

## **Regulating Palm Oil Zakat In Indonesia: Islamic Legal Politics, Normative Fragmentation, and the Quest for Legal Certainty**

**Zulkifli Nas**

Universitas Islam Negeri Sumatera Utara, Indonesia

*Alamat: Jl. William Iskandar Ps. V, Medan Estate, Kec. Percut Sei Tuan, Kab. Deli Serdang, Sumatera Utara, Indonesia*

Email: zulkiflinas@uinsu.ac.id

**Anju Syahrin Marpaung**

University of Al-Azhar Cairo, Egypt

*Alamat : Al Mokbaym Al Daem, Gameat al Azhar, Cairo Governorate 4434103, Egypt*

Email: anjusyahrinmarpaung@gmail.com

**Abstract:** Palm oil is one of Indonesia's most strategic commodities, contributing significantly to national income and sustaining millions of rural livelihoods. Despite its substantial economic value, palm oil has not been systematically regulated as a zakatable asset, resulting in low compliance and limited contribution to national zakat collection. This article examines the regulation of palm oil zakat in Indonesia through the lens of Islamic legal politics by analyzing three normative domains: classical Islamic jurisprudence (fiqh), national zakat legislation, and regional fatwas issued by Islamic legal authorities. Employing normative legal research with statutory, conceptual, comparative fiqh, and Islamic legal politics approaches, this study reveals that palm oil zakat occupies an ambiguous legal position due to the absence of explicit regulation and the coexistence of competing juristic interpretations. While classical fiqh provides divergent doctrinal foundations, Indonesian zakat law adopts a generalized approach, and regional fatwas intensify legal pluralism by issuing conflicting rulings. This normative fragmentation undermines legal certainty, weakens zakat compliance among palm oil producers, and limits zakat's redistributive potential. The article argues that palm oil zakat should be understood not merely as a doctrinal fiqh issue but as a product of Islamic legal politics requiring normative harmonization. It contributes to the literature by conceptualizing palm oil zakat as a case of regulated Islamic philanthropy shaped by legal and political authority and proposes policy-oriented recommendations for regulatory unification through coordinated roles of the state, zakat institutions, and Islamic scholars.

**Keywords:** Palm oil zakat; Islamic legal politics; zakat regulation; legal pluralism; Indonesia

## Introduction

Indonesia is currently the world's largest producer and exporter of palm oil, supplying more than one-third of global vegetable oil demand and generating substantial foreign exchange earnings annually.<sup>1</sup> The palm oil sector plays a central role in Indonesia's national economy and sustains millions of smallholder farmers and rural households, making it one of the most economically significant agricultural industries in the country.<sup>2</sup> As such, palm oil represents a form of productive wealth with considerable redistributive potential, particularly within the framework of Islamic economic principles that emphasize social justice and equitable wealth distribution.<sup>3</sup>

In Islamic law, zakat is a mandatory religious obligation that functions simultaneously as an act of worship and a socio-economic instrument aimed at preventing wealth concentration and alleviating poverty (Al-Quran 9: 103). Classical Islamic jurists and contemporary scholars alike have emphasized that zakat is not merely a ritual duty but a structural mechanism designed to achieve distributive justice and social solidarity.<sup>4</sup> Yusuf al-Qaradawi, for instance, identifies zakat as one of the most effective institutional instruments for addressing systemic poverty and economic inequality in Muslim societies.<sup>5</sup> Despite this normative importance, zakat has yet to realize its full potential in many Muslim-majority countries, including Indonesia, particularly in sectors with high economic value such as palm oil plantations.

Data published by Indonesia's National Zakat Board (Badan Amil Zakat Nasional, BAZNAS) indicate that national zakat collection remains heavily dependent on zakat derived from income and individual wealth, while contributions

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<sup>1</sup> FAO, *FAOSTAT Statistical Database* (Rome: Food and Agriculture Organization of the United Nations, 2023).

<sup>2</sup> John McCarthy and Rob Cramb, "Policy Narratives, Landholder Engagement, and Oil Palm Expansion in Indonesia," *Geographical Journal* 175, no. 2 (2009): 112–123.

<sup>3</sup> Masudul Alam Choudhury, *Islamic Economics and Finance: An Epistemological Inquiry* (Bingley: Emerald, 2011), 87–90.

<sup>4</sup> Timur Kuran, "Islamic Redistribution through Zakat," *Journal of the Economic and Social History of the Orient* 48, no. 3 (2005): 275–311.

<sup>5</sup> Yusuf al-Qaradawi, *Fiqh al-Zakah*, trans. Monzer Kahf (Jeddah: Scientific Publishing Centre, 1999), 37–40.

from agricultural and plantation sectors are relatively marginal.<sup>6</sup> This discrepancy is striking given the scale and profitability of Indonesia's palm oil industry and suggests that the problem extends beyond mere non-compliance. Rather, it points to deeper legal and institutional issues concerning the normative status, regulatory clarity, and governance of plantation-based zakat, especially palm oil zakat.

