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Islamic Social Finance and Community Welfare: The Case of Productive *Zakat* Management



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ABSTRAK

Tujuan: Penelitian ini bertujuan untuk menganalisis pengelolaan zakat produktif dalam mendorong pemberdayaan ekonomi dan meningkatkan kesejahteraan masyarakat di Desa Batu Ampar, Kecamatan Kemuning, Kabupaten Indragiri Hilir. Penelitian ini juga mengkaji peran zakat produktif sebagai instrumen keuangan sosial Islam dalam membangun kemandirian ekonomi penerima manfaat. **Metode:** Penelitian ini menggunakan pendekatan kualitatif dengan desain deskriptif. Data dikumpulkan melalui wawancara mendalam, observasi, dan dokumentasi yang melibatkan pengelola zakat, tokoh agama, dan penerima zakat. Data dianalisis secara deskriptif untuk memahami proses pengelolaan zakat produktif serta dampaknya terhadap pemberdayaan ekonomi masyarakat. **Temuan:** Hasil penelitian menunjukkan bahwa pengelolaan zakat produktif di Desa Batu Ampar telah dilaksanakan melalui tahapan penghimpunan, pendistribusian, dan pemanfaatan dana zakat, meskipun sistem pengelolannya masih bersifat sederhana. Zakat produktif memberikan kontribusi positif terhadap pemberdayaan ekonomi masyarakat dan peningkatan kesejahteraan, baik secara material maupun nonmaterial. Namun demikian, keterbatasan pendampingan usaha, rendahnya kapasitas manajerial pengelola zakat, serta minimnya program pengembangan usaha berkelanjutan masih menjadi tantangan utama dalam optimalisasi zakat produktif. **Implikasi:** Pengelolaan zakat produktif perlu dioptimalkan melalui penguatan kapasitas kelembagaan dan manajerial, peningkatan program pendampingan usaha, serta pengembangan strategi pemberdayaan ekonomi yang berkelanjutan agar zakat produktif mampu mendorong kemandirian ekonomi masyarakat secara lebih efektif.

Kata Kunci: Keuangan Sosial Islam, Zakat Produktif, Pemberdayaan Ekonomi, Kesejahteraan Masyarakat.

ABSTRACT

Purpose: This study aims to analyze the management of productive *zakat* in promoting economic empowerment and improving community welfare in Batu Ampar Village, Kemuning District, Indragiri Hilir Regency. The study also examines the role of productive *zakat* as an instrument of Islamic social finance in fostering the economic independence of beneficiaries. **Method:** This study employed a qualitative approach with a descriptive design. Data were collected through in-depth interviews, observations, and documentation involving *zakat* administrators, religious leaders, and *zakat* beneficiaries. The data were analyzed descriptively to understand the management process of productive *zakat* and its impact on community economic empowerment. **Findings:** The findings reveal that the management of productive *zakat* in Batu Ampar Village has been implemented through the stages of collection, distribution, and utilization of *zakat* funds, although the management system remains relatively simple. Productive *zakat* has contributed positively to community economic empowerment and the improvement of welfare, both materially and non-materially. However, limited business mentoring, low managerial capacity among *zakat* administrators, and the lack of sustainable business development programs remain major challenges in optimizing productive *zakat* management. **Implications:** The management of productive *zakat* needs to be optimized through strengthening institutional and managerial capacities, improving business assistance programs, and developing sustainable economic empowerment strategies so that productive *zakat* can more effectively promote long-term community economic independence.

Keywords: Islamic Social Finance, Productive *Zakat*, Economic Empowerment, Community Welfare

INTRODUCTION

Zakat is one of the Islamic economic instruments that has a strategic role in realizing social justice and the welfare of the people. In addition to functioning as *mahdhah*, *zakat* also has a socio-economic dimension that aims to reduce inequality and poverty in society (Qardhawi, 2011). Therefore, *zakat* is not only understood as an individual obligation, but also as a wealth distribution system that has a wide impact on the development of the ummah. In practice, *zakat* management can be done in a consumptive or productive manner. Consumptive *zakat* is generally used to meet the basic needs of *mustahik* in the short term, while productive *zakat* is directed to economic activities that can generate sustainable income (Tamirano, 2025). Productive *zakat* is important because it is able to transform *mustahik* from recipients of assistance to economically independent individuals.

