

Optimizing Productive Zakat for Economic Empowerment: Evidence from BAZNAS Microfinance Models

Optimizing Productive Zakat for Economic Empowerment

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ABSTRACT

Economic empowerment through zakat has become increasingly important to reduce poverty and promote social welfare in muslim communities. This study aims to analyze the optimization of productive zakat as an instrument for empowering the Muslim community's economy through the paradigm transformation from consumptive zakat to productive zakat, using BAZNAS Microfinance as a case study. A qualitative-normative approach was employed, combining theological and empirical analyses. Data were collected through in-depth interviews, observations, and literature review, focusing on three BAZNAS microfinance models: village, mosque, and religious study group. Thematic interpretation (*tafsir maudhū'i*) of Qur'anic verses and hadiths on zakat was conducted, considering *asbābun nuzūl*, *asbābul wurūd*, *mufrad* and *ijmaly* meanings, and *munasabah* to reveal the normative dimension of Islamic economic empowerment. Findings show that productive zakat significantly fosters *mustahik* economic independence through sharia-based microfinance, entrepreneurship training, and ongoing mentoring. Although the effectiveness of each model varies with social context and institutional support, all contribute positively to improving recipients' welfare. The study concludes that optimizing productive zakat is both an economic strategy and a fulfillment of *maqāsid al-syarī'ah*, particularly in preserving wealth (*hifzh al-māl*) and promoting public welfare (*masalah 'ammah*).

Keywords: BAZNAS Microfinance, Consumptive Zakat, Economic Empowerment, *Maqāsid al-Syarī'ah*, Productive Zakat.

INTRODUCTION

Zakat is an Islamic economic instrument that upholds social justice and balances wealth distribution, functioning not only as a financial worship with spiritual dimensions but also as a mechanism for collective welfare. The Prophet Muhammad (peace be upon him) emphasized that zakat purifies wealth and the soul, as stated in Surah At-Taubah (9:103), 'Take alms from their wealth, that you may purify and sanctify them thereby,' highlighting both the vertical obligation (*hablun min Allāh*) and the social purpose of creating economic balance (*hablun min an-nās*). In Indonesia, zakat distribution is still dominated by a consumptive pattern, addressing short-term needs such as food,

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education, and social assistance, which, while helpful, do not sustainably improve *mustahik* welfare and may foster dependency (Al-Ayubi et al., 2018; Harahap, 2022). In contrast, productive zakat actualizes the values of *maqāṣid al-syarī'ah*, particularly *hifz al-māl* (protection of wealth) and *hifz al-nafs* (preservation of life), by utilizing funds as business capital and tools for economic empowerment.

The dominance of consumptive zakat distribution is also evident in Wahyudi et al. (2021), who found that the public primarily perceives zakat as short-term social assistance rather than a tool for sustainable economic empowerment. This underscores the need to shift the zakat paradigm from mere distribution to an instrument of economic development. Islamic economic development theory emphasizes that prosperity (*falāh*) is achieved when resources move beyond consumptive distribution toward productive value creation. Chapra (2008) and Rezeki et al. (2023) further highlight that the success of Islamic economics depends on integrating economic efficiency with social justice, positioning productive zakat as a bridge between spirituality and economic pragmatism. In line with Putnam's (2015) social capital theory, economic empowerment requires trust, social networks, and collective norms, meaning zakat institutions like the National Amil Zakat Agency (*Badan Amil Zakat Nasional/BAZNAS*) not only collect and distribute funds but also facilitate social capital formation in *mustahik* communities.

Criticism of stagnant zakat practices highlights that traditional management often treats zakat merely as a consumptive instrument, limiting its potential for economic empowerment (Ulum & Aziz, 2025). This approach calls for institutional reform and a shift toward productive zakat to effectively strengthen the ummah's economy. Within the framework of *maqāṣid al-syarī'ah*, as developed by *al-Syatibi* and recontextualized by scholars like Jasser Auda, productive zakat should be viewed as a tool for structural economic reform (Zaprul Khan, 2018). Rather than solely redistributing wealth, zakat can serve as a mechanism for social reconstruction, enabling *mustahik* to transition from aid recipients to empowered economic actors. This reflects *al-tamkīn al-iqtisādī* (economic empowerment) aligned with the principles of *takāful ijtīmā'i* (social solidarity).