Academic studies on zakat in Indonesia generally fall into three major categories. The first category focuses on zakat governance and management, examining issues such as institutional efficiency, accountability, and the impact of zakat distribution on poverty reduction.<sup>7</sup> While these studies offer valuable insights into operational challenges, they often pay limited attention to the doctrinal and legal foundations that determine which assets are subject to zakat. The second category consists of jurisprudential studies that analyze classical fiqh debates on zakat al-zurū' wa al-thimār (zakat on agricultural produce) and zakat al-tijārah (zakat on commercial assets), highlighting differences among the Sunni schools of law.<sup>8</sup> Although these works provide a rich doctrinal background, they rarely engage with contemporary plantation commodities such as palm oil, which differ significantly from the agrarian products discussed in classical texts. The third category examines zakat regulation within modern nation-states, emphasizing the role of law and public policy in shaping zakat institutions and practices.<sup>9</sup> However, this literature often treats zakat regulation as a unified legal framework and tends to overlook internal normative conflicts arising from divergent juristic interpretations and fatwas.

As a result, palm oil zakat remains largely absent from focused academic inquiry, despite its economic significance and normative relevance. Where palm oil is mentioned, it is typically subsumed under general discussions of agricultural or plantation zakat without systematic analysis of its unique characteristics as a capital-intensive, market-oriented commodity.<sup>10</sup> Moreover, existing studies rarely examine how the interaction between classical jurisprudence, state legislation, and religious authority shapes the legal status and implementation of palm oil zakat in practice.

An empirical overview of Indonesia's palm oil sector further reinforces the normative urgency of addressing palm oil zakat within Islamic legal discourse. In

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<sup>6</sup> Badan Amil Zakat Nasional, *Laporan Kenangan BAZNAS* (Jakarta: BAZNAS, 2022).

<sup>7</sup> Monzer Kahf, "Zakah Management in Some Muslim Societies," *Islamic Economic Studies* 1, no. 1 (1993): 1–38.

<sup>8</sup> Wahbah al-Zuhayli, *Al-Fiqh al-Islami wa Adillatuhu* (Damascus: Dar al-Fikr, 2008), 732–740.

<sup>9</sup> Abdullahi Ahmed An-Na'im, *Islam and the Secular State* (Cambridge, MA: Harvard University Press, 2008), 118–121.

<sup>10</sup> Didin Hafidhuddin, *Zakat dalam Perekonomian Modern* (Jakarta: Gema Insani, 2002), 145–148.

2024, Indonesia's combined crude palm oil (CPO) and palm kernel oil (PKO) production reached approximately 52.76 million tons, despite experiencing a contraction compared to previous years.<sup>11</sup> This decline reflects structural challenges in plantation productivity and market pressures; however, domestic consumption increased significantly, reaching approximately 23.86 million tons in the same year, indicating that palm oil continues to play a central role in Indonesia's domestic economy beyond its export orientation. Projections for 2025–2026 suggest that national palm oil production will remain substantial at around 47 million tons, driven in part by the expansion of mandatory biodiesel policies, particularly the B40 program.<sup>12</sup> Furthermore, the total harvested area of oil palm plantations remained extensive at an estimated 14.17 million hectares, underscoring the massive scale of land-based productive wealth associated with this commodity.<sup>13</sup>

This economic scale significantly amplifies the normative stakes of zakat regulation. A commodity that generates tens of millions of tons of output annually and occupies millions of hectares of cultivated land represents a substantial form of productive wealth (*al-māl al-mustanmī*) that cannot be normatively ignored within a *maqāṣid al-sharī'ah* framework. The persistence of regulatory ambiguity surrounding palm oil zakat becomes particularly problematic when contrasted with the sector's magnitude and socio-economic significance, as illustrated by the data presented in Table 1. The absence of explicit legal classification for palm oil within Indonesia's zakat framework therefore does not merely reflect doctrinal caution, but constitutes a policy gap with tangible implications for wealth redistribution, poverty alleviation, and social justice—core objectives of zakat in Islamic law.<sup>145</sup>

From a regulatory perspective, Indonesia has enacted two major statutes governing zakat: Law No. 38 of 1999 on Zakat Management and its successor, Law No. 23 of 2011. These laws significantly expand the scope of zakatable assets beyond classical categories by including income, services, and various forms of productive wealth.<sup>15</sup> Nevertheless, the legislation regulates zakat objects in broad and abstract terms and does not explicitly address palm oil or other plantation-based commodities. This regulatory silence creates interpretive uncertainty and grants

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<sup>11</sup> Palm Oil Magazine, "Indonesia's Palm Oil Production Declines, Pressuring Exports," *Palm Oil Magazine*, March 20, 2025, reporting 2024 production figures.