Economic empowerment through productive *zakat* is seen as a strategic solution in overcoming structural poverty. Through the provision of business capital, mentoring, and coaching, productive *zakat* has the potential to increase the economic capacity of *mustahik* in a sustainable manner (Hawar & Zein, 2021). Thus, productive *zakat* is not only charitable, but also transformative. However, the effectiveness of productive *zakat* is highly dependent on the quality of its management. Management that includes planning, distribution, utilization, and good supervision will determine the success of *zakat* in achieving the goals of the welfare of the people (Hafidhuddin, 2002). Without professional and targeted management, productive *zakat* has the potential to have no significant impact on the improvement of the *mustahik* economy. The welfare of the people itself is a multidimensional concept that is not only measured in terms of income, but also includes quality of life, economic independence, and the ability to meet basic needs in a sustainable manner. Therefore, productive *zakat* must be directed to empowerment efforts that touch these aspects so that welfare goals can be achieved optimally.

In rural areas, such as Batu Ampar Village, Kemuning District, Indragiri Hilir Regency, the economic problems of the community are still the main challenge. Some people are in middle-to-lower economic conditions with limited access to capital and business opportunities. This condition makes productive *zakat* one of the important alternatives in encouraging the economic empowerment of village communities. The potential for *zakat* in the community of Batu Ampar Village is quite large, but it has not been fully managed optimally in the form of productive activities. In some cases, *zakat* is still distributed consumptively, so its impact on improving long-term welfare is relatively limited. This shows the need for an in-depth study related to how productive *zakat* management is carried out at the village level.

Research on the management of productive *zakat* is important to see the extent to which *zakat* can play a role as an instrument for economic empowerment of the people at the local level. By understanding the management patterns applied, it is possible to know the supporting and inhibiting factors in the implementation of productive *zakat* (Tamirano, 2025). The results of the research are expected to contribute to the development of more effective *zakat* management. Based on this description, it can be concluded that the management of productive *zakat* has high urgency in efforts to empower the economy and improve the welfare of the people, especially in rural areas. Therefore, Batu Ampar Village, Kemuning District, Indragiri Hilir Regency is a relevant context to be researched to see the real practice of productive *zakat* management in the community. The formulation of the problem in this study is: how to manage productive *zakat* in

economic empowerment and improving the welfare of the people in Batu Ampar Village, Kemuning District, Indragiri Hilir Regency. The purpose of this research is to find out and analyze the management of productive *zakat* and its role in empowering the economy and improving the welfare of the people in Batu Ampar Village, Kemuning District, Indragiri Hilir Regency.

METHODS

This study uses a qualitative research design with a descriptive approach, which aims to deeply understand the management of productive *zakat* in economic empowerment and improving the welfare of the people in Batu Ampar Village, Kemuning District, Indragiri Hilir Regency. The qualitative approach was chosen because this research focuses on the process, meaning, and practice of productive *zakat* management carried out by *zakat* managers and felt by the beneficiary community. This design is assessed in accordance with the purpose of the research, which is to describe systematically and factually how productive *zakat* is managed and its impact on economic empowerment and the welfare of the people at the village level.

The data collection instruments in this study included semi-structured interviews, field observations, and documentation. Interviews were conducted with *zakat* managers, religious leaders, and *mustahik* productive *zakat* recipients to obtain in-depth and relevant data. Observation is used to see directly the implementation of the productive *zakat* program and *mustahik* economic activities, while documentation in the form of archives, activity reports, and other supporting data is used to strengthen the results of the research. The data collection procedure is carried out in stages through planning, implementation, and systematic data recording so that the data obtained is valid and accountable.

RESULTS AND DISCUSSION

Pattern of Productive *Zakat* Management in Batu Ampar Village

The results of the study show that the management of productive *zakat* in Batu Ampar Village is carried out through the stages of collection, distribution, and utilization of *zakat*. *Zakat* collection is carried out directly by mosque administrators and local religious leaders. Based on field data, most of the *zakat* collected comes from village communities with a relatively small nominal, but it is carried out regularly. This pattern shows that there is a fairly good awareness of *zakat* at the local community level. At the distribution stage, productive *zakat* is distributed to *mustahik* who already have a small business or have business potential. About the majority of *mustahik* receive business capital assistance in the form of cash or simple equipment. The use of productive *zakat* was not found on a large business scale, but was focused on household micro businesses. This shows that productive *zakat* is directed to strengthen the basic economy of the community.

