assessment

The object of this research focuses on the optimization of Zakat, Infaq, Sedekah, and Waqf (ZISWAF) management specifically concerning persistent poverty in Indonesia. The primary issue identified is the significant gap between the vast potential of Islamic philanthropic funds and the reality of their impact on structural poverty reduction. This phenomenon encompasses managerial inefficiencies, low public literacy, and the lack of integration between zakat institutional financial reporting and the national fiscal ecosystem. According to [Beik \(2021\)](#), these problems are

exacerbated by regulatory fragmentation, which hinders optimal coordination between management bodies. Cases observed in the literature indicate that fund distribution is often overlapping and lacks precision in poverty mapping. Consequently, this study focuses on deconstructing these institutional barriers to identify the most relevant optimization models for societal needs. Following the perspective of [Sartika \(2021\)](#), identifying issues within this object is vital to ensure that every ZISWAF intervention is grounded in accurate data and academic accountability.

This study is a library research using a Systematic Literature Review (SLR) approach to synthesize relevant scientific findings systematically. Primary data consists of 25 reputable journal articles indexed in Scopus or Sinta 1-2, published between 2021-2025, specifically discussing ZISWAF optimization strategies and poverty alleviation in Indonesia. Secondary data includes supporting literature such as Islamic economic textbooks, official BAZNAS reports, and other scientific studies that strengthen the theoretical narrative. The SLR method allows the researcher to minimize bias through rigorous and transparent literature selection procedures, ensuring high validity of the conclusions. As explained by [Baidhawiy \(2021\)](#), this method is highly effective for mapping changes in Islamic philanthropy governance during the era of digital disruption. The collected data is organized to answer research questions regarding the effectiveness of productive empowerment models compared to conventional charitable ones. By integrating primary and secondary data, this study provides a comprehensive overview of the roadmap for optimizing Islamic economics within the national social resilience structure.

The theoretical foundation used as the primary source of information and assumptions in this study is the Theory of *Maqasid al-Shari'ah*, developed in an economic context by [Hanafi \(2021\)](#). This theory assumes that the ultimate goal of every Islamic economic instrument, including ZISWAF, is to achieve public welfare by protecting wealth (*Hifz al-Mal*) and life (*Hifz al-Nafs*). Furthermore, this research adopts Social Cognitive Theory, which in recent literature by [Huda \(2021\)](#) is used to explain how the economic behavior changes of *mustahik* are influenced by environmental interactions and institutional mentoring programs. The core assumption is that productive capital provision will not succeed without strengthening the cognitive capacity and motivation of the recipients. Integrating these two theories allows the researcher to dissect poverty not only from the perspective of material asset deficiency but also from mental and structural capacity barriers. According to [Qomar \(2021\)](#), a multidisciplinary theoretical framework is necessary to address the complexities of wealth distribution in a dynamic modern era. Consequently, all findings in this study are interpreted based on the framework of distributive justice, which is central to Islamic economic philosophy.

The research process was conducted in a structured and transparent manner following the PRISMA (*Preferred Reporting Items for Systematic Reviews and Meta-Analyses*) protocol. The stages began with formulating specific research questions regarding ZISWAF optimization mechanisms, followed by developing literature search strategies on Scopus, Sinta, and Dimensions databases using predetermined keywords. Inclusion criteria were journal articles focusing on productive empowerment, published within the last five years, and open access, while exclusion criteria included articles not directly related to the Indonesian poverty context. The data collection technique involved gradual selection, from screening titles and abstracts to quality assessment through full-text reading to ensure substantive relevance. According to [Ma'arif \(2021\)](#), transparency in every SLR data collection stage is a prerequisite for generating reliable evidence synthesis for policymaking. Once qualified literature was gathered, data extraction was performed systematically to identify dominant strategy patterns in academic discussions. This rigorous

process ensures that the conclusions represent the current academic consensus regarding the effectiveness of Islamic philanthropic programs in reducing poverty rates.

## Research Findings

Data descriptions regarding zakat governance in Indonesia show a significant shift toward an integrated digital ecosystem to enhance collection efficiency. Literature reveals that the adoption of financial technology (FinTech), QRIS, and mobile-based zakat applications has become the new standard for BAZNAS and LAZ at the national level. According to reports synthesized by [Fauzia \(2021\)](#), digitalization not only simplifies the payment process for *muzakki* but also provides a real-time database that minimizes human error risks in financial recording. Furthermore, digital platforms allow for geographical mapping of zakat potential in areas previously underserved. The data also highlights increased participation among the millennial generation through interactive and transparent digital campaigns. Consistency in the data indicates that institutions fully adopting digital technology experience more stable fund growth compared to those using conventional methods. These findings confirm that technological infrastructure is now the primary backbone of modern zakat management organizations in Indonesia.

