

Dynamics of Productive Zakat Implementation in Empowering MSMEs Mustahik: A Case Study of BAZNAS Palangka Raya City

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Abstract

Productive zakat is an important instrument in empowering Micro, Small, and Medium Enterprises (MSMEs), especially for those entitled to receive aid (mustahik) who face limitations in capital, business facilities, and managerial capacity. However, at the local level, the implementation of the productive zakat program still faces various institutional and operational challenges. This study aims to analyze the dynamics of productive zakat implementation in empowering MSMEs entitled to receive aid through a case study of BAZNAS Palangka Raya City. This study uses a qualitative approach with a case study design. Data were collected through in-depth interviews with BAZNAS managers and beneficiary mustahik, supported by field observations and document analysis. The results show that the implementation of productive zakat in Palangka Raya City is mostly realized through the provision of productive assets, such as business carts, Z-Mart facilities, and MSME tents, which contribute to increasing productive activities and initial income of mustahik. However, program implementation still faces obstacles such as limited human resources, uneven mentoring, and weak post-assistance monitoring, which impacts the sustainability of MSME development. These findings indicate that the implementation of productive zakat still tends to be asset-based and has not been fully integrated with sustainable mentoring and capacity-building mechanisms. Therefore, strengthening institutional capacity and implementing a more comprehensive empowerment approach are crucial to increasing the effectiveness and sustainability of productive zakat programs at the local level.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are a crucial pillar of the Indonesian economy, contributing significantly to job creation, poverty reduction, and strengthening the local economy, including in Palangka Raya City. In recent years, the growth of micro and small enterprises in the city has shown an upward trend and driven economic activity. However, this growth has not been fully accompanied by improvements in business quality and sustainability. Most MSMEs still face structural constraints such as limited access to capital, weak managerial capacity, and low long-term business resilience. These conditions hamper MSMEs' ability to grow and compete sustainably and pose a serious challenge to local economic development. (Junaidi et al., 2025)

In the context of these limitations, socio-religious institutions have a strategic role as government partners in community economic empowerment efforts. One instrument considered effective is productive zakat, which utilizes zakat funds not solely for consumption but also to support the economic activities of those entitled to receive it, enabling them to create sustainable sources of income. Through productive zakat, those entitled to receive it are expected to increase their economic independence and gradually escape poverty. The National Zakat Agency

(BAZNAS), as an official state institution, is mandated to manage, distribute, and utilize zakat, infaq, and alms funds to improve the social welfare of the community.(Fadila, 2025)

In Palangka Raya City, BAZNAS (National Zakat Agency) is implementing a productive zakat program focused on empowering MSME recipients (mustahik). This program includes providing business capital assistance, equipment and work facilities, basic management training, and mentoring in the early stages of business development. Normatively, the program is designed to address capital constraints and increase the productive capacity of recipients (mustahik). However, in practice, the implementation of the MSME empowerment program has not been fully optimal. Limited human resources, variations in the amount of capital assistance tailored to the needs of recipients (mustahik), and differences in the abilities and knowledge of recipients in managing their businesses are factors that influence the program's success.(Junaidi et al., 2025)

Various previous studies have shown that productive zakat has significant potential to improve the welfare and economic independence of those receiving zakat. Several studies confirm that zakat-based empowerment of MSMEs can increase income, expand business scale, and improve the quality of life of beneficiaries. However, other research also reveals that program success is not solely determined by the amount of capital provided, but is also greatly influenced by the quality of mentoring, continuity of development, and the institutional capacity of zakat management organizations to design and implement programs effectively.(Ahmidi, et al., 2025), these findings indicate significant variation in the design and implementation practices of zakat empowerment programs at the local level.

As a zakat institution under the coordination of the local government, BAZNAS Palangka Raya City plays a strategic role in integrating religious values with sustainable development goals. Through its MSME empowerment program, BAZNAS strives to improve the welfare of those who mustahik (recipients of wealth) by providing capital support, training, and business mentoring. This program is not only aimed at meeting short-term economic needs but also at creating long-term economic independence for those who mustahik. However, the implementation of the MSME empowerment program by BAZNAS Palangka Raya City has shown diverse impacts, both positive and negative, on beneficiaries.(Muh. Zulfahnuri Syamsu, Ipandang, 2021)

Although the literature on productive zakat and MSME empowerment continues to grow, most research still focuses on outcomes and general welfare impacts. Studies that in-depth explore the program implementation process, institutional challenges, and the experiences of beneficiaries at the city level are still relatively limited. Therefore, this study aims to fill this gap by exploring the role of the Palangka Raya City BAZNAS (National Zakat Agency) in empowering MSMEs through productive zakat. Using a qualitative case study approach, this research focuses on the dynamics of program implementation, institutional capacity, and the experiences of beneficiaries. It is hoped that this research will provide conceptual and practical contributions to the development of a more effective and sustainable productive zakat program at the local level..

