

IMPLEMENTATION OF THE EAST KALIMANTAN PROVINCE BAZNAS PRODUCTIVE ZAKAT PROGRAM IN INCREASING THE INCOME OF FOSTERED MSMES

Nurhaliza Tsuraya¹, Moh. Mahrus², Alias Candra³
Sultan Aji Muhammad Idris State Islamic University Samarinda

Paper was presented at the 9th International Conference on Zakat (ICONZ)
9 – 12 December 2025, Jakarta, Indonesia

ABSTRACT

This study aims to analyze the implementation of the East Kalimantan Province BAZNAS Productive Zakat Program in increasing the income of fostered MSMEs. MSMEs have an important role in the Indonesian economy but often face capital constraints, so productive zakat is an alternative solution through interest-free financing and business assistance. Using a qualitative method with a descriptive approach, data was collected through observation, interviews, and documentation, and tested for validity by triangulation. The results of the study show that the productive zakat program run through business units such as Z-Auto, Z-Mart, Zakat Community Development (Z-CD), and Z-Chicken has succeeded in increasing the income and independence of mustahik through capital assistance, training, and mentoring. However, the implementation of the program faces technical and managerial obstacles as well as fierce market competition, which BAZNAS overcomes through entrepreneurship training, intensive mentoring, and optimization of digital media for marketing.

Keywords: Productive Zakat, BAZNAS East Kalimantan Province, Fostered MSMEs, Mustahik Income

I. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a very large role in the economy in Indonesia, as they contribute around 60.5% to GDP and absorb 96.9% of the national workforce. However, the welfare of MSME actors is not proportional to their contribution because they still face several main obstacles, including limited capital and difficulty accessing financing from formal financial institutions. (Ach. Agil Dzikrullah, 2024)

As a country with a majority Muslim population, zakat can be an alternative solution in improving the economy, through productive zakat management, namely by distributing zakat funds in the form of business capital, training and assistance for mustahik to be able to be independent and increase income. The main goal of productive zakat is in line with Islamic teachings that encourage a fair and sustainable distribution of wealth. (Mafluhah, 2023)

The productive zakat program is not only able to be a relevant alternative to overcome business capital constraints by providing interest-free financing that can help MSMEs develop without excessive financial pressure. Productive zakat also utilizes zakat funds to support community MSMEs not only to get out of poverty, but also contribute to local economic growth. (Romzatul Widad, 2021)

The National Amil Zakat Agency (BAZNAS) as an official institution in Indonesia has an important role in collecting and utilizing zakat, infaq, and alms (ZIS). At the regional level, BAZNAS East Kalimantan Province is actively running various productive zakat programs such as Z-Auto (Workshop Sector), Z-Mart (Sector of Daily Needs), Zakat *Community Development* (Z-CD) (Field of Cattle Cultivation and Fisheries Fattening), Z-Chicken (Sector of Crispy Fried Chicken Sales) to empower local MSMEs. (Nadilla Roza, 2023).

II. LITERATURE REVIEW

Implementation

In general, Implementation in the Great Dictionary of the Indonesian Language means implementation or application, Implementation can also be interpreted as the process of implementation or application in a plan. According to Schubter in Nurdin and Usman, Implementation is an engineering system, in other words, Implementation is a concrete action or implementation of a plan that has been carefully prepared. Usually the implementation is carried out after the planning is considered ready to be carried out. (Opiefah Nurviliza, 2024). Implementation can also be interpreted as an expansion of activities that adapt to each other's interaction processes between a goal or action to achieve it and requires an effective and efficient implementation network. (Nurdin Usman, 2002)

Theory About Zakat

Zakat is the fourth pillar of Islam after the two sentences of shahada, establishing prayer, and performing fasting. Therefore, zakat is an obligation for every Muslim who has met the requirements to carry it out. In Islam, the order to pay zakat is sourced from various legal foundations, especially the Qur'an, and in the Indonesian context, it is also regulated through the Law of the Republic of Indonesia Number 23 of 2011 concerning the management of zakat. (Aden Rosadi, 2019)