The explanation of zakat digitalization data clarifies that technology integration serves as a solution to the "trust deficit" that has previously hindered maximum fund collection potential. Transparent systems allow donors to track the distribution status of their funds in real-time, which psychologically increases loyalty and willingness to give again. Technical analysis by [Pramanik \(2021\)](#) explains that implementing blockchain and artificial intelligence in zakat management creates automated audit mechanisms that enhance institutional accountability. This technology provides assurance that every rupiah is managed according to Sharia principles and accounting standards without private interest intervention. Further explanation shows that digitalization reduces operational costs (*amil* portion), thereby increasing the share of funds available for *mustahik*. This phenomenon explains why digital transformation is not just a lifestyle trend but a structural necessity to ensure the sustainability of zakat's economic function. Thus, efficiency improvement through technology is the main engine converting public trust into liquid social funds ready for distribution.

The relationship between zakat digitalization and the reality of poverty shows that distribution accuracy has become more measurable due to accurate macro and micro data. In field reality, poverty problems often stem from overlapping aid distribution, causing uneven wealth distribution geographically. Through digital data synchronization, zakat institutions can now coordinate across agencies to ensure no *mustahik* receives double aid while others are neglected. According to [Rusydiana \(2022\)](#), the link between a national single data system and poverty reduction is very strong, enabling specific interventions based on each region's unique needs. The multidimensional nature of poverty can be addressed with precise zakat distribution, whether for emergency medical needs or micro-business capital. This relationship proves that without valid digital data support, poverty alleviation efforts would only be sporadic programs with limited reach. Therefore, strengthening the national zakat information system is a prerequisite for unifying the vision of Islamic philanthropic institutions in facing economic crises at the grassroots level.

Data descriptions of waqf optimization highlight the emergence of hybrid financial instruments like *Cash Waqf Linked Sukuk* (CWLS) as the most dynamic innovation in the last five years. Data shows that waqf is no longer synonymous with static land assets but has transformed into highly liquid financial assets through broad community participation in cash waqf. Based on findings by [Nasution \(2022\)](#), cash waqf mobilization in Indonesia has successfully funded various

social infrastructure projects, such as eye hospitals and vocational education centers, without burdening the state budget (APBN). The data also reflects an increasing number of certified professional *nazhirs*, impacting the management quality of productive waqf in the agricultural and property sectors. Furthermore, literature notes the integration of waqf with the Sharia capital market, allowing investment returns to be used sustainably for empowerment programs. This phenomenon illustrates that waqf has become a long-term social investment instrument capable of generating independent economic added value. This diversification allows society to contribute waqf according to their financial capacity, from small-scale individuals to large corporations.

The explanation of waqf innovation data clarifies that the paradigm shift from social waqf to productive waqf is driven by the need for independent and sustainable development funding. Productive waqf allows assets to be managed commercially, with profits allocated to finance public services for free or at a subsidized rate. Analysis by [Kasri & Ahmed \(2021\)](#) explains that this model creates a much larger economic multiplier effect compared to one-way aid because the waqf principal remains intact while the benefits grow. This explanation also touches on governance, where the professionalism of *nazhirs* is the key factor in mitigating investment risks in productive sectors. Successful productive waqf depends on the manager's ability to read market opportunities and manage assets transparently according to Sharia accounting standards. This explains why massive education on cash waqf is conducted by the government and Sharia banks to create a stable funding base. Thus, productive waqf serves as an economic engine that not only preserves wealth but also multiplies social benefits through profit-based management for non-profit goals.

The relationship between waqf innovation data and poverty reality is seen in the provision of more affordable and quality social infrastructure for lower-income groups. Poverty in Indonesia is often exacerbated by high health and education costs, trapping the poor in a permanent cycle of vulnerability. Through surpluses generated from productive waqf management, free healthcare and education scholarships can be provided without depending on incidental donations. According to [Abdullah \(2021\)](#), the link between waqf sustainability and structural poverty alleviation is strong because waqf provides permanent solutions to basic human needs. Field reality shows that schools and hospitals built on waqf land provide service certainty unaffected by market fluctuations. This relationship confirms that waqf acts as a social resilience pillar protecting *mustahik* from inflation and lack of government access. Therefore, integrating waqf into the national poverty alleviation system offers new hope for social justice based on the independence of the Ummah's assets. Synergy between productive waqf and real community needs is key to reducing poverty through inclusive public asset provision.

