



International Conference on Islam, Law and Society  
(INCOILS) 2024  
Conference Proceedings

## The Effect of Productive Zakat Utilization on Mustahik Welfare with Entrepreneurship Education as a Moderating Variable: A Conceptual Review

Faridna Agung Cahyono,<sup>1</sup> Edi Cahyono,<sup>2</sup> Ahmad Mifdlol Muthohar,<sup>3,1,2,3</sup> Pascasarjana, Universitas Islam Negeri Salatiga

[1faridnaagung@gmail.com](mailto:faridnaagung@gmail.com), [2edi.cahyono@uinsalatiga.ac.id](mailto:edi.cahyono@uinsalatiga.ac.id), [3mifdlol@uinsalatiga.ac.id](mailto:mifdlol@uinsalatiga.ac.id)

### ABSTRACT :

This study aims to explain the relationship between productive zakat utilization and mustahik welfare. In addition, this study also explains the role of entrepreneurship education as a moderating variable that is expected to provide a better picture of the relationship between productive zakat utilization and mustahik welfare. This study analyzes the utilization of BAZNAS productive zakat through the *Z Chicken* program, namely with the concept of a fried chicken franchise business that has a wide market share, with capital assistance and carts for selling along with complete equipment worth Rp. 9,000,000 for each musatahik. With the aim of building economic independence, increasing income, and becoming a new muzakki when income has reached the *nisab*. This research presents a systematic review of international and national journals on entrepreneurship education. The result of this research is a conceptual framework designed to provide new insights into the relationship between productive zakat utilization and mustahik welfare. Zakat utilization accompanied by entrepreneurship education by providing materials, entrepreneurship assignments, activeness in the program, and field practice can strengthen a positive influence on the welfare of mustahik.

**Keywords:** *Productive Zakat, Entrepreneurship Education, Mustahik Welfare.*

## INTRODUCTION

Indonesia as a developing country ranks 70th out of the 100 poorest countries in the world in 2023 based on a report from Global Finance data. (Putri, 2024) . This is corroborated by BPS data which shows that the poor population in Indonesia in March 2024 was 9.03 percent, with a total of 25.22 million people. When compared to March 2023, the percentage of poor people was 9.36 percent with a total of 25.90 million people, a decrease of 0.33 percentage points against March 2023 with a decrease in population of 0.68 million people. (bps.go.id, 2024)

Indonesia with the majority of its population who adhere to Islam, can make zakat as one of the instruments to reduce the poverty rate so that it is lower by improving the

economy. Zakat is an instrument of worship that has a strong socio-economic side (Muharir & Mustikawati, 2020) . From the social side, zakat is a social obligation that is worship, imposed on individual assets which is paid to the community so that their needs are met so that they can eliminate poverty. there are two criteria for distributing zakat funds, namely consumptive and productive (Ramadhan et al., 2024) . Productive Zakat is expected to be a solution to create mustahik independence with training as a form of development effort that leads to community skills to improve skills in implementing the program. In addition, efforts to develop mustahik skills can be carried out by mentoring and coaching mustahik in order to optimize the distribution of productive zakat (Najiah & Mahmudah, 2021) .

This study examines the effect of productive zakat on mustahik welfare by involving moderation of Entrepreneurship Education to be able to increase better and more effective influence. This is important to study because the results of previous studies are still inconsistent. (Savid, 2017; Saputra et al., 2024; Fadilah et al., 2023) . This inconsistency can be seen from the indication that good targeting accuracy is not enough, to make the productive zakat program successful, without effective socialization of the program and program objectives to the community, and the impact of the existence of mustahik zakat recipients who have low income. (Savid, 2017)

BAZNAS seeks to improve community welfare and alleviate poverty with various programs. One of the community empowerment programs in improving the welfare of mustahik is the Z-Chicken. BAZNAS builds a franchise business unit called Z-Chicken, by forming a business management group that acts as a distributor of Z-Chicken chicken raw materials. Z which means Zakat. This means that the funds used are zakat that comes from the community. While Chicken is chicken. Z-Chicken business unit program is a zakat fund that we distribute to mustahiq in the form of fried chicken business (BAZNAS, 2022) .