<sup>12</sup> United States Department of Agriculture (USDA), "Indonesia: Oilseeds and Products Annual," USDA Foreign Agricultural Service, 2025.

<sup>13</sup> Council of Palm Oil Producing Countries (CPOPC), *Palm Oil Industry Overview*, 2025.

<sup>14</sup> Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law: A Systems Approach* (London: International Institute of Islamic Thought, 2008), 55–60.

<sup>15</sup> Law of the Republic of Indonesia No. 23 of 2011 on Zakat Management.

substantial discretionary power to zakat administrators and religious authorities in determining whether palm oil should be classified as agricultural zakat, commercial zakat, or excluded from zakat obligations altogether.<sup>16</sup>

The ambiguity surrounding palm oil zakat is further exacerbated by divergent fatwas issued by regional Islamic legal institutions. For example, the Indonesian Council of Ulama (Majelis Ulama Indonesia, MUI) of North Sumatra has ruled that palm oil is subject to zakat as a form of agricultural produce, emphasizing its economic value and productive nature.<sup>17</sup> In contrast, the Aceh Ulama Consultative Assembly (Majelis Permusyawaratan Ulama Aceh, MPU Aceh) has declared that palm oil is not subject to zakat due to the absence of explicit textual evidence, recommending voluntary charity instead.<sup>18</sup> These contradictory rulings reflect deeper methodological disagreements concerning the scope of zakatable assets, the applicability of classical agrarian categories to modern plantation economies, and the role of analogical reasoning (*qiyās*) and public interest (*maṣlaḥah*) in contemporary Islamic legal reasoning.<sup>19</sup>

Such normative fragmentation has significant legal and social consequences. Palm oil producers—particularly smallholders—are confronted with inconsistent and often conflicting legal guidance, undermining legal certainty and weakening compliance with zakat obligations. From a broader perspective, this fragmentation diminishes the effectiveness of zakat as a redistributive instrument and hampers state efforts to integrate zakat into national strategies for poverty alleviation and social welfare.<sup>20</sup> The issue thus transcends doctrinal disagreement and enters the domain of Islamic legal politics, where legal norms are shaped by interactions between religious authority, state regulation, and socio-economic interests.<sup>21</sup><sup>8</sup>

Despite the growing body of literature on Islamic philanthropy and zakat governance, no existing study has systematically examined palm oil zakat as a problem of Islamic legal politics characterized by normative fragmentation across classical *fiqh*, statutory law, and fatwa authority. This constitutes a clear research gap. Previous studies tend either to analyze zakat from a purely doctrinal perspective

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<sup>16</sup> Salim Farrar, “Accommodating Islamic Law in a Secular Legal System,” *Asian Journal of Comparative Law* 9, no. 2 (2014): 245–270.

<sup>17</sup> Majelis Ulama Indonesia Provinsi Sumatera Utara, Fatwa No. 30/Kep/MUI-SU/XII/2004.

<sup>18</sup> Majelis Permusyawaratan Ulama Aceh, Fatwa No. 9 Tahun 2013.

<sup>19</sup> Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence* (Cambridge: Islamic Texts Society, 2003), 265–270.

<sup>20</sup> Frank Vogel, *Islamic Law and Legal System* (Leiden: Brill, 2000), 136–140.

<sup>21</sup> Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law* (London: IIIT, 2008), 97–101.

without engaging state law, or to focus on regulatory frameworks without addressing juristic contestation and legal pluralism within Islamic law. Consequently, the political and legal dynamics that shape the regulation—or lack thereof—of palm oil zakat remain insufficiently explored.

This article seeks to fill that gap by addressing four interrelated research questions: How is palm oil zakat conceptualized within classical Islamic jurisprudence?. How does Indonesian zakat legislation regulate—or fail to regulate—palm oil zakat?. How do regional fatwas contribute to normative fragmentation in palm oil zakat regulation?, and what are the implications of this fragmentation for legal certainty and zakat governance in Indonesia?

The central argument advanced in this article is that palm oil zakat should be understood not merely as a doctrinal fiqh issue but as a product of Islamic legal politics involving the interaction of religious authority, state regulation, and socio-economic realities. The absence of explicit regulation and the coexistence of conflicting normative frameworks have produced a fragmented legal landscape that undermines legal certainty and weakens zakat's redistributive function. By situating palm oil zakat within the broader discourse on Islamic legal politics, this study contributes to the literature in three ways: first, by conceptualizing palm oil zakat as a form of regulated Islamic philanthropy shaped by political and institutional authority; second, by demonstrating how legal pluralism within Islamic law can hinder regulatory effectiveness in a modern nation-state; and third, by offering policy-oriented recommendations for normative harmonization aimed at strengthening zakat governance and compliance.