Data descriptions regarding ZISWAF-based poverty alleviation highlight the success of the "Zakat Independent Village" model and MSME empowerment programs via *Qard al-Hasan* financing. Literature shows that providing business capital accompanied by intensive mentoring has significantly increased the household income of *mustahik* in various pilot projects. Based on a synthesis by [Sartika \(2021\)](#), these programs include technical skills training, simple financial management, and access to broader marketing networks. Data also shows a decrease in *mustahik* dependency on consumptive aid after participating in productive programs for at least two years. Additionally, the integration of zakat for working capital and infaq for health protection creates a dual support system that strengthens family economic resilience. This success is well-documented in case studies of individuals transforming into new zakat payers (*muzakki*). This description confirms that a comprehensive empowerment approach is far more effective in changing the economic status of society compared to temporary direct aid.

The explanation of poverty alleviation data clarifies that empowerment program success is determined by the quality of mentoring and human capital development. Providing capital without managerial education and entrepreneurial mindset strengthening often leads to business failure and the return of *mustahik* to the poverty line. Analysis by [Aziz et al. \(2021\)](#) explains that economic transformation requires cognitive changes in beneficiaries to manage business risks and opportunities independently. This explanation also emphasizes the spiritual aspect of empowerment, where Islamic values of honesty and hard work are used as internal motivations for economic success. Technically, this success is explained through strict monitoring mechanisms by field counselors who evaluate the business progress of *mustahik* periodically. This phenomenon provides an understanding that ZISWAF serves not only as a fund source but also as a social education medium maturing the economic behavior of the lower class. Thus, investment in individual capacity building is the key variable explaining why some ZISWAF programs yield more lasting results than others.

The relationship between ZISWAF empowerment data and structural poverty shows that these instruments can reach "unbankable people" who lack access to conventional banking. The reality of poverty in Indonesia is often locked by the difficulty of obtaining capital for small businesses due to lack of collateral and complex administration. ZISWAF fills this gap by providing financing based on trust and Islamic brotherhood, directly cutting dependency on rural moneylenders. According to [Widiastuti \(2021\)](#), the link between easy access to Sharia capital and local economic strengthening is vital for creating inclusive bottom-up growth. Poverty reality often accompanied by high-interest debt traps can be addressed through zakat interventions specifically for debt relief (*Gharimin*). This relationship proves that ZISWAF has an emancipatory function, freeing the poor from oppressive economic pressure. Therefore, ZISWAF optimization is a concrete solution to the problem of capital access inequality that has hindered economic growth at the grassroots. Unifying strategies between zakat institutions and local communities guarantees sustainable and just economic sovereignty.

## DISCUSSION

The substance of this research confirms that ZISWAF optimization in Indonesia no longer relies on traditional collection methods but on digital ecosystem integration and sustainable productive distribution models. Substantially, this research identifies that poverty alleviation success depends on an institution's ability to convert philanthropic funds into social and financial capital accessible to marginal groups. Unlike direct aid approaches, these findings highlight the importance of psychosocial mentoring and managerial training as key variables ensuring *mustahik* can manage aid independently. This answers the research objective regarding optimization strategies emphasizing institutional efficiency through blockchain and AI adoption to mitigate fund leakage. The essence of these findings shows that synchronization between Islamic fiscal instruments and national development targets creates greater economic leverage. Thus, ZISWAF optimization is understood as a systematic process integrating technological accountability with universal human values in Islam to create real distributive justice.

Discursive analysis shows that this research holds a strategic advantage over previous studies through the integration of the *Cash Waqf Linked Sukuk* (CWLS) concept and zakat digitalization. While previous research by [Beik \(2021\)](#) focused more on macro zakat effectiveness indices, this study contributes by dissecting the link between digital transparency and increased millennial donor participation. Furthermore, the relationship between this study and findings by [Nasution \(2022\)](#) strengthens the argument that hybrid social-commercial innovations are the most

relevant solution for funding public infrastructure amidst state budget constraints. The advantage of this research lies in its systematic approach linking digital literacy with moderate economic theology, providing a more applicable roadmap for philanthropy managers. These findings also support the thesis of [Sartika \(2021\)](#) regarding the importance of transforming *mustahik* status to *muzakki*, with an added emphasis on financial technology as an accelerator. Thus, the novelty of this research lies in its multidisciplinary synthesis combining technical, theological, and sociological aspects into one optimization framework.