BAZNAS, as the state's official zakat institution, has operationalized productive zakat through the BAZNAS Microfinance program (Herianingrum et al., 2024; Puspita et al., 2024). This program consists of three main models: Mosque, Village, and Religious Study Group, each differing in institutional structure and community empowerment approach. The mosque-based model leverages spiritual capital and congregational trust, the village model capitalizes on local economic potential and integration with village-owned enterprise (*Badan Usaha Milik Desa/BUMDes*), while the religious study group model targets women's groups and religious activities for economic learning. Despite these efforts, challenges remain, including limited business assistance, low Islamic financial literacy, and weak impact evaluation (Asya'bani et al., 2025; Efendi, 2025). Following microfinance sustainability principles by Armendáriz and Morduch (2010), integrating financial viability with social outreach can enable BAZNAS Microfinance to achieve both institutional sustainability and enhanced welfare for *mustahik*, positioning it as a promising model of Islamic microfinance.

In addition to economic and institutional considerations, the theological dimension of productive zakat is essential. Integrating *asbābun nuzūl*, the reasons for the revelation of verses, and *asbābul wurūd*, the reasons for the emergence of hadiths, demonstrates that zakat instructions were revealed in a social context demanding economic justice and equitable wealth distribution. For instance, the verses on zakat in Surah At-Taubah (9:60) addressed the widening gap between the Muhajirin and the Anshar, while the Prophet's hadiths encouraged empowerment of the poor through livestock, agriculture, and trade, showing that zakat has had a productive dimension since its inception.

Therefore, productive zakat is not a modern innovation but a realization of classical Islamic values adapted to contemporary contexts. Shifting from consumptive to productive zakat requires theological reinterpretation, institutional restructuring, and reinforcement of Islamic development theory. This study analyzes the optimization of

productive zakat as a tool for empowering the Muslim community's economy through BAZNAS Microfinance, examining three main models, assessing their effectiveness, and proposing strategies for sustainability. Ultimately, optimizing productive zakat should prioritize economic justice, independence, and sustainable development, measuring success not by funds distributed but by its ability to transform recipients' social and economic conditions from consumption to production, from receiving to empowerment, and from dependence to independence.

LITERATURE REVIEW

The Concept of Productive Zakat and the Transformation from Consumptive Zakat

Zakat is an important instrument in Islam for the redistribution of wealth and economic empowerment of the community. Traditionally, zakat is given to meet the basic needs of *mustahik*, known as consumptive zakat. Consumptive zakat is short-term in nature and only addresses daily needs without providing a sustainable economic impact. From a modern perspective, this concept is considered ineffective in empowering *mustahik* in the long term (Arif et al., 2024). To achieve lasting empowerment, zakat must be channeled productively, supporting entrepreneurial activities and skill development. This approach not only alleviates poverty but also fosters self-reliance and broader economic growth within the community.

Conversely, productive zakat is directed towards improving the economic capacity of *mustahik* through business capital, investment in productive businesses, or entrepreneurship training. With this approach, zakat is not merely financial assistance, but an instrument of economic empowerment that can increase the independence of *mustahik* and their contribution to the community's economy. Sugiono and Huda (2025) states that productive zakat, when combined with business training and mentoring, can create an economic multiplier effect, in stark contrast to consumptive zakat, which is temporary in nature. Syamsuri and Utami (2024) add that productive zakat can be implemented through several models, including providing business capital to MSMEs, supporting agricultural production tools, or investing in creative industries. This approach emphasizes economic sustainability for *mustahik*, enabling productive zakat to serve not just as immediate assistance but as a long-term socio-economic investment that fosters self-reliance and continuous community development.

The Role of Productive Zakat in Empowering the Economy of the Ummah

Productive zakat has been proven to play a crucial role in improving the economic welfare of *mustahik* by increasing their income and contributing to poverty reduction. Semmawi et al. (2024) demonstrate that the provision of productive zakat, when combined with structured business management training, significantly enhances recipients' financial outcomes compared to traditional consumptive zakat. Through this approach, zakat recipients do not merely receive capital as temporary assistance; they also gain essential skills and knowledge to manage their businesses effectively and sustainably. This empowerment enables *mustahik* to transform into independent economic actors, capable of making informed decisions, expanding their enterprises, and generating consistent income. Over time, productive zakat thus fosters self-reliance, strengthens entrepreneurial capacity, and contributes to broader socio-economic development within the community.