## Research Methodology

This study employs a normative legal research methodology aimed at examining the legal status, regulatory construction, and normative fragmentation of palm oil zakat within the framework of Islamic law and Indonesian positive law. Normative legal research is appropriate for this study because the primary issue addressed is not empirical compliance behavior or quantitative zakat collection outcomes, but rather the coherence, certainty, and authority of legal norms governing zakat obligations.<sup>22</sup>

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<sup>22</sup> Peter Mahmud Marzuki, *Legal Research: An Introduction* (Jakarta: Kencana, 2005), 35–37.

In Islamic legal studies, normative research treats law as a prescriptive system of norms that guides conduct and allocates rights and obligations.<sup>23</sup> Zakat, although rooted in religious doctrine, functions in Indonesia as a semi-public legal obligation institutionalized through state regulation. Accordingly, this research situates zakat at the intersection of religious normativity and public law, making normative legal analysis both methodologically and substantively relevant.

This research adopts four complementary approaches. First, a statutory approach is employed to analyze Indonesian zakat legislation, particularly Law No. 38 of 1999 on Zakat Management and Law No. 23 of 2011 along with their implementing regulations. This approach seeks to identify how the state conceptualizes zakatable assets, whether plantation commodities are legally recognized, and to what extent palm oil is explicitly or implicitly regulated within the statutory framework.<sup>24</sup>

Second, a conceptual approach is used to examine key zakat concepts such as *zakat al-ḥurūʿ wa al-thimār* (agricultural zakat), *zakat al-tijārāh* (commercial zakat), *niṣāb*, and *ḥawl*. These concepts are analyzed to distinguish between classical juristic categorizations and modern legal classifications adopted by the state.<sup>25</sup> This approach allows the study to uncover conceptual mismatches that contribute to regulatory ambiguity in palm oil zakat.

Third, a comparative fiqh approach is applied to analyze divergent juristic positions among the four Sunni schools of law regarding agricultural and commercial zakat. Classical Hanafī, Maliki, Shafīʿi, and Hanbali texts are examined to identify the methodological bases (*uṣūl al-fiqh*) underlying each school's position on zakatable commodities.<sup>26</sup> This comparison is essential because palm oil is not explicitly mentioned in classical sources, making its zakat status dependent on analogical reasoning (*qiyās*) and juristic expansion of normative categories.

Fourth, the study employs an Islamic legal politics approach (*siyāsah sharʿiyyah*) to analyze the interaction between juristic authority, state regulation, and socio-economic interests. This approach conceptualizes Islamic law not merely as a body of doctrine but as a product of institutional authority and policy choices within

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<sup>23</sup> H.L.A. Hart, *The Concept of Law*, 2nd ed. (Oxford: Oxford University Press, 1994), 79–81.

<sup>24</sup> Law of the Republic of Indonesia No. 23 of 2011 on Zakat Management.

<sup>25</sup> Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence* (Cambridge: Islamic Texts Society, 2003), 315–320.

<sup>26</sup> Wahbah al-Zuhayli, *al-fiqh al-Islamī wa adillatuhu*, vol. 2 (Damascus: Dar al-Fikr, 2008), 740–755.

a modern nation-state.<sup>27</sup> Through this lens, palm oil zakat is examined as part of Islamic public law shaped by welfare objectives, regulatory pragmatism, and legal pluralism.

The legal materials used in this study consist of primary, secondary, and tertiary sources. Primary sources include the Qur'an, Hadith, classical fiqh manuals, Indonesian legislation, and official fatwas issued by the Indonesian Council of Ulama (MUI) and regional ulama councils. Secondary sources comprise peer-reviewed international journal articles and authoritative academic monographs on Islamic law, zakat governance, and comparative legal studies. Tertiary sources include official reports and policy documents related to zakat administration.

Data analysis is conducted through qualitative normative analysis and content analysis, focusing on identifying normative inconsistencies, regulatory gaps, and competing legal authorities.<sup>28</sup> This method enables the study to explain why palm oil zakat remains legally fragmented and how normative harmonization may be achieved within Indonesia's Islamic legal framework.

## Result and Discussion

### Palm Oil Zakat in Classical Islamic Jurisprudence

The discussion of palm oil zakat within classical Islamic jurisprudence faces a fundamental methodological challenge, as palm oil was unknown during the formative period of Islamic law. Consequently, its zakat status cannot be determined through explicit textual evidence (*naṣṣ*), but must rely on analogical reasoning (*qiyās*) and interpretive expansion of existing zakat categories.<sup>29</sup>

Classical jurists primarily addressed agricultural zakat under the category of *zakat al-ṣurū' wa al-thimār*, based on Qur'anic injunctions commanding believers to give the due right of crops at the time of harvest (Qur'an 6:141; Qur'an 2:267). These injunctions establish the normative obligation of zakat on agricultural produce but do not specify an exhaustive list of crops subject to zakat, leaving room for juristic interpretation.

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<sup>27</sup> Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law* (London: IIT, 2008), 123–128.

<sup>28</sup> Lawrence M. Friedman, *The Legal System: A Social Science Perspective* (New York: Russell Sage Foundation, 1975), 16–19.