Productive Zakat through the Z-Chicken program has had a good impact on increasing income but has not been effective because of the low income of mustahik program recipients, the dependence of mustahik on zakat provision, has not been able to deal with the poor and improve their quality of life, while good productive zakat management is expected to foster independent income and can create new muzakki with increased income reaching nisab (Fadilah et al., 2023) . As Mrs. Nurul explained. "*First I heard about this program, through the fatayat organization, then I registered. Alhamdulillah, I was accepted, and given various assistance. Alhamdulillah it can be an additional income for the family, especially for housewives. But it still cannot be a good source of income, because it loses competition with other sellers, and the availability of standard raw materials is still limited.*" (Nurul, 2024)

Productive Zakat will have an effective impact if accompanied by the development

of mustahik resources. Development of mustahik resources can be improved by training, management, utilization, and consistent assistance to the program. This can be a solution to increase the effect of productive zakat utilization on mustahik welfare (Indriati & Fahrullah, 2019; Budi et al., 2023; Ramadhan et al., 2024)

Entrepreneurship education is an organized process in developing the quality of human resources to become smarter, more mature, skilled to start a business and face various challenges in running it. With a variety of processes prepared in the form of material, assignments, activeness, and practical field training, it is hoped that it can create individuals who are ready for entrepreneurship. (Wahyuni, 2016)

Based on the background that the author describes, the author is interested in conducting research using Entrepreneurship Education, namely the process of equipping mustahik to become entrepreneurs who are ready to become managers of productive zakat programs, and used as a variable that will moderate in order to create mustahik welfare through productive zakat programs in the form of *Z-Chicken* businesses. Therefore the author gives the title "The Contribution of Entrepreneurship Education as a Moderator of Productive Zakat Utilization to Mustahik Welfare in the *Z-Chicken* BAZNAS Program"

## Methods

The method used in this research is the literature review method, with the type of library research. Research sources are obtained through journals that have good credibility, international and national journals indexed by Scopus, Thomson Reuters (ISI), and Sinta. The results of the study were then analyzed by combining findings from several sources to form a conceptual theoretical understanding so that a conclusion can be drawn (Pratama & Cahyono, 2021). The purpose of this study is to determine the effect of productive zakat utilization on mustahik welfare and explain entrepreneurship education as a moderating variable which is expected to provide a more detailed picture of the relationship between these variables. This study also aims to provide a conceptual framework that provides new insights into the effect of productive zakat utilization on mustahik welfare with the addition of entrepreneurship education as moderation.

## Results

**The effect of productive zakat empowerment on mustahik welfare** Empowerment, which is a process of getting better with a new community-centered view, or a process of self-development individually or together with the environment in an effort to improve themselves so that they are able to be empowered. Empowerment has two processes of increasing skills, expertise, strength or mastery, and the second process

is to increase understanding and awareness of the various problems faced (Khatimah & Nuradi, 2020) . There are several indicators of the success of the empowerment program, namely: a. Reducing poverty, b. Increasing the income of the poor, c. increasing concern for businesses operated by the poor, d. increasing the productivity of member and group businesses, e. increasing human resources and equalizing the income of the poor to meet basic needs (Hendri & Suyanto, 2015) . Empowerment with expertise and organizational commitment has a significant positive effect on program implementation, as evidenced by research that accounting expertise has a positive and significant effect on the application of zakat accounting at BMH East Java with moderation of organizational commitment (Khatimah & Cahyono, 2024) .

Zakat is an instrument that can be used to improve the economy both in the short and long term, according to the distribution process. Zakat can also be an instrument of distributive justice with a fair distribution of wealth given to those who are rich, whose wealth has reached the limit (*nisab*) and is given only to those who are allowed to get it eight groups (*asnaf*) (Afina & Cahyono, 2024) . Based on Law Number 23 of 2011, it is stated that there are two forms of zakat distribution, namely: consumptive and productive. Productive zakat is given to mustahik to fulfill their basic needs. While productive distribution by utilizing zakat funds to mustahik, both individually and in groups, training to improve work skills, and providing work tools, as business capital to foster economic independence (Indriati & Fahrullah, 2019) .

Proposition 1: Productive Zakat Empowerment has a positive effect on the welfare of mustahik.