In addition, productive zakat also has an impact on the empowerment of MSMEs and communities. Purwitasri and Mutafarida (2024) emphasize that productive zakat plays a role in supporting the Sustainable Development Goals (SDGs) because, in addition to improving the welfare of *mustahik*, productive zakat helps local economic growth and job creation. Community-based empowerment programs through productive zakat have proven to be more effective because *mustahik* are guided to manage capital, build businesses, and form independent business networks. Humaidah and Rahim (2024) add that community-based empowerment models not only increase the economic capacity of

zakat recipient families but also build socio-economic integration within the community. Continuous mentoring and training are key factors in the success of this program.

Transformation of Consumptive Zakat to Productive Zakat

The transformation from consumptive zakat to productive zakat represents a crucial strategy for empowering the economic capacity of the Muslim community. Unlike consumptive zakat, which primarily addresses immediate and short-term needs such as basic food, education allowances, or emergency assistance, productive zakat equips *mustahik* with the tools, knowledge, and resources needed to achieve economic independence and self-sufficiency. Prayudi and Misdawita (2023) demonstrated that this shift significantly contributed to poverty reduction, as *mustahik* were able to generate sustainable income by developing and managing their own businesses. The success of this transformation relies not only on the provision of initial capital but also on comprehensive support mechanisms, including mentoring, skills training, and business coaching, which help *mustahik* develop the competence and confidence required for long-term entrepreneurial success.

Furthermore, the adoption of a revolving fund system in productive zakat management enhances the sustainability of economic empowerment programs. Under this system, the capital returned by previous recipients can be redistributed to new *mustahik*, ensuring that productive zakat is not limited to a one-time intervention but becomes a continuous cycle of economic opportunity and social improvement. Ridwan and Forijati (2025) argue that such mechanisms create a multiplier effect, fostering community resilience, encouraging entrepreneurship, and gradually strengthening local economies. The paradigm shift from consumptive to productive zakat reflects a more strategic, long-term approach in aligning zakat distribution with the broader objectives of socio-economic justice, empowerment, and sustainable development.

RESEARCH METHODS

This study uses a qualitative-normative approach with an integration of empirical analysis and theological studies to understand the transformation of zakat from consumptive to productive in the context of economic empowerment of the people through the BAZNAS Microfinance program. The qualitative approach was chosen to explore the meanings, experiences, and perceptions of zakat actors (*amil*, *mustahik*, and BAZNAS managers), while the normative approach was used to examine the conceptual foundations of productive zakat through the Qur'an, Hadith, *Asbābun Nuzūl*, and *Asbābul Wurūd*. Primary data was obtained through in-depth interviews, field observations, and documentation in three BAZNAS Microfinance models, namely BAZNAS Microfinance Mosque, Village, and *majelis taklim*, while secondary data was obtained from official BAZNAS documents, scientific literature, tafsir books, and government regulations related to *zakat*.

The analysis was conducted using a thematic interpretation (*maudhū'ī*) method of the relevant Qur'anic verses and Hadiths on zakat. This approach involved examining both the *mufrad* (literal) and *ijmāly* (holistic) meanings of the texts, as well as the interrelationships between verses (*munāsabah*) to extract the underlying theological message concerning the economic empowerment of the *ummah*. Empirically, the study employs a comparative-descriptive analysis to evaluate the three BAZNAS Microfinance models, focusing on institutional arrangements, economic impact, and the effectiveness of empowerment programs. Data analysis was carried out in three stages: reduction, presentation, and conclusion, with triangulation applied to validate findings across multiple sources, ensuring the reliability and depth of the results.

The theoretical framework guiding this study integrates the principles of *maqāṣid al-syarī'ah* as articulated by *al-Syatibi*, Islamic economic theory, and theories of community empowerment, complemented by Islamic microfinance theory (Armendáriz & Morduch, 2010). By combining theological exegesis with empirical comparison, this methodology

allows for a comprehensive understanding of how productive zakat functions not only as a religious obligation but also as a strategic instrument for socio-economic transformation. Furthermore, it highlights the dynamic interplay between normative Islamic teachings and contemporary microfinance practices, offering insights into how zakat can be optimally utilized to promote sustainable development and distributive justice within the Muslim community.

