

DEVELOPMENT OF A GREEN HALAL BUSINESS FRAMEWORK THROUGH ZAKAT OPTIMIZATION (STUDY ON Z-CHICKEN AT BAZNAS RI)

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ABSTRACT

Indonesia as a country with the largest Muslim population in the world has great potential in the development of the halal industry. The development of the halal industry not only emphasizes the halal aspects of ingredients and production processes, but also increasingly demands attention to environmental sustainability. This gave birth to the idea of a halal green business, which is a business that combines sharia principles with the concept of ecological sustainability and community welfare. The purpose of this research is to formulate a green halal business framework based on zakat study on Z Chicken at BAZNAS RI. The research method used is qualitative with a case study approach, data is obtained through interviews, observations, and documentation from the management and mustahik of productive zakat beneficiaries. The results of the study show that productive zakat has a strategic role in encouraging the birth of green halal businesses by providing access to capital, managerial coaching, and strengthening sustainability values. The integration of sharia principles, environmental sustainability, and social responsibility can increase business competitiveness and contribute to community welfare. Thus, the concept of green halal business through zakat optimization can be an innovative model in developing Indonesia's halal industry that is not only profit-oriented, but also ethical, sustainable, and for the benefit of the people.

Keywords: Halal Industry, Green Halal Business, Productive Zakat, Z-Chicken, BAZNAS RI

I. INTRODUCTION

Indonesia, as a country with a majority Muslim population, is currently experiencing a very rapid increase in the development of the halal industry. The need for halal products is not only limited to the halal aspects of ingredients and production processes, but also includes aspects of environmental sustainability and social responsibility. In this context, the idea of *halal green business emerged*, which is a business that not only meets sharia principles, but is also oriented towards environmental sustainability and community welfare. The integration of these two aspects is becoming increasingly relevant amid increasing public awareness of the importance of business ethics, sustainability, and corporate social responsibility. Therefore, it can be said that halal and green are the concepts of aligning sharia principles with ecological sustainability (Himam & Azis, 2025).

In supporting the development of green halal businesses, zakat as one of the Islamic social financial instruments has a strategic role. Zakat optimization can not only be used to fulfill worship obligations, but also to strengthen a sustainability-oriented business ecosystem. The productive use of zakat can help empower mustahik, encourage economic growth of the people, and maintain environmental sustainability.

Thus, zakat does not stop as a formal obligation, but becomes a strategic instrument in the development of green halal businesses. This is in line with the purpose of maqashid sharia, which is to protect religion, soul, intellect, descendants, and property, which in the modern context can also be linked to aspects of environmental sustainability (Mutakin, A. 2023).

Z Chicken as one of the sharia-based culinary business actors, is a pioneer in the implementation of a green halal business framework. This culinary business is not only required to ensure the halalness of the product, but also to pay attention to the environmental impact caused, such as waste management, the use of environmentally friendly materials, and energy efficiency. The success of Z Chicken's green halal business, in addition to supporting environmental sustainability, is expected to be able to help empower and develop the people's economy. The Z Chicken entrepreneur who was originally a mustahik or zakat recipient, but as his business develops, it is hoped that he will change his role to become one of the muzaki.

However, the reality is that there are still various challenges in developing this *framework*. Many business actors do not understand the integration between halal, green, and zakat aspects comprehensively. The management of zakat by companies also tends to be consumptive, so it does not have a long-term impact on community empowerment and environmental sustainability. In addition, there are still limited academic studies that specifically discuss the development of a green halal business framework through zakat optimization, especially in the culinary business sector such as Z Chicken, which is one of the reasons for the importance of this research.

Based on this description, it is important to conduct a more in-depth study on the development of a green halal business framework through the optimization of zakat on Z Chicken. This research is expected to provide theoretical contributions in the form of integrative concepts between halal, *green business*, and zakat, as well as practical contributions in the form of implementation models that can be applied by business actors, so that halal business not only fulfills spiritual aspects, but also has a positive impact on the environment and community welfare in a sustainable manner.

II. LITERATURE REVIEW

The development of a green halal business framework emphasizes the integration of sharia values and environmental sustainability. Halal principles not only demand halal ingredients and production processes, but also concern for the environment, thus giving birth to the concept of halal green that combines sharia compliance with environmentally friendly practices (*A case study of halal green concept integration*, 2020).