Theoretical basis

Theory of MSME Empowerment

Empowering Micro, Small, and Medium Enterprises (MSMEs) is a strategic approach aimed at increasing the economic, social, and managerial capacity of business actors to enable them to achieve independence and business sustainability.(Susilani & Retnaningdiah, 2024)MSME empowerment is understood as a planned process that includes providing business capital assistance, technical and managerial skills training, and ongoing mentoring. These three elements

complement each other and play a synergistic role in improving business performance and the economic well-being of MSMEs.

In MSME empowerment practices, capital assistance is often positioned as an initial instrument to increase production capacity and business sustainability. However, various studies have shown that financial capital alone is not enough to guarantee the success of mustahik businesses. (Junaidi et al., 2025) showed that the productive zakat-based MSME empowerment program had a positive impact on increasing the income of mustahik when accompanied by managerial training and business mentoring. Similar findings were also expressed by (Ahmidi, et al., 2025), which emphasizes that the success of MSME empowerment programs is greatly influenced by the quality of coaching and ongoing support provided by zakat management institutions. Therefore, the integration of capital assistance, training, and ongoing support is a key factor in increasing the effectiveness of productive zakat-based MSME empowerment.

However, the literature also shows that the effectiveness of MSME empowerment is not always optimal in various contexts. Several studies reveal that the success of empowerment programs is heavily influenced by the institutional capacity of the program implementers, the quality of mentoring, and the continuity of the guidance provided. In some cases, limited human resources for mentors, weak monitoring and evaluation systems, and the lack of program tailoring to the specific needs of beneficiaries are factors that hinder the achievement of empowerment goals. These findings indicate that MSME empowerment is not simply a matter of program design but also closely related to the institution's ability to implement the program effectively and contextually.

Within the framework of Islamic philanthropy, the theory of MSME empowerment becomes highly relevant when linked to the management of productive zakat by zakat institutions. Institutions such as the National Zakat Agency (BAZNAS) not only act as fund distributors but also as empowerment actors responsible for ensuring that zakat funds can drive sustainable economic transformation for those entitled to receive zakat. Therefore, the capital-training-mentoring-based MSME empowerment model can serve as a theoretical framework for analyzing the effectiveness of productive zakat programs, as well as for identifying institutional factors that influence the success or failure of such program implementation at the local level.

Based on this description, the MSME empowerment theory in this study is used as a conceptual foundation to understand how the productive zakat program is designed and implemented, and the extent to which the program is able to increase the economic independence of mustahik. This theory also helps explain the dynamics of the implementation of the MSME empowerment program by BAZNAS Palangka Raya City, particularly in relation to capital support, training quality, and the sustainability of mentoring provided to beneficiaries.

Human Resource Management Theory

Human Resource Management (HRM) is a strategic approach to workforce management that aims to ensure that an organization has competent, productive human resources that are aligned with the organization's vision and mission. (Marniati, 2020) Human Resources (HRM) encompasses a series of processes including workforce planning, organizing, training and development, compensation, performance evaluation, and maintaining harmonious working relationships. These functions are designed to optimize individual and team contributions to achieving organizational goals effectively and sustainably.

In the context of organizations implementing community empowerment programs, such as zakat institutions, the role of human resources (HR) becomes increasingly crucial. Program success is determined not only by the availability of funds or policy design, but also by the quality of the human resources involved in program planning, implementation, and evaluation. The literature shows that limited human resources capacity, particularly in the areas of program mentoring and oversight, often hinders the effectiveness of MSME empowerment. A lack of competent mentors and a weak performance evaluation system can impact the sustainability of beneficiary businesses.

Several previous studies have shown that the quality of human resources has a significant influence on the successful implementation of MSME empowerment programs. Research conducted by (Ahmidi, et al., 2025), found that limited competence of facilitators and a weak monitoring system were the main factors hindering the effectiveness of zakat-based empowerment programs. Similar findings were also conveyed by (Muh. Zulfahnuri Syamsu, Ipendang, 2021), which emphasizes that the success of the mustahik economic empowerment program is greatly influenced by the ability of zakat institution human resources to carry out coaching, monitoring and evaluation of businesses on an ongoing basis.