Zakat in language means to grow, clean and develop. (Regina Chaerunnisa, 2025) Zakat in terms is a part of the property that is issued and given to those who are entitled to receive it with certain conditions. (Aftina Halwa Hayatika, 2021) Meanwhile, according to the meaning of fiqh, zakat is to remove a certain part of the property owned if the property has reached its nisab. (Beik, 2016) The purpose of zakat is to achieve socio-economic justice, zakat is a simple transfer of a portion with a certain size of sikaya property to be allocated to the poor. (Mohammad Haikal, 2024) This zakat fund is given to the poor, the poor, the zakat officers, those whose hearts are seduced (to the truth), the liberation of slaves, the people who are in debt, those who fight in the way of Allah, and those who are cut off from their provisions on the way. With the zakat that has been given, the recipients of zakat are able to meet their material needs such as eating and mental needs such as seeking knowledge. (Hanif Lutfi, 2018)

Zakat is the fourth pillar of Islam after the two sentences of shahada, establishing prayer, and performing fasting. Therefore, zakat is an obligation for every Muslim who has met the requirements to pay it. In Islam, the command to pay zakat is sourced from various legal foundations, especially the Qur'an and Hadith, and in the Indonesian context it is also regulated through the Law of the Republic of Indonesia Number 23 of 2011 concerning the Management of Zakat. The basis of the law of zakat sourced from the Qur'an is as follows:

1. QS. At-Taubah Verse 60

إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَامِينِ وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ

Translation: *Indeed, zakat is for the poor; the poor; the amil zakat, those whose hearts are softened (converts), for the righteous servants, for the debtors, for the way of Allah and for those who are on the way, as an obligation from Allah. Allah is All-Knowing, All-Wise.*

2. QS. At-Taubah Verse 103

خُذْ مِنْ أَمْوَالِهِمْ صَدَقَةً تُطَهِّرُهُمْ وَتُزَكِّيهِمْ بِهَا وَصَلِّ عَلَيْهِمْ إِنَّ صَلَاتَكَ سَكَنٌ لَهُمْ وَاللَّهُ سَمِيعٌ عَلِيمٌ ○

Translation: *Take zakat from their wealth (in order to) purify and purify them, and pray for them, for indeed your prayer is peace for them. Allah is All-Hearing and All-Knowing. (QS. At-Taubah:103).*

3. QS. Al-Baqarah Verse 277

إِنَّ الَّذِينَ آمَنُوا وَعَمِلُوا الصَّالِحَاتِ وَأَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ لَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ وَلَا خَوْفٌ عَلَيْهِمْ وَلَا هُمْ يَحْزَنُونَ ○٢٧٧

Translation: *Indeed, those who believe, do righteous deeds, perform prayers, and pay zakat, they will be rewarded by their Lord. There is no fear in them and they are not sad. (QS. Al-Baqarah: 277).*

Productive Zakat

Productive zakat is a more innovative approach in the management of zakat, which prioritizes aspects of economic empowerment rather than just the distribution of zakat as direct consumption. Zakat that is managed productively is used to finance various economic activities that can create added value for zakat recipients, such as providing business capital, skills training or assistance for the development of small and medium enterprises (MSMEs). (Astuti Patminingsih, 2020)

According to Yusuf Qardhawi, productive zakat is zakat that is managed as an effort to improve the economy of people in need by empowering the source of zakat funds through training that shows skill improvement, where zakat funds are capital to develop mustahik businesses, so that mustahik has income to meet their needs and is independent in developing their respective economies. (Fasiha, 2017) The purpose of productive zakat is to overcome poverty to become prosperous and able to improve the standard of living of mustahik and reduce the dependence of zakat recipients on routine assistance and encourage zakat recipients to have economic independence in the long term. (Armiadi Musa, 2019)