RESULTS

The Transformation of Productive Zakat in BAZNAS Microfinance

The BAZNAS Microfinance Program (BMF) is a concrete example of the transformation from consumptive to productive zakat (Nurrachmi et al., 2025). BMF manages zakat funds using a sharia microfinance approach with the goal of empowering *mustahik*. Institutionally, BAZNAS has developed three innovative models. The first model, BAZNAS Village Microfinance (*BAZNAS Microfinance Desa/BMD*), focuses on economic empowerment based on local potential and synergy with village-owned enterprises (BUMDes). BMD strengthens the village economy by providing financing to farmers, ranchers, and local MSME actors. This model reflects the principles of QS. An-Nahl (16): 97, which states, Whoever does righteous deeds, whether male or female, A good life will surely be granted to them. This verse underlines that productivity and lawful endeavors are forms of blessings in life. BMD leverages cultural proximity and local resources as social advantages, but often faces challenges such as limited financial literacy and access to technology. Therefore, strengthening business digitalization and providing entrepreneurship training remain key priorities for future development.

The second model, BAZNAS Microfinance Mosque (*BAZNAS Microfinance Masjid/BMM*), positions mosques as the economic center of the community, integrating worship, education, and social entrepreneurship. This concept reflects the historical function of mosques during the Prophet's time in Medina, which served as centers for education, consultation, and socio-economic development. The model aligns with the hadith narrated by Muslim, the mosque is a home for every devout person. By making mosques hubs of economic activity, BMM embodies the principle of social benefit, showing that zakat can be a force for driving the congregation's economic welfare. The third model, BAZNAS Microfinance *Majelis Taklim* (BMMT), targets the empowerment of women and religious study groups. Based on participatory economics theory by Albert and Hahnel (2020), small community-based social participation, such as *Majelis Taklim*, is highly effective in fostering economic solidarity. This program integrates spirituality with productive activities, including skills training and sharia-compliant home-based businesses.

Although each model has distinct strengths, BMD excels in region-based community development, BMM in spiritual capital and congregational solidarity, and BMMT in social inclusion and women's empowerment, all share the common goal of fostering economic independence grounded in the values of zakat. In practice, productive zakat under BMF is distributed through revolving capital, entrepreneurship training, and business assistance. This approach aligns with Sharia microfinance theory, which emphasizes that social empowerment forms the foundation of long-term economic sustainability (Obaidullah, 2008; Armendáriz & Morduch, 2010; Chapra, 2016).

BAZNAS Microfinance Program and the Categories of Zakat

An important aspect in evaluating the effectiveness of the BAZNAS Microfinance program is its ability to reach and provide tangible benefits to all eight categories (*aṣnāf*) of zakat recipients as stated in QS. At-Taubah [9]:60. Rather than merely distributing funds to the poor and needy, the program aims to transform them from passive recipients into active economic actors. Through its community-based models, Village, Mosque, and *Majelis Taklim* BAZNAS Microfinance reaches each *aṣnāf* through tailored approaches: the village model strengthens the local economy, the mosque model serves as the spiritual

and social center, and the *majelis taklim* model fosters education and women’s empowerment. Thus, productive zakat through BAZNAS Microfinance represents an integrative strategy connecting worship, social life, and economic empowerment within the Muslim community.

Table 1. BAZNAS Microfinance Program and the Eight Categories (*Aṣnāf*) of Zakat Recipients