The circular economy is an important approach in the food business, including the poultry sector, through the application of *the principles of reduce, reuse, recycle* to minimize waste and maximize resource utilization (Elahi et al., 2022). The Z-Chicken program by BAZNAS is one of the models of productive zakat implementation that successfully combines zakat capital with business assistance to create economic independence (Suharto, 2021).

In the context of empowerment, productive zakat functions as an Islamic social financial instrument that is able to transform mustahik into independent business actors. Productive zakat itself is a scheme for distributing zakat that is not given as direct consumption, but as capital or initial assets that are used to create or develop mustahik businesses so as to generate sustainable income and improve living standards. The main goal is to empower the mustahik economy so that it is not only met in the short term but also independent in the long term (Saeful, 2019).

On the other hand, the concept of *green finance* in an Islamic perspective opens up opportunities for synergy between zakat and environmentally-oriented sharia financing instruments, such as green sukuk, to expand the impact of sustainable businesses (Elmassah & Mohieldin, 2022). *This framework* is also strengthened by *Islamic Social Responsibility (ISR)*, which emphasizes business responsibility in maintaining social, economic, and environmental balance through transparency, community concern, and environmental management (Haniffa, 2002). Strengthening the halal ecosystem through integration with Islamic financial institutions, halal certification training, marketing, and distribution networks have an equally important role. The results of research and

institutional initiatives (including BAZNAS and LAZ) show that zakat can help develop halal business culture at the micro level and increase the capacity of the national halal industry (Lusiana, 2024).

The integration between green halal businesses and productive zakat can create an economic empowerment model that is not only sharia-compliant, but also environmentally friendly. According to Huda (2022), the application of productive zakat in the halal-green business is able to encourage sustainable business growth while empowering mustahik to become muzaki. Thus, it can be said that the development of a green halal business framework through zakat optimization includes four main pillars: halal compliance, the implementation of the circular economy, the use of productive zakat, and sustainability-oriented ISR-based governance.

III. METHODOLOGY

This study uses a qualitative approach with a case study method to understand the implementation of the Z-Chicken productive zakat program in depth (Creswell & Poth, 2018; Yin, 2018). The research subjects were determined purposively, including program managers at BAZNAS RI and beneficiary mustahik. Data was collected through in-depth interviews, field observations, and documentation of reports and photos of activities (Sugiyono, 2021). Data analysis used the interactive model of Miles, Huberman, and Saldaña (2018) which included data reduction, data presentation, and conclusion drawing and verification.

IV. RESULTS AND DISCUSSION

Results

Indicators of the type of business facilitated by BAZNAS RI and the background of Z-Chicken financing

Until now, BAZNAS RI has several programs in carrying out the distribution and utilization of zakat, including the Livestock Center, Food Barn, Z Mart, Livable Houses, Micro Zakat Bank (BZM), Santripreneur, Z Auto and Zakat Community Development (ZCD), Scholarships, and Z Chicken.

The reasons behind the selection of Z-Chicken as one of the productive zakat programs are:

1. **Prospective Culinary Venture**
The culinary industry, particularly chicken-based fast food, has a wide market and relatively stable demand. Z-Chicken was chosen because of its promising business prospects and in accordance with the needs of the daily community.
2. **Halal Concept and Easy to Accept by the Market**
Z-Chicken products are based on halal food, so it is in line with BAZNAS' vision in encouraging the halal-based economy of the people. This also facilitates the acceptance of Muslim consumers who are the majority in Indonesia.
3. **Standardized and Easy-to-Manage Business Model**
Z-Chicken was developed with a simple franchise business model, making it easier for mustahik who are just entering entrepreneurship. There are clear operational standards (SOP), guaranteed raw materials, and training from managers.
4. **Relatively Affordable Capital**
Compared to large culinary businesses, Z-Chicken's initial capital is relatively small, making it suitable for financing from productive zakat. Capital from BAZNAS can be directly allocated to open outlets without heavy burdens.
5. **Creating Economic Independence Mustahik**
By running this business, mustahik not only receives consumptive assistance but can also earn sustainable income. The ultimate goal is for them to be promoted to become muzaki.

6. Potential for Job Creation

Z-Chicken's business is not only beneficial for outlet owners, but also is expected to open up job opportunities for others in the surrounding environment.

7. Branding of Islamic Ummah Business

BAZNAS wants to build a halal business ecosystem that has a strong identity. Z-Chicken is used as a pilot project for people's businesses that can be developed more widely in various regions.