Zakat Management Institution

The Zakat Management Institution (LPZ) is an institution that is tasked with managing zakat, infaq, and shadaqah (ZIS) both formed by the community and protected by the government such as LAZ. Based on the provisions of Law Number 23 of 2011 concerning the management of zakat Article 1 number 1, zakat management is a planning, implementation, and coordination activity in the collection, distribution and utilization of zakat. The types of zakat management institutions are the Amil Zakat Agency (BAZ) and the Amil Zakat Institute (LAZ). (Jannus Tambunan, 2021)

According to the Law of the Republic of Indonesia Number 38 of 1999 concerning the management of zakat which was later replaced by the Law of the Republic of Indonesia Number 23 of 2011 concerning the management of zakat, it is hoped that the community can take advantage of the zakat management institution to collect and distribute zakat funds to 8 mustahik groups who are entitled to receive zakat. (Aden Rosadi, 2019)

Micro, Small and Medium Enterprises Theory

According to the Law of the Republic of Indonesia No. 20 of 2008 concerning MSMEs in Article 1, it is stated that Micro, Small and Medium Enterprises are productive businesses owned by

individuals or individual business entities that have micro business criteria as stipulated in the Law. (Novegya Ratih Primandani, 2023)

According to the Central Statistics Agency (BPS), a micro business is a business unit with a number of permanent workers of up to 4 people, for small businesses the number of permanent workers is between 5 to 19 people, and for medium businesses the number of permanent workers is from 20 to 99 people. Companies with more than 99 employees are included in the category of large businesses. The importance of the existence of micro, small and medium enterprises in the national economy is not only because of their large number, but also in many ways the ability to absorb labor. (Salman Alfarisi, 2022) Meanwhile, according to Ariani and Suresmiathi, through entrepreneurship, MSMEs play a role in reducing unemployment, providing jobs, reducing poverty levels, improving welfare and building the State's personality. (Atsna Himmatul Aliyah, 2022)

Micro, Small and Medium Enterprises (MSMEs) in Indonesia have existed for a long time as part of the people's economic activities that grew naturally long before independence, through household businesses, handicrafts, and local trade. However, formally the regulation and implementation of Micro, Small and Medium Enterprises (MSMEs) in Indonesia has been issued since 2008 concerning Micro, Small and Medium Enterprises based on assets and turnover, and emphasizes the role of Micro, Small and Medium Enterprises (MSMEs) as the main driver of the national economy. Along with development, this regulation is strengthened by Law Number 11 of 2020 concerning job creation, which provides ease of licensing and access to financing for MSME actors. Thus, although the practice of MSMEs has been going on since the early days of the nation's establishment, the implementation and implementation in a structured manner has only begun since 2008 through government policies based on law.

In East Kalimantan, the formal development of the Micro, Small and Medium Enterprises (MSMEs) sector began to be seen significantly at the end of the 2010s, one example in 2018 the number of Micro, Small and Medium Enterprises (MSMEs) registered in East Kalimantan reached more than 211,000 units and then increased to around 307,343 units in 2019. Meanwhile, the official commemoration of National MSME Day in East Kalimantan Province has been held since 2016. Thus, it can be said that the practice of Micro, Small and Medium Enterprises (MSMEs) has been going on for a long time in East Kalimantan socio-economically, the implementation of coaching, recording and developing MSMEs in a structured manner has begun to accelerate since around 2016-2018. (Dedy Mainata, 2020)

III. METHODOLOGY

Types and Approaches to Research

In this study, a descriptive approach was used. Descriptive research is research that describes a problem or phenomenon obtained during the implementation of research without manipulating the research study. (Timothy, 2015) Data analysis carried out in qualitative research is inductive, where this research does not start from theoretical deduction but starts from empirical facts. (Sandu, M. Ali, 2015)

Data Source

The data used in this study is in the form of primary data and secondary data, (Anak Agung, 2019)

1. Data primer

Primary Data is data obtained by researchers or certain institutions directly from the source. Then the data is recorded and observed, then the results are used by the researcher to solve the phenomenon that will be searched for. This data is often called original data which can be in the

form of interview results or filling out questionnaires.