<sup>29</sup> Frank E. Vogel, *Islamic Law and Legal System* (Leiden: Brill, 2000), 45–47.



The Maliki school adopts a restrictive approach, limiting agricultural zakat to storable staple food crops explicitly mentioned in prophetic traditions, such as wheat, barley, dates, and raisins.<sup>30</sup> This textualist approach prioritizes explicit Hadith evidence and excludes non-food and industrial crops from zakat obligations. Under this framework, palm oil—being a non-staple crop requiring industrial processing—would not qualify as an object of agricultural zakat.

The Shafi'i and Hanbali schools adopt a slightly broader yet still restrictive approach, requiring that crops be edible, storable, and measurable to qualify for zakat.<sup>31</sup> These criteria reflect a subsistence-oriented agrarian economy and render modern plantation commodities such as palm oil legally problematic within classical doctrinal boundaries.

In contrast, the Hanafi school advances the most expansive interpretation, holding that all economically valuable products extracted from the land through human effort are subject to zakat, regardless of whether they are staple foods.<sup>32</sup> This interpretation is grounded in a general reading of Qur'anic language referring to "what We bring forth from the earth," interpreted inclusively rather than restrictively.<sup>33</sup> From a Hanafi perspective, palm oil qualifies as a zakatable agricultural product due to its high economic value and land-based production.

However, even the Hanafi framework does not provide detailed guidance on calculating zakat for capital-intensive, long-cycle plantation crops integrated into global commodity markets.<sup>34</sup> This doctrinal gap underscores the limits of classical fiqh in addressing modern economic realities without supplementary ijtihād and regulatory intervention.

## **B. The Politics of Zakat Regulation in Indonesian Law**

The regulation of zakat in Indonesia reflects a gradual transformation from community-based religious practice to a state-recognized legal institution. During the early post-independence period, zakat management was left entirely to religious communities without formal legal intervention.<sup>35</sup> This approach shifted following

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<sup>30</sup> Ibn Rushd, *Bidayat al-Mujtahid*, (Beirut: Dar al-Kutub al-'Ilmiyyah, 2004), 1: 245–247.

<sup>31</sup> Al-Nawawi, *Al-Majmu' Sharh al-Muhadhdhab* (Beirut: Dar al-Fikr, 1997), 5:378–382.

<sup>32</sup> Al-Kasani, *Bada'i al-Sana'i* (Beirut: Dar al-Kutub al-'Ilmiyyah, 1986), 2:10–12.

<sup>33</sup> Kamali, *Principles of Islamic Jurisprudence*, 333.

<sup>34</sup> Monzer Kahf, "Zakah and Its Contemporary Applications," *Islamic Economic Studies* 15, no. 2 (2007): 1–25.

<sup>35</sup> M.B. Hooker, *Indonesian Islam* (Honolulu: University of Hawai'i Press, 2003), 92–95.

political reform in the late 1990s, as the state began to integrate zakat into its broader social welfare agenda.

When contextualized against the empirical realities of Indonesia's palm oil industry, the regulatory silence of Law No. 23 of 2011 on palm oil zakat assumes heightened legal significance. Despite the law's broad recognition of plantation outputs as zakatable assets, it fails to explicitly classify palm oil, even though the sector produced over 52 million tons in 2024 and continues to expand its domestic utilization through bioenergy policies.<sup>36</sup> This legislative indeterminacy has effectively shifted interpretive authority to decentralized fatwa institutions, resulting in divergent normative outcomes across regions. In a sector of such economic magnitude, legal pluralism without institutional coordination risks generating normative disorder rather than constructive diversity, thereby weakening zakat's potential role as a public instrument of socio-economic redistribution.<sup>37</sup>

Law No. 38 of 1999 marked the first comprehensive statutory framework for zakat management, recognizing zakat as a religious obligation with socio-economic implications.<sup>38</sup> However, the law provided only a general definition of zakatable assets and did not engage substantively with sector-specific commodities such as plantation products.

The enactment of Law No. 23 of 2011 significantly expanded the scope of zakatable assets to include agriculture, plantations, forestry, fisheries, mining, industry, income, and services. This expansion represents a form of legislative *ijtihad*, aligning zakat law with contemporary economic structures. Nonetheless, the law remains silent on palm oil specifically, creating interpretive ambiguity.

This regulatory silence reflects a political-legal strategy that balances inclusivity with deference to religious authority. By avoiding explicit categorization, the state preserves harmony with diverse juristic opinions but simultaneously generates legal uncertainty.<sup>39</sup> As a result, palm oil zakat remains subject to divergent interpretations by zakat institutions and regional ulama councils.

From the perspective of Islamic legal politics, this condition illustrates how zakat regulation in Indonesia operates within a pluralistic legal environment where

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<sup>36</sup> Palm Oil Magazine, "Indonesia's Palm Oil Production Declines, Pressuring Exports."

