

Implications of Productive Zakat Funds for Empowering UMKM (Analysis Study of Bojong Rangkas Village, Ciampea, Bogor)

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Abstract

Economic development to improve people's standard of living requires concrete steps to overcome poverty and unemployment. Micro, small, and medium enterprises (UMKM) are the main focus in developing the local economy. Zakat funds are seen as a solution to support UMKM by providing the necessary financing. Research in Bojong Rangkas Village shows that the majority of respondents support the contribution of BAZNAS Microfinance in supporting UMKM through productive zakat funds. However, there is variation in responses to the effectiveness of the zakat program in supporting UMKM development, indicating a diversity of opinions regarding this matter.

Keywords: *Productive Zakat, UMKM, Business Actors*

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A. Introduction

An inevitability in economic development by improving people's standard of living, poverty that increases every year or unemployment that requires jobs until the need for breakthroughs or concrete steps to do so that the economy continues to grow and can increase the level of community productivity in developing existing resources. It takes productive efforts to develop and empower the economy to be able to increase or reduce unemployment, among these activities is opening up employment opportunities in the form of micro businesses, by entrepreneurship the community will start opening and being creative in economic development in the form of productive activities, these micro businesses are called micro, small and medium enterprises (UMKM).

One concrete step that can be taken is through the implementation of productive zakat. Productive zakat is zakat that is distributed to productive businesses so that mustahik (zakat recipients) can become independent and improve their welfare. For example, the Dompot Dhuafa Zakat Institution initiated a productive zakat program to help farmers in West Java. Through this program, farmers who initially had difficulty with capital were given assistance in the form of seeds, fertilizers, and training. As a result, these farmers managed to significantly increase their harvest yields, which not only improved their standard of living but also created new jobs in their communities (Ridlwani, 2019).

The distribution of productive zakat has proven effective in reducing poverty and unemployment rates. In a case study in Aceh, productive zakat given to small traders helped them expand their businesses and increase their income. The study showed that after receiving productive zakat, traders' income increased by an average of 30% in one year (Syamsuri, 2020).

Micro businesses have great potential in the economic wheel, and many UMKMs still need additional costs or finances for the running and development of the business they run. The financial difficulties faced can be overcome by providing financing using zakat funds, so that these micro business actors can survive and develop over the economic competition they face. In the Qur'an, Allah SWT says in QS At Taubah; 60, namely:

﴿ إِنَّمَا الصَّدَقَتُ لِلْفُقَرَاءِ وَالْمَسْكِينِ وَالْعَمِلِينَ عَلَيْهَا وَالْمُؤَلَّفَةِ قُلُوبُهُمْ وَفِي الرِّقَابِ وَالْغَرَمِينَ
وَفِي سَبِيلِ اللَّهِ وَابْنِ السَّبِيلِ فَرِيضَةً مِّنَ اللَّهِ وَاللَّهُ عَلِيمٌ حَكِيمٌ ﴾

Meaning: Indeed, zakat is only for the needy, poor people, zakat earners, people who have softened their hearts (converts), to (free) slave slaves, to (free) people who are

in debt, to the path of Allah and for people who are on the way (who need help), as an obligation from Allah. Allah is All-Knowing, All-Wise.

The verse shows how important it is to utilize zakat for the benefit of those in need, including in supporting micro-enterprises to grow and overcome economic difficulties. Zakat is also one of the Islamic approaches in poverty alleviation and achieving equal welfare, a solution that can reduce the burden of life for the poor and become part of worship for those who are able. Management of zakat funds in the context of developing the people's economy, needs to be directed as a means of equalizing people's prosperity and solving the problem of poverty among the people.

Referring to the explanation above, the author is interested in examining the economic empowerment of the UMKM Business Actors who received assistance from the BAZNAS funds of Bojong Rangkas Village, where this zakat institution allocates some of its funds for productive activities. In connection with this, the author is interested in conducting a study entitled " Implications of Productive Zakat Funds on the Empowerment of UMKM Business Actors (Analysis Study of Bojong Rangkas Village, Ciampea Bogor)".

The research related to the author's discussion is Prawoto, N., & Puspitasari, E. (2014). "Productive Zakat and the Development of UMKM in Bandung City". This study examines the impact of productive zakat on the development of UMKM in Bandung City. The results of the study indicate that recipients of productive zakat experienced an increase in income and production capacity. Productive zakat helps UMKM overcome capital constraints and encourage business growth. This study also emphasizes the importance of mentoring and training for zakat recipients.

Another study is the writing of Mustafa, Y., & Rachman, A. (2016). "The Impact of Productive Zakat on Micro Business Performance: Case Study at BAZNAS DKI Jakarta". This study analyzes the impact of productive zakat on micro business performance in DKI Jakarta. The results of the study indicate that productive zakat increases the productivity and income of UMKM. Zakat recipients showed significant improvements in business management capabilities and market access. This study recommends increased supervision and evaluation to ensure the success of the productive zakat program.

In addition, research written by Nurhayati, S., & Widodo, T. (2017). "The Role of Productive Zakat in Improving the Welfare of UMKM Mustahik: A Study in Sleman Regency". Where this study evaluates the role of productive zakat in improving the welfare of UMKM mustahik in Sleman Regency. The results of the study indicate that productive zakat helps mustahik in