2. Data Seconds

Unlike primary data, secondary data is data that is obtained or collected indirectly or through existing sources first.

Data collection techniques

1. Observation

Observation or observation is a method of data collection by making direct observations in the field on the research object to take a close look at the activities carried out. (Sigit Hermawan, 2016)

2. Interview

Interviews are a method of data collection that is used to obtain information directly from the source. Interviews are usually conducted with the intention of obtaining primary data, real field studies conducted at BAZNAS East Kalimantan Province to obtain direct information, then the author conducts an interview by asking several questions to [engelola dana zakat productive at BAZNAS East Kalimantan Province. (Sudaryono, 2019)

3. Documentation

Documentation is intended to obtain data directly from the research site, including relevant books, regulations, activity reports, photographs and data relevant to the research. The document is a complement to the use of observation and interview methods in qualitative research.

Data Analysis Techniques

1. Data Reduction

Sugiyono said reducing data means summarizing, choosing the most important, focusing on the important, and looking for themes and patterns. Data reduction provides a clearer picture and makes it easier for researchers to collect and search for additional data if needed. Data reduction can be supported on electronic devices such as mini computers by providing code on certain aspects. (Scott, 2015)

2. *Display Data*

Miles & Huberman says that once the data is reduced the next step is to explain the data, the data is presented as a structured collection of information, providing an opportunity to draw conclusions and take action. The presentation of data is intended to further improve the understanding of the case and provide reference material for taking action based on the understanding and analysis of the data presentation. (Misel, Michael, 1992)

3. Conclusion

The third step in the analysis of qualitative data according to & Huberman is the drawing of conclusions. Drawing conclusions is the result of research that answers the focus of research based on the results of data analysis.

IV. RESULTS AND DISCUSSION

BAZNAS Productive Zakat Program East Kalimantan Province

BAZNAS East Kalimantan Province is an official institution authorized in the management of zakat, infaq, and alms (ZIS) funds in the East Kalimantan region. One of the main focuses is the economic empowerment of the people through **the productive zakat program**, namely the distribution of zakat in the form of business assistance and training for mustahik to be financially independent. The productive zakat program of BAZNAS East Kalimantan Province consists of several business units,

including:

1. **Z-Auto**, engaged in the workshop sector with this program provides workshop equipment such as compressors, tires, oil, spare parts, keys and other workshop equipment. as well as technical and managerial training to improve the skills and independence of mustahik businesses.
2. **Z-Mart**, a retail business unit for daily necessities. Assistance is provided in the form of merchandise and business equipment, accompanied by financial management and marketing training so that the business can be sustainable.
3. **Zakat Community Development (Z-CD)**, a community-based empowerment program that emphasizes long-term economic development, especially in rural areas. This program includes cow fattening cultivation activities, laying hens, sheep farming, agriculture, wanamina, and mangrove preservation.
4. **Z-Chicken**, an empowerment program through the business of selling crispy chicken. Assistance was provided in the form of business booths, cooking utensils, raw materials, as well as production and marketing training.

Overall, these four business units reflect the commitment of BAZNAS East Kalimantan Province in optimizing the function of zakat as an instrument for economic empowerment of the people, with a productivity-based approach, training, and continuous mentoring.