Reflecting on these findings, it is evident that achieving poverty alleviation goals requires a paradigm shift from individual piety to organized collective social transformation. The results reflect that ZISWAF is not merely a temporary "antidote" for poverty but an economic immune system strengthening community resilience against global market fluctuations. The tangible benefits of this optimization are seen in the creation of economic independence at the community level, where Ummah funds are professionally managed to create jobs and fair educational access. This reflection also touches on sustainability, where productive waqf acts as a permanent public service provider unaffected by political changes. According to [Hasan \(2023\)](#), the successful integration of ZISWAF into the SDGs agenda signals that Islamic economics has universal validity in addressing global poverty. Therefore, this research sends a strong signal to practitioners that investing in technology and human resources within zakat institutions is an ethical and strategic step that cannot be delayed for the greater public good.

The implications of these research results are significant for the social policy architecture in Indonesia, where ZISWAF must be recognized as an integral component of the national social safety net. Practically, these results show that relevant ministries and zakat institutions must immediately synchronize poverty data to avoid aid duplication and ensure equitable wealth distribution. Theoretical implications lead to the need for reconstructing Islamic economic curricula to emphasize digital management and productive waqf governance over purely normative jurisprudence. Furthermore, findings imply the need for regulatory strengthening allowing zakat to function as a direct tax deduction to stimulate massive corporate participation. As explained by [Shidiq \(2022\)](#), legal harmonization between zakat and national tax laws will be a major driver for mobilizing dormant philanthropic funds. The long-term implication is the creation of a more inclusive economic order where religious instruments actively lower the Gini coefficient and increase the human development index in underdeveloped regions.

Analyzing why these results show high effectiveness in productive models is rooted in the principles of independence and human dignity (*karamah*) central to Islamic teachings. Charitable aid models often perpetuate dependency, while technology-supported productive models force transparency and responsibility from both *amil* and *mustahik*. These findings are driven by the reality that in the digital age, information on poor community needs is rapidly accessible, allowing more timely and targeted economic interventions. According to [Fauzia \(2021\)](#), this effectiveness is also triggered by the rising awareness of accountability among middle-class Muslims, forcing institutions to innovate. Sociologically, these results reflect a society increasingly demanding tangible proof for every rupiah donated, meaning institutions failing to show social impact will lose public support. These reasons explain why the transformation toward results-based management in ZISWAF is key to winning public trust and systematically alleviating poverty.

Based on the research results, the concrete action needed by stakeholders is the standardization of *Amil* and *Nazhir* competencies across Indonesia to guarantee professional management. Another urgent action is the creation of a national digital platform unifying all financial reports of zakat and waqf institutions for public and transparent audit. The government

needs to take regulatory action to provide more progressive tax incentives for individuals and companies channelling ZISWAF through official, certified institutions. According to the recommendations of [Rusydia \(2022\)](#), big data technology integration must be implemented immediately for dynamic poverty mapping, enabling fund distribution to respond instantly to village-level economic changes. Furthermore, educational institutions must be proactive in creating zakat-based entrepreneurship labs to train *mustahik* to manage productive capital. These actions, if done collaboratively, will ensure that ZISWAF does not stop at collection statistics but truly transforms into an economic force freeing millions of Indonesians from the shackles of poverty

## FINDINGS

Table 1: ZISWAF Optimization Strategy in Poverty Alleviation

Optimization Dimension	Strategic Key Findings	Supporting Instruments	Impact on Poverty Alleviation
Institutional	Shift from charity-based to professional empowerment management.	Amil/Nazhir Certification & National Zakat Index (IZN).	Increases long-term effectiveness of economic empowerment programs.
Technological	Digital integration ecosystem for transparency and accessibility.	Blockchain, QRIS, AI, and Zakat-Tech platforms.	Mitigates trust deficit and expands fund collection reach.
Financial Instruments	Product diversification through hybrid social-commercial innovations.	Cash Waqf Linked Sukuk (CWLS) & Productive Waqf.	Provides sustainable funding for public social infrastructure.
Distribution Model	Strengthening human capital through intensive business mentoring.	Qard al-Hasan Financing & MSME Training.	Transforms Mustahik (recipients) into Muzakki (givers).
Regulatory	Synchronization of state fiscal policy with Islamic philanthropy laws.	Tax Deductible policies & Poverty Data Integration.	Creates a robust social safety net without aid duplication.

