

Optimization of Productive Zakat Distribution through the Linggau Makmur Program in MSME Empowerment: A Case Study on BAZNAS of Lubuklinggau City

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Abstract	Article Info
<p>Small and medium enterprises (SMEs) are significant drivers of economic development in Indonesia, especially in creating job opportunities and promoting growth. However, SMEs face various challenges, particularly in accessing financial resources, which can hinder their expansion. As an Islamic socio-economic instrument, Zakat has great potential to support community empowerment. When managed effectively, productive Zakat can alleviate poverty and improve welfare. This study focuses on optimizing productive zakat distribution through the Linggau Makmur program by BAZNAS Lubuklinggau City, which aims to enhance the welfare of mustahik (zakat recipients), specifically those involved in SMEs. The research uses a qualitative approach with a descriptive design, collecting data through semi-structured interviews with BAZNAS officials, mustahik, and stakeholders. The study identifies key factors influencing zakat distribution effectiveness, challenges faced, and strategies for improving the program's impact. Findings suggest that the Linggau Makmur program has significantly empowered SMEs by providing financial assistance, training, mentoring, and continuous support. However, challenges like limited funding and low financial literacy among recipients remain. The study provides practical recommendations for optimizing zakat distribution to ensure long-term economic independence for mustahik and sustainable development.</p>	<p>Article History Received : February 09, 2025 Revised : March 20, 2025 Accepted: April 29, 2025</p> <p>Keywords: UMKM Productive Zakat, Zakat Distribution, Linggau Makmur Program</p>

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INTRODUCTION

The Small and Medium Enterprises (SMEs) sector supports Indonesia's economic development, particularly in job creation and fostering economic growth (Dwilestari, et al., 2022; Irianto et al., 2023). Conventional and modern SMEs are essential components in providing employment opportunities for people with relatively low levels of education (Ardiansyah et al., 2023). However, SMEs often face numerous challenges and minimal access to financial resources, which hinders their potential for expansion. In this context, as a socio-economic instrument in Islam, zakat has excellent potential to empower local economies. When managed professionally and effectively, zakat can significantly alleviate poverty and improve societal welfare. Therefore, optimizing productive zakat to support economic empowerment is essential, particularly for SMEs that require access to funding.

Attention to productive zakat is increasing, especially in reducing poverty and improving community welfare. Research by Setyudin (2023) shows that the Z-Chicken Baznas initiative in South Tangerang has increased economic independence through a community-based approach. Similar things were also found in Harjulianti's (2023) research at BAZNAS Bengkulu Province,

which revealed the positive impact of zakat distribution on the welfare of mustahik. Akmal (2022) at Baitul Mal Aceh emphasized the importance of managing productive zakat in improving the standard of living of mustahik through business capital. Ramadhan (2022) showed how productive zakat at BAZNAS Bima Regency supports micro-enterprise development, while Razali (2024) revealed the role of skills training in the sustainability of village chicken farming businesses. Maulana and Wahyuningdyah (2023) added that productive zakat can support long-term economic growth, especially with training and mentoring. However, Al-Labiyah (2023) highlights the need for further research to understand the factors that influence the effectiveness of productive zakat management in various local contexts, which depends not only on the distribution of funds but also on sustainable support.

Although many studies have discussed the potential of zakat in economic empowerment, there is still a significant gap in studies on optimizing the distribution of productive zakat, especially in the context of specific regions. Existing studies have not specifically identified factors that influence the success of productive zakat management at the local level or strategies that can be applied to increase the effectiveness of productive zakat programs in the region. Therefore, further research is needed to understand the challenges and opportunities in managing productive zakat in Lubuklinggau City.

This study aims to analyze the optimization level of productive zakat distribution in improving the welfare of mustahik in Lubuklinggau City. In addition, it seeks to identify factors that influence the success of the productive zakat program and provide recommendations related to strategies that BAZNAS Lubuklinggau City can implement to improve its effectiveness. This study is expected to give a clearer picture of the local management of productive zakat and contribute to developing more efficient zakat management policies.

This study aims to answer several main questions, namely, how is the level of optimization of productive zakat distribution by BAZNAS Lubuklinggau City, and what are the factors that influence the success of the implementation of the productive zakat program in Lubuklinggau City? These questions are fundamental to answer because a deeper understanding of the management of productive zakat can help formulate more effective policies for empowering the community's economy. In addition, these questions also aim to explore further how productive zakat can function sustainably in reducing poverty and improving community welfare. By answering these questions, we can better understand the challenges faced in implementing productive zakat and find ways to overcome them.