Implementation of the East Kalimantan Province BAZNAS Productive Zakat Program in Increasing the Income of Fostered MSMEs

The productive zakat program is the main strategy of BAZNAS East Kalimantan Province in improving the economic welfare of the poor through an empowerment approach. This program distributes zakat in the form of business assistance, training, and assistance to mustahik MSME actors in order to be able to increase income and achieve economic independence. The implementation of the productive zakat program is carried out through three main stages, namely:

1. Mustahik selection, in this stage the mustahik selection process is carried out selectively by considering socio-economic conditions, business potential, and the readiness of the recipient in managing the business.
2. Provision of capital assistance, assistance provided in the form of business goods or working capital according to the needs of each business run by mustahik.
3. Mentoring and training, this stage is one of the keys to success in the implementation of the productive zakat program because through this stage it can provide benefits to mustahik including strengthening mustahik capacity in financial management, business registration, and marketing strategies so that businesses can develop sustainably.

Through these stages, the productive zakat program of BAZNAS East Kalimantan Province seeks not only to provide economic assistance, but also to build business capacity and mustahik independence in a long period of time.

Obstacles and Solutions Faced by BAZNAS East Kalimantan Province

The implementation of the productive zakat program by BAZNAS East Kalimantan Province in empowering fostered MSMEs is inseparable from various obstacles, both internal and external. Internal obstacles occur in the Zakat Community Development (Z-CD) **business** unit, especially in the aquaculture program which has failed due to a lack of mustahik commitment in participating in training and applying fish farming techniques correctly. Meanwhile, external obstacles occurred in the Z-Chicken business unit, which has been stalled since 2022 because it was unable to compete with similar businesses in the market.

In an effort to overcome these obstacles, BAZNAS East Kalimantan Province conducts entrepreneurship training, field assistance, routine monitoring, and strengthening digital-based

marketing so that mustahik products can be marketed more widely, both offline and online. These steps are an important strategy in maintaining the sustainability of the program and increasing the economic independence of mustahik in a sustainable manner.

V. CONCLUSIONS AND RECOMMENDATION

Conclusion

The productive zakat program of BAZNAS East Kalimantan Province is a strategic effort in empowering the mustahik economy through several business units, namely Z-Auto, Z-Mart, Zakat Community Development (Z-CD), and Z-Chicken. The implementation of this program is carried out through the mustahik selection stage, the provision of capital or business goods, as well as continuous assistance and training. This program has been proven to be able to increase income and independence mustahik, while providing non-material benefits in the form of increasing business management knowledge, technical skills, and marketing strategies. However, its implementation also faces internal obstacles, such as a lack of understanding of the mustahik of business management in the Z-CD program, as well as external obstacles in the form of tight market competition that causes the Z-Chicken program to not continue. To overcome this, BAZNAS East Kalimantan Province has taken various strategic steps through entrepreneurship training, intensive mentoring, and the use of digital media in expanding marketing, so that the program can run more effectively and sustainably.

Suggestion

The researcher provided several suggestions that are expected to provide benefits to related parties and become a reference for future research. For BAZNAS East Kalimantan Province, it is recommended to increase the intensity of mentoring and training to fostered MSMEs so that business management is more optimal and independent, as well as conducting routine evaluations of the implementation of the productive zakat program to ensure effectiveness and identify obstacles faced by mustahik. For mustahik program recipients, it is hoped that they can make maximum use of the assistance received to develop their businesses and achieve financial independence. For future researchers, the results of this research are expected to be a reference and reference, especially for research that focuses on evaluating the performance of mentoring and training in the productive zakat program of BAZNAS East Kalimantan Province.