<sup>37</sup> Abdullahi Ahmed An-Na'im, *Islam and the Secular State: Negotiating the Future of Shari'a* (Cambridge, MA: Harvard University Press, 2008), 121–125.

<sup>38</sup> Law of the Republic of Indonesia No. 38 of 1999 on Zakat Management.

<sup>39</sup> Salim Farrar, "Accommodating Islamic Law in a Secular Legal System," *Asian Journal of Comparative Law* 9, no. 2 (2014): 255–260.

state law, fiqh doctrine, and fatwa authority coexist without hierarchical resolution.<sup>40</sup> This fragmentation weakens legal certainty and undermines zakat's redistributive potential, particularly in economically significant sectors such as palm oil plantations.

### **Fatwas on Palm Oil Zakat and the Problem of Legal Pluralism**

In the absence of explicit statutory regulation, fatwas issued by religious authorities play a decisive role in determining the practical implementation of palm oil zakat in Indonesia. Fatwas function as normative legal opinions that guide Muslim compliance, particularly in areas where state law remains silent or indeterminate.<sup>41</sup> Within Indonesia's pluralistic Islamic legal landscape, fatwas are issued not only by the Indonesian Council of Ulama (Majelis Ulama Indonesia, MUI) at the national level but also by regional ulama councils whose opinions carry significant local authority.<sup>42</sup>

One of the most influential fatwas supporting the obligation of palm oil zakat was issued by the MUI of North Sumatra, which categorizes palm oil as a zakatable agricultural commodity due to its substantial economic value and productive nature.<sup>43</sup> This fatwa adopts a purposive (*maqāṣid-based*) reasoning, emphasizing the social justice objectives of zakat rather than strict textual classification. By framing palm oil as a form of productive wealth analogous to agricultural produce, the fatwa reflects an expansive interpretive approach consistent with Hanafi jurisprudence and contemporary Islamic economic thought.<sup>44</sup>

Conversely, the Aceh Ulama Consultative Assembly (Majelis Permusyawaratan Ulama Aceh, MPU Aceh) issued a fatwa declaring that palm oil is not subject to zakat because it lacks explicit textual evidence (*dahil ṣarīḥ*) in classical sources.<sup>45</sup> The MPU Aceh recommends voluntary charity (*ṣadaqah*) instead of obligatory zakat, reflecting a more conservative interpretive methodology that prioritizes textual certainty over socio-economic considerations. This position aligns more closely with Maliki and Shafi'i restrictive approaches to agricultural zakat.<sup>46</sup>

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<sup>40</sup> Abdullahi Ahmed An-Na'im, *Islam and the Secular State* (Cambridge, MA: Harvard University Press, 2008), 118–121.

<sup>41</sup> Wael B. Hallaq, *Authority, Continuity, and Change in Islamic Law* (Cambridge: Cambridge University Press, 2001), 86–90.

<sup>42</sup> M.B. Hooker, *Indonesian Islam* (Honolulu: University of Hawai'i Press, 2003), 98–102.

<sup>43</sup> MUI North Sumatra, Fatwa No. 30/Kep/MUI-SU/XII/2004.

<sup>44</sup> Yusuf al-Qaradawi, *Fiqh al-Zakah* (Jeddah: Scientific Publishing Centre, 1999), 445–450.

<sup>45</sup> MPU Aceh, Fatwa No. 9 of 2013.

<sup>46</sup> Ibn Rushd, *Bidayat al-Mujtahid* (Beirut: Dar al-Kutub al-Ilmiyyah, 2004), 1:246–248.

These contradictory fatwas illustrate a classic manifestation of Islamic legal pluralism, where multiple authoritative interpretations coexist without a clear mechanism for resolution. Legal pluralism in Islamic law is not inherently problematic; historically, it has been a source of flexibility and adaptability.<sup>47</sup> However, within the context of a modern nation-state that seeks legal certainty and uniform policy implementation, such pluralism can generate regulatory fragmentation and undermine compliance.<sup>48</sup>

For palm oil producers, particularly smallholders operating across provincial boundaries, divergent fatwas create confusion regarding their legal obligations. In regions where palm oil zakat is deemed obligatory, producers may face moral and institutional pressure to comply, while in neighboring regions they may be told that no such obligation exists. This inconsistency weakens zakat's normative authority and reduces its potential as a redistributive instrument.<sup>49</sup>

From the perspective of Islamic legal politics, the persistence of conflicting fatwas reflects unresolved tensions between decentralized religious authority and centralized state governance.<sup>50</sup> The state's reluctance to assert normative supremacy in zakat regulation leaves fatwa institutions operating autonomously, resulting in a fragmented legal order where religious norms vary spatially rather than being integrated into a coherent national framework.