No.	Classification (<i>Aṣnāf</i>)	Meaning and Social Conditions	Forms of Involvement in the BAZNAS Microfinance Program
The Destitute	People who have no income or source of livelihood at all.	Become the main recipient of productive <i>zakat</i> and micro business financing programs.	Capital for agricultural businesses, livestock farming, small shops, or community-based home production in BMF villages.
The Poor	People who have an income, but it is not sufficient to meet their basic needs.	Receive additional working capital, entrepreneurship training, and business assistance to upgrade to <i>mustaghni</i> (independent) status.	Graduation program model ‘ <i>Mustahik Naik Kelas</i> ’ (Beneficiaries Move Up a Class) in BMF villages and BMF <i>Majelis Taklim</i> .
<i>Amil</i>	Officials who manage, distribute, and supervise <i>zakat</i> .	Receive professional training, management digitalization, and micro financial monitoring.	<i>Amil</i> becomes a field officer for BMF and a digital beneficiary data manager.
<i>Muallaf</i>	People who have recently converted to Islam need strengthening of their faith and economy.	Be empowered through productive businesses, halal skills training, and spiritual guidance.	Entrepreneurship program for converts with productive <i>zakat</i> capital and Islamic guidance at BMF Mosques.
<i>Riqab</i>	People who are shackled (formerly slaves, now interpreted as those who are economically or socially trapped).	Assisted through interest-free financing to escape debt and economic dependence.	Anti-loan sharking program and free debt assistance for <i>mustahik</i> entangled in haram debt.
<i>Gharim</i>	Individuals are in debt due to basic or social needs.	Receive debt restructuring and new capital based on <i>Qard Hasan</i> for productive businesses.	Debt relief for small traders <i>mustahik</i> with consumer debt.
<i>Fi Sabilillah</i>	Individuals striving on the path of Allah, including preachers, religious teachers, and social activists.	Receive business capital support, training, and economic access as a form of strengthening productive <i>da’wah</i> .	BMF Masjid program for the empowerment of <i>takmir</i> , Quran teachers, and productive <i>santri</i> .
<i>Ibnu Sabil</i>	Travellers or migrants who have run out of provisions during their journey.	Receive business capital assistance or productive economic scholarships.	Startup <i>Santri</i> / Rantau Student program based on sharia microbusiness.

Table 1 shows that the BAZNAS Microfinance Program (BMF) is designed to reach all eight categories of zakat recipients through productive zakat and sustainable Islamic economic empowerment. The poor and needy receive micro-business financing, entrepreneurship training, and mentoring to achieve economic independence (*mustaghni*), while *amil* are strengthened as digital-based professional mentors, enhancing

accountability. *Muallaf*, *riqab*, and *gharim* benefit from *riba*-free financing, capacity building, and socio-economic interventions to overcome structural dependencies such as debt traps. Meanwhile, *asṇāfi sabīlillāh* and *ibnu sabil* gain productive support integrated with da'wah, education, and human resource development. This demonstrates that BAZNAS Microfinance functions not only as a zakat distributor but also as a model for inclusive, transformative, and socially sustainable Islamic economic empowerment (Muslim, 2025).

Challenges in Implementing the BAZNAS Microfinance Program

The BAZNAS Microfinance Program is a key innovation in managing productive zakat in Indonesia, aiming to shift the paradigm from consumptive to productive zakat to strengthen economic independence. Implemented through the Village, Mosque, and *Majelis Taklim* models, it represents a community-based, spiritual, and socio-religious empowerment approach. In practice, the program faces structural, cultural, and technical challenges, including limited human resources, infrastructure, managerial capacity, local culture, Islamic financial literacy, and the sustainability of *mustahik* businesses. Each model has unique constraints: Village Microfinance struggles with economic access and digitalization, Mosque Microfinance faces institutional synergy and functional transformation issues, and *Majelis Taklim* Microfinance requires enhanced women's capacity and business literacy. Understanding these challenges is crucial for designing effective strategies so that productive zakat becomes a sustainable and equitable instrument of economic empowerment.

Table 2. Challenges Implementing BAZNAS Microfinance in Villages, Mosques, & Islamic

Aspects	BAZNAS Village Microfinance	BAZNAS Mosque Microfinance	BAZNAS Microfinance Religious Council
Access and Infrastructure	Limited access to formal finance and digital technology; poor transport and internet infrastructure in rural areas.	Mosque facilities are generally good, but they are not yet equipped with a digital data-based productive economic system.	Limited access to technology; economic activities are often still manual and based on small groups.
Solutions	Strengthening digital village financing and training in Sharia microfinance applications.	Development of a digital mosque financial system (<i>Masjid Smart Finance</i>).	Simple digital literacy training and use of social media for marketing.
Human Resources and Management	Managers lack adequate managerial and Sharia accounting skills.	The mosque management does not yet fully understand the economic function of the mosque.	<i>Majelis taklim</i> administrators are highly motivated, but have minimal business and financial record-keeping experience.
Solutions	Training in Sharia micro-business management; intensive assistance from regional BAZNAS.	Workshops on mosque economics and productive zakat financial accountability.	Training in productive household financial management and involvement of female business mentors.
Culture and Perception of Zakat	Village communities still view zakat as consumptive assistance, not business capital.	Mosque congregations focus on ritual aspects and do not yet see zakat as a potential economic resource for the congregation.	<i>Majelis taklim</i> members view zakat as a means of meeting daily needs, not as a form of long-term empowerment.
Solutions	Education on productive zakat and the development of successful <i>mustahik</i> role models.	Thematic lectures and Friday sermons on congregation economics based on productive zakat.	Regular studies on productive zakat and inspiring success stories of female <i>mustahik</i> .
Assistance and Evaluation	Limited number of assistants; not all businesses are monitored.	Lack of integration between BAZNAS, DKM, and local Islamic financial institutions.	Weak mentoring due to the weekly, rather than daily, nature of <i>majelis taklim</i> activities.