This research is expected to provide academic contributions to Islamic economics, especially in studying productive zakat and economic empowerment of the people. In addition, this study also aims to provide practical recommendations for BAZNAS Lubuklinggau City and other zakat institutions to optimize the management and distribution of productive zakat. Thus, this study can play a role in increasing the effectiveness of the productive zakat program, which can contribute to sustainably improving the welfare of mustahik.

METHOD

This study uses a qualitative approach with a descriptive design to examine the effectiveness of productive zakat distribution by BAZNAS Lubuklinggau City and its impact on the welfare of mustahik. This study aims to provide an in-depth description of the productive zakat distribution process, its challenges, and its effects on mustahik. The population in this study consists of three main groups: (1) BAZNAS Lubuklinggau City parties involved in the management and distribution of productive zakat, (2) mustahik who receive productive zakat, and (3) other related stakeholders, such as local governments and community leaders who have knowledge related to the productive zakat program. This study uses purposive sampling, where participants are selected based on criteria relevant to the focus of the study. A total of 12 BAZNAS members, 20 mustahik, and five stakeholders directly involved in the productive zakat program were selected as respondents. The main instrument in this study was a semi-structured interview focused on several themes: the productive zakat distribution process, challenges faced in implementing the program, and the impacts felt by mustahik. The interview guide was developed

based on a literature review on zakat and economic empowerment. Secondary data was also collected from official documents of BAZNAS Lubuklinggau City, such as annual reports, zakat distribution data, and previous program evaluations to enrich the data.

This study was conducted between January and March 2025. Interviews were conducted face-to-face with each participant, with the interview duration ranging from 45 minutes to 1.5 hours. All interviews were recorded with the participant's permission and then transcribed for further analysis. Secondary data were obtained in parallel from official documents related to the productive zakat program. Before the study began, all participants were informed about the purpose of the study, the guarantee of data confidentiality, and their right to withdraw at any time without consequences. This study has also obtained ethical approval from the relevant research committee.

The collected data were analyzed following the qualitative data analysis model developed by Miles and Huberman (2014), which includes three main stages: data reduction, data presentation, and conclusion. In the first stage, the transcribed interview data will be read thoroughly to gain a general understanding. Next, the data will be grouped based on relevant themes, such as the zakat distribution process, challenges faced, and impacts on mustahik. This process is carried out iteratively to ensure appropriate data is filtered and arranged systematically. After data reduction, the grouped data will be presented in narrative form to describe the main findings. This data presentation describes in detail the productive zakat distribution process, obstacles faced by BAZNAS, and the impacts felt by mustahik. Secondary data will be used to confirm the results of the interviews and enrich the findings. In the final stage, the researcher will draw conclusions based on the patterns and themes that emerge from the data that has been presented. This conclusion will provide a deeper understanding of the effectiveness of productive zakat and the factors that influence its success. Concluding is also done by checking the conformity between interview data and secondary data to ensure the validity of the findings.

Several strategies were used to ensure the validity and reliability of the study. First, data sources were triangulated by collecting information from various groups of participants (BAZNAS, mustahik, and stakeholders). Second, member checking was conducted by inviting some participants to verify the analysis results, ensuring that the interpretation of the data was based on their views. In addition, a continuous data verification process was conducted during the data collection stage to ensure that the interview results remained consistent with the initial findings. This study has several limitations. First, this study used purposive sampling, which limits the ability to generalize the findings to the entire population of productive zakat recipients in Indonesia. Second, because this study focuses on BAZNAS Lubuklinggau City, the findings may not fully represent the context of productive zakat in other areas. In addition, the data collected is self-reported and can be influenced by participants' social bias.

RESULT AND DISCUSSION

As an implementation of the mandate of Law Number 23 of 2011 concerning Zakat Management, the National Zakat Collection Agency (BAZNAS) of Lubuklinggau City was established as an official non-structural government institution. Its presence is vital because BAZNAS is the only agency with the legal authority to manage zakat, infaq, sedekah (ZIS), and other social-religious funds at the national and regional levels. Therefore, the Lubuklinggau City Government, South Sumatra Province, formed a city-level BAZNAS to collect and distribute these funds to the people entitled to receive them (Mufraaini, 2000).

BAZNAS Lubuklinggau City began operating actively in the early 2010s after receiving approval from the city government. Over time, its organizational structure and leadership continued to be strengthened, including through an independent leadership selection process that the Mayor directly approved. In this early period, BAZNAS focused on three main pillars: building public trust through transparency and accountability, establishing strategic cooperation with the City Government and Islamic financial institutions, and optimizing zakat collection from ASN and the general public.