So, the selection of Z-Chicken by BAZNAS is not only a culinary business, but also part of the economic empowerment strategy of the people based on productive zakat with a halal business model, easy to manage, and potentially develop.

Indicators of capital origin, distribution process and assistance

There are 3 forms of zakat optimization as an empowerment instrument in the Z-Chicken program:

1. Seed Capital Funding

Productive zakat funds allocated as initial capital are given in the form of carts, equipment, initial raw materials, and Z-Chicken outlet branding so that it is impossible to gain added value in the form of consumer trust in halal and hygienic products.

2. Process Of Productive Zakat Distribution

The mechanism for providing assistance or the flow of zakat utilization is starting from the cooperation of the central BAZNAS with the Regional or Regency BAZNAS. Furthermore, it is the Regional BAZNAS that will look for mustahik candidates who will receive assistance. To ensure that the zakat distributed is received by the right mustahik, the regional BAZNAS will validate the condition of prospective mustahik beneficiaries by visiting them directly. Prospective beneficiaries who have been considered eligible will then be given assistance in the form of business capital and training, ranging from soft skills training, business tips and tricks, simple financial management to digital marketing. The intensive mentoring process minimizes the risk of business failure while building an Islamic work ethic.

3. Business assistance and supervision pattern

To achieve business independence, there are 2 types of assistance provided by BAZNAS to beneficiaries, namely group assistance provided periodically per month and personal assistance intended as supervision and evaluation of business sustainability both technically and non-technically. The initial obstacle that often arises in addition to marketing problems is the issue of financial stability.

These findings show that productive zakat is more effective if it is not only in the form of funds, but combined with knowledge transfer, business networks, and mentoring.

- Indicators of business independence, sustainability, mustahik transformation

In order to ensure the independence and sustainability of the mustahik business, in addition to providing assistance, BAZNAS may also provide additional capital assistance if it is really needed. Usually additional assistance is provided for business development such as opening additional outlets or developing facilities.

The sustainability of the mustahik business will continue to be pursued even though it still faces market challenges and skill challenges. With the success of this program, it is hoped that the condition of mustahik will undergo significant changes both economically (from mustahik to prospective muzakki, and some have even been transformed into muzzaki) and social (self-confidence, independence and appreciated in the community) as well as sustainable welfare.

- Indicators of the application of halal principles, green zakat, ideal model/framework

1. The halalness of Z-Chicken products is a franchise, so BAZNAS must ensure that all raw materials obtained by the beneficiaries' mustahik come from BAZNAS' chosen supervisors who have been tested for halal. The purchasing system with stock points makes it easier for

BAZNAS to check the business activities of beneficiaries. BAZNAS will act decisively by punishing if there are beneficiaries who buy raw materials from outside the designated place. In order to continue to maintain the halalness of Z-Chicken products, BAZNAS always collaborates and collaborates with institutions responsible for halal assurance criteria.

2. Efforts to implement green zakat at Z-Chicken include: Urging the management of used cooking oil waste by selling it to waste banks if they are not able to process it themselves, reducing the use of plastic by choosing recyclable or environmentally friendly packaging as well as sorting waste and providing organic and inorganic waste bins.
3. In simple terms, the ideal model/framework developed by BAZNAS in the utilization of zakat can be described as follows:

Input → (Zakat funds, human resources, regulations, mustahik data)

→ Process (Identification of Mustahik → Program Design → Distribution → Assistance → Monitoring & Evaluation)

Output → (Fulfillment of basic needs, upskilling, productive effort)

Outcome → (Self-reliance, poverty alleviation, improvement of quality of life)

Impact → (Transformation of mustahik into muzakki, achievement of zakat and SDGs goals).

BAZNAS' hope for the development of the empowerment program is to increase public awareness to participate in the zakat program. The challenge felt in this program is to be able to convey the mandate of zakat to the right mustahik.

- Indicators of halal certificates, production processes, raw materials and halal assistance

The halalness of products is collective from the center, therefore all raw materials used must be obtained from stock points that have been guaranteed halal. The processing process follows the set hygiene and hygiene standards. Beneficiaries are not allowed to buy raw materials outside the specified stock points.

- Indicators of waste management, eco-friendly packaging, energy efficiency, plastic reduction

Collaborating with third parties in managing cooking oil waste by selling used cooking oil, this is because the beneficiaries' ability to manage themselves is still limited. The packaging used is environmentally friendly packaging made from recycled paper and always strives for energy efficiency through the use of electricity-saving equipment.