#### **D. Toward Normative Harmonization: Integrating Fiqh, Fatwa, and State Law**

The fragmentation of palm oil zakat regulation raises a fundamental question: how can normative coherence be achieved without undermining the pluralistic nature of Islamic law? This study argues that normative harmonization, rather than uniformity, offers a viable solution. Normative harmonization refers to the process of aligning diverse legal norms through shared objectives, institutional coordination, and policy-oriented interpretation.<sup>51</sup>

A maqāṣid al-sharī'ah approach provides a strong theoretical foundation for such harmonization. Contemporary scholars argue that zakat should be interpreted

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<sup>47</sup> Frank E. Vogel, *Islamic Law and Legal System* (Leiden: Brill, 2000), 52–55.

<sup>48</sup> Abdullahi Ahmed An-Na'im, *Islam and the Secular State* (Cambridge, MA: Harvard University Press, 2008), 121–125.

<sup>49</sup> Monzer Kahf, "Zakah and Its Role in Poverty Alleviation," *Islamic Economic Studies* 8, no. 2 (2000): 1–24.

<sup>50</sup> Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law* (London: IIIT, 2008), 133–136.

<sup>51</sup> Mohammad Hashim Kamali, "Harmonization of Shariah and Civil Law," *Islamic Law and Society* 11, no. 1 (2004): 67–70.

primarily as an instrument for achieving social justice, poverty alleviation, and equitable wealth distribution. From this perspective, excluding economically significant commodities such as palm oil from zakat obligations contradicts the very objectives that zakat seeks to realize.<sup>52</sup>

Normative harmonization does not require abandoning classical fiqh but rather contextualizing it through *ijtihad al-maqāṣid*, which allows juristic principles to respond to modern economic realities.<sup>53</sup> This approach legitimizes the extension of zakat obligations to new forms of wealth while maintaining continuity with Islamic legal tradition. In the case of palm oil, harmonization may be achieved by classifying it as *zakat al-māl al-mustanmi* (zakat on productive wealth), rather than forcing it into rigid agricultural or commercial categories.<sup>54</sup>

Institutionally, harmonization requires stronger coordination between the state and religious authorities. The Indonesian zakat framework already recognizes the central role of BAZNAS as the national zakat authority.<sup>55</sup> However, BAZNAS lacks explicit normative guidance regarding palm oil zakat, limiting its capacity to standardize practice. A ministerial regulation or BAZNAS guideline explicitly addressing plantation zakat would provide much-needed legal clarity while respecting juristic diversity.<sup>56</sup>

Comparative experience from other Muslim-majority countries supports this approach. In Malaysia, for example, zakat on plantation commodities is regulated through state-level Islamic enactments that integrate fiqh principles with administrative guidelines, resulting in higher compliance and legal certainty.<sup>57</sup> Indonesia could adopt a similar model by issuing national guidelines that accommodate local implementation while establishing minimum normative standards.

## Conclusion

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<sup>52</sup> Timur Kuran, "Islamic Redistribution through Zakat," *Journal of the Economic and Social History of the Orient* 48, no. 3 (2005): 300–305.

<sup>53</sup> Kamali, *Principles of Islamic Jurisprudence*, 363–368.

<sup>54</sup> Monzer Kahf, "Contemporary Zakat Management," *Islamic Economic Studies* 15, no. 2 (2007): 12–15.

<sup>55</sup> Law No. 23 of 2011 on Zakat Management.

<sup>56</sup> Salim Farrar, "Accommodating Islamic Law in a Secular Legal System," *Asian Journal of Comparative Law* 9, no. 2 (2014): 262–265.

<sup>57</sup> Mohamed Aslam Haneef, *Contemporary Islamic Economic Thought* (Kuala Lumpur: IIUM Press, 2015), 214–217.

This article has demonstrated that the legal status of palm oil zakat in Indonesia cannot be adequately understood through a purely doctrinal fiqh analysis or a formal reading of statutory law alone. Instead, palm oil zakat constitutes a problem of Islamic legal politics, emerging from the interaction between classical jurisprudence, state regulation, and decentralized fatwa authority. The study shows that while classical Islamic law provides normative foundations for zakat as a mechanism of social redistribution, it does not offer explicit guidance for modern plantation-based commodities such as palm oil, which operate within capital-intensive, industrial, and market-oriented economic structures.<sup>58</sup>

The analysis of classical fiqh reveals that only the Hanafi school offers a sufficiently expansive doctrinal basis to include palm oil within the scope of zakatable assets, whereas Maliki, Shafi'i, and Hanbali approaches remain largely restrictive due to their reliance on subsistence-oriented agricultural criteria.<sup>59</sup> However, even Hanafi jurisprudence does not provide operational rules for calculating zakat on plantation commodities integrated into global supply chains, highlighting the structural limits of classical doctrine when applied to contemporary economic realities.<sup>60</sup> This doctrinal indeterminacy necessitates modern *ijtihad* that goes beyond textual analogy and incorporates policy-oriented reasoning grounded in the objectives of Islamic law.