Entering the 2020s, BAZNAS Lubuklinggau City innovated by organizing its programs thematically with a touch of local names to get closer to the community. The programs that have been introduced massively since 2022 include Linggau Cerdas (education), Linggau Sehat (health), Linggau Makmur (productive economy), Linggau Peduli (social assistance), and Linggau Taqwa (religious). This step marks a strategic shift, where the aid distribution is no longer only consumptive. Still, it is also directed at empowering mustahik to become independent and *muzakki*.

Modernization efforts continue with the digitalization of services. BAZNAS opens online zakat collection services, compiles and publishes financial reports periodically on the official website, and strengthens cooperation with strategic institutions such as Bank Syariah Indonesia (BSI) and Polres Lubuklinggau. These various steps have effectively increased public trust, especially from ASN, entrepreneurs, and the wider community.

In the following years, BAZNAS Lubuklinggau City also digitized its services by Opening online zakat collection services, Preparing and publishing periodic financial reports on the official website, and Increasing cooperation with institutions such as Bank Syariah Indonesia (BSI) and Polres Lubuklinggau. This step has increased public trust in BAZNAS, especially from ASN, entrepreneurs, and the general public.

In 2023, BAZNAS Lubuklinggau City was officially led by Drs. H. Harnan, MH, and other vice chairpersons, who brought the spirit of reform and professionalism. The institution's focus is now on fundraising and strengthening the capacity of mustahik, monitoring program results, and cross-sector synergy in zakat-based poverty alleviation. Currently, the Chairperson of BAZNAS Lubuklinggau City is Drs. H. Harnan, MH, who is accompanied by Deputy Chairperson II, Drs. H. Syamsul Anwar and Deputy Chairperson IV Tabroni, S.Ag. BAZNAS Lubuklinggau City is located at the As-Salam Grand Mosque Complex, Jl. Subkoss Garuda (S. A, 2025).

Researchers provide statistical information on BAZNAS Lubuklinggau City from 2023-2025. In 2023, Fundraising: Around IDR 120 million per month from zakat and community donations, including ASN and general donors. Leading Programs: Linggau Cerdas: Scholarships for 70 elementary school students, 40 junior high school students, 30 high school students, and 23 college students. Linggau Peduli: Renovation of 12 houses, each worth IDR 30 million. Linggau Makmur: Business capital assistance for around 50 MSME actors. And Awards: Won 4 trophies and six certificates in the 2023 BAZNAS Award, including the Best SiMBA Implementation and Collection Growth categories.

In 2024, the scholarship total recipients were 124 people, consisting of 57 elementary school students, 23 junior high school students, 21 high school students, and 23 college students. Total assistance: IDR 162,950,000, distributed in two stages per year. Decent Housing Program (RLH): Building and inaugurating 14 housing units for underprivileged families. Social Assistance: Distributing basic food assistance to 100 destitute, 150 poor, and 130 mosque caretakers throughout the sub-districts of Lubuklinggau City. Awards: Received the 2024 BAZNAS Award for the Best SiMBA Implementation category.

2025, Current Activities: Continuing the RLH program and scholarship distribution, Distributing aid to the poor, needy, MSMEs, orphanages, and advocacy for preaching. Financial Report: The annual financial report of BAZNAS Lubuklinggau City can be accessed through their official website, (S. A, 2025).

Distribution of productive zakat through the Linggau Makmur Program in Empowering MSMEs

The distribution of productive zakat by the BAZNAS office of Lubuklinggau City is carried out to realise the community's welfare. Zakat funds collected by BAZNAS of Lubuklinggau City are distributed to people who need help. In general, recipients of productive zakat funds are determined according to eight asnaf groups: the poor, needy, *amil*, *muallaf*, *riqab*, *gharim*, *fisabilillah*, and *ibnu sabil*. In implementing the distribution of zakat funds, some duties and authorities must be carried out effectively to ensure targeted distribution.

Productive zakat is a zakat distribution strategy that empowers the mustahik economy to make them financially independent. In Lubuklinggau City, this program is implemented through the Linggau Makmur Program by BAZNAS, which is designed to support MSME actors as part of a zakat-based poverty alleviation strategy. The Linggau Makmur Program is one of the five leading programs of BAZNAS Lubuklinggau City, which focuses on empowering the mustahik economy through a productive zakat approach, (Dedi, 2022)

In this program, there is a mechanism so that the goal can be achieved well; what we are doing now is that in addition to having a plan, there is an identification of the recipients of the funds, which focuses on MSMEs such as street vendors, MSMEs, productive homemakers, the funds can be in the form of money and also goods with a value of around 1.5-5 million. In addition, in its implementation, each program must have an evaluation plan; now, to find out the review, each implementation requires assistance and guidance from the zakat managers for cooperation; we work with related parties such as BSI, the cooperative, and the local government. Of course, we also feel the impact, such as recipients of zakat funds no longer receiving them because their businesses have grown and transformed from mustahik to muzakki. In addition, the thing we certainly think about is the achievement of the goals of this program with satisfactory results (H. H, 2025).

