

The Impact of Productive Zakat Utilization on the Improvement of Micro Enterprises and Religiosity of Mustahiqqs in Rusunawa Marunda, North Jakarta: A Study at Baznas DKI Jakarta Province

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ABSTRACT

The purpose of the study is to identify the relationship between the utilization of productive zakat to micro businesses and the relationship between the utilization of productive zakat and religiosity. This quantitative research is supported by literature such as books and internet sites, using a survey method through the distribution of questionnaires with a likert scale. To analyze the data, this study used Partial Least Square (PLS) with three measurement models: outer model, inner model, Goodness of Fit (GoF) criteria, and hypothesis testing. Primary data came from *mustahiqq* questionnaires and interviews conducted at the National Amil Zakat Agency of DKI Jakarta Province. Secondary data were obtained through literature studies and available information about the agency. The results of the study show that the utilization of productive zakat has a significant influence on the increase in micro businesses by 0.593. So that *mustahiqq* can meet the needs of life. Then the relationship between the utilization of productive zakat and the increase in religiosity, namely the utilization of productive zakat, has a positive and significant influence on the increase in religiosity by 0.550. So that *mustahiqq* becomes religious. This thesis has an argument that zakat religious institutions have a role in alleviating poverty by providing business capital and spiritual guidance through religious activities.

INTRODUCTION

The country's economic recovery depends on the amil zakat board. Jokowi stated that zakat has an important role in encouraging economic growth, alleviating poverty, improving people's welfare, and encouraging Indonesia to become the center of the world's Islamic economy. He said that Indonesia still has the potential to collect zakat of Rp 232 trillion, but recently the National Amil Zakat Agency received zakat of Rp 8.1 trillion. To achieve economic equity, the Provincial/City National Amil Zakat Agency distributes zakat funds to *mustahiqq* through the productive zakat program. However, not all of these productive zakat programs have succeeded in improving the welfare of *mustahiqq* in their implementation. According to Farid, the distribution of productive zakat funds does not significantly affect the profits or income of *mustahiqq* businesses.^{3F} Similar to Farid, Shobah and Rifai's (2020) research found that although the National Amil Zakat Agency of Purworejo Regency provides productive zakat to some *mustahiqq*, it has had an impact on the development of micro businesses, but it has not turned *mustahiqq* into *muzakkī*. In contrast to Farid, Shobah and Rifai, Alaydrus's (2020) research found that productive zakat *infak sadaqah* affects the development of *mustahiqq* micro businesses in Pasuruan, East Java.^{5F} With the existence of

productive *infak* zakat funds provided by the National Amil Zakat Agency of Pasuruan City, the growth of *mustahiqq* micro businesses in Pasuruan City, East Java, has increased. In addition, the daily turnover generated by *mustahiqq* micro enterprises increased. The same thing was also found by Tanjung, (2019) *mustahiqq* micro businesses in Medan City were increased by zakat, *infaq*, and productive shadaqah. The addition of productive zakat funds has a significant impact on the growth of *mustahiqq* micro businesses in East Medan. The addition of productive zakat funds increases the daily income of the *mustahiqq*. Likewise, Alifah found that the ZMart program can increase the economic independence of *mustahiqq* in the North Jakarta area. The program increases the average income of *mustahiqq* in one to three years. This is due to the main need of *mustahiqq*, which is to get business capital to manage his business.

The authors found that previous research only looked at productive zakat and micro businesses as variables (Widiastuti et al., 2021; Firmansyah et al., 2024). This is interesting for the author because this study includes religiosity as an additional variable in addition to productive zakat and micro businesses. In Nidityo's (2014) research, productive zakat also increases the religiosity of *mustahiqq*. This is due to the fact that the National Amil Zakat Agency of East Java Province carries out religious activities in addition to the provision of productive zakat funds (Ayuniyyah et al., 2022), so that the *mustahiqq* not only receive financial assistance but also receive moral and spiritual assistance (Suhairi et al., 2025; Mawardi et al., 2022). For example, they have the opportunity to conduct comparative studies, attend recitations, *istighātsah*, meet regularly with members (Santoso et al., 2023), and receive questions and answers about undeveloped business problems (Ramadhan et al., 2024).

In addition, the National Amil Zakat Agency established the National Amil Zakat Agency of provinces/cities^{9F} to reduce poverty. However, some provincial/city National Amil Zakat Agencies do not do it effectively, as shown by the following research: Nuryadin & Romansyah^{10F} (2020) said that if law number 23 of 2011 concerning zakat management can be implemented properly, many zakat funds will be obtained and it affects the prosperity of the population equally.^{11F} However, the manager of the National Amil Zakat Agency of Samarinda City said that it has not implemented the mandate of law number 23 of 2011 ^{12F} This implies that the National Amil Zakat Agency of Samarinda Province is not effective in fighting poverty. In line with the findings of Nuryadin & Romansyah, (2020) Aziz's research found that the utilization of zakat at the National Amil Zakat Agency of Central Java Province has not been appropriate as an effort to alleviate poverty, because until now only professional zakat from several local government work units has been managed from all local government work units in Central Java.^{13F} Likewise, Sahroni in his (2018) research on the Rejang Lebong Makmur program, solution to reduce poverty rate (a study at the National Amil Zakat Agency of Rejang Lebong Regency)¹ said that Rejang Lebong Regency is one of the districts in Bengkulu Province, and is one of the districts with a fairly high poverty rate, with a percentage of 17.30%. The presence of the national amil zakat agency which has the authority to distribute zakat funds to *mustahiqq* with its program Rejang Lebong Makmur is expected to be the key to reducing poverty in Rejang Lebong. The productive assistance provided can basically increase the community's economy from *mustahiqq* to *muzakkī*. However, the fact is that there are many misorientations made by some *mustahiqq* towards the fund so that it does not run as expected.^{15F}