REFERENCE

- Ach. Agil Dzirkullah, Optimizing the role of cooperatives in supporting MSMEs: increasing access to capital, mastery of technology, and market expansion," *INVESTI : Journal of Islamic Investment*, No. 1, Vol. 5, 2024
- Mafluhah, "The Role Zakat Productive in Economic Empowerment Mustahik," *Journal of Sharia Economics*, No. 2, Vol. 9, 2023
- Romzatul Widad, "Zakat Management in the Development of MSMEs in Sukun Village, Sukun District, Malang City, Maqashid Syari 'Ah's Perspective," *ILTIZAMAT: Journal of Economic Sharia Law and Business Studies*, No. 1, Vol. 1, 2021
- Nadilla Roza, "The Influence of Religiuitas and the Role of the Government on the Decision to Pay Zakat at the National Amil Zakat Agency (BAZNAS)" *AL-HISBAH Journal: Journal of Sharia Economics* no. 1, vol. 3, 2023
- Opiefah Nurviliza, "The Effect of Zakat in Economic Growth on Community Welfare: An Analysis of Implementation in LAZISMU.org" *ZISWAF ASFA Journal* no. 2, vol. 2, 2024
- Nurdin Usman, " *Curriculum-Based Implementation Context*", Jakarta: Grasindo, 2002
- Aden Rosadi, " *Zakat and Waqf Conception, Regulation, and Implementation*", Bandung: Simbiosia Rekatama Media, 2019

- Reggin Chaerunnisa, a, et al, " Zakat in Islam: Definition, Law, Types, Terms, and Complete Provisions," *Journal of Applied Islamic Law and Sharia Philosophy Studies* No. 2, Vol. 2, 2025
- Aftina Halwa Hayatika and Muhammad Iqbal Fasa "Management of Collection, Distribution and Use, Zakat Funds by the National Amil Zakat Agency as an Effort to Increase the Economic Empowerment of the People" *Journal of Sharia Economics and Economics* no. 2, vol. 4, 2021
- Beik, et al, *Sharia Economics and Finance Series: Effective Zakat Management*, Jakarta: Ministry of Sharia Economics and Finance, 2016
- Mohammad Haikal, et al, "Analysis of the Meaning of Zakat in the *Qur'an*" *Journal of Qur'an Studies and Tafsir* no. 4, vol. 1, 2024
- Hanif Luthfi, "*Sisapa Amil Zakat*", South Jakarta: Rumah Fikih Publishing, 2018
- Astuti Patminingsih, "*Empowerment of Productive Zakat as an Effort to Improve Mustahik Welfare*", South Lampung: Pustaka Ali Imron, 2020
- Fasiha, "*Productive Zakat: Alternative Poverty Control System*", South Sulawesi: 2017
- Armiadi Musa, "Utilization of Productive Zakat: Concepts, Opportunities and Development Patterns", Banda Aceh: Aceh Manuscript Institute, 2019
- Jannus Tambunan, "Maximizing the Potential of Zakat through Increasing the Accountability of Zakat Management Institutions," *Islamic Circle Journal*, No. 1, Vol. 2, 2021
- Novegya Ratih Primandari, "MSME Development Strategy", Yogyakarta: DEEPUBLISH (CV Budi Utama Publishing Group), 2023
- Salman Alfarisi, "The Role of MSMEs (Micro, Small and Medium Enterprises) in Improving Community Welfare." *Journal of Sharia Economic Dynamics*, No. 1, Vol. 9, 2022
- Atsna Himmatul Aliyah, "The Role of Micro, Small and Medium Enterprises (MSMEs) to Improve Community Welfare," *WELFARE Journal of Economic Sciences*, No. 1, Vol. 3, 2022
- Anak Agung Putu Agung and Anik Yuesti, *Quantitative and Qualitative Business Research Methods*, (Bali:CV. Noah Aletheia, 2019)
- Kris H. Timotious, *Introduction to Research Methodology: Knowledge Management Approaches for Knowledge Development*, (Yogyakarta: Andi Publishers, 2017)
- Sigit Hermawan, et.al, *Business Research Methods with Quantitative and Qualitative Approaches*, (Partners, 2016)
- Sudaryono, *Quantitative, Qualitative and Mixed Method Research Methodology*, (Depok: PT Raja Grafindo Persada, 2019)
- Sugiyono, *Mixed Research Methods*, (Bandung: Alfabeta, 2015)
- Miles B Matthew, A. Michael Huberman, *Qualitative Data Analysis of Sources on New Methods*, (Jakarta: UIP, 1992)