The distribution of productive zakat through the Linggau Makmur Program by BAZNAS Lubuklinggau City is one of the strategic efforts to empower the community's economy, especially micro, small, and medium enterprises (MSMEs). The following is a complete explanation of the mechanism and its implementation: First, Program Objectives: Increasing the economic independence of mustahik, Changing zakat recipients (mustahik) into zakat givers (muzakki), Reducing poverty rates through sustainable businesses, Supporting the growth of MSMEs in Lubuklinggau City. Second, Data Collection and Selection of Mustahik. BAZNAS collaborates with the sub-district, RT/RW, and community leaders to collect data on prospective recipients. Mustahik prioritized small business actors (street vendors, home-based MSMEs, productive homemakers, etc.). The selection process is carried out through field surveys and verification of economic conditions.

Productive zakat should not be channelled directly to *mustahik* without guidance in managing the funds provided so that the funds can be used to build a successful and sustainable business. The concept of business demands profit, so through guidance and mentoring, it is hoped that the productive zakat funds distributed can provide optimal short-term and long-term benefits. Mustahik generally needs guidance to manage productive zakat and achieve success in the future. This guidance is essential because it is the first step in mentoring that demands an active role for zakat managers in business development. Zakat managers must have skills and abilities in business and trade to facilitate mustahik in running businesses in the economic sector. With the involvement of experts and mentors in zakat and economics, the productive zakat program implemented by BAZNAS Lubuklinggau City can run optimally and significantly contribute to poverty alleviation in the long term.

Third, the Distribution of Capital Assistance, Zakat is distributed as productive business capital in cash or in-kind (carts, display cases, raw materials, business equipment). Assistance is in the form of grants (not loans), with values varying according to business needs, usually between IDR 1.5 million - IDR 5 million per mustahik. This means that after training, mustahik receive business capital assistance in cash or goods according to their business needs—fourth, monitoring. After receiving aid, recipients will be monitored for 3-6 months, and the BAZNAS team will carry out mentoring to ensure that the business is running and growing. In addition, recipients are also involved in periodic coaching activities (S. A, 2025).

Another thing included in the planning is the achievement of a program, such as in 2023 and 2024; the Linggau Makmur Program has distributed business capital assistance to around 50 MSME actors in Lubuklinggau City. This assistance will help them develop their businesses and increase family income. The success of the Linggau Makmur Program cannot be separated from the support of various parties, including the Lubuklinggau City Government, UPZ, and the community. BAZNAS also strives to improve synergy with related agencies to expand the reach

and impact of the program. The Linggau Makmur Program manifests BAZNAS Lubuklinggau City's commitment to empowering the community's economy through productive zakat. With a structured and collaborative approach, this program is expected to provide a sustainable positive impact on mustahik and encourage them towards economic independence.

Optimization of The Distribution of Productive Zakat Through the Linggau Makmur Program in Empowering MSMEs at BAZNAS, Lubuklinggau City

The following is a comprehensive explanation regarding the optimization of the distribution of productive zakat through the Linggau Makmur Program in empowering MSMEs by BAZNAS Lubuklinggau City, as follows:

Zakat, one of the main pillars of Islamic teachings, plays a vital role in improving the welfare of the people. One form of zakat distribution considered to have the most impact is productive zakat, namely zakat given in the form of business capital to mustahik to achieve economic independence. BAZNAS Lubuklinggau City developed the Linggau Makmur Program to use productive zakat to empower poor and vulnerable MSMEs. This program provides financial assistance, training, coaching, and mentoring to ensure business continuity.

Productive zakat is a zakat distribution strategy that empowers the mustahik economy to make them financially independent. In Lubuklinggau City, this program is implemented through the Linggau Makmur Program by BAZNAS, which is designed to support MSME actors as part of a zakat-based poverty alleviation strategy. To optimize the distribution of zakat, the first step is to focus on its objectives so that we, as distributors, know our targets or goals. In addition, we must have a distribution or management strategy, namely cooperation between managers from BAZNAS, community leaders, and sub-districts. And also always provide training and assistance (H. H, 2025).(Nurhayat, 2025).

Based on the above related to the way to optimize the distribution of productive zakat carried out by BAZNAS Lubuklinggau city is to create program objectives, program targets. Details of program activities, achievements and impacts, collaboration, budget, for more clarity the researcher makes an explanation below so that it is easy for readers to understand.