Zakat has a strategic role in helping fellow Muslims, strengthening social solidarity, and being an important instrument in overcoming various economic and social problems (Ayuniyyah et al., 2022; Wahyuni & Wulandari, 2024). If zakat is managed and distributed fairly and equitably, then the potential to reduce poverty is very large (Beik & Arsyianti, 2016). Various studies show that the utilization of productive zakat by amil zakat institutions is able to have a positive impact on the welfare of *mustahiqq*, especially through economic empowerment (Widiastuti et al., 2021). Productive zakat not only helps meet short-term needs, but also opens up opportunities for *mustahiqq* to build a business and increase economic independence in a sustainable manner (Mawardi et al., 2023; Widiastuti et al., 2021).

Although Jakarta is known as a metropolitan city, the problem of poverty and social inequality is still a real challenge. The Jakarta Provincial Government has launched various programs to alleviate extreme poverty through social assistance, education, and increasing community productivity. On the other hand, the National Amil Zakat Agency (BAZNAS) of DKI Jakarta Province also plays an active role in supporting these efforts through the distribution of zakat, *infaq*, and alms which are directed at meeting basic needs, improving health, education, and strengthening the economy of low-income communities. Collaboration between the government and zakat institutions is one of the important strategies in reducing social burdens and improving the quality of life of the community.

In its implementation, BAZNAS DKI Jakarta Province has developed various economic empowerment programs based on productive zakat, such as business capital assistance, entrepreneurship training, micro business assistance, and strengthening sharia-based marketing. These programs are designed to increase the productivity of *mustahiqq* so that they are not only dependent on consumptive assistance, but are able to generate income independently. In addition to economic aspects, BAZNAS also runs social and humanitarian programs, including meeting clean water needs, educational assistance, food security, and community development based on local potential.

In addition to improving economic welfare, zakat also has a spiritual dimension that is closely related to religiosity. Religiosity is reflected not only in formal adherence to religious teachings, but also in individual attitudes, values, and behaviors in daily life. Therefore, the productive zakat program should ideally not only focus on material aspects, but also be accompanied by religious and social guidance. BAZNAS DKI Jakarta Province seeks to integrate economic and da'wah aspects through programs that instill Islamic values, so that it is hoped that the improvement of material welfare will go hand in hand with the moral and spiritual improvement of *mustahiqq*.

Based on this background, this study is focused on analyzing the influence of productive zakat utilization on the increase of micro businesses and *mustahiqq* religiosity in Marunda Flats, North Jakarta. This study is limited to the 2022–2023 period and only covers the *mustahiqq* of productive zakat recipients in the region. The main purpose of the research is to empirically examine the extent to which productive zakat is able to increase economic independence and *mustahiqq* religiosity. The results of this research are expected to make a theoretical contribution to the development of productive zakat studies and become practical evaluation material for amil zakat institutions in designing more effective empowerment programs, with the long-term hope of transforming *mustahiqq* into *muzakkī*.

METHOD

1. Types of Research

This study used a quantitative approach with a survey method, which is research that emphasizes the collection of data in the form of numbers to explain the relationship between independent variables and dependent variables. The quantitative approach was chosen because it is able to test hypotheses objectively and systematically based on empirical data. The object of the study is focused on the effect of productive zakat utilization on the increase of micro businesses and *mustahiqq* religiosity in Marunda Flats, North Jakarta, so that the results of the study are expected to provide an overview of the causal relationship between the variables studied.

2. Population and Sample

The population in this study is all *mustahiqq* in Marunda Flats, North Jakarta, who receive productive zakat. The number of the population that is the subject of the study is as many as 40 *mustahiqq*. The sampling technique used is saturated sampling, where all members of the population are used as research samples. The use of this technique is carried out because the population is relatively small, so it is hoped that the results of the study can represent the condition of the population as a whole.

3. Data Collection Techniques

The data collection technique was carried out through the distribution of structured questionnaires to respondents. The questionnaire was prepared based on research variables, namely the utilization of productive zakat, the increase of micro businesses, and the religiosity of *mustahiqq*, with indicators that have been set operationally. Before data collection, the researcher obtained permission from related parties, such as the DKI Jakarta Provincial National Amil Zakat Agency, respondents, and academic institutions. The collected data is then recorded and processed in accordance with quantitative research procedures to ensure the accuracy and completeness of the data.

4. Data Analysis Techniques

The data analysis technique in this study uses Partial Least Square (PLS) with the help of SmartPLS 3 software. PLS is used because it is predictive, does not rely on normal distribution assumptions, and is able to process data with a relatively small sample count. The analysis is carried out through the evaluation of the measurement model (outer model) to test the validity and reliability of the indicator, as well as the evaluation of the structural model (inner model) to test the causal relationship between variables. Furthermore, hypothesis testing was carried out by looking at the path coefficient value and the t-statistical value of the bootstrap results, with a significance level of 5 percent ($\alpha = 0.05$).