### **The effect of Entrepreneurship Education on mustahik welfare**

Entrepreneurship Education has proven to have a strong positive impact on business startup success. In his study (Utami et al., 2023) revealed that the impact of Entrepreneurship Education among management alumni has a positive impact it can be seen from the decision to start a business, increase a strong mindset in business, and motivation in maximizing business opportunities. And the long-term impact is seen with increased survival and increased income. Attitude, interest and high motivation are the basis for entrepreneurial interest which is important for prospective entrepreneurs and the workforce, because it is a development process to increase work productivity. High achievement in learning affects the interest in entrepreneurship after graduation. And there is a positive and significant effect of entrepreneurship education learning outcomes on entrepreneurial interest (Ristina, 2019) .

The development of creativity and entrepreneurship education has an impact on the development of the level of community welfare, this is evidenced by the development of entrepreneurship in the embroidery industry owned by housewives in Peusangan sub district, Bireuen Regency, which also increases their level of welfare, and can even save some of their income. Creativity partially influences welfare, as well as entrepreneurship education, and together creativity and entrepreneurship also influence the level of welfare. The quality factor is the most important part in entrepreneurship development because it can increase product demand (Magfirah et al., 2023) .

Poverty is one of the challenges that exist in every country, one of the causes of poverty is the low human resources caused by the low education of the community. The high level of education of a person is considered capable of improving their personal quality and impact on the success of the business and increase income, because one of the goals of education to develop human capacity with the process of doing creative activities learning to create their own jobs or can work with groups or companies to meet primary needs or environment. With this entrepreneurship education becomes an instrument to form superior human resources, has the ability to develop an economy that has an impact on welfare, and plays an important role in reducing unemployment rates, by opening new jobs for the community (Alia Akhmad, 2021) .

The efforts of educational institutions in forming new entrepreneurs through entrepreneurship education to improve the welfare of society. The process of instilling entrepreneurial values, knowledge, spirit, and attitude for students to become independent and innovative individuals (Wahyuni, 2016) . Lack of self-confidence, limited experience, low courage in taking risks, capital, and support from family are factors in the low motivation of a person in entrepreneurship. By presenting national and international entrepreneurial experts who are successful in various fields to provide motivation, add insight, and experience for entrepreneurs (Yulianda et al., 2018) .

Entrepreneurship training is a course to prepare individuals to face future uncertainty by developing business start-up skills (Hasan et al., 2021) . Entrepreneurship education aims to increase entrepreneurship by providing management training, this training will help prospective entrepreneurs identify opportunities and create new jobs (Setiany & Anisah, 2024) . The government has one of the strategies for human resource development through educational institutions to prepare people to become entrepreneurs and create new jobs (Rijati et al., 2020) . The components of education are; first, the basis of education; second, educational objectives; third, educators; fourth, students; fifth, educational materials; sixth, educational methods; seventh, tools; finally, the educational environment. (Wahyuni, 2016)

Proposition 2: Entrepreneurship education has a positive effect on productive zakat **The effect of productive zakat on mustahik welfare moderated by Entrepreneurship Education**

The accuracy of the target in empowering zakat implemented by BAZNAS East Java Province is proven to increase the income of mustahik. Socialization conducted by BAZNAS before conducting a productive zakat program has proven to have a good impact on recipients of the zakat program (Indriati & Fahrullah, 2019) . Productive Zakat has a significant positive effect when viewed from the *Maqasid Syariah* perspective at BAZNAS Kab. Demak, by providing capital, close supervision, maximum training, and routine coaching (Afina & Cahyono, 2024) . Productive Zakat which is an instrument to alleviate poverty by providing capital to mustahik is considered to be able to improve welfare and can increase income with the success of the business being carried out. Providing capital to mustahik is considered insufficient for the success of the productive zakat program, this is corroborated by some research results that the needs of mustahik in addition to providing capital are training, ongoing guidance (Budi et al., 2023) .

Entrepreneurship Education is a process of learning and education to shape the mindset, behavior and attitude to become a true entrepreneur. This process has moderated the effect of business interest and self-development which previously had no effect on social entrepreneurship and also increased the effect of capital on the performance of small and medium enterprises (Astuti, 2021; Wibowo & Sahrul, 2022) . The role of mustahik with full seriousness in carrying out the program provided by BAZNAS Demak Regency in the form of capital for the program will be in vain and the level of welfare and the economy will not increase. This can be moderated by entrepreneurship education for the mustahik development process so that it is maximized in running the program (Afina & Cahyono, 2024) .