First, the program objectives: 4 objectives are owned and adjusted to the initial objectives of the implementation or execution of the program, namely, (a) increasing the economic capacity of mustahik through the development of MSMEs. (b) Encouraging independence and reducing dependence on consumer assistance. (c) Increasing the effectiveness of zakat distribution will have a long-term impact. (d) Mustahik will be formed and empowered and become muzakki in the future. In addition, the Program targets Mustahik from among micro-entrepreneurs (small traders, artisans, tailors, culinary actors, etc.) of productive age who have a business or skills currently being run and are domiciled in Lubuklinggau City.

Third, the details of the program activities are as follows: (a) Socialization and selection of Mustahik, coordinating with UPZ (Zakat Management Unit), community leaders and sub-districts, and conducting field surveys and verification. (b) Training and Provision, namely conducting research with materials on Material: business management, capital management, digital marketing, and resource persons whose flow has been determined, namely the Cooperatives and UMKM Service, professional partners. (c) Distribution of Productive Zakat Assistance: business capital assistance worth IDR 1-5 million/mustahik in cash assistance, business equipment, and raw materials. (d) Mentoring and Monitoring: Conduct periodic observations and visits by BAZNAS and conduct business evaluations within 306 months. (e) Program Reports and Evaluation, namely making reports on the accountability of fund users and economic impacts.

Next, the researcher explains the mechanism in the distribution of productive zakat, namely identification and socialization carried out in collaboration with the sub-district and UPZ Baznas. Furthermore, selection and verification are done by accepting simple business proposals from prospective mustahik, conducting field surveys and validating business needs. Moreover, training and coaching are mandatory for mustahik before receiving assistance with materials and speakers that have been determined. Business capital assistance is distributed based on the results of verification and assistance in the form of money, tools, or materials. Finally, monitoring

and evaluation are carried out periodically for at least 3 months while measuring the impact of turnover on business sustainability and economic independence.

Testimony of beneficiaries: Alhamdulillah, the productive zakat assistance from BAZNAS through the Linggau Makmur Program has helped me develop my wet cake business. Now I have regular customers and can help my husband meet household needs, (N, 2025)

In addition, there are also other beneficiaries: I used only to sell small things, but now I have a new cart and sell chicken noodles around. Thank you, BAZNAS. Hopefully, this program will continue and help other people like me (I. S, 2025)

Based on the explanations above, optimising the distribution of productive zakat through the Linggau Makmur Program runs systematically, from identification, selection, training, and capital distribution to monitoring. This integrated approach significantly impacts the economic capacity of MSMEs while fostering the independence of mustahik.

Linggau Makmur proves BAZNAS Lubuklinggau City's commitment to realizing community economic empowerment. With an integrated and sustainable approach, this program is expected to be an effective and long-term impactful zakat distribution model.

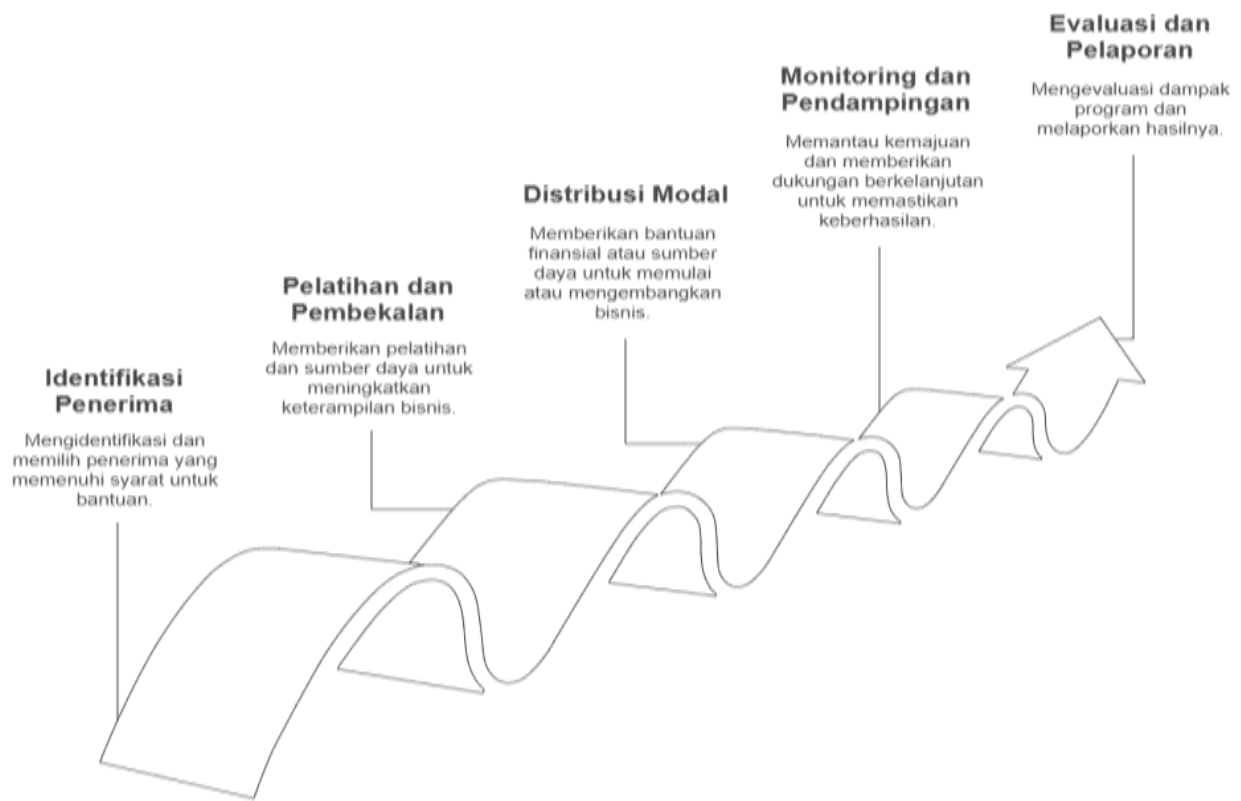
Inhibiting and Supporting Factors in the Distribution of Productive Zakat through the Linggau Makmur Program in Empowering MSMEs at BAZNAS Lubuklinggau City