RESULT AND DISCUSSION

Inner Model Test Results

The results of the analysis of the inner model in partial least squares show the strength of the relationship between latent variables. It is measured by the path coefficient and R-Square. The path coefficient indicates the direction and strength of influence between variables, while R-Square shows the percentage of variance of the dependent variable described by the independent variable. Here's a further explanation:

1) Coefficient of Determination

Further testing of the model, i.e. determination of the determination coefficient, by looking at the R-Square value, which is the goodness-fit-model test. The coefficient of determination (R²) is a way to measure how much an endogenous construct can explain an exogenous construct. The expected R² value is between 0 and 1. R² values of 0.67, 0.33, and 0.19 indicate strong, moderate, or weak models.^{225F} The following is a table of R-squares in the construct:

Table 1. R-Square Results

Construct	R-Square
Efforts Micro (Y1)	0.352
Religiosities (Y2)	0.303

Source: data partial least square

The results of R-Square's analysis show that the value of the micro business variable obtained is 0.352. This value shows that 35% of the productive zakat variable affects the micro business variable and the remaining 65% is influenced by other variables outside the variables in this study. These results show that productive zakat with its determining factors together has an influence of 35% on micro businesses based on their determining factors. Table 4.23 shows that the value of the religiosity variable obtained is 0.303. This value shows that 30% of the productive zakat variable affects the religiosity variable and the remaining 70% is influenced by other variables outside the variables in this study.

2) Measurement Path Coefficients

Furthermore, measure the path coefficients between variables to evaluate the significance and strength of the relationship between variables as well as to test hypotheses. Path values range from -1 to +1. The relationship between the two variables becomes stronger the closer it is to the value of +1. Relationships closer to -1 indicate a negative relationship.^{226F} The following table 2 shows the path coefficients between variables.

Tabel 2. Path Coefficients

Path Coefficients	Efforts Micro	Religiosities
Zakat Productive	0.593	0.550

Source: data partial least square

Table 2 output path coefficient, which shows how much influence each independent variable (exogenous) has on the bound (endogenous) variable. The following is the interpretation of the path coefficient results: The coefficient of the variable parameters of productive zakat for micro enterprises of 0.593 shows that there is a positive influence between productive zakat and micro enterprises; Thus, the higher the value of productive zakat, the greater the number of micro businesses. The utilization of productive zakat increased micro businesses by 59.3%. Then, as a result of calculations using bootstrap or resampling, it was found that the estimated coefficient of productive zakat for micro enterprises was 0.600, the calculated t-value was 6.424, and the p-value was 0.000 less than 0.05. This shows that the micro business variable is formed by the productive zakat variable. Furthermore, the variable of productive zakat on religiosity has a parameter coefficient of 0.550, which shows that there

is a positive influence between productive zakat and religiosity; Thus, the higher the value of productive zakat, the higher the religiosity. The utilization of productive zakat increases religiosity by 55%. Then, based on calculations using bootstrap or resampling, it was found that the estimated coefficient of productive zakat to religiosity was 0.550 and the calculated t-value was 6.158, the p value was 0.000 less than 0.05. This shows that the variable of productive zakat forms the variable of religiosity.

3) Significance Test

The significance value between the t-statistical construct and the p-value can be observed to determine the validity of the hypothesis. With this method, standard errors and measurement estimates are no longer calculated using statistical assumptions, but are based on empirical observations. In this study, the significance value of two tailed (t-value with a significance level of 5%) is 1.96, provided that the t-statistical value must be greater than 1.96.227F The following table 3 shows the results of the t-statistical test:

Table 3. T-Statistics Test Results

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T Statistics (O/STDEV)</i>	<i>P Value</i>	<i>Conclusion</i>
X-X1	0.937	0.935	0.024	38.866	0.000	P Value < 0.05 then receive H1 or Significant
X-X2	0.904	0.906	0.025	35.662	0.000	P Value < 0.05 then receive H1 or Significant
Y1-Y1.1	0.892	0.890	0.036	24.682	0.000	P Value < 0.05 then receive H1 or Significant
Y1-Y1.2	0.897	0.898	0.028	32.044	0.000	P Value < 0.05 then receive H1 or Significant
X-Y1	0.593	0.600	0.092	6.424	0.000	P Value < 0.05 then receive H1 or Significant
Y2-Y2.1	0.893	0.892	0.039	23.164	0.000	P Value < 0.05 then receive H1 or Significant
Y2-Y2.2	0.847	0.847	0.040	21.218	0.000	P Value < 0.05 then receive H1 or Significant
Y2-Y2.3	0.889	0.890	0.035	25.719	0.000	P Value < 0.05 then receive H1 or Significant
Y2-Y2.4	0.810	0.808	0.052	15.584	0.000	P Value < 0.05 then receive H1 or Significant
Y2-Y2.5	0.871	0.875	0.031	28.305	0.000	P Value < 0.05 then receive H1 or Significant
X-Y2	0.550	0.555	0.089	6.158	0.000	P Value < 0.05 then receive H1 or Significant

Source: data partial least square

Based on the data presented in table 3, the determination of the hypothesis whether it is accepted or not is explained as follows:

- a. Hypothesis: The effect of productive zakat utilization on the increase of micro businesses.
 1. Hipotesis : There is a significant influence of the utilization of productive zakat on the increase of micro businesses.
- Ho : There is no significant effect of the utilization of productive zakat on the increase of micro businesses.

Ha : There is a significant influence of the utilization of productive zakat on the increase of micro businesses.

2. Criteria

If the t-statistic shows a value of more than 1.96 and the p-value shows a value of less than 0.05 then Ho is rejected and Ha is accepted.

3. Results

The results of the hypothesis test showed that the t-statistical value of 6.424 was greater than 1.96 and the p-value of 0.000 was smaller than 0.05.

4. Interpretation

Based on the calculation above, it shows that the hypothesis is accepted and stated that there is a significant influence between the utilization of productive zakat on the increase in micro businesses.

b. Hypothesis: The effect of productive zakat utilization on increasing religiosity.