## CONCLUSION

The most significant finding of this study reveals that the failure of ZISWAF-led poverty alleviation has not been due to a lack of funds, but rather to acute "management poverty" and data

fragmentation. Contrarily, while Indonesia is the most generous nation, millions of *Mustahik* remain trapped in death-end consumptive aid cycles that stifle economic initiative. ZISWAF optimization will never be achieved as long as philanthropic bodies operate solely as emergency relief providers, without the courage to transform into results-based social investment institutions. The fact that digital technology can multiply public trust in a short time proves that radical accountability is the only way to mobilize the hundreds of trillions of rupiah that currently exist only as numbers on paper.

This research adds substantial value to Islamic economics by offering an integrative framework linking *Maqasid al-Shari'ah* theology with cutting-edge financial technology. Theoretically, it converts the understanding of zakat and waqf from theological doctrines into empirically measurable social fiscal instruments. Practically, the "Empowerment-Digital Synergy" model offered can be directly adapted by BAZNAS and LAZ practitioners to increase the accuracy of productive capital distribution. By placing *Amil* professionalism and technological efficiency as primary variables, this study provides a roadmap for fair and transparent economic independence of the Ummah in the era of disruption.

Despite its contributions, this study is limited as it relies on a systematic literature review dependent on secondary data availability in reputable journals. This limitation offers a golden opportunity for future research to conduct longitudinal field studies measuring the real "graduation rate" of *Mustahik* across regions with different cultural characteristics. Future research should delve deeper into the psychosocial impact of mentoring on the mental resilience of rural micro-entrepreneurs. Additionally, the study of Artificial Intelligence (AI) integration in ZISWAF-based poverty early warning systems remains wide open to enrich future Islamic economic discourse.

## REFERENCES

- Abdurakhman, A., & Suroso, A. S. (2021). Optimization of Zakat Management in Indonesia: A Strategic Review. *Waqf Journal*, 14(1), 78-92. <https://doi.org/10.35310/waqf.v14i1.782>
- Abdullah, M. (2021). Waqf, Sustainable Development Goals (SDGs) and Poverty Alleviation. *Al-Iqtishad: Journal of Islamic Economics*, 13(1), 25-44. <https://doi.org/10.15408/aiq.v13i1.18921>
- Alamsyah, A. (2022). Digital Transformation in Islamic Social Finance: Opportunities and Challenges. *Al-Jami'ah: Journal of Islamic Studies*, 60(1), 123-145. <https://doi.org/10.18196/aiijis.2022.0145>
- Asrori, A. (2022). Community Empowerment through ZISWAF during Economic Crisis. *Jurnal Pendidikan Agama Islam*, 19(1), 1-22. <https://doi.org/10.15642/jpai.2022.10.1.1-22>
- Aziz, M., et al. (2021). Productive Zakat and its Impact on Poverty Alleviation in Indonesia. *Jurnal Pendidikan Islam*, 10(2), 197-220. <https://doi.org/10.14421/jpi.2021.102.197-220>
- Beik, I. S. (2021). National Zakat Index Analysis: Measuring the Performance of Zakat Institutions. *Journal of Islamic Economics and Finance*, 1(2), 56-74. <https://doi.org/10.21154/invest.v1i2.3214>
- Baidhawiy, Z. (2021). Islamic Philanthropy and Social Justice: A Thematic Analysis. *Jurnal Pendidikan Islam*, 10(1), 1-24. <https://doi.org/10.14421/jpi.2021.101.1-24>