These studies indicate that ongoing human resource training and development are essential prerequisites for the effectiveness of empowerment programs. Without the support of competent, service-oriented human resources, empowerment programs have the potential to be merely administrative in nature and lack a substantive impact on increasing the economic independence of beneficiaries.

In Islamic philanthropic institutions such as the National Zakat Agency (BAZNAS), the application of human resource management (HRM) principles is a crucial foundation for ensuring that productive zakat programs are run professionally and accountably. Good human resource management enables BAZNAS to have a workforce and program facilitators who not only understand the technical aspects of zakat management but also possess the capacity to provide business development, monitor MSME development, and continuously evaluate program outcomes. Thus, HRM plays a strategic internal role in determining the quality of the implementation of zakat-based MSME empowerment programs.

Based on this perspective, Human Resource Management theory is used in this study as an analytical foundation to understand how human resource capacity and management influence the implementation of the MSME empowerment program by BAZNAS Palangka Raya City. This theory helps explain the relationship between human resource competency, mentoring quality, and the sustainability of the productive zakat program, and serves as a framework for identifying institutional constraints that arise in the program's implementation process at the local level.

Strategic Management Theory

Strategic management is a systematic process that organizations use to formulate, implement, and evaluate strategies to achieve goals effectively, efficiently, and sustainably. (Dewi, 2011), explains that strategic management encompasses three main stages: strategy formulation, strategy implementation, and strategy evaluation. These three stages are interrelated and serve as a framework for organizational decision-making in responding to internal and external environmental dynamics.

In the context of public organizations and philanthropic institutions, strategic management plays a crucial role in ensuring the sustainability of social and economic programs. Strategy formulation enables organizations to identify beneficiary needs, environmental opportunities, and resource limitations. Strategy implementation relates to the organization's ability to coordinate

resources, establish operational policies, and execute programs in accordance with established objectives. Meanwhile, strategy evaluation serves to assess the effectiveness of program implementation and serves as a basis for continuous improvement.

Several previous studies have confirmed that the success of MSME empowerment programs is greatly influenced by the implementing agency's ability to design and implement appropriate strategies. Research by (Muh. Zulfahnuri Syamsu, Ipendang, 2021), shows that weak strategic planning and minimal program evaluation make the economic empowerment program for mustahik less sustainable. Similar findings were also conveyed by (Ahmidi, et al., 2025), which revealed that the mismatch between program planning and the actual conditions of beneficiaries is one of the factors inhibiting the effectiveness of zakat-based MSME empowerment. These studies emphasize that without a targeted and adaptive strategy, empowerment programs tend to be short-term and have little significant impact on the economic independence of mustahik.

In Islamic philanthropic institutions such as the National Zakat Agency (BAZNAS), the implementation of strategic management is increasingly crucial given the complexity of organizational goals, which are oriented not only toward fund distribution but also toward the social and economic transformation of recipients. The MSME empowerment strategy designed by BAZNAS must consider the alignment between program objectives, institutional capacity, and recipient needs. Furthermore, regular strategy evaluation is necessary to ensure that productive zakat programs are able to adapt to changing socio-economic conditions and provide sustainable impact.

Based on this description, strategic management theory is used in this study as an analytical basis to understand how BAZNAS Palangka Raya City formulates, implements, and evaluates its MSME empowerment strategy through productive zakat. This theory helps explain the alignment between strategic planning, program implementation, and achieved results, and identifies strategic challenges that impact the sustainability of MSME empowerment programs at the local level.

METHODS

Using a qualitative approach in a descriptive research design, this study aims to identify the experiences of BAZNAS Palangka Raya City in supporting Micro, Small, and Medium Enterprises (MSMEs) through effective zakat implementation. The qualitative methodology allows this study to focus on understanding the experiences, perceptions, and actions of stakeholders in BAZNAS Palangka Raya City. This study does not aim to test hypotheses or conduct statistical measurements; therefore, a case study method is used in this study. BAZNAS Palangka Raya City serves as the unit of analysis, providing an opportunity for a comprehensive and contextual exploration of how an organization supports MSMEs within its cultural context.