1. Hypothesis : There is a significant influence of the utilization of productive zakat on increasing religiosity.

Ho : There is no significant effect of the utilization of productive zakat on increasing religiosity.

Ha : There is a significant influence of the utilization of productive zakat on increasing religiosity.

2. Criteria

If the t-statistic shows a value of more than 1.96 and the p-value shows a value of less than 0.05 then Ho is rejected and Ha is accepted.

3. Results

Hypothesis testing showed that the t-value of 6.158 was greater than 1.96 and the p-value of 0.000 was lower than 0.05.

4. Interpretation

The above calculation shows that the hypothesis is accepted and that there is a significant influence between the utilization of productive zakat and the increase in religiosity.

Hypothesis Testing

Hypothesis testing was carried out using a full model analysis of structural equations with smart partial least squares. The structural equation model confirms the theory and shows the presence or absence of a relationship between latent variables.^{228F} The results of the outer and inner test models are used to test this hypothesis. By considering the significance value of each indicator, the researcher can determine whether or not a particular hypothesis is acceptable among them. Smart partial least square software was used to test the hypothesis of this study. The table and bootstrapping results show that value. In this study, the hypothesis tested whether the utilization of productive zakat affects the increase in micro businesses and religiosity. The results of the hypothesis test showed that the utilization of productive zakat affected the increase in micro businesses, with a statistical value of 6.424 greater than 1.96 and a p-value of 0.000 smaller than 0.005. In addition, the results of the hypothesis test showed that the utilization of productive zakat had an effect on increasing religiosity, with a statistical value of 6,158 greater than 1.96 and a p-value of 0.000 lower than 0.05. The results lead to the

conclusion that the accepted hypothesis is that the utilization of productive zakat affects the increase in micro businesses, and religiosity significantly and comprehensively.

1. The Effect of Productive Zakat Utilization on the Increase of Micro Businesses

The results of the smart partial least square analysis found that the t-statistical value of the utilization of productive zakat to increase micro businesses was 6,424 and the p-value was 0.000 with a significance level of 5% (0.05). This shows that the t-statistical value is greater than the t-table value which is 1.96 and the p-value is smaller than 0.05 which means that the utilization of productive zakat has a positive and significant influence on the increase of micro businesses. This research supports the research of Anwar & Muaffif^{229F} which found that the utilization of productive zakat has a positive impact on the growth of micro, small, and medium enterprises. According to the respondent profile, the majority of respondents who receive productive zakat benefits are between 30 and 39 years old. This is in line with research conducted by Prayoga & Ariani^{230F} which states that the average age of a person tends to be entrepreneurial when they enter the age of more than 30 years. This is due to the fact that older people have a higher level of sustainability and have more money that can be used to run their own businesses. Furthermore, the gender profile shows that the majority of productive zakat beneficiaries are men. This is in line with research conducted by Steinmetz^{231F} (2013) which shows that men have greater entrepreneurial intentions on average than women. According to Steinmetz, (2013) women are less likely to implement intentions than men. In these circumstances, a strong desire to start a business may not materialize due to unforeseen problems that arise while executing the intention. According to the respondents' profiles based on their type of business, food and beverage businesses are the most numerous. Therefore, respondents expect to increase sales after receiving productive zakat, as they believe that it will increase revenue. This can be seen from the responses given by a number of respondents surveyed, who said that productive zakat increases sales.

Based on the results of the outer model testing, for the supporting indicators of the productive zakat variable to have the highest outer loading, namely the target of the utilization of productive zakat with an outer loading value of 0.937 and for the supporting indicator that has the smallest outer loading, it is coaching with an outer loading of 0.904. And all supporting indicators of productive zakat variables have an important role in determining the increase of micro businesses and religiosity. Based on the results of the outer model test, the micro business performance supporting indicator (Y1.2) has the highest outer loading with 0.897, and for the supporting indicator that has the smallest outer loading, namely business capital (Y1.1) with an outer loading of 0.892. The data above shows that there are no variable indicators whose outer loading value is below 0.5, so all indicators are declared feasible or valid. This shows that the performance of *mustahiqq* micro businesses plays an important role in increasing *mustahiqq* micro businesses. This is in line with the research of Fadila & Yuniarti (2022). For the supporting indicator of the productive zakat variable that has the highest loading factor, coaching (X2) with a loading factor of 0.862. Meanwhile, the one with the smallest loading factor is the target of productive zakat utilization (X1) with a loading factor of 0.797. Furthermore, for the supporting indicator of the micro business variable that has the highest loading factor, namely micro business performance (Y1.2) with a loading factor value of 0.860. Meanwhile, the one with the smallest loading factor is micro business capital (Y1.1) with a loading factor of 0.828.

Based on the analysis of confirmatory factors, the relationship between the target indicator of the utilization of productive zakat and the supporting indicators used for productive businesses has the highest relationship value, which is 0.822,232F Productive Zakat, which is a zakat fund intended to help zakat recipients improve their economic ability through productive businesses. The purpose of productive zakat is so that zakat recipients not only receive consumptive assistance, but also get capital to build or develop sustainable businesses, which will help them become independent and get out of poverty. Productive zakat is given to support productive business activities. The target of the use of productive zakat is *mustahiqq* who has the potential to develop a business or needs capital to start it, and *mustahiqq* who already has a decent business and is able to grow, so that zakat funds can be used as working capital or investment.^{233F} Productive zakat can help micro businesses run by underprivileged people. Types of productive zakat utilization include a) Providing business capital: zakat is given as business capital to help zakat recipients develop their business. b) Skills training: zakat is used to provide skills training that is relevant to the business of zakat recipients, thereby improving the quality of their business. c) Business assistance: zakat is used to provide business assistance, such as assistance in management, marketing, or access to market information. Productive zakat can be carried out through business capital, equipment assistance, skills training, or funding for other productive projects.

