Sanjana
Jurnal Perbankan Syariah dan Ekonomi Syariah
e-ISSN : 2723-5289
Vol. 08 No. 03, (Juli: 2026)

Productive Zakat as a Strategic Instrument for Achieving the Sustainable Development Goals (SDGs)

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Abstrak

Productive zakat is one of the Islamic social finance instruments that has significant potential to support the achievement of the Sustainable Development Goals (SDGs), particularly in poverty alleviation, economic empowerment, and reducing social inequality. This study aims to examine the role of productive zakat as an indicator of SDG achievement from an Islamic economic perspective. The research employs a qualitative approach using the library research method by examining books, scientific journal articles, reports from zakat institutions, and other relevant literature. The findings indicate that productive zakat can contribute to achieving several SDGs, most notably especially Goal 1 (No Poverty), Goal 8 (Decent Work and Economic Growth), and Goal 10 (Reduced Inequalities). Through business capital assistance, entrepreneurial training, and continuous mentoring, productive zakat improves beneficiaries' income, encourages economic independence, and strengthens local economic development. Nevertheless, its implementation still faces challenges, including limited funding, uneven quality of mentoring, and the absence of standardized evaluation indicators linked to the SDGs. Therefore, optimizing productive zakat requires professional governance, digital innovation, and collaboration among zakat institutions, government, and other stakeholders. This study concludes that productive zakat is not only an instrument of Islamic philanthropy but also a strategic mechanism for promoting inclusive and sustainable development in Indonesia.

Keywords: productive zakat, Sustainable Development Goals (SDGs), Islamic economics, poverty alleviation, economic empowerment..

INTRODUCTION

Poverty, economic inequality, and limited access to productive resources remain major development challenges in many developing countries, including Indonesia. Although the government has implemented various social protection and economic empowerment programs, poverty and income inequality continue to require serious attention. This situation indicates that poverty alleviation efforts cannot rely solely on short-term, consumption-oriented assistance but must also incorporate sustainable strategies that empower communities to achieve long-term economic self-reliance.

Therefore, there is an urgent need for development instruments that not only address immediate basic needs but also enhance productive capacity, foster entrepreneurship, and improve the overall socioeconomic well-being of society.

In the Islamic economic framework, zakat serves as a wealth redistribution mechanism with both spiritual and socio-economic dimensions. Beyond its role as a religious obligation, zakat aims to promote equitable income distribution, alleviate poverty, and improve social welfare. Traditionally, zakat has primarily been distributed in a consumptive manner, providing direct financial or material assistance to meet the immediate basic needs of *mustahik* (eligible zakat beneficiaries). While this approach is essential in emergency situations and for addressing urgent needs, it has generally been insufficient to transform *mustahik* into economically independent individuals.

To overcome these limitations, the concept of productive zakat has emerged as a more sustainable approach to zakat utilization. Productive zakat involves channeling zakat funds into income-generating activities, such as providing business capital, productive assets, vocational training, entrepreneurship development, and continuous business mentoring. This approach is intended to strengthen the economic capacity of beneficiaries, enabling them to generate sustainable income and gradually transition from *mustahik* (zakat recipients) to *muzakki* (zakat payers). Consequently, productive zakat functions not only as an instrument of social assistance but also as a strategic tool for economic empowerment and sustainable development. (Fauzi & Nasution, 2025).

In line with the evolution of the global development agenda, the United Nations (UN) adopted the Sustainable Development Goals (SDGs) as the global development framework for the 2016–2030 period. The SDGs comprise 17 interconnected goals aimed at addressing key global challenges, including poverty eradication, zero hunger, improved health and education, gender equality, decent work, sustainable economic growth, and the reduction of inequalities. As a member state of the United Nations, Indonesia has integrated the SDGs into its national development policies and strategies to promote inclusive and sustainable development.

Fundamentally, the objectives of zakat are closely aligned with those of the SDGs. Productive zakat programs directly contribute to the achievement of SDG 1 (No Poverty) by reducing poverty through economic empowerment; SDG 2 (Zero Hunger) by enhancing household food security; SDG 3 (Good Health and Well-being) by

improving the overall welfare of beneficiaries; SDG 4 (Quality Education) by supporting educational access and human capital development; SDG 8 (Decent Work and Economic Growth) by empowering micro and small enterprises and creating sustainable livelihood opportunities; and SDG 10 (Reduced Inequalities) by promoting a more equitable distribution of wealth and income. Accordingly, productive zakat occupies a strategic position as an Islamic social finance instrument capable of reinforcing the implementation of the Sustainable Development Goals and advancing inclusive, equitable, and sustainable socioeconomic development. (Saadah & Hasanah, 2021).

In Indonesia, various zakat management institutions, including the Badan Amil Zakat Nasional (BAZNAS) and Lembaga Amil Zakat (LAZ), have developed a wide range of productive zakat programs. These initiatives include business capital financing, livestock and agricultural development, the empowerment of micro, small, and medium-sized enterprises (MSMEs), entrepreneurship training, and business incubation. Numerous studies have demonstrated that these programs contribute significantly to increasing the income of *mustahik* (zakat beneficiaries), expanding employment opportunities, strengthening entrepreneurial capacity, and improving beneficiaries' overall quality of life, particularly when accompanied by continuous mentoring and business development assistance (Badan Amil Zakat Nasional, 2018).

Despite these positive outcomes, the implementation of productive zakat continues to encounter several challenges. These include limited financial resources, disparities in the quality of human resources within zakat management institutions, weak monitoring and evaluation mechanisms, low levels of financial literacy among beneficiaries, and the inadequate integration of productive zakat programs with national development indicators and the Sustainable Development Goals (SDGs). Consequently, the contribution of productive zakat to sustainable development has often not been systematically documented or comprehensively evaluated, making it difficult to accurately assess its impact on the achievement of the SDGs.

Furthermore, a growing body of academic literature emphasizes that the management of productive zakat should be aligned with a sustainable development approach. Within this framework, zakat is viewed not merely as an instrument of Islamic philanthropy but also as an integral component of an inclusive, equitable, and

sustainable economic development system. Accordingly, the effectiveness of productive zakat should not be measured solely by the amount of funds collected or distributed, but also by its socioeconomic outcomes, including improvements in community welfare, poverty alleviation, employment creation, business sustainability, and the enhancement of beneficiaries' quality of life (Citaningati, 2024).

Based on the foregoing discussion, this study aims to analyze the role of productive zakat as both an indicator and an instrument for supporting the achievement of the Sustainable Development Goals (SDGs). It is expected that the findings of this research will contribute to the advancement of Islamic economics literature while providing practical insights for policymakers and zakat management institutions in designing more effective, measurable, and sustainable zakat policies that support inclusive national development.

LITERATURE REVIEW

Productive Zakat

Productive zakat refers to a form of zakat utilization aimed at improving the economic welfare of mustahik (eligible zakat beneficiaries) through productive economic activities. Unlike consumptive zakat, which is allocated to meet the recipients' immediate basic needs, productive zakat is distributed in the form of business capital, production equipment, vocational skills training, and business mentoring. This approach is expected to generate long-term benefits by providing mustahik with opportunities to develop sustainable income-generating activities and enhance their economic capacity.

From the perspective of Islamic economics, productive zakat serves a broader function than merely providing social assistance. It is regarded as an instrument of wealth redistribution that can reduce economic inequality while promoting inclusive economic growth. When managed in a professional, transparent, and sustainable manner, productive zakat can empower mustahik to achieve economic self-reliance and gradually transform into muzakki (zakat payers). Consequently, the effectiveness of productive zakat should not be assessed solely by the amount of funds distributed but also by its measurable impact on improving the welfare, productivity, and long-term socioeconomic conditions of its beneficiaries (Azzahra, 2025).

The implementation of productive zakat in Indonesia has been carried out by various zakat management institutions, including *Badan Amil Zakat Nasional* (BAZNAS) and *Lembaga Amil Zakat* (LAZ), through programs that support microenterprise development, agriculture, livestock farming, and entrepreneurship training. Numerous studies have demonstrated that these programs can increase the income of *mustahik*, expand employment opportunities, and strengthen household economic resilience, particularly when accompanied by continuous mentoring, monitoring, and evaluation.(Citaningati, 2024).

Sustainable Development Goals (SDGs)

The Sustainable Development Goals (SDGs) constitute a global development agenda adopted by the United Nations (UN) in 2015 as a continuation of the Millennium Development Goals (MDGs). The agenda comprises 17 goals and 169 targets designed to address a wide range of global development challenges, including poverty, hunger, social inequality, climate change, and sustainable economic growth. All UN Member States, including Indonesia, have committed to achieving these targets by 2030.

The SDGs emphasize a balanced approach to development by integrating economic, social, and environmental dimensions. Consequently, the achievement of the SDGs is not solely the responsibility of governments but also requires the active participation of the private sector, civil society organizations, and philanthropic institutions, including zakat management organizations. Within this framework, zakat is recognized as an important instrument of Islamic social finance that can contribute to sustainable development by empowering low-income communities and reducing economic disparities (UNDP, 2017).

Several SDGs are directly aligned with the objectives of productive zakat, particularly SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities). Productive zakat-based economic empowerment programs can enhance beneficiaries' access to business capital, increase household income, and generate employment opportunities. As a result, these initiatives contribute significantly to poverty alleviation, food security, inclusive

economic growth, and the reduction of socioeconomic inequalities, thereby supporting the achievement of the SDGs.

Relationship Between Productive Zakat and the Achievement of the Sustainable Development Goals (SDGs)

Conceptually, productive zakat is closely aligned with the Sustainable Development Goals (SDGs), as both aim to enhance societal welfare through sustainable development. The distribution of zakat in the form of business capital, vocational training, and continuous mentoring enables *mustahik* (eligible zakat beneficiaries) to improve their productivity and generate more stable sources of income. These outcomes are consistent with the objectives of the SDGs, particularly in reducing poverty, expanding employment opportunities, and mitigating social and economic inequalities.

A growing body of empirical research indicates that the effective management of productive zakat has a significant positive impact on the welfare of *mustahik*. In addition to increasing household income, productive zakat strengthens microenterprises, creates new employment opportunities, and improves the overall quality of life within beneficiary communities. These findings demonstrate that zakat serves not only as an act of religious obligation but also as a strategic instrument of socioeconomic development. Through its role in economic empowerment and wealth redistribution, productive zakat contributes directly to the achievement of several SDG indicators, particularly those related to poverty alleviation, inclusive and sustainable economic growth, and the reduction of socioeconomic inequalities. (Asmalia et al., 2018).

Therefore, productive zakat can be regarded as one of the key indicators for assessing the success of sustainable development, particularly in the economic and social dimensions. The more effective the management and utilization of productive zakat, the greater its contribution to improving community welfare and accelerating the achievement of the Sustainable Development Goals (SDGs) in Indonesia. Accordingly, strong collaboration among the government, zakat management institutions, and the broader community is essential to optimizing the role of productive zakat as a strategic instrument for sustainable development.

RESEARCH METHODOLOGY

This study employs a qualitative research approach using a library research design. A qualitative approach was selected because the study aims to develop an in-depth understanding of the implementation of Productive Zakat as an indicator of the achievement of the Sustainable Development Goals (SDGs) through a comprehensive analysis of relevant theories, conceptual frameworks, and findings from previous studies. Library research was conducted by collecting, reviewing, and interpreting a wide range of relevant scholarly sources to develop a comprehensive understanding of the relationship between Productive Zakat and sustainable development.

The study relies on secondary data obtained from various academic sources, including textbooks that discuss theories and concepts relevant to the research topic; peer-reviewed scientific journals presenting previous research findings and recent developments; scholarly articles and research reports published in academic outlets; official documents, such as government reports, public policy documents, and institutional publications that support the understanding of the research topic; as well as credible online sources, including academic journal databases, university and research institution websites, and other digital scholarly publications.

Data were collected using the library research technique, this study employs a systematic literature review methodology, in which the researcher served as the primary research instrument by systematically reading, critically reviewing, and documenting information relevant to the objectives of the study. This process enabled the identification, synthesis, and interpretation of evidence from the literature to address the research questions and develop a comprehensive theoretical analysis. (Sumbodo et al., 2024).

In the data analysis, the author employs a descriptive qualitative method, utilizing data to describe and interpret existing conditions, prevailing opinions, ongoing processes, resulting impacts, or emerging trends (Sumanto, 2014).

DISCUSSION

The Role of Productive Zakat in Achieving the Sustainable Development Goals (SDGs)

Productive zakat is one of the Islamic social finance instruments with significant potential to support sustainable development. Unlike consumptive zakat, which primarily focuses on meeting the immediate basic needs of mustahik (zakat beneficiaries), productive zakat is designed to enhance the economic capacity of beneficiaries through the provision of business capital, production facilities, vocational skills training, and continuous business mentoring. This approach not only generates short-term benefits but also promotes long-term economic self-reliance, enabling mustahik to improve their standard of living and achieve sustainable livelihoods.

Within the framework of the Sustainable Development Goals (SDGs), productive zakat contributes to the achievement of several development objectives, particularly SDG 1 (No Poverty), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities). Zakat-based economic empowerment programs enhance the income-generating capacity of low-income communities by supporting the development of micro and small enterprises. As the businesses managed by mustahik expand and become more sustainable, household welfare improves, while dependence on social assistance gradually decreases. Consequently, productive zakat serves as an effective instrument for fostering inclusive and sustainable economic development (Asmalia et al., 2018).

In addition to increasing beneficiaries' income, productive zakat also contributes to job creation. The provision of business capital enables *mustahik* to expand their enterprises, thereby creating employment opportunities for members of the surrounding community. This demonstrates that productive zakat not only generates direct benefits for its recipients but also produces a multiplier effect that stimulates broader economic development within society.

The Contribution of Productive Zakat to the SDGs Indicators

The contribution of productive zakat to the Sustainable Development Goals (SDGs) can be examined through several relevant development indicators. Regarding SDG 1 (No Poverty), productive zakat plays a significant role in poverty alleviation by promoting the economic empowerment of mustahik. The provision of business capital, combined with continuous mentoring, enables zakat beneficiaries to generate more

stable sources of income, thereby enhancing their capacity to meet their basic needs independently.

In relation to SDG 8 (Decent Work and Economic Growth), productive zakat fosters the creation of decent employment opportunities through the development of micro, small, and medium-sized enterprises (MSMEs). Financial assistance provided to mustahik facilitates the establishment of new businesses while simultaneously improving community productivity. The expansion of these enterprises also contributes to increased economic activity at the local level, thereby supporting sustainable economic growth.

Furthermore, under SDG 10 (Reduced Inequalities), productive zakat functions as an effective mechanism for wealth redistribution. The transfer of zakat funds from financially capable individuals to disadvantaged groups helps reduce income disparities within society. When managed effectively and targeted appropriately, productive zakat expands access to economic resources for low-income communities, thereby promoting a more equitable distribution of wealth and socioeconomic opportunities.

Beyond these three goals, productive zakat also contributes to SDG 2 (Zero Hunger) by strengthening household food security among beneficiary families. Moreover, it supports SDG 4 (Quality Education) by improving household economic conditions, thereby enabling greater access to educational opportunities and enhancing the overall quality of education for beneficiaries.

The Implementation of Productive Zakat in Indonesia

The implementation of productive zakat in Indonesia has been carried out by *Badan Amil Zakat Nasional* (BAZNAS) and various *Lembaga Amil Zakat* (LAZ). The programs implemented include the provision of business capital, the empowerment of micro, small, and medium-sized enterprises (MSMEs), agricultural and livestock development, entrepreneurship training, and business mentoring. These initiatives are designed not only to provide financial assistance to mustahik but also to equip them with the knowledge, skills, and managerial capabilities necessary to operate sustainable businesses independently.

Numerous studies have demonstrated that the implementation of productive zakat has generated positive impacts on improving the economic well-being of

mustahik. Beneficiaries have experienced increased income, business expansion, enhanced entrepreneurial capacity, and improved quality of life following the provision of financial support and continuous mentoring. These findings suggest that the effectiveness of productive zakat largely depends on a management system that is professional, transparent, accountable, and sustainable (Azzahra, 2025).

Despite these positive outcomes, the implementation of productive zakat continues to face several challenges. These include the limited allocation of zakat funds for productive programs, inadequate managerial and entrepreneurial capabilities among some mustahik, insufficient business mentoring, and the absence of an integrated monitoring and evaluation system aligned with the Sustainable Development Goals (SDGs) indicators. Addressing these challenges requires strengthening the institutional capacity of zakat management organizations, enhancing the quality of beneficiary assistance and capacity-building programs, and fostering stronger collaboration among zakat institutions, government agencies, and the private sector to maximize the contribution of productive zakat to sustainable development.

Analysis of Productive Zakat as an Indicator for Achieving the Sustainable Development Goals (SDGs)

The effectiveness of productive zakat as an indicator of SDGs achievement can be assessed by examining changes in the socioeconomic conditions of mustahik following their participation in economic empowerment programs. Relevant indicators include increases in beneficiaries' income, business growth, employment creation, poverty reduction, and improvements in the overall quality of life. Positive progress across these indicators suggests that productive zakat makes a meaningful contribution to the achievement of the Sustainable Development Goals.

From the perspective of Islamic economics, productive zakat reflects the implementation of the fundamental principles of justice (*al-adl*) and public welfare (*maslahah*). A zakat management system that emphasizes economic empowerment not only fulfills Islamic legal obligations but also generates tangible contributions to national development. Consequently, productive zakat can be regarded as a strategic Islamic social finance instrument that supports sustainable development policies while promoting inclusive economic growth.

Looking ahead, optimizing the impact of productive zakat requires stronger collaboration among the government, *Badan Amil Zakat Nasional* (BAZNAS), *Lembaga Amil Zakat* (LAZ), the private sector, and the wider community. Enhancing the digitalization of zakat management, improving the quality of business mentoring and capacity-building programs, and developing comprehensive evaluation indicators aligned with the SDGs targets will further strengthen program effectiveness. Through these strategic initiatives, productive zakat can evolve beyond its traditional role as an Islamic philanthropic instrument and become a key pillar of inclusive and sustainable economic development in Indonesia.

CONCLUSION

Based on the findings of this study, it can be concluded that productive zakat plays a strategic role as an Islamic social finance instrument in supporting the achievement of the Sustainable Development Goals (SDGs). Unlike consumptive zakat, which primarily addresses the immediate needs of beneficiaries, productive zakat emphasizes the economic empowerment of mustahik through the provision of business capital, production facilities, vocational skills training, and continuous business mentoring. This approach enhances economic self-reliance, strengthens entrepreneurial capacity, and creates sustainable sources of income for beneficiaries.

The contribution of productive zakat to the achievement of the SDGs is evident across several key goals, particularly SDG 1 (No Poverty) through poverty alleviation, SDG 8 (Decent Work and Economic Growth) through employment creation and the promotion of productive enterprises, and SDG 10 (Reduced Inequalities) through a more equitable distribution of income and economic opportunities. Furthermore, productive zakat indirectly contributes to improvements in education, public health, and household food security, thereby supporting the realization of inclusive and sustainable development.

Despite its considerable potential, the optimization of productive zakat continues to face several challenges, including limited financial resources, uneven quality of business mentoring, insufficient managerial capacity among some mustahik, and the lack of a comprehensive evaluation system that integrates program performance indicators with the SDGs targets. Addressing these challenges requires strengthening

zakat governance through enhanced institutional professionalism, the adoption of digital technologies in zakat management, more effective monitoring and evaluation mechanisms, and stronger collaboration among the government, *Badan Amil Zakat Nasional* (BAZNAS), *Lembaga Amil Zakat* (LAZ), the private sector, and the wider community.

With effective, transparent, and empowerment-oriented management, productive zakat can serve not only as an instrument of Islamic philanthropy but also as a fundamental pillar of equitable and sustainable economic development. Therefore, strengthening the implementation of productive zakat is expected to make a greater contribution to achieving the Sustainable Development Goals (SDGs) in Indonesia while fostering sustainable socioeconomic welfare for society.

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