Many factors inhibit and support the distribution of productive zakat in BAZNAS Lubuklinggau City. The inhibiting and supporting factors, as expressed by the chairman of BAZNAS, are the lack of budget, low understanding of mustahik, and dependence on assistance, which strengthens it by having a clear commitment and being supported by the government (H. H, 2025).

In addition, researchers also found several inhibiting and supporting factors in carrying out the distribution, including Limited Funds and Allocation of Productive Zakat. Most zakat funds are still allocated for consumptive Assistance, so allocations for productive programs are limited. Lack of Financial Literacy of Mustahik Many beneficiaries do not yet have a basic understanding of business and financial management, so there is a risk in utilizing capital. Lack of Continuous Assistance Limited human resources mean that Assistance cannot be carried out intensively and comprehensively for all mustahik. Limited Market Access Mustahik has difficulty expanding its market and competing with other business actors due to limited technology and promotion. Dependence on Assistance Some mustahik still have a mentality of dependence on Assistance without a strong drive to be independent.

Supporting Factors for Strong Commitment from BAZNAS Lubuklinggau City. Proactive leadership oriented towards empowering mustahik encourages consistency in program implementation. Support from the Regional Government and Local Stakeholders Collaboration with the Cooperatives, MSMEs, and other agencies strengthens access to training and distribution networks. Active participation of the Community and UPZ in the sub-district environment also helps identify mustahik, supervision, and counselling. Digital Data Collection and Monitoring System Utilization of information technology in recording and reporting programs increases accuracy and transparency. Availability of Business Partners and Training. Collaboration with training institutions, Islamic banking, and digital platforms supports the development of mustahik businesses.

Figure 1. Steps to Empower MSMEs



DISCUSSION

The findings of this study emphasize the effectiveness of the Linggau Makmur Program implemented by BAZNAS Lubuklinggau City in optimizing the distribution of productive zakat, thereby empowering Micro, Small, and Medium Enterprises (MSMEs) and enhancing the economic independence of mustahik (zakat recipients). Central to this program is a systematic approach characterized by meticulous beneficiary identification, targeted business training, direct financial assistance, and ongoing mentoring. This leads to notable transformations where mustahik evolve into autonomous economic actors, with some ultimately becoming muzakki (zakat payers). This strategic transition denotes a significant shift from primarily consumptive zakat distribution to a sustainable empowerment model, reflecting contemporary aspirations in zakat management that align with the objectives of poverty alleviation and economic upliftment.