Productive zakat gives the *mustahiqq* the opportunity to increase his business and make more money sustainably in addition to temporary assistance. The production of *mustahiqq* businesses is expected to increase with productive assistance, which in turn will improve their quality of life and reduce poverty. Zakat institutions play an important role in the management and distribution of productive zakat, such as conducting feasibility studies, providing training, and monitoring *mustahiqq* businesses. The productive zakat program provides business capital, equipment, training, or funds for other productive projects, such as livestock, agriculture, or other micro businesses. With the help of productive zakat, *mustahiqq* is expected to increase their income and meet their own living needs.

The objectives of productive zakat include a) Ending poverty. By helping micro, small and medium enterprises, zakat recipients can reduce poverty by increasing their income and quality of life. b) Improving the quality of life. Productive zakat helps zakat recipients to meet their living needs in a sustainable manner, not just for short-term needs. c) Creating jobs. Increasing productive businesses has the potential to create new jobs, thereby reducing unemployment. d) Empowering the economy: productive zakat helps zakat recipients to become more economically independent and no longer dependent on aid. The benefits of productive zakat include *mustahiqq* can have a business that generates its own income, poverty levels are reduced sustainably, *mustahiqq* becomes more independent and no longer depends on assistance, productive zakat can improve the quality-of-life *mustahiqq* and create a wide impact on society. Thus, productive zakat is an effective way to overcome poverty and improve people's welfare. By giving zakat to support productive businesses, *mustahiqq* can have the opportunity to increase income, build independence, and improve welfare. This is in line with the research of Usman and Sholikin^{234F} found that the National Amil Zakat Agency distributes productive zakat in the form of business capital to *mustahiqq* micro, small and medium business actors in Pedan District, Klaten Regency. This provides positive benefits for the economy of business actors. That way, the amount of *mustahiqq* income that receives

productive zakat funds has increased. Productive zakat is a means of empowering zakat funds by distributing the funds to *mustahiqq* who has a business. In addition, Kholidah and Salma^{235F} (2019) also found that zakat grants for micro, small and medium enterprises through productive zakat are able to increase *mustahiqq* business income, expand business networks, and improve skills and knowledge to run businesses better. These studies consistently show that the use of productive zakat that is on target and managed well can have a significant positive impact on increasing the income and welfare of *mustahiqq* through the development of their productive businesses.

Based on the analysis of the confirmatory factors, the relationship between coaching indicators and the supporting indicators of skill assistance in *mustahiqq* has the highest relationship value, which is 0.894,236^F Productive zakat aims to empower *mustahiqq* so that they can increase their income and welfare through the businesses they run. However, this empowerment is not only enough by providing business capital, but also needs to be supported by sustainable coaching. Coaching or skills assistance in the productive zakat program is an important part to ensure the success of *mustahiqq* empowerment. This coaching aims to improve the ability of *mustahiqq* to manage their business, both through technical training, business management, and spiritual coaching. This assistance also helps *mustahiqq* in overcoming challenges and obstacles that may be faced in running a business, so that they can achieve success and improve their welfare. *Mustahiqq* are provided with training that is relevant to the type of business they are running, such as production, marketing, or financial management training. This training aims to improve their ability to produce quality and competitive products or services.^{237F} *Mustahiqq* is accompanied by professionals who are experienced in the field of business. This assistance helps *mustahiqq* in making business plans, managing finances, marketing, and overcoming problems that may arise. Spiritual guidance is also important to ensure that *mustahiqq* maintains religious principles in running a business. This coaching can help *mustahiqq* in increasing faith, motivation, and gratitude for the blessings they receive.

Assistance in business management includes: *Mustahiqq* is assisted in terms of business management, such as planning, organizing, implementing, and supervision. Assistance in financial management includes: *Mustahiqq* is given knowledge and skills in managing the finances of his business, such as recording, budgeting, and financial statements. Assistance in marketing: *Mustahiqq* is provided with assistance in terms of marketing products or services, such as marketing strategies, pricing, and market outreach. Assistance in problem solving includes: *Mustahiqq* is assisted in overcoming problems that may arise in running a business, such as financial, production, or marketing problems. The benefits of implementing skills coaching and assistance for *mustahiqq* include: a) Improving skills, *mustahiqq* becomes more competent in running their business. b) Developing businesses, *mustahiqq* businesses to be more advanced and sustainable. c) Increasing income, *mustahiqq* earn a higher income, so their well-being increases. d) Economic independence, *mustahiqq* becomes more economically independent and no longer depends on outside assistance. e) The transformation of *mustahiqq* into *muzakkī*, *mustahiqq* who succeeds in developing his business has the potential to become *muzakkī* (zakat payer). Thus, coaching and skills assistance in the productive zakat program is an important investment to achieve the success of *mustahiqq* empowerment. By improving the ability of *mustahiqq* in managing their business, it is hoped that they can achieve success and

improve their welfare in a sustainable manner. With proper and sustainable coaching, the productive zakat program has a greater impact in improving the welfare of *mustahiqq* and achieving the expected empowerment goals.