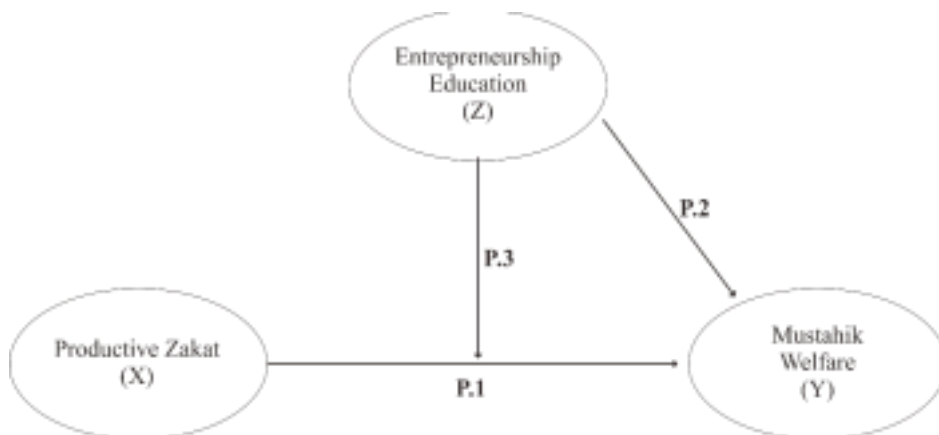
Optimizing zakat management can result in sustainable mustahik welfare. This is found in the research of zakat management in BAZNAS Bungo Regency, it is shown that BAZNAS collaboration with local government is very important to strengthen strategies in monitoring and evaluating and increasing the use of technology in an effort to maximize the effectiveness of zakat. This can be a solution to the problem of limited mustahik independence (Budi et al., 2023) .

Entrepreneurial education and experience play an important role in the level of business success. Entrepreneurship education which is a resource development process can refer to formal or informal education. Likewise, experience can be in the form of experience gained in entrepreneurship itself or experience from other entrepreneurs. This is shown from the results of research that capital has a positive relationship to the

performance of small and medium enterprises, and the relationship has a stronger impact when moderated by entrepreneurial education and experience, and when viewed in more detail the moderating effect of entrepreneurship education is superior to experience (Astuti, 2021) .

Human resource development through entrepreneurship education can develop the mindset, values, attitudes and behaviors to become a true entrepreneur, so as to direct his personality to choose entrepreneurship as his career. The success of entrepreneurship can be seen by the impact it has on the surrounding environment. Successful entrepreneurs are entrepreneurs who can combine social and business activities. The role of entrepreneurship education is very important to moderate entrepreneurial intention and self-development in social entrepreneurship, this is shown in the results of the study that the entrepreneurial interest variable has no effect on social entrepreneurship and the self-development variable does not have a significant effect on entrepreneurship, but with moderated entrepreneurship education can increase the effect, it is possible if the entrepreneurial spirit needs time and process (Wibowo & Sahrul, 2022) .

Proposition 3: Productive Zakat has a positive effect on mustahik welfare moderated by Entrepreneurship Education



### Implications

Theoretically, this research can provide three contributions to the development of theories related to the concept of productive zakat utilization. First, this study provides a theoretical explanation regarding the role of entrepreneurship education in the relationship between productive zakat utilization and mustahik welfare. The conceptual model proposed in this study is expected to be used as a reference for researchers who will conduct further research related to productive zakat utilization in the future.

In addition to theoretical contributions, this research also provides practical contributions. The conceptual model proposed in this research is expected to provide

insight to BAZNAS in empowering productive zakat programs, as well as developing mustahik resources. The process of entrepreneurship education with various activities such as providing material, training, supervision, and field practice is carried out so that mustahik zakat recipients can be successful in running the program and can increase income and improve welfare.

### **Conclusion**

This research is based on the inconsistency of the results of previous studies regarding the relationship between productive zakat utilization and mustahik welfare. The inconsistency of the research results is also the reason for researchers to propose a theoretical model to elaborate the relationship between productive zakat utilization and mustahik welfare.

The theoretical model proposed in this study is that the high level of mustahik entrepreneurship education can make productive zakat successful in the BAZNAS Productive zakat program to mustahik which will have an impact on increasing income and improving mustahik welfare and mustahik can become muzakki.