From a regulatory perspective, Indonesian zakat legislation reflects a partial modernization of zakat law. The expansion of zakatable assets under Law No. 23 of 2011 signifies a legislative effort to align Islamic legal obligations with contemporary economic forms.<sup>61</sup> Nevertheless, the law's failure to explicitly address palm oil has resulted in a regulatory vacuum that shifts normative authority to fatwa institutions. This condition has enabled diverse and often contradictory fatwas to emerge at the regional level, producing legal uncertainty for zakat payers and administrators alike.<sup>62</sup>

The coexistence of conflicting fatwas on palm oil zakat exemplifies Islamic legal pluralism in practice. While legal pluralism has historically contributed to the adaptability of Islamic law, this study finds that, within the context of a modern nation-state, uncoordinated pluralism can undermine legal certainty and weaken the effectiveness of zakat as a redistributive instrument.<sup>63</sup> For palm oil producers—

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<sup>58</sup> Wael B. Hallaq, *Authority, Continuity, and Change in Islamic Law* (Cambridge: Cambridge University Press, 2001), 88–92.

<sup>59</sup> Ibn Rushd, *Bidayat al-Mujtabid* (Beirut: Dar al-Kutub al-Ilmiyyah, 2004), 1:245–248.

<sup>60</sup> Monzer Kahf, "Zakah and Its Contemporary Applications," *Islamic Economic Studies* 15, no. 2 (2007): 1–10.

<sup>61</sup> Law of the Republic of Indonesia No. 23 of 2011 on Zakat Management.

<sup>62</sup> M.B. Hooker, *Indonesian Islam* (Honolulu: University of Hawai'i Press, 2003), 98–103.

<sup>63</sup> Frank E. Vogel, *Islamic Law and Legal System* (Leiden: Brill, 2000), 52–56.

particularly smallholders operating across different jurisdictions—divergent religious guidance erodes normative clarity and reduces compliance, thereby limiting zakat’s potential contribution to poverty alleviation and social welfare.<sup>64</sup>

The central contribution and novelty of this study lie in its argument that palm oil zakat should be reconceptualized not merely as a contested fiqh issue, but as a matter of normative governance requiring harmonization between religious interpretation and state policy. By applying the framework of Islamic legal politics, this article demonstrates that regulatory silence is itself a political choice that redistributes normative authority from the state to decentralized religious actors, with significant consequences for legal coherence.<sup>65</sup>

Normative harmonization, rather than rigid unification, emerges as the most viable pathway forward. A *maqāṣid al-sharī‘ah*-based approach provides a compelling normative framework for such harmonization by prioritizing social justice, poverty reduction, and equitable wealth distribution as the primary objectives of zakat.<sup>66</sup> Within this framework, palm oil can be classified as productive wealth (*al-māl al-mustanmi*) subject to zakat obligations without forcing it into outdated agricultural or commercial categories.<sup>67</sup> This approach preserves continuity with Islamic legal tradition while allowing adaptive responses to modern economic conditions.

At the institutional level, greater coordination between the state and religious authorities is essential. Strengthening the normative role of national zakat institutions such as BAZNAS through authoritative guidelines or implementing regulations would enhance legal certainty while still accommodating juristic diversity at the interpretive level.<sup>68</sup> Comparative experiences from other Muslim-majority countries indicate that such coordination can increase compliance and improve zakat governance without undermining religious legitimacy.<sup>69,12</sup>

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<sup>64</sup> Timur Kuran, “Islamic Redistribution through Zakat,” *Journal of the Economic and Social History of the Orient* 48, no. 3 (2005): 300–305.

<sup>65</sup> Abdullahi Ahmed An-Na‘im, *Islam and the Secular State* (Cambridge, MA: Harvard University Press, 2008), 121–125.

<sup>66</sup> Jasser Auda, *Maqasid al-Shariah as Philosophy of Islamic Law*, 55–60.

<sup>67</sup> Monzer Kahf, “Contemporary Zakat Management,” *Islamic Economic Studies* 15, no. 2 (2007): 12–15.

<sup>68</sup> Salim Farrar, “Accommodating Islamic Law in a Secular Legal System,” *Asian Journal of Comparative Law* 9, no. 2 (2014): 262–265.

<sup>69</sup> Mohamed Aslam Haneef, *Contemporary Islamic Economic Thought* (Kuala Lumpur: IIUM Press, 2015), 214–220.

In conclusion, palm oil zakat represents a critical test case for the capacity of Islamic law in Indonesia to respond to structural economic transformation. When framed within a coherent normative and regulatory framework, palm oil zakat holds significant potential to transform one of the country's most profitable industries into an effective instrument of social redistribution. Realizing this potential requires not doctrinal rigidity, but a deliberate integration of classical jurisprudence, maqāṣid-oriented reasoning, and state-led legal coordination within Indonesia's pluralistic Islamic legal order.

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