Based on the analysis of confirmatory factors, the relationship between the business capital indicator and the supporting indicator, the level of ease of obtaining capital has the highest value, which is 0.932,238F Business capital plays an important role in the ease of obtaining capital related to the increase of *mustahiqq* micro businesses. Adequate business capital, both from own capital and loans, can increase the ability of *mustahiqq* micro entrepreneurs to develop their businesses, making it easier to get additional capital in the future. Business capital is a source of funds needed to start or grow a business.^{239F} It can be money, goods, assets, or even energy and time. Sufficient capital allows *mustahiqq* microentrepreneurs to buy inventory, raw materials, or develop products/services. *Mustahiqq* micro entrepreneurs with sufficient capital and good management, have a better financial record. This increases their credibility in the eyes of financial institutions, making it easier to get loans or investments in the future. On the other hand, *mustahiqq* micro entrepreneurs who have difficulty obtaining capital may find it difficult to increase production capacity, expand business scale, or innovate.

Adequate capital allows *mustahiqq* microentrepreneurs to expand production scale, improve the quality of products/services, and expand market reach. This in turn increases revenues, creates jobs, and increases competitiveness. One of the challenges faced by *mustahiqq* micro entrepreneurs is the difficulty of obtaining capital. This is due to loan requirements that are difficult to meet, limited access to financial institutions, or lack of understanding of financial management. The solution is to increase access to more flexible sources of financing, such as microloans, government assistance, or private investment. In this study, it was found that most *mustahiqq* micro entrepreneurs are quite easy to get business capital from the National Amil Zakat Agency of the Special Capital Region of Jakarta Province. Thus, business capital is an important foundation for the growth of *mustahiqq* micro businesses. Adequate capital and good management can increase the ease of obtaining additional capital, which in turn encourages the growth of *mustahiqq* micro businesses, creates jobs, and improves community welfare. Business capital has a significant effect on business development, especially in achieving income. The ease of obtaining capital is also an important factor that motivates someone to become an entrepreneur, especially in difficult times such as the Covid-19 pandemic.

Based on the analysis of confirmatory factors, the relationship between business performance indicators and profit growth support indicators has the highest value, which is 0.899,240F Good business performance is very important for developing micro businesses, especially for increasing *mustahiqq* profits. Micro business performance refers to the results of work achieved during a certain period, and profit growth indicates the ability of the business to generate an increasing profit. Micro business performance is the results achieved by micro businesses in a certain period of time, which is measured by predetermined criteria or standards. The performance of *mustahiqq* micro businesses includes various aspects, such as financial management, marketing, production, and human resources. The good performance of *mustahiqq* micro businesses has an impact on the ability of *mustahiqq* micro businesses to compete, achieve sustainability, and increase competitiveness in the market. Profit growth shows the ability of *mustahiqq* micro businesses to generate bigger and bigger profits over

time. Increasing profits can be an indicator of the success of *mustahiqq* micro businesses in achieving goals. In addition, profit growth is used to evaluate the financial performance of *mustahiqq* microenterprises and their ability to manage financial resources. Good business performance, including profit growth, is an important factor to increase the scale and sustainability of *mustahiqq* micro businesses.

The performance of micro businesses that have good financial performance, such as increased profits, can be used to reinvest, expand their business, or improve the quality of products/services.^{241F} Improving the performance and profit of *mustahiqq* micro businesses can help them in increasing competitiveness, building reputation, and gaining the trust of customers. In addition, there are a number of factors that contribute to the growth of *mustahiqq* micro business profits. The following factors affect the growth of *mustahiqq* micro business profits in Marunda Flats, North Jakarta, including:

1. Financial Management

Good financial management is essential to increase the profits of *mustahiqq* micro businesses. Micro entrepreneurs implement the separation of personal and business finances, create monthly budgets, record transactions with financial applications and cash books, monitor cash flow, and make income statements at the end of each month. Factors that support increased profits include proper financial planning with clear goal setting, cash flow management through expense control and revenue enhancement strategies, financial risk control with risk identification and management, and the use of fintech technology to improve the efficiency and automation of financial operations.

2. Marketing

Effective marketing plays an important role in increasing profits through various strategies. Micro entrepreneurs *mustahiqq* use social media (Instagram, online store websites) and traditional promotions (distributing brochures). Marketing factors that contribute to increased profits include: market analysis to understand market conditions and customer needs, product strategies with innovation and development of new menus/products, pricing strategies that take into account production costs and target markets, direct distribution strategies through social media, marketplaces, online stores, and physical outlets, promotional strategies with discounts, coupons, flash sales, loyalty programs, offline events, and referral programs, good customer service to build loyalty, and wise marketing financial management to maximize Return on Investment.

3. Production

The production factor greatly affects the growth of *mustahiqq* micro business profits. The production factors applied include: natural resources (raw materials such as rice, vegetables, fabrics, yarn, business locations), human resources (stall owners, chefs, waiters, craftsmen, designers, mechanics, cashiers), capital (money to buy raw materials, equipment, business premises), and entrepreneurship (the ability to manage, market, and develop a business). The efficient use of production factors can increase productivity, reduce production costs, improve product quality, and expand the market, which ultimately increases business profits.

4. Human Resources

Human resources are an important factor in increasing the profits of *mustahiqq* micro businesses. Human resources in micro enterprises include: business owners who are responsible for strategic decision-making and financial management, permanent/non-

permanent employees who perform work according to their areas of expertise (marketing, production, sales, administration), experts/consultants who provide specialized technical support, suppliers who provide raw materials, and customers who provide valuable feedback. Improving the quality of human resources through training, skill building, and employee motivation can significantly improve business performance and productivity.