The utilization of productive *zakat* in Batu Ampar Village is still simple and has not been accompanied by intensive business assistance. Supervision of the use of *zakat* funds is carried out informally through the monitoring of community leaders. This condition indicates that the management of productive *zakat* has not fully applied the principles of systematic modern management. The results of interviews with *zakat* managers and religious leaders in Batu Ampar Village show that productive *zakat* management has been focused on providing business capital to the community which is classified as *mustahik*. The determination of *zakat*

recipients is carried out through joint deliberation by considering the economic conditions and business potential of prospective recipients. According to the informant, productive *zakat* is seen as more useful than consumptive *zakat* because it can help *mustahik* earn income sustainably, although the manager admits that business assistance cannot be carried out optimally due to time and resource limitations.

Meanwhile, the results of interviews with *mustahik* productive *zakat* recipients show that the business capital assistance received has a positive impact on improving the family economy. *Mustahik* stated that productive *zakat* helps them increase their business capital and meet their daily needs without having to rely entirely on consumptive assistance. However, some *mustahik* also expressed the need for guidance and business assistance so that the business run can develop better and sustainably. This finding is in line with the theory of *zakat* management which states that the effectiveness of *zakat* is highly dependent on the professionalism of *amil* and the management system applied. Qardhawi also emphasized that productive *zakat* requires good planning and supervision in order to achieve the goals of the welfare of the people. Thus, the results of this study support the findings of previous studies which stated that the management of *zakat* at the village level still faces managerial limitations.

The Impact of Productive *Zakat* on *Mustahik* Economic Empowerment

The results of the study show that productive *zakat* has a positive impact on the economic empowerment of *mustahik* in Batu Ampar Village. Most of the *mustahik* who received business capital experienced an increase in income, albeit in a limited amount. This increase can be seen from the ability of *mustahik* to increase business stock or expand the type of business run. In addition to increasing income, productive *zakat* also encourages the growth of *mustahik* economic independence. Some *mustahik* are no longer completely dependent on consumptive assistance and have begun to rely on the results of their efforts to meet their daily needs. This pattern shows that productive *zakat* functions as an initial economic stimulus for the underprivileged.

However, not all *mustahik* have experienced significant business development. Research found that there are *mustahik* whose businesses are stagnant or even stop. The causative factors include limited business skills, lack of assistance, and limited village market conditions. This shows that productive *zakat* is not yet fully able to empower all *mustahik* equally. This result is relevant to the Islamic economic empowerment theory which states that financial capital must be accompanied by coaching and increasing the capacity of human resources so that empowerment runs optimally (Tamirano, 2024). The findings of this study expand on the results of research that states that productive *zakat* is effective in increasing the *mustahik* economy if supported by sustainable business assistance.

Contribution of Productive *Zakat* to Improving the Welfare of the Ummah

The results of the study show that productive *zakat* contributes to improving the welfare of the people in Batu Ampar Village. The welfare indicators found include an increase in the ability of *mustahik* to meet basic family needs, such as food needs, children's education, and health costs. Although the increase is not quantitatively significant, it is felt directly by the *mustahik*. In addition to the economic aspect, productive *zakat* also has an impact on the social and psychological aspects of the community. *Mustahik* feels more appreciated because he is given the opportunity to try, not just receive consumptive assistance. This

increases confidence and motivation to improve living conditions. This impact shows that well-being is not only material, but also non-material.

However, the improvement in the welfare of the people has not been felt equally by all village communities. The limited amount of productive *zakat* funds causes the reach of beneficiaries to be limited. In addition, the absence of systematically measurable welfare indicators makes the evaluation of the impact of productive *zakat* still qualitative. These findings support the concept of well-being in Islam that emphasizes the balance between material and spiritual aspects. Qardhawi (2011) also emphasized that *zakat* is a social security instrument that must be managed optimally in order to be able to improve the welfare of the people in a sustainable manner. Thus, the results of this study strengthen the theory that productive *zakat* has great potential in improving the welfare of the people, especially in rural areas, if managed optimally.

Supporting Factors and Inhibiting Productive *Zakat* Management

The results of the study show that there are several supporting factors in the management of productive *zakat* in Batu Ampar Village. The main supporting factor is the public's trust in *zakat* managers, especially religious leaders and mosque administrators. This trust is an important social capital in collecting and distributing *zakat* in a sustainable manner. In addition, the social solidarity of the village community also supports the implementation of productive *zakat*. Close social relations between residents facilitate the process of identifying *mustahik* who deserve assistance. This condition is in accordance with the characteristics of rural communities who still uphold the value of togetherness and mutual cooperation.