In contrast to prior research, which often underscores the inherent potential of productive zakat without deeply exploring its practical implementations, this study reveals several crucial distinctions. First, it presents an Integrated Empowerment Model that is more comprehensive; unlike earlier studies that frequently discuss the financial aspects of zakat, this research highlights the non-financial support mechanisms, such as training and mentorship, seamlessly integrated into programs like Linggau Makmur (Karmilah et al., 2024). Second, the study provides a Detailed Program Implementation, constructing an in-depth narrative around a specific initiative, the Linggau Makmur Program. This offers a clear roadmap for other zakat institutions aiming to replicate similar successes, a departure from previous literature that tended to offer high-level discussions of zakat's potential (Khafidin et al., 2024). Third, this research demonstrates Measurable Outcomes with concrete evidence of mustahik transforming into muzakki, tangibly supported by testimonials and clear program objectives, which surpasses earlier theoretical discourses in the field. Fourth, the study incorporates Local Context Consideration by leveraging localized branding strategies like "Linggau Makmur" to enhance

community involvement. This approach to zakat management is often underexplored in broader academic contexts. Fifth, it highlights the Proactive Digital Transformation undertaken by BAZNAS Lubuklinggau, which includes online zakat collection and transparent financial reporting. This reflects evolving expectations of trust and accountability in zakat management, and unlike previous studies, this research explicitly links these efforts to positive public trust outcomes. Finally, the study presents Comprehensive Outcome Metrics through detailed statistical data on program results, such as scholarships, housing renovations, and MSME support. This provides a measurably different account from many previous qualitative assessments, effectively illustrating both the efficiency and impact of zakat practices (Efendi, 2017).

The implications derived from the findings of the Linggau Makmur Program regarding zakat management carry significant consequences for both the theoretical and practical realms of Islamic finance and social welfare. Firstly, the program's effectiveness can serve as a robust blueprint for other zakat institutions aiming to transition from merely providing consumptive assistance to implementing a more productive, empowerment-focused support model. Such a transition underscores the necessity of incorporating comprehensive training, mentoring, and ongoing monitoring alongside financial aid to ensure sustainable community development (Judijanto, 2024; Utami et al., 2024).

In terms of Micro, Small, and Medium Enterprises (MSMEs) development, this research elucidates zakat's potential to serve as a sustainable source of capital, promoting collaborative strategies among zakat organizations, government entities, and financial institutions. This collaborative framework is pivotal for reinforcing grassroots MSMEs, which are essential for invigorating local economies and driving sustainable economic growth (Saini & Hasan, 2024). The literature discusses the importance of addressing the challenges that hinder ideal zakat management, advocating for improved transparency and accountability to leverage zakat as an instrument for economic empowerment (Chotib et al., 2023).

The study also calls for a fundamental reevaluation of poverty alleviation methodologies. It posits that fostering self-sufficiency through empowering approaches, like those exemplified in the zakat system, provides a more effective alternative than traditional welfare models that focus solely on immediate economic relief (Ningsih et al., 2025; Susanti, 2024). This transformation advocates a paradigm shift in how social welfare is conceptualized and implemented within Islamic frameworks, emphasizing economic self-reliance over dependency.

Moreover, the principles of transparency and accountability emerging from the Linggau Makmur Program highlight critical practices that can significantly enhance public trust in charitable organizations. As evidenced by various studies, implementing such practices not only legitimizes zakat institutions but also strengthens their operational frameworks, fostering a more reliable and trusted relationship with donors and beneficiaries alike (Al-Hamed, 2024). This boost in credibility is essential for zakat organizations to capitalize on their potential for societal impact, especially in the context of Islamic economics, where the dynamic role of zakat in wealth redistribution and social justice is paramount (Murcitaningrum & Machsun, 2024).

Lastly, the research contributes notably to the discourse around Islamic economics by validating the essential nature of zakat in promoting economic redistribution and fostering social justice. By bridging the gap between faith-based principles and contemporary economic practices, zakat emerges as a critical tool for advancing welfare and addressing poverty within the framework of sustainable development (Rahmadhanis et al., 2024; Susila et al., 2023; Emzaed et al., 2025). In conclusion, the implications of the Linggau Makmur Program extend far beyond its immediate successes, offering a compelling case for utilizing zakat as a multifaceted instrument in driving economic empowerment, transforming poverty alleviation strategies, and enhancing the overall integrity and effectiveness of Islamic charitable institutions.

The findings of this research are predominantly contextualized within the unique socio-economic and regulatory framework of BAZNAS Lubuklinggau City. Such a localized focus inherently restricts the generalizability of the outcomes to other settings that may exhibit divergent economic, cultural, and regulatory dynamics. The specificity of the context echoes similar conclusions drawn in the literature regarding localized evaluations, which often

emphasize the importance of considering broader scopes in future research efforts. For instance, it has been observed that localized program evaluations may not necessarily translate to different geographical or socio-economic contexts, highlighting the demand for broader studies that incorporate varied settings.