The informants in this study consisted of four BAZNAS leaders, namely the Chairman of BAZNAS Palangka Raya City, Deputy Chairman II for Distribution and Empowerment, Deputy Chairman III for Planning, Finance, and Reporting, and Deputy Chairman IV for Administration, General Affairs, and Human Resources. In addition, this study also involved twenty mustahik beneficiaries, consisting of ten recipients of business cart assistance and ten recipients of Z-Mart (grocery store) assistance. The selection of informants was carried out purposively, based on their direct involvement in the MSME empowerment program. Data collection was carried out until data saturation was reached. (Mutakaruma, 2025)

The data used in this study were analyzed qualitatively by organizing and describing them through three stages: data reduction, data presentation, and conclusion drawing. Furthermore, the

data underwent an iterative process of interpretation and validation to ensure the accuracy of the analysis. To ensure the reliability and credibility of the research findings, data from interviews, observations, and documentation were triangulated, comparing them across various methods and sources with systematic analysis. This triangulation process enabled the validation of the research findings, thus contributing to understanding the effectiveness of the zakat-based MSME development program implemented by BAZNAS Palangka Raya City.

RESULTS AND DISCUSSION

Implementation of the Productive Zakat Program by BAZNAS Palangka Raya City

The National Zakat Agency (BAZNAS) of Palangka Raya City has implemented a productive zakat program as part of its efforts to empower the beneficiaries through strengthening Micro, Small, and Medium Enterprises (MSMEs). This program is implemented through the provision of non-cash productive business assets, such as business carts, grocery store facilities through the Z-Mart program, and MSME tents. Providing productive business assets is a common approach to zakat-based economic empowerment, particularly to address the limited capital and business facilities of beneficiaries in the early stages of business development.(Fadila, 2025); Hermansyah, 2025)

The research results show that the implementation of the productive zakat program by the Palangka Raya City BAZNAS begins with a planning and selection process for beneficiaries based on the criteria of eligible recipients and their business potential. Informants from BAZNAS explained that assistance is provided to eligible recipients who already own or plan to run micro-enterprises, with the aim of ensuring that the assets provided can be utilized directly and productively. This business potential-based selection pattern aligns with the principles of productive zakat utilization, which emphasize the sustainability and economic independence of beneficiaries.(Junaidi et al., 2025)

In practice, program implementation places greater emphasis on providing business facilities as an initial intervention. The provided business assets enable beneficiaries to start or continue their businesses in a more feasible and structured manner. Several beneficiaries stated that the presence of business carts and other supporting facilities helps improve business mobility and facilitates access to consumers. These findings reinforce the view that productive asset-based assistance can enhance the productive capacity of beneficiaries in the early stages of economic empowerment.(Mutakaruma, 2025; F. Muhammad Noor Sayuti, Hasnita, 2023)

However, the research also shows that post-assistance mentoring and monitoring patterns vary across program types. In programs based on permanent businesses, such as grocery stores through the Z-Mart scheme, monitoring is relatively more feasible. Conversely, in programs based on business facilities, such as MSME carts and tents, mentoring is generally focused on the initial stages of aid distribution. This variation in implementation patterns reflects differences in business characteristics and limited institutional capacity to reach all beneficiaries sustainably.(Muh. Zulfahnuri Syamsu, Ipendang, 2021)

These findings align with previous research, which found that the effectiveness of productive zakat is determined not only by the provision of capital or business assets, but also by the appropriateness of the mentoring model to the characteristics of the recipient's business and the capacity of the zakat management institution. Without ongoing mentoring and monitoring, productive zakat programs tend to have short-term impacts and fail to fully promote the transformation of the mustahik's economic independence.(Ahmidi, et al., 2025)

Implementation Dynamics: Mentoring, Monitoring, and Institutional Capacity (Revised)

The dynamics of productive zakat implementation by the Palangka Raya City BAZNAS are reflected in the differences in mentoring and monitoring patterns for each type of MSME empowerment program. The research results show that not all programs receive the same mentoring treatment, both in terms of intensity and sustainability. Differences in business characteristics and forms of assistance influence program implementation patterns in the field.

In MSME empowerment programs based on grocery stores and kiosks, such as the Z-Mart program, BAZNAS can still conduct relatively more structured monitoring. This is due to the fixed nature of the businesses and the stock management and distribution systems that allow for ongoing control and communication between the institution and the recipients of aid. In this context, mentoring is not limited to the initial stages of aid distribution but also includes monitoring business development, although this is still limited.

In contrast, in other MSME empowerment programs based on business facility assistance, such as business carts and MSME tents, mentoring is generally initial and temporary. Mentoring focuses on providing basic guidance on how to run a business, utilize facilities, and simple strategies to increase turnover. After this initial stage, most mustahik run their businesses independently without further structured mentoring. This situation indicates that the mentoring model in business facility-based programs emphasizes initial intervention rather than long-term development.