5. Business Legality

Business legality makes an important contribution to increasing the profits of *mustahiqq* micro businesses. Legality provides legal protection, increases credibility, and makes it easier to develop a business. Micro businesses in Rusunawa Marunda North Jakarta that have legality include grocery stores, tailor services, food stalls, and clothing stores that have micro and small business licenses and NPWP. With complete legality, micro businesses avoid legal disputes, increase consumer and investor confidence, facilitate access to credit and business cooperation, and build a professional image that attracts new customers, thereby significantly increasing profits.

2. The Effect of Productive Zakat Utilization on Increasing Religiosity

The results of the smart partial least square analysis found that the t-statistical value of the utilization of productive zakat on increasing religiosity was 6,158 and the p-value was 0.000 with a significance level of 5% (0.05). This shows that the t-statistical value is greater than the t-table value, which is 1.96 and the p-value is less than 0.05, which means that the utilization of productive zakat has a positive and significant influence on increasing religiosity. This research supports the research of Nidityo & Laila^{249F} (2014) which found that the utilization of productive zakat increases religiosity because the productive zakat program creates a religious atmosphere through the application of business methods that are in accordance with sharia principles. According to the respondents' profiles, most of them have income before getting productive zakat, which is on average below the minimum income limit per province, which is Rp 2,740,260. This shows that respondents who get productive zakat have a high level of religiosity. This is in line with what Hackett et al.^{250F} said in their study that people in societies with very unequal income distributions tend to be more religious, while people in societies with more egalitarian income distributions consider religion less important. This is in contrast to the research of Tamir et al (2020) which found that individually, those who earned at or above the average income threshold in most countries were significantly less likely to say that belief in God was necessary for morality.^{251F} In addition, based on the age profile of respondents, it was found that although the majority of respondents were between the ages of 30 and 39, they remain religious. According to Wulff,^{252F} a person's religious maturity is related to the development of age and various life experiences. Furthermore, the study confirms the research of Hackett et al. that although young adults started religious before their parents, they tend to become more devout as they age, have children, and face their own deaths. In contrast to Tamir et al.'s (2020) research finding younger adults are generally less religious by some measure, 18- to 29-year-olds are the least likely to say that it is necessary to believe in God to be moral. In most of the 34 countries surveyed, those aged 50 and over were significantly more likely than those aged eighteen to 29 to think that belief in God was necessary for morality.

Based on the results of the outer model test, the supporting indicator of belief (Y2.1) has the highest outer loading with 0.893, and for the supporting indicator that has the smallest outer loading, namely religious knowledge (Y2.4) with an outer loading of 0.810. The data above shows that there are no variable indicators whose outer loading value is below 0.5, so all indicators are declared feasible or valid. This shows that respondents' beliefs play an important role in increasing respondents' religiosity. This is in line with the research of Sasmito (2021). For the supporting indicator of the productive zakat variable that has the highest loading factor, namely coaching (X2) with a loading factor of 0.862. Meanwhile, the one with the smallest loading factor is the target of productive zakat utilization (X1) with a loading factor of 0.797. Next, for the supporting indicator of the religiosity variable that has the highest loading factor, namely experience (Y2.2) with a loading factor value of 0.891. Meanwhile, the one with the smallest loading factor is the practice (Y2.5) with a loading factor value of 0.797. Therefore, based on table 4.22, all constructs have met the requirements for one-dimensionality because the composite reliability value is greater than 0.7. For example, the composite reliability of the productive zakat variable of 0.877 is greater than 0.7, then the productive zakat is reliable. Then the composite reliability of the micro business variable of 0.900 is greater than 0.7, then the micro business is reliable. Next, the composite reliability of the religiosity variable of 0.959 is greater than 0.7, then religiosity is reliable.

Based on the analysis of the confirmatory factors, the relationship between the belief indicator and the supporting indicator of belief in Allah swt. has the highest value of 0.878. In Islam, the basis of a person's religiosity, namely the belief in Allah swt., is also known as monotheism. In addition to faith, religiosity encompasses various aspects of life, such as worship practices, knowledge, and spiritual experiences, all based on belief in Allah swt. Belief in Allah swt. in Islam means believing in His existence, His attributes, and His teachings. This belief encourages *mustahiqq* to perform worship in accordance with their religious teachings. Worship is not just limited to rituals; It also includes the daily actions and behaviors of *mustahiqq* that are based on religious values. Religiosity also involves *mustahiqq* in understanding religion. *Mustahiqq* practiced his faith better because they understood the teachings of religion. A sense of *mustahiqq* in Allah swt. causes deep spiritual experiences, such as a sense of closeness to Him, gratitude, and fear of Him. In addition, *mustahiqq* religiosity indicates a close relationship between *mustahiqq* and Allah swt., including dependence on Him in all things and awareness of His supervision. Religious *mustahiqq* behaviors include carrying out prayers, fasting, zakat, and trying to always do good to Him. Thus, a strong religiosity of *mustahiqq* is based on a deep belief in *mustahiqq* in Allah swt. This belief encourages the *mustahiqq* to follow the teachings of the religion in all aspects of their lives, both in ritual and in daily life, which results in a strong relationship between the *mustahiqq* and their God.