### **Bibliography**

- Afina, K. N., & Cahyono, E. (2024a). How Does Amil Performance Affect the Relationship Between the Distribution of Productive Zakat Program Business Capital Assistance to Improve Mustahiq Welfare? A Conceptual Review. *EKOMA: Journal of Economics*, 3(3), 216–224.
- Afina, K. N., & Cahyono, E. (2024b). The Moderating Role of Amil Performance on the Effect of Productive Zakat on the Welfare of Mustahik BAZNAS Demak Regency. *Ziswaf Asfa Journal*, 2(1), 60–76.
- Alia Akhmad, K. (2021). The Role of Entrepreneurship Education to Overcome Poverty. *Journal of Economics, Social & Humanities*, 2 (6), 173-181.  
<https://www.jurnalintelektiva.com/index.php/jurnal/article/view/419>
- Astuti, N. (2021). the Moderating Effects of Entrepreneurial Education and Experience on the Relationship Between Capital and Small and Medium Enterprises Performance. *Business Management*, 11 (1), 26-32. <https://doi.org/10.22219/mb.v11i1.16552>
- BAZNAS. (2022). *Helping Mustahik Welfare, BAZNAS Launches ZChicken Business Program in East Java*. BAZNAS.  
[https://baznas.go.id/Press\\_Release/baca/Bantu\\_Kesejahteraan\\_Mustahik,\\_BAZNAS\\_Luncurkan\\_Program\\_Usaha\\_ZChicken\\_di\\_Jawa\\_Timur/1201](https://baznas.go.id/Press_Release/baca/Bantu_Kesejahteraan_Mustahik,_BAZNAS_Luncurkan_Program_Usaha_ZChicken_di_Jawa_Timur/1201)
- bps.go.id. (2024). *Poverty Profile in Indonesia March 2024*. Bps.Go.Id.  
<https://www.bps.go.id/id/pressrelease/2024/07/01/2370/persentase-penduduk-miskin>



maret-2024-turun-menjadi-9-03-persen-.html

- Budi, A. S., Zaki, M., & Asmoro, E. D. (2023). Realizing Sustainable Welfare Of Mustahik Through Optimizing Zakat Management At Baznas Bungo Regency. *Proceeding of International Conference on Education, Society and Humanity*, 01(01), 1642–1655.
- Fadilah, E., Siregar, S., & Harahap, R. D. (2023). Analysis of Productive Zakat Distribution Practices According to Uu No. 23 of 2011 by the National Amil Zakat Agency (Baznas) Deli Serdang. *Edunomika*, 07(02), 1–10.
- Hasan, M., Noercahyo, A., Rani, A. E., Salshabilla, N. A., & Izzati, S. N. (2021). Creative Economic Development of the Umkm Sector during the Covid-19 Pandemic. *Journal of Economics Education and Entrepreneurship*, 9 (2), 125-138. <https://doi.org/10.26740/jepk.v9n2.p125-138>
- Hendri, N., & Suyanto. (2015). Analysis of Models of Utilization of Zakat Funds in Empowering the Urban Poor in Lampung Province. *Acquisition*, 11 (2), 63-73. <http://fe.ummetro.ac.id/ejournal/index.php/JA/article/view/25>
- Indriati, C., & Fahrullah, A. (2019). Effectiveness of Productive Zakat Utilization on Economic Empowerment at Baznas East Java Province. *Journal of Islamic Economics*, 2(3), 148–155.
- Khatimah, H., & Nuradi. (2020). Optimizing Zakat through Muzakki Empowerment. *Rayah Al Islam*, 4 (02), 244-256. <https://doi.org/10.37274/rais.v4i02.90>
- Khatimah, K., & Cahyono, E. (2024). Accounting Knowledge, Organizational Commitment and Implementation of Zakat Accounting: What Is The Role Of Organizational Support? *Journal of Accounting, Governance, and Organization*, 1(1), 1–15.
- Magfirah, M., Wahyuni, S., & Idaryani, I. (2023). The Effect of Industrial Creativity and Entrepreneurship Development on the Welfare Level of Embroidery Businesses. *Economics, Finance, Investment and Sharia (EKUITAS)*, 4 (4), 1352-1360. <https://doi.org/10.47065/ekuitas.v4i4.3438>
- Muharrir, & Mustikawati. (2020). Zakat as a Financial Instrument in Efforts to Restore Economic and Socio-Cultural Conditions from an Islamic Perspective. *Ekonomika Sharia*, 5(2), 91–101.
- Najjah, E. F., & Mahmudah, H. (2021). Soft Skill Training and Home Industry Development as an Effort to Maximize Village Potential to Increase Community Income in Jatirejo Village. *Jurnal Karya Abdi Masyarakat*, 5 (1), 134-138. <https://onlinejournal.unja.ac.id/JKAM/article/view/13842>
- Nurul. (2024). *The Effect of the Z-Chicken BAZNAS Program on Mustahik Welfare*. Pratama, A. A. N., & Cahyono, E. (2021). *Business Research Methodology with a Quantitative Approach*. OMAH Design Yogyakarta.
- Putri, S. N. (2024). *Indonesia ranks 70th out of 100 poorest countries in the world*. IDX CHANNEL.COM. <https://www.idxchannel.com/economics/indonesia-urutan-ke-70-dari-100-negara-termiskin-di-dunia>