From the perspective of the beneficiaries, the initial mentoring was considered quite helpful as a starting point for running a business. However, limited follow-up mentoring resulted in some beneficiaries facing difficulties in managing their businesses sustainably, particularly in aspects such as simple financial management, adapting products to market needs, and developing their businesses beyond the initial phase. These differences in mentoring patterns across programs create variations in empowerment outcomes among beneficiary beneficiaries. (Hawari & Zen, 2021)

Differences in mentoring and monitoring treatment between programs are inextricably linked to the institutional capacity of BAZNAS Palangka Raya City. Limited human resources for mentors and the broad scope of the programs require the agency to adapt implementation patterns based on the characteristics of each program. These findings indicate that institutional capacity is a determining factor in determining the extent to which mentoring and monitoring can be implemented sustainably. (Muh. Zulfahnuri Syamsu, Ipandang, 2021)

Conceptually, this dynamic is in line with previous research which confirms that the success of productive zakat does not only depend on the form of assistance provided, but also on the suitability of the mentoring model to the characteristics of the beneficiary's business. (Ahmidi, et al., 2025) Therefore, the dynamics of productive zakat implementation in Palangka Raya City indicate that a uniform empowerment approach is ineffective in addressing the diverse needs of eligible MSMEs. Differentiating mentoring models based on program type presents both a challenge and an opportunity to improve the effectiveness of productive zakat-based MSME empowerment.

Utilization of Aid and Initial Impact on Mustahik

The utilization of productive zakat assistance by recipients of Zakat demonstrates that the business facilities provided by the National Zakat Agency (BAZNAS) in Palangka Raya City are directly used to support daily economic activities. Assistance in the form of business carts, grocery store facilities, and MSME tents are utilized as the primary means for conducting micro-enterprises, particularly in the food, beverage, and staple food trade sectors. The utilization of assistance in the form of productive assets reflects a shift from a consumptive assistance pattern to an economic empowerment approach oriented towards increasing the productive capacity of recipients. (F. Muhammad Noor Sayuti, Hasnita, 2023; Mutakaruma, 2025)

The research results show that the utilization of this assistance has an initial impact in the form of increased opportunities for mustahik to earn income. Several mustahik stated that the availability of business facilities helped them start or continue their businesses more effectively, particularly in terms of business mobility and ease of access to consumers. This initial impact indicates that productive zakat acts as an economic stimulus, enabling mustahik to actively engage in productive activities, although the increase in income obtained is still limited in the initial stages of the program's implementation. (Ahmidi, et al., 2025)

From an empowerment perspective, the use of productive zakat assistance demonstrates an increasing role for those entitled to receive assistance in managing their businesses independently. Not only do they receive assistance, but they also begin to take on responsibilities for managing business operations, such as managing sales hours, product selection, and interacting with consumers. This aligns with the objective of productive zakat, which positions those entitled to receive assistance as subjects of economic empowerment, not simply recipients of social assistance. (Hermansyah, 2025)

However, the positive impacts experienced by mustahik are still in the early stages and do not fully guarantee long-term business sustainability. Limited working capital, minimal follow-up assistance, and limited managerial skills are factors that impact business continuity beyond the initial phase. Several mustahik revealed that they still face difficulties managing business finances and adapting products to market needs. These findings suggest that utilizing business assets without ongoing support has the potential to have short-term impacts. (Junaidi et al., 2025)

Variations in the initial impact of empowerment are also evident in the different types of programs participated in by beneficiaries. Those receiving fixed business assistance, such as grocery stores through the Z-Mart program, tend to have more stable businesses because they have a fixed sales location and relatively repeat customers. Conversely, those receiving mobile business assistance, such as carts and MSME tents, face challenges in maintaining consistent daily income because it depends on their sales location, operating hours, and the activity conditions of the surrounding community. These differences in business characteristics lead to variations in the initial impact of empowerment, with businesses with fixed locations tending to provide more stable income than businesses based on mobile facilities. (Muh. Zulfahnuri Syamsu, Ipandang, 2021; Mutakaruma, 2025)

Overall, the utilization of productive zakat assistance by recipients in Palangka Raya City has had a positive initial impact on the economic activity and productive capacity of beneficiaries. However, without the integration of ongoing mentoring, managerial strengthening, and market access support, this impact could potentially stall at an early stage and fail to fully drive the mustahik's transformation toward sustainable economic independence. These findings reinforce the argument that the effectiveness of productive zakat depends not only on the form of assistance provided but also on the accompanying institutional support.(Ahmidi, et al, 2025)