Aspects	BAZNAS Village Microfinance	BAZNAS Mosque Microfinance	BAZNAS Microfinance Religious Council
Solutions	Cluster mentoring system and online reporting based on the BMF application.	Collaboration between institutions: BAZNAS–DKM–BMT.	Flexible mentoring schedule with a community approach and a mutual accountability system.
Fund and Business Sustainability	Revolving <i>zakat</i> funds are difficult to control; many <i>mustahik</i> do not return the capital.	The lack of a standardized mosque financial system causes fund leakage.	Small businesses run by <i>majelis taklim</i> members struggle to survive due to limited markets and weak management.
Solutions	Implementation of a rotating <i>zakat</i> fund and microfinance accountability card.	Establishment of a congregation business unit under the DKM with sharia accounting SOPs.	Incubation of women's micro-enterprises and community-based cooperative financing.
Market Access and Collaboration	Local products find it difficult to penetrate large markets.	Congregation products are not yet organized for collective sales.	Home-based products are difficult to promote due to limited marketing.
Solutions	Collaboration with local e-commerce and <i>pesantren</i> cooperatives.	Mosque marketplace and monthly congregation bazaar.	The ' <i>Majelispreneur</i> ' program and halal branding training.

Table 2 shows that the implementation of BAZNAS Microfinance at the village, mosque, and *majelis taklim* levels faces relatively similar challenges, particularly in relation to limited access to technology, human resource capacity, the perception of zakat as being consumptive, and weak assistance and business sustainability. However, the characteristics of each institutional base require different solution approaches. BAZNAS Microfinance at the village level requires strengthening of digital infrastructure and intensive assistance due to limited access and management, while BAZNAS Microfinance at the mosque level emphasizes optimizing the economic role of mosques through digital financial systems, standardized governance, and institutional collaboration. As for BAZNAS *Majelis Taklim* Microfinance, the social potential and group solidarity are quite strong, but need to be strengthened with financial literacy, women's business incubation, and community-based marketing strategies (Puspita et al., 2024). This table confirms that the success of the BAZNAS Microfinance program is largely determined by the suitability of the intervention design to the social, institutional, and beneficiary capacity context, enabling productive zakat to function more effectively as an instrument for sustainable economic empowerment.

The Role and Impact of Productive Zakat

The Qur'anic perspective emphasizes that zakat in Islam is not merely an act of individual worship but also a comprehensive economic system aimed at building social welfare (Kakar et al., 2022). The primary basis is found in QS. At-Taubah (9): 60, which explains that zakat is intended for the poor, the needy, those who collect it, those whose hearts are to be reconciled, to free slaves, those in debt, for the cause of Allah, and for the wayfarer. This verse was revealed in the social context of the Prophet Muhammad's time, ensuring that zakat reached its intended targets, serving not only as material aid but also as a means to free people from dependence and structural poverty. In a contemporary context, this provides the foundation for productive zakat, aimed at empowering *mustahik* so that they can eventually become self-reliant contributors. QS. At-Taubah (9): 103 further explains that zakat purifies wealth and the soul and brings tranquility to its givers and recipients, as exemplified by the companions who repented and contributed wealth during the Battle of Tabuk. This demonstrates that zakat has spiritual, social, and economic dimensions. The term zakat itself means purification, growth, and blessing, highlighting its dual function in fostering moral and economic development. Moreover, QS. Al-Hashr (59): 7 emphasizes that wealth should not circulate only among the rich, reinforcing zakat as a mechanism of distributive justice. Together, the verses on zakat are

closely related to concepts of hard work, mutual assistance, and the prohibition of hoarding, showing that Islam integrates worship with economic productivity.