- Ramadhan, M. A., Permana, D. D., & Gumilar, R. (2024). Productive Zakat Empowerment Analysis in BAZNAS Institutions. *Journal of Islamic Economic Scholar*, 4 (1), 23-30. <https://doi.org/10.14421/jies.2023.4.1.23-30>
- Rijati, N., Purwitasari, D., Sumpeno, S., & Purnomo, M. H. (2020). A decision making and clustering method integration based on the theory of planned behavior for student entrepreneurial potential mapping in Indonesia. *International Journal of Intelligent Engineering and Systems*, 13 (4), 129-144. <https://doi.org/10.22266/IJIES2020.0831.12>
- Ristina, C. (2019). The Effect of Learning Outcomes of Entrepreneurship Education Subjects on Entrepreneurial Interest in the Field of Catering Services in Vocational High School Students. *FAMILY: Scientific Journal of Family Welfare Education*, 5 (2), 342. <https://doi.org/10.30738/keluarga.v5i2.3955>
- Saputra, S., Mujahiddin, & Tanjung, Y. (2024). Enhancing Sustainability through Agricultural Zakāt-Based Philanthropy Movement: A Comprehensive Study on Social Welfare Capital. *Journal of Islamic Thought and Civilization*, 14 (1), 231-246. <https://doi.org/10.32350/jitc.141.14>
- Savid, A. N. (2017). Effectiveness of Productive Zakat in Mustahik Economic Empowerment: Preliminary Study on Amil Zakat Agency (BAZ) Gresik Regency. *FALAH: Journal of Sharia Economics*, 2 (1), 90. <https://doi.org/10.22219/jes.v2i1.4361>
- Setiany, Y. I., & Anisah, H. U. (2024). The Effect of Entrepreneurship Education, Business Experience and Entrepreneurial Skills on Business Success (Study on Umkm Culinary in Banjarbaru City). *Kindai*, 20(2), 159–172.
- Utami, E. Y., Muhtadi, M. A., Khasanah, M., Sinaga, H. D. E., & Fenny. (2023). The Impact of Entrepreneurship Education on Business Startup Success: A Longitudinal Study. *West Science Journal of Economics and Entrepreneurship*, 1 (03), 196-206. <https://doi.org/10.58812/jekws.v1i03.520>
- Wahyuni, D. (2016). The Effect of Entrepreneurship Education on Entrepreneurial Motivation in Economic Education Students of STKIP PGRI Jombang. *Proceedings of the National Seminar on Education and Learning Research Results*, 2(1), 202–214.
- Wibowo, T. S., & Sahrul. (2022). the Role of Entrepreneurship Education in Moderating Entrepreneurial Intention and Self-Development in Social Entrepreneurship. *Proceeding International Conference on Economic Business Management, and Accounting (ICOEMA)*, 1180-1190. <https://conference.untag-sby.ac.id/index.php/icoema/article/view/2248/1258>
- Yulianda, Suhairr, L., & Martunis. (2018). The effect of entrepreneurship education on the motivation for entrepreneurship of students of the PVKK study program in the concentration of culinary arts FKIP Syiah Kuala University. *Scientific Journal of Family Welfare Education Students*, 3(2), 27–34.

## **ACKNOWLEDGMENTS**

All praise and thanks be to Allah who has given all His favors, and thanks to the lecturers who have provided direction and support in an effort to complete this writing.