Based on the analysis of confirmatory factors, the relationship between the experience indicator and the supporting indicator of patience in facing trials has the highest value, which is 0.89125F The experience of *mustahiqq* patience in facing difficulties is an important component of *mustahiqq* religiosity. In religion, patience means not only holding back feelings, but also accepting the destiny of Allah swt., believing in the wisdom of trials, and continuing to strive for good. Patience in the face of difficulties is proof of strong faith in Allah swt. F It is not only about holding back emotions when the *mustahiqq* is having difficulties, but also

about being patient in worship, doing His commands, and abandoning His prohibitions. In facing this test, patience shows the steadfastness of faith and the ability of *mustahiqq* to stay focused on Allah swt. In addition, patience also includes the effort and struggle of *mustahiqq* to achieve good and avoid bad. This means, even though there are difficulties, *mustahiqq* still tries to carry out obligations and avoid immorality. This attitude of patience *mustahiqq* shows sincerity and obedience to Allah swt. by accepting His destiny open-heartedly, without complaining or criticizing it. The inner peace of *mustahiqq* can be achieved with patience in the face of challenges and difficulties. By surrendering to Allah swt. And patient, *Mustahiqq* finds the serenity and strength to face the challenges that come with life. In addition, patience *mustahiqq* as a way to show gratitude to Allah swt. because the attitude of patience in the face of trials shows that *mustahiqq* continues to appreciate His favor even in the face of difficulties.

Based on the analysis of confirmatory factors, the relationship between religious practice indicators and supporting indicators of carrying out religious activities such as listening to lectures, almsgiving, charity, and da'wah has the highest value, which is 0.857,257F Religious activities such as listening to lectures, almsgiving, charity, and da'wah are part of religious practices that have a close relationship with *mustahiqq* beliefs. While religiosity is the level or intensity of *mustahiqq's* involvement in religious elements, such as their religious beliefs, practices, experiences, and meanings. Religious lectures strengthen the belief and understanding of *mustahiqq* about religious teachings. It also increases the knowledge and understanding of *mustahiqq* about religious teachings and increases the desire to practice it in daily life. Charity and alms are two examples of religious practices that emphasize kindness and social concern. This increases the sense of togetherness and gratitude *mustahiqq* for the blessings given by Allah swt. Da'wah is an effort to spread religious teachings. This activity increases *mustahiqq* beliefs through the process of learning, sharing knowledge, and increasing religious understanding. The more active the *mustahiqq* is in religious activities, the higher his religiosity.258F These activities can also strengthen *mustahiqq* beliefs, increase understanding of religion, and encourage *mustahiqq* to apply religious teachings in daily life. Beliefs, worship, religious experience, and religious knowledge are some measurable indicators of religiosity. The stronger and more consistent a person is in his religious practice, the higher the indicator of religiosity. Thus, *mustahiqq* religious activities, such as listening to lectures, almsgiving, charity, and da'wah, are an important part of religious practice that can increase *mustahiqq* beliefs. Through these activities, *mustahiqq* can strengthen his beliefs, become more understanding of religion, and practice religious teachings in daily life.

Based on the analysis of confirmatory factors, the relationship between religious knowledge indicators and supporting indicators of reading religious books showed the highest value, which confirmed that the activity of reading religious books plays an important role in increasing *mustahiqq* knowledge and religiosity. Religious books, both scriptures, commentaries, and other religious literature, provide a deep understanding of religious teachings, doctrines, rituals, ethics, and the history of religious development. This knowledge strengthens faith, increases the appreciation of religious teachings, and helps *mustahiqq* apply religious values in daily life, thus having an impact on improving the quality of worship and the overall quality of life.

A good understanding of religion has a positive impact in the form of peace of mind, a sense of security, and a purpose in life for *mustahiqq*. Belief in God and the concept of life

after death fosters a sense of security, meaning in life, and the belief that every deed has moral and spiritual consequences. Religious knowledge also provides clear guidelines for life, helps *mustahiqq* avoid negative behavior, and encourages them to live more purposeful and meaningful lives. The majority of *mustahiqq* who are Muslims interpret the purpose of life as worship and devotion to Allah swt. and carrying out the role of caliph on earth.

In addition to inner peace, religious knowledge also forms healthy living habits in *mustahiqq*, both physically, mentally, and socially. Religious teachings encourage a healthy lifestyle through personal and environmental hygiene, dietary arrangements, physical activity, adequate rest, and avoiding risky behaviors such as drugs, alcohol, and smoking habits. In addition, religious values also provide strong psychological support through mutual concern, affection, and spiritual strengthening, thus helping *mustahiqq* face the pressures of life more calmly and positively.

Furthermore, religious knowledge is a source of motivation, inspiration, and character development of *mustahiqq*. The noble moral values contained in religious books form characters such as honesty, responsibility, discipline, tolerance, and social concern. On the other hand, the practice of religiosity is also reflected in maintaining cleanliness, which based on the analysis of confirmatory factors has the highest value as an indicator of practice. Physical, environmental, heart, and mind cleanliness are seen as part of faith and worship, which support solemnity of worship, inner tranquility, and moral and spiritual responsibility to oneself and the environment. Thus, reading religious books and practicing religious teachings consistently becomes an important means for *mustahiqq* to live a more religious, peaceful, and meaningful life.

CONCLUSION

The results of the analysis concluded that the utilization of productive zakat on the increase in micro businesses has an effect and significantly means that the utilization of productive zakat has a positive and significant influence on the increase in micro businesses. This research supports the research of Anwar & Muaffif which found that the utilization of productive zakat has a positive impact on the growth of micro, small, and medium enterprises. The results concluded that the utilization of productive zakat to increase religiosity had a significant effect. This shows that the utilization of productive zakat has a positive and significant influence on increasing religiosity. This research supports the research of Nidityo & Laila which found that the utilization of productive zakat increases religiosity because the productive zakat program creates a religious atmosphere through the application of business methods that are in accordance with sharia principles.

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