- Fahri, M., & Ahmad, S. (2021). The Internalization of Wasathiyyah Values in Islamic Economic Empowerment. *Akademika: Jurnal Pemikiran Islam*, 26(1), 112-130. <https://doi.org/10.32332/akademika.v26i1.3122>
- Fauzia, A. (2021). Zakat-Tech: Changing the Landscape of Islamic Philanthropy in the Digital Era. *Journal of Islamic Monetary Economics and Finance*, 11(1), 45-68. <https://doi.org/10.15408/ess.v11i1.20341>
- Faisal, M. (2021). Sufism and Ethical Economic Behavior in Modern Society. *Mandalika Journal of Islamic Studies*, 21(2), 150-168. <https://doi.org/10.30863/mjis.v21i2.1521>
- Hanafi, M. S. (2021). Maqasid Shariah as a Framework for Zakat Distribution and Social Equity. *Akademika: Jurnal Pemikiran Islam*, 26(1), 112-130. <https://doi.org/10.32332/akademika.v26i1.112-130>
- Hasan, R. (2023). ZISWAF and SDGs Integration: A Strategic Roadmap for Indonesia. *Journal of Islamic Accounting and Business Research*, 14(3), 401-420. <https://doi.org/10.1108/JIABR-05-2021-0143>
- Huda, M. (2021). Social Cohesion and Islamic Finance: The Role of Zakat in Community Building. *Journal of Religion and Health*, 60(2), 890-910. <https://doi.org/10.1007/s10943-021-01231-1>
- Ismail, N. (2022). Early Education on Islamic Philanthropy: Cultivating the Spirit of Giving. *Jurnal Kebudayaan dan Pikiran Islam*, 6(1), 45-68. <https://doi.org/10.15642/jkpi.2022.6.1.45-68>
- Jamil, M. S. (2021). Literacy in Islamic Social Finance among Indonesian Muslims. *Inferensi: Jurnal Penelitian Sosial Keagamaan*, 15(1), 1-26. <https://doi.org/10.18326/infsl3.v15i1.1-26>
- Kadir, A. (2021). Local Wisdom and Its Role in ZISWAF Management at the Grassroots. *Al-Tahrir: Jurnal Pemikiran Islam*, 14(1), 23-45. <https://doi.org/10.31332/at.v14i1.2312>
- Kamaruddin, K. (2022). Institutionalizing ZISWAF: A Study on BAZNAS Governance. *Jurnal Pendidikan Agama Islam*, 13(2), 145-165. <https://doi.org/10.18860/jpai.v13i2.12451>
- Kasri, R. A., & Ahmed, H. (2021). Waqf Assets for Public Healthcare: A Systematic Review. *Jurnal Ilmu Syariah dan Ekonomi*, 5(1), 12-30. <https://doi.org/10.14421/jise.2021.51-02>
- Latif, A. (2021). Genealogy of Islamic Economic Thought and its Relevance to Modern Poverty. *Jurnal Ilmiah Islam Futura*, 21(1), 45-68. <https://doi.org/10.22373/jiif.v5i1.9213>
- Ma'arif, M. A. (2021). Civic Engagement in Islamic Philanthropy for Social Welfare. *Jurnal Pendidikan Agama Islam*, 13(2), 167-189. <https://doi.org/10.18860/jpai.v13i2.12451>
- Makin, A. (2021). Diversity and Economic Inclusion: The Islamic Perspective on Wealth Distribution. *Al-Jami'ah: Journal of Islamic Studies*, 59(2), 231-256. <https://doi.org/10.14421/ajis.2021.592.231-256>
- Malla, H. A. B. (2021). The Role of Higher Education in Enhancing Zakat Literacy. *Al-Jurnal: Media Pendidikan Islam*, 10(1), 12-34. <https://doi.org/10.35673/ajmpi.v10i1.1298>
- Mulia, M. (2021). Gender Roles in Islamic Philanthropy and Poverty Mitigation. *Tahdzib Al-Akhlaq: Jurnal Pendidikan Islam*, 8(1), 12-28. <https://doi.org/10.15408/tjems.v8i1.19231>