While offering valuable insights, the reliance on internal reports and testimonials from stakeholders underscores a critical gap in the research: the absence of independent assessments. Objective and quantitative measures, such as business survival rates over time, serve as essential indicators of program success. The calls for more rigorous evaluations align with findings from other studies that stress the importance of incorporating independent assessments to enhance the credibility and reliability of reported outcomes (Elmore et al., 2020; Lamm et al., 2018; Sagin et al., 2023).

The evaluation period of 3 to 6 months is inadequate for capturing the longer-term economic impacts on beneficiaries of the program. Extended follow-up durations are essential for assessing sustainability and growth trajectories, as evidenced by longitudinal studies that demonstrate that short-term evaluations often fail to provide a complete picture of program efficacy. Existing literature indicates that longer follow-up periods are pivotal for evaluating the sustained impacts of interventions (Benson et al., 2017; Leschewski et al., 2024; Taylor et al., 2018). Research highlighting the necessity for longer monitoring to achieve comprehensive outcomes can significantly inform practices in program evaluations across diverse contexts (Reynolds et al., 2017). In conclusion, while the research on BAZNAS presents valuable insights, recognizing its limitations concerning scope, evaluation independence, and duration will contribute to improving future studies and expanding their applicability across different contexts.

Building upon the limitations identified in previous studies, several avenues for future research can be pursued to deepen our understanding and enhance practices related to zakat institutions. One primary focus should be more extensive longitudinal impact studies. Future research should thoroughly assess the economic transitions experienced by mustahik over an extended period, ideally ranging from two to five years. Such comprehensive assessments will validate the long-term effects of zakat programs and provide deeper insights into the transformative impacts on beneficiaries, aligning with previous calls for more robust longitudinal evaluations in the literature (Cloney et al., 2022). Current studies also suggest that prolonged tracking enables researchers to better differentiate various developmental phases and their outcomes in micro-finance contexts (Sagin et al., 2023). Additionally, implementing comparative analyses across different zakat institutions, including those outside the zakat framework, like non-zakat micro-finance initiatives, could illuminate best practices and contextual factors driving success. Such studies are invaluable for understanding institutional performance, governance, and social responsibility dynamics, fostering the sharing of effective strategies across various regions and setups.

Furthermore, future research should rigorously pursue cost-benefit analyses to clarify the efficacy of zakat programs like Linggau Makmur. Comprehensive analyses that articulate observable economic impacts resulting from these programs are essential for demonstrating their value and relevance, as well as justifying continued or increased financial support from stakeholders. It is also crucial to conduct an in-depth analysis of inhibiting factors related to zakat allocation, financial literacy among recipients, and the continuity of support mechanisms. By understanding these barriers, stakeholders can develop more targeted interventions to optimize zakat distribution and usage (Hadi et al., 2024; Pamuncak et al., 2025).

Finally, exploring the potential of technology for scalability represents another vital research area. Investigating how technology can improve mentoring processes and outreach can significantly enhance the positive impact on mustahik. Integrating advanced technologies like digital platforms can streamline operations, increase transparency, and attract a broader participant base (Annahl et al., 2021). Future inquiries could specifically examine technology innovations that facilitate more efficient zakat distribution and management (Ahmad & Yahaya, 2022). Lastly, future research should assess the potential for expanding productive zakat

applications into sectors like agriculture and technology. Tapping into local economic opportunities in these areas could lead to more sustainable outcomes for mustahik while ensuring the effective utilization of zakat funds (Ghaouri et al., 2023). In conclusion, addressing the limitations identified in previous studies through these proposed research directions will significantly enhance our understanding and practices surrounding zakat institutions, ultimately leading to more impactful economic outcomes for mustahik.

CONCLUSION

The findings of this study emphasize the critical role of productive zakat in empowering local economies and reducing poverty. Focusing on the systematic and strategic implementation of zakat through the Linggau Makmur Program managed by BAZNAS Lubuklinggau City, this study shows how zakat can shift from mere charity to an instrument of sustainable development. The success of this program, especially in supporting MSMEs and encouraging economic independence, has significant implications for policy and practice. This study highlights the need for a structured and collaborative approach to zakat management, emphasizing training, monitoring, and a comprehensive mustahik (beneficiaries) support system. The challenges identified, such as limited funds and lack of financial literacy among recipients, are not insurmountable barriers but provide valuable areas for further improvement. These findings provide useful insights for other regions and organizations working towards similar goals of poverty alleviation and economic empowerment, proving that zakat, when managed efficiently and effectively, has the potential to transform communities. The success of the Linggau Makmur Program offers a model that can be integrated into broader economic development strategies, making it a relevant and timely tool for addressing long-term poverty in Indonesia and abroad.

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