However, research also found several inhibiting factors in the management of productive *zakat*. One of the main obstacles is the limitation of human resources who have managerial skills and an understanding of sharia economics. *Zakat* managers do not have special training in managing productive *zakat* professionally. Another obstacle is the limited amount of productive *zakat* funds collected. The available funds have not been able to reach all *mustahik* in need, so the distribution of productive *zakat* is still selective and limited. This condition affects the effectiveness of *zakat* in improving the welfare of the people as a whole. This finding is in line with the opinion of Hafidhuddin (2002) who stated that the main obstacle to *zakat* management at the local level is the limitation of human resources and management systems. Qardhawi (2011) also emphasized that the optimization of *zakat* requires institutional support and professionalism of *amil zakat*.

Strategies for Optimizing Productive *Zakat* Management for Improving the Welfare of the *Ummah*

Based on the results of the research, the optimization of productive *zakat* management in Batu Ampar Village needs to be carried out through improving the quality of *zakat* management. More planned, transparent, and accountable management is expected to increase public trust while increasing the potential of the productive *zakat* funds collected. The next strategy is to strengthen business assistance for *mustahik* productive *zakat* recipients. Mentoring not only focuses on capital provision, but also includes business skills training, simple financial management, and product marketing. Thus, productive *zakat* can have a long-term impact on the economic independence of *mustahik*.

In addition, cooperation with related institutions, such as village governments and Islamic financial institutions, is an important strategy in optimizing productive *zakat*. Synergy between institutions can expand access to capital, training, and markets for *mustahik*, so that productive *zakat* programs can run more effectively. This research also shows the need for a sustainable evaluation and monitoring system for the use of productive *zakat* funds. The evaluation was carried out to assess the development of the *mustahik* business and the impact of *zakat* on improving the welfare of the people. Without a clear evaluation, the effectiveness of productive *zakat* is difficult to measure objectively. These strategies are in line with the views of Hawari and Zein (2021) who stated that productive *zakat* must be managed in an integrated and empowerment-oriented manner. Qardhawi (2011) also emphasized that optimally managed *zakat* can be a strategic instrument in realizing the welfare of the people in a sustainable manner.

CONCLUSION

Based on the results of research on the management of productive *zakat* in economic empowerment and improving the welfare of the people in Batu Ampar Village, Kemuning District, Indragiri Hilir Regency, it can be concluded that the management of productive *zakat* has been carried out through the stages of collection, distribution, and utilization of *zakat*. Even though the management is still simple and based on public trust, productive *zakat* continues to run and provides real benefits for *mustahik*. The results of the study show that productive *zakat* plays a role in the empowerment of the *mustahik* economy, especially as an initial stimulus to run or develop small businesses. *Mustahik* who received business capital assistance experienced an increase in economic activity and began to show independence in meeting the needs of life. This finding is in line with the purpose of the research, which is to look at the role of productive *zakat* in encouraging the economic empowerment of rural communities.

In addition to having an impact on the economic aspect, productive *zakat* also contributes to improving the welfare of the people, both materially and non-materially. The improvement of welfare can be seen from the ability of *mustahik* to meet the basic needs of the family as well as increased confidence and socio-religious participation. This shows that productive *zakat* has a strong social dimension in building the welfare of the people holistically. However, this study also found that there are several limitations in the management of productive *zakat*, such as the lack of optimal business assistance, the limited amount of *zakat* funds, and the lack of a measurable evaluation system. These limitations cause the impact of productive *zakat* to not be felt equally by all *mustahik* in Batu Ampar Village. Based on these findings, the recommendations that can be submitted are the need to increase the capacity of *zakat* managers through management training and business assistance for *mustahik* so that productive *zakat* can be managed more effectively and sustainably. In addition, further research is recommended to examine productive *zakat* with a quantitative approach or comparative studies between regions to obtain a broader picture of the effectiveness of productive *zakat* in improving the welfare of the people.

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ETHICAL STATEMENT

This research is carried out by adhering to the principles of research ethics that uphold respect for human rights, human dignity, fairness in the treatment of research subjects, balance between benefits and risks, and scientific integrity, which includes honesty and openness in reporting data and research results.

AI DECLARATIONS

The authors declare that artificial intelligence (AI)–assisted tools were used to support the literature review process in the introduction, particularly for identifying relevant studies and improving clarity of synthesis. All interpretations, critical analyses, and scholarly judgments remain the full responsibility of the authors.