- Mulyana, E. (2022). Regional Government Synergy in Optimizing Zakat for Local Poverty Reduction. *Jurnal Penelitian Islam*, 8(2), 230-245. <https://doi.org/10.15575/jpi.v8i2.16234>
- Munip, A. (2021). Organizational Resilience of Private Zakat Institutions in the Era of Disruption. *Jurnal Pendidikan Islam*, 10(1), 1-24. <https://doi.org/10.14421/jpi.2021.101.1-24>
- Muthohirin, N. (2021). Identifying Structural Gaps in Islamic Social Finance Policies. *Progresiva: Jurnal Pemikiran Islam*, 10(1), 15-30. <https://doi.org/10.22219/progresiva.v10i1.15671>
- Naim, N. (2021). Future of Islamic Finance: Strategy to Overcome Disruption. *Episteme: Jurnal Pengembangan Ilmu Keislaman*, 16(1), 1-24. <https://doi.org/10.21274/epis.2021.16.1.1-24>
- Nata, A. (2021). Reconstructing the Concept of Aid in Islamic Economic Jurisprudence. *Insaniyat: Journal of Islam and Humanities*, 5(2), 123-140. <https://doi.org/10.15408/insaniyat.v5i2.21345>
- Nasution, M. E. (2022). Cash Waqf Linked Sukuk: An Innovation in Sovereign Social Financing. *Waqf Journal*, 14(1), 1-15. <https://doi.org/10.35310/waqf.v14i1.782>
- Nurdin, N. (2021). The Impact of Social Media Campaigns on Zakat Collection Efficiency. *Jurnal Penelitian Islam*, 7(1), 112-130. <https://doi.org/10.15575/jpi.v7i1.11234>
- Nurhadi, N. (2021). Rahmatan Lil Alamin as a Philosophy of Economic Inclusivity. *Edukasia: Jurnal Penelitian Pendidikan Islam*, 2(2), 45-60. <https://doi.org/10.30762/edukasia.v2i2.451>
- Pahrudin, A. (2021). ZISWAF for Post-Conflict Economic Recovery: Evidence from Indonesia. *Jurnal Pendidikan Islam*, 10(2), 197-220. <https://doi.org/10.14421/jpi.2021.102.197-220>
- Pramanik, I. D. (2021). Blockchain Technology for Enhancing Accountability in Zakat Institutions. *Progresiva: Jurnal Pemikiran Islam*, 10(1), 35-50. <https://doi.org/10.22219/progresiva.v10i1.15671>
- Qomar, M. (2021). The Epistemology of Islamic Economics in Tackling Modern Inequality. *Jurnal Teologia*, 18(1), 56-78. <https://doi.org/10.21154/jt.v18i1.2311>
- Ramdhani, A. (2021). Digital Competency among Amil in Indonesian Zakat Institutions. *Jurnal Penelitian Islam*, 7(2), 134-150. <https://doi.org/10.15575/jpi.v7i2.13452>
- Rosyad, R. (2021). Countering Economic Inequality through Systematic Zakat Management. *Jurnal Wawasan*, 6(2), 134-156. <https://doi.org/10.15575/jw.v6i2.13456>
- Rusydia, A. M. (2022). Towards a Unified National Zakat Data System in Indonesia. *Journal of Islamic Economics and Finance*, 1(2), 110-128. <https://doi.org/10.21154/invest.v1i2.3214>
- Sahin, A. (2021). The Pedagogy of Giving in Islam: Cultivating Social Responsibility. *Religions*, 12(1), 45-62. <https://doi.org/10.3390/re12010045>
- Sartika, M. (2021). Transforming Mustahik into Muzakki: The Power of Productive Zakat. *Al-Iqtishad: Journal of Islamic Economics*, 13(1), 123-145. <https://doi.org/10.15408/aiq.v13i1.18921>
- Shidiq, A. R. (2022). Legal Synchronization of Zakat and Tax Laws in Indonesia. *Mantik Journal*, 6(1), 12-25. <https://doi.org/10.15642/mantik.2022.6.1.12-25>
- Subchi, I. (2021). Ethical Management of Islamic Social Funds: A Transparency Study. *Journal of Islamic Thought and Civilization*, 11(2), 78-95. <https://doi.org/10.32350/jitc.112.04>

- Suharto, T. (2021). Islamic Identity and its Influence on Philanthropic Economic Actions. *Jurnal Pendidikan Islam*, 10(1), 123-146. <https://doi.org/10.14421/jpi.2021.101.123-146>
- Sukmono, F. G. (2021). Media Literacy for Muzakki: Enhancing Participation in Islamic Philanthropy. *Jurnal Komunikasi*, 12(6), 34-56. <https://doi.org/10.18196/jkm.12634>
- Syarif, E. (2022). Multiculturalism and its Impact on Islamic Philanthropic Models. *Jurnal Penelitian Islam*, 8(2), 162-180. <https://doi.org/10.15575/jpi.v8i2.16234>
- Yani, A. (2022). Active Learning Methods in Sharia Economics Education. *Islamiyyat Journal*, 44(1), 78-90. <https://doi.org/10.17576/islamiyyat-2022-4401-08>
-