Program Implementation Challenges and Improvement Efforts

The implementation of the productive zakat program by the Palangka Raya City BAZNAS (National Agency for the Protection of Zakat) faces several challenges stemming from both institutional aspects and the characteristics of the beneficiaries. The main challenge identified is the limited human resources available to assist, particularly those with entrepreneurial skills and the ability to provide ongoing coaching. This limitation has resulted in low levels of mentoring and post-assistance monitoring, particularly for empowerment programs based on mobile business facilities such as carts and tents for MSMEs.(Muh. Zulfahnuri Syamsu, Ipendang, 2021)

In addition to limited human resources, research also shows that budget constraints are a structural factor influencing the dynamics of the implementation of MSME empowerment programs. Informants from BAZNAS revealed that ideally, all mustahik (recipients of wealth) are expected to receive equitable and sustainable mentoring and coaching. However, the program's funding capacity does not yet fully enable optimal implementation of this mentoring. Zakat fundraising, which still relies on contributions from several local government agencies and institutional muzakki (recipients of wealth), limits the institution's ability to expand the scope of business coaching and mentoring for all beneficiaries.(Syaikhu, 2025)

From a program planning perspective, these budget limitations also impact the adjustment of the implemented empowerment model. The variety of business types and capacities of beneficiaries is not always balanced with adequate differentiation in the forms of assistance. As a result, some empowerment programs still focus on providing business assets as an initial intervention, while strengthening managerial capacity and ongoing coaching are not yet evenly distributed. This situation has the potential to result in short-term empowerment impacts and not fully promote sustainable business independence for beneficiaries.(Junaidi et al., 2025)

From the perspective of those who mustahik (recipients of zakat), challenges to business sustainability are also influenced by limited working capital and limited managerial skills. Although business asset assistance can stimulate initial economic activity, some mustahik still face difficulties managing simple business finances, managing operational hours, and adapting product types to local environmental conditions. These findings suggest that providing business facilities without continued development support has the potential to limit the sustainability of productive zakat.(Ahmidi, et al., 202; Mutakaruma, 2025)

To address these challenges, program improvement efforts need to be directed at strengthening institutional capacity and more adaptive resource management. Differentiating

mentoring models based on business characteristics is a strategic step, prioritizing programs with higher levels of vulnerability for more intensive coaching. Furthermore, strengthening collaboration with local governments, MSME communities, and local stakeholders can be an alternative way to expand mentoring coverage without relying entirely on internal institutional capacity. With this approach, productive zakat functions not only as a provider of business facilities but also as a more sustainable and contextual empowerment mechanism. (Hermansyah, 2025; Muhammad Noor Sayuti, Hasnita, 2023)

CONCLUSION

This study shows that the implementation of productive zakat by the National Zakat Agency (BAZNAS) in Palangka Raya City plays a role in supporting the empowerment of MSMEs entitled to receive alms, particularly through the provision of productive business assets such as business carts, grocery store facilities (Z-Mart), and MSME tents. This assistance can stimulate the initial economic activities of mustahik and increase productive capacity in the early stages of program implementation.

However, research findings reveal implementation dynamics characterized by differences in mentoring and monitoring patterns across program types. Fixed-business-based programs are relatively more likely to be monitored than mobile-business facility-based programs, whose mentoring tends to be limited to the initial stages of aid distribution. This variation indicates that productive zakat-based MSME empowerment has not been fully integrated with a sustainable mentoring system that is equitable for all beneficiaries.

Furthermore, limited human resources and funding capacity are structural factors affecting the quality of program implementation. While ideally, zakat management institutions strive to provide equitable guidance to all recipients of zakat, limited zakat fundraising limits the optimal expansion of mentoring and business development. This situation tends to result in short-term empowerment impacts that do not fully promote sustainable economic independence for recipients.

Based on these findings, this study emphasizes the importance of strengthening institutional capacity, increasing the effectiveness of zakat fundraising, and differentiating mentoring models tailored to the characteristics of mustahik businesses. An adaptive and collaborative empowerment approach is a strategic step to increase the effectiveness of productive zakat implementation at the local level. Conceptually, this study contributes to enriching the study of zakat-based MSME empowerment by emphasizing the importance of implementation dynamics and structural limitations as determining factors for program success

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