

## Productive Zakat as a Strategic Instrument for Achieving the Sustainable Development Goals

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### Abstract

Poverty and social inequality remain major challenges in achieving sustainable development, necessitating alternative instruments that promote inclusive economic empowerment. Productive zakat, as an innovative approach to zakat management, has strong potential to support the Sustainable Development Goals (SDGs). This study aims to analyze the role of productive zakat in supporting the achievement of the SDGs, particularly in poverty alleviation, economic growth, gender equality, and the reduction of social inequalities. This study employs a qualitative descriptive method through a literature review. Data were collected from national and international academic journal articles, zakat management regulations, and relevant publications of zakat institutions. The analysis focuses on examining the relationship between the implementation of productive zakat and SDG indicators. The findings indicate that productive zakat contributes substantially to increasing beneficiaries' income and economic self-reliance through the provision of business capital, skills training, and continuous mentoring. In addition, productive zakat supports microenterprise development, job creation, enhanced women's economic participation, and the reduction of social inequality at the community level. The implications of this study highlight the importance of strengthening governance, program integration, and impact-based evaluation to optimize productive zakat as a strategic instrument of Islamic economics in advancing the achievement of the SDGs and sustainable economic development.

**Keywords:** Productive Zakat; SDGs; Economic Empowerment; Sustainable Development; Islamic Economics.

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### INTRODUCTION

Zakat constitutes a fundamental instrument within the Islamic economic system, functioning not merely as a ritual obligation but as a pivotal mechanism for wealth distribution and social justice. In contemporary practice, zakat management has undergone a significant paradigm shift, moving from a consumption-based charity approach toward productive zakat aimed at the sustainable economic empowerment of beneficiaries (mustahik). This productive-oriented approach is increasingly viewed as more relevant in addressing structural poverty, as it emphasizes capacity building through capital provision, training, and business mentorship (Beik et al., 2020; Widiastuti & Rosyidi, 2021).

The imperative to strengthen productive zakat gains further traction when viewed through the lens of the global Sustainable Development Goals (SDGs). The SDGs prioritize poverty alleviation, inclusive economic growth, the reduction of inequality, and gender equality as pillars of sustainable development. A growing body of literature underscores the conceptual and practical alignment between productive zakat and these objectives, particularly regarding SDG 1 (No Poverty), SDG 5 (Gender Equality), SDG 8

(Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities) (Hassan et al., 2021; UNDP, 2020). In the Indonesian context, this urgency is amplified by the nation's vast zakat potential, which remains underutilized in supporting inclusive economic development (Ascarya & Yumanita, 2021; BAZNAS, 2022; BAZNAS, 2023).

Empirical scholarship over the past five years consistently demonstrates that productive zakat yields positive impacts on income generation, micro-enterprise sustainability, and the economic self-reliance of mustahik. Programs coupled with structured mentorship have proven effective in reducing beneficiaries' reliance on social assistance while broadening the economic participation of vulnerable groups (Kurniawan & Devi, 2022; Nugraha & Firmansyah, 2022). Furthermore, productive zakat contributes significantly to women's economic empowerment, thereby strengthening their social and economic bargaining power within both the household and society (Sari & Putri, 2023; Zunaidi et al., 2021).

Despite these advancements, the existing body of literature regarding productive zakat remains somewhat fragmented. While some studies focus predominantly on mustahik welfare, others emphasize the institutional performance of zakat agencies. Comprehensive research explicitly linking productive zakat to the SDG framework—particularly within the Indonesian landscape—remains relatively scarce. Moreover, the systematic integration of productive zakat with specific SDG indicators and targets has yet to be fully explored as a component of Islamic social finance (Muneeza et al., 2021; Yumna & Clarke, 2021). This gap highlights the study's novelty, which positions productive zakat as a strategic instrument for sustainable development integrated with the SDG agenda.

In light of the foregoing, this study aims to analyze the role and contribution of productive zakat in supporting the achievement of the SDGs, identify the linkages between productive zakat and relevant SDG goals, and examine the policy implications for zakat management in Indonesia. It is anticipated that this research will offer a theoretical contribution to the development of Islamic economic literature, as well as practical insights for zakat institutions and policymakers in optimizing productive zakat as a vehicle for sustainable development.

## **METHODS**

This study employs a qualitative descriptive method through a literature review to analyze the role of productive zakat in supporting the achievement of the Sustainable Development Goals (SDGs). A qualitative approach was selected as this research focuses on obtaining a deep conceptual and analytical understanding of the nexus between productive zakat and sustainable development based on existing scholarly findings, rather than focusing on quantitative hypothesis testing (Hidayat & Nurasyiah, 2021; Obaidullah, 2021).

The study utilizes secondary data derived from reputable national and international journals published within the last five years, official reports from zakat institutions, and publications from international bodies relevant to Islamic social finance and the SDGs. Key literature sources include journals such as the *International Journal of Zakat*, *Journal of Islamic Monetary Economics and Finance*, and *Humanomics*, as well as institutional reports from the National Board of Zakat (BAZNAS) and the United Nations Development Programme (UNDP) (BAZNAS, 2022; BAZNAS, 2023; UNDP, 2020).