- Indicators Consumer views on the principles of environmental sustainability

Although consumers' views on environmentally friendly businesses have been positive, they are still influenced by several factors including prices and competition for well-known brands.

Discussion

Formulating a Green Halal Business Framework through Zakat Optimization at Z Chicken

The results of the study show that the formulation of a green halal business framework at Z Chicken through zakat optimization must pay attention to three main aspects: sharia compliance, sustainability principles, and productive zakat governance. These three aspects are the foundation in building a business model that is not only oriented to financial profits, but also to the value of blessings, environmental sustainability, and mustahik socio-economic empowerment.

In terms of sharia compliance, halal business emphasizes that every stage of production to product distribution must be in accordance with halal principles. Z Chicken, as a culinary business initiated by BAZNAS, has complied with halal standards ranging from raw materials, processing processes, to service to consumers. The halalness of Z-Chicken products is a franchise, so BAZNAS must ensure that all raw materials obtained by the beneficiaries' mustahik come from BAZNAS' preferred suppliers who have been tested for halal. BAZNAS will act decisively by punishing if there are beneficiaries who buy raw materials from outside the designated place. In order to continue to

maintain the halalness of Z-Chicken products, BAZNAS always collaborates and collaborates with institutions responsible for halal assurance criteria.

The principle of sustainability emphasizes that halal is not only enough to be seen from the perspective of Islamic law, but also needs to be integrated with the green dimension, namely business management that cares about the environment, for example the use of environmentally friendly packaging, reducing food waste, and saving energy in production. Z-Chicken always cooperates with third parties in the management of used cooking oil waste.

Meanwhile, in terms of productive zakat governance, researchers found that zakat not only functions as an instrument of welfare distribution, but also as socio-economic capital to drive green halal businesses. Through zakat funds, mustahik beneficiaries get access to capital without usury, managerial training, and business assistance to ensure business independence and sustainability. The mechanism for providing assistance or the flow of zakat utilization is starting from the cooperation of the central BAZNAS with the Regional or Regency BAZNAS. Furthermore, it is the Regional BAZNAS that will look for mustahik candidates who will receive assistance. To ensure that the zakat distributed is received by the right mustahik, the regional BAZNAS will validate the condition of prospective mustahik beneficiaries by visiting them directly. Prospective beneficiaries who have been considered eligible will then be given assistance in the form of business capital and training, ranging from soft skills training, business tips and tricks, simple financial management to digital marketing. The intensive mentoring process minimizes the risk of business failure while building an Islamic work ethic. Periodic monitoring and evaluation to ensure business sustainability and the transformation of mustahik into muzaki in the future is also the concentration of BAZNAS as a productive zakat manager.

V. CONCLUSION

Currently, the practice of zakat in Indonesia shows an evolution with a shift in focus from just collecting/distributing to productive utilization. BAZNAS RI has a strategic role as a national authority in the management of zakat in Indonesia to carry out various productive zakat utilization programs.

Productive zakat management can be a strategic instrument in supporting the development of sustainable halal businesses. The framework formulated emphasizes three main aspects, namely sharia compliance, sustainability principles (green), and productive zakat governance. The aspect of sharia compliance can be seen in the implementation of halal standards throughout the production chain to services. Meanwhile, the green principle emphasizes the importance of environmental sustainability through waste reduction, energy efficiency, and the use of eco-friendly packaging. Meanwhile, productive zakat governance gives direction that zakat is not only consumptive assistance, but also business capital, mentoring, and monitoring that allows mustahik to grow into independent entrepreneurs.

The role of zakat in the development of green halal businesses at Z Chicken is proven to include economic, social, and ecological dimensions. From an economic perspective, zakat functions as a source of capital without usury, making it easier for mustahik to start a business with less financial risk. From the social side, zakat empowers mustahik to transform into empowered entrepreneurs, so that they have the potential to upgrade to muzaki in the future. Meanwhile, from the ecological side, zakat has the potential to support environmentally friendly businesses, such as the application of innovations in waste management and the use of green technology.

Thus, the main conclusion of this study is that zakat has a big role in formulating and supporting the green halal business framework at Z Chicken. If managed properly, zakat can be an instrument of empowerment that touches economic, social, and environmental aspects at the same

time. This model not only raises mustahik towards independence, but also encourages the creation of a competitive, fair, and sustainable halal business ecosystem.

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