From the Hadith perspective, zakat holds the same status as spiritual worship and is a pillar of social balance for Muslims, as stated in the hadith regarding the five pillars of Islam, which include paying zakat alongside prayer (Ahmad et al., 2024). Other prophetic guidance illustrates the productive orientation of zakat, emphasizing that recipients should use it to improve their lives and, if possible, share surplus with others. This guidance arose from instances where companions repeatedly requested zakat, leading the Prophet to stress that zakat is intended to foster independence rather than dependency. Another hadith highlights that zakat *al-maal* should bring long-term benefits, providing a theological basis for productive zakat models like those implemented by BAZNAS Microfinance, reflecting the prophetic spirit in today's socio-economic context.

Conceptually, consumptive zakat provides direct assistance for basic needs such as food, clothing, or health, which is necessary in emergencies but does not induce structural change. Productive zakat, on the other hand, provides business capital, training, and economic facilities to enable *mustahik* to generate sustainable income. According to Islamic economic empowerment theory by Chapra (2008), productive zakat aligns with principles of economic development and economic self-reliance, creating a multiplier effect by increasing the community's economic capacity and building social networks based on justice. Empirical evidence supports this. Beik et al. (2016) found that productive zakat increased *mustahik* income by 40–60% within two years, whereas consumptive zakat only had temporary effects. These findings underscore the necessity of shifting from consumptive to productive zakat to address structural poverty and economic inequality.

DISCUSSION

These findings align with studies on economic empowerment in the micro-business sector, highlighting that strengthening the capacity of business actors is key to economic sustainability. Suharyati and Nobelson (2025) show that the success of micro-enterprise empowerment depends on access to financing, managerial skills, financial literacy, and institutional support. In the context of productive zakat, these results reinforce the argument that zakat used as business capital, accompanied by mentoring, can effectively transform *mustahik* toward sustainable economic independence.

Individually, the Qur'anic terms *infāq* (charity) and *tathhīr* (purification) reflect two key dimensions of zakat: purifying wealth and cleansing the soul, while the overall meaning of the verse emphasizes zakat as a tool for establishing social justice. Productive zakat, therefore, goes beyond providing wealth; it restores the dignity of *mustahik* as productive and empowered economic agents. Empirical evidence confirms that productive zakat strengthens micro-enterprises, increases income, reduces vulnerability, and fosters economic independence when combined with assistance and accountable governance (Rokibullah, 2024). Studies by Aji et al. (2024) and Siregar and Siregar (2023) further highlight its role in promoting economic inclusion and business sustainability, supporting both individual welfare and social justice. Recent evaluations also show that structured, productive zakat models create long-term poverty alleviation impacts and align with sustainable development goals by enhancing *mustahik's* economic independence (Sarif et al., 2024).

The verses on zakat are closely linked to social justice, hard work, and the prohibition of economic exploitation, as seen in QS. Al-Ma'ārij (70): 24–25, which connects zakat with responsibility towards the poor and oppressed. In this context, productive zakat serves not only as a redistribution mechanism but also as a concrete form of Islamic social responsibility that counters exploitative capitalism (Maulina et al., 2023). BAZNAS Microfinance actualizes these values by transforming zakat recipients from passive beneficiaries into active economic participants through training, mentoring, and business capital. Contemporary studies highlight that zakat, when integrated with empowerment programs, drives structural economic empowerment, reduces multidimensional poverty,

and enhances recipients' economic capacity (Sulistiyowati, 2023; Qanita, 2024). This approach strengthens social cohesion, opens access to resources, skills, and business opportunities for disadvantaged groups, and positions productive zakat as a strategic tool to address economic inequality and promote sustainable social transformation.

The three BAZNAS Microfinance models hold significant prospects for expanding the community's economic base but face challenges such as low financial literacy, limited market access, and capital sustainability. Key strategies include digitizing productive zakat management, integrating with local Islamic financial institutions, enhancing the capacity of *amil* and *mustahik* through entrepreneurship training, and strengthening impact evaluation-based monitoring. Such an approach aligns with *maqāṣid al-syarī'ah*, particularly the protection of wealth (*hiḥf al-māl*) and life (*hiḥf al-naḥs*), and enables zakat to become a source of sustainable and equitable economic growth. Integrating productive zakat with Islamic financial instruments such as microfinance, *qard al-hasan*, and profit-and-loss sharing expands access to capital, increases business productivity, and supports poverty alleviation and sustainable development (Saad et al., 2025). Digitization enhances efficiency, transparency, and coverage, allowing real-time monitoring, rapid distribution, and broader donor engagement, while collaboration with waqf and fintech mechanisms strengthens program sustainability and financial inclusion (Hatomono, 2024; Alkhatib & Altarturi, 2025). Intensive mentoring and entrepreneurship training further transform *mustahik* into productive actors, increasing income, business independence, and long-term capital sustainability (Sari & Herviana, 2024). This integrative strategy, combining productive zakat, microfinance, digitalization, and data-based governance, safeguards community wealth and life while strengthening sustainable economic capacity.

The transformation of zakat from consumptive to productive through BAZNAS Microfinance holds significant theological, theoretical, practical, social, strategic, and academic implications. Theologically, productive zakat embodies *maqāṣid al-syarī'ah* by purifying wealth (*tathhīr al-māl*) and preserving life (*hiḥf al-naḥs*), fostering independence (*istiḥnā'*), social awareness, and collective responsibility among Muslims. Theoretically, it contributes to Islamic economics and zakat management, supporting the balance between social justice and economic growth and aligning with Islamic microfinance principles (Ahmad et al., 2023). The three BAZNAS Microfinance models, BMD, BMM, and BMMT, strengthen local economies, spiritual-economic integration, and women's empowerment, transforming zakat administrators into agents of empowerment. Socially and economically, productive zakat increases income, independence, and social mobility from *mustahik* to *muzaki*, reduces poverty, strengthens MSMEs, and enhances sharia financial inclusion (Beik & Arsyianti, 2016; Pamungkas, 2022; Mawardi et al., 2023). Strategically, digitisation, regulation, and multi-sector collaboration expand impact and transparency, positioning productive zakat as a macroeconomic instrument aligned with Islamic Social Finance Ecosystem concepts (Islamic Development Bank/IDB). Academically, this research enriches applied Islamic economics and contemporary fiqh zakat studies, demonstrating the integration of tafsir with economic practice and the relevance of productive zakat for sustainable community development.

CONCLUSION

This study confirms that zakat is not merely a vertical worship instrument (*hablun min Allāh*), but also a socio-economic mechanism with great potential in building the welfare of the people (*hablun min an-nās*). The transformation from consumptive zakat to productive zakat is a necessity in the effort to achieve economic independence for the *mustahik*, as desired by the values of *maqāṣid al-syarī'ah*, particularly in the preservation of wealth (*hiḥf al-māl*) and public interest (*maslahah 'āmmah*). The productive approach means that *zakat* does not stop at giving, but develops into a means of sustainable economic empowerment, with broader and more significant social impacts.

The BAZNAS Microfinance program is a concrete form of optimizing productive zakat, aimed at strengthening the grassroots economy. It operates through three main models: village microfinance, mosque microfinance, and *majelis taklim* microfinance, creating synergy between zakat institutions, religious leaders, and local communities to foster economic transformation. Each model has distinct characteristics: the Village model focuses on agribusiness and local entrepreneurship, the mosque model serves as the center of the congregation's spirituality-based economic activities, and the Majelis Taklim model emphasizes women's empowerment and sharia financial literacy.

The effectiveness of BAZNAS Microfinance's three models is influenced by *mustahik* financial literacy, institutional support, and continuity of business assistance, while challenges include limited follow-up capital, weak post-financing monitoring, and lack of data integration between BAZNAS units. Despite these obstacles, strategies such as zakat digitalization, capacity building for *amil*, and cross-institutional collaboration offer strong prospects for development. Optimizing productive zakat through BAZNAS Microfinance not only provides economic empowerment but also reinforces theological values of justice, solidarity, and independence, shifting zakat from charity to production and from recipient to contributor. Future research could examine long-term impacts of productive zakat on *mustahik* income, explore the integration of digital and sharia financial tools, and assess scalable models for sustainable Islamic social finance.

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