Data collection was conducted through three primary phases: identification, selection, and classification. The identification phase involved searching academic databases using specific keywords including "productive zakat," "Islamic social finance,"

and "Sustainable Development Goals." Subsequently, the literature was selected based on topical relevance, source reputation, and publication recency. The selected literature was then classified into key themes, such as beneficiary economic empowerment, the contribution of productive zakat to the SDGs, and zakat management challenges (Hassan et al., 2021; Muneeza et al., 2021).

## **RESULT AND DISCUSSION**

### **The Role of Productive Zakat in Beneficiary Economic Empowerment**

The literature review indicates that productive zakat plays a strategic role in fostering the sustainable economic empowerment of beneficiaries (mustahik). In contrast to consumptive zakat, which tends to be short-term and focused on meeting immediate basic needs, productive zakat is explicitly directed toward enhancing the economic capacity of beneficiaries through value-added economic activities. Implementation forms of productive zakat encompass the provision of business capital, the supply of production tools, skills training, as well as continuous business mentorship and monitoring.

Various studies demonstrate that the productive zakat approach effectively increases beneficiary income, strengthens economic self-reliance, and enhances the sustainability of micro and small enterprises. Beneficiaries who previously relied on social assistance are gradually able to participate actively in productive economic activities. This evidence suggests that productive zakat functions as a genuine instrument of empowerment rather than merely a mechanism for social fund distribution. Within the broader context of economic development, productive zakat contributes to strengthening the economic base of lower-income communities and alleviating structural poverty.

### **Contribution of Productive Zakat to SDG Achievement**

The analysis of the literature reveals a strong nexus between productive zakat and the achievement of the Sustainable Development Goals (SDGs). The most direct contribution is evident in SDG 1 (No Poverty), where productive zakat plays a pivotal role in boosting income and the economic resilience of poor households. With access to capital and business mentorship, beneficiaries possess greater opportunities to meet their living needs independently and sustainably.

Furthermore, productive zakat contributes significantly to SDG 8 (Decent Work and Economic Growth) by supporting micro and small enterprises (MSEs). Productive zakat programs stimulate job creation, both directly and indirectly, and broaden the economic participation of the poor. In the long term, this has the potential to foster more inclusive economic growth.

The contribution of productive zakat is also manifest in SDG 5 (Gender Equality), particularly when programs target female micro-entrepreneurs and poor households. Women's economic empowerment through productive zakat enhances their bargaining power within both the household and society. Additionally, productive zakat supports SDG 10 (Reduced Inequalities) by providing economic access to groups that have historically been marginalized from the formal economic system.

### **Challenges and Limitations in Productive Zakat Implementation**

Despite its significant potential, the implementation of productive zakat faces various challenges. The literature highlights that a primary obstacle is the limited managerial and institutional capacity of zakat management organizations. Not all zakat institutions possess adequate human resources to conduct intensive and continuous business mentorship.

Another significant challenge is the low level of entrepreneurial literacy and business management skills among beneficiaries. Without adequate training and supervision, capital assistance risks being utilized sub-optimally or diverted for consumptive needs. Moreover, the integration of productive zakat programs with national development policies and the SDG agenda remains relatively limited, resulting in impacts that are not yet fully measured in a systematic manner.

### Synthesis of Findings

These findings underscore that productive zakat aligns with sustainable development principles and maqashid sharia values, specifically concerning the preservation of wealth (hifz al-mal), social welfare, and social justice. From an Islamic economic perspective, productive zakat serves as an alternative development instrument that synergizes spiritual and economic dimensions.

Integrating productive zakat with the SDG framework offers conceptual legitimacy to zakat's role in modern development. It transcends religious boundaries to make tangible contributions to the global development agenda. However, optimizing this contribution requires strengthening institutional governance, enhancing the quality of beneficiary mentorship, and fostering closer synergy among zakat institutions, the government, and other stakeholders.



Figure 1. The Impact Pathway of Productive Zakat on Sustainable Development

### Policy Implications

The implications of this study suggest a critical need to develop productive zakat management models that are explicitly integrated with SDG indicators. Zakat institutions must establish impact-based monitoring and evaluation systems to comprehensively measure the contribution of productive zakat. Furthermore, the government should strategically position productive zakat as a complementary instrument within national policies for poverty alleviation and inclusive economic development.

## CONCLUSION

This study concludes that productive zakat occupies a strategic role in supporting the attainment of the Sustainable Development Goals (SDGs), particularly concerning poverty alleviation, inclusive economic growth, the reduction of inequality, and the empowerment of vulnerable populations. Unlike consumptive zakat, productive zakat is geared toward long-term economic empowerment through the provision of business capital, vocational training, and continuous mentorship. This approach effectively enhances the economic capacity and self-reliance of mustahik, while simultaneously reinforcing the function of zakat as a development instrument rooted in Islamic economic values. The integration of productive zakat within the SDG framework further evidences the alignment between maqashid sharia principles and the sustainable development agenda. However, the effectiveness of its implementation is significantly contingent upon the governance quality of zakat institutions, human resource capacity, and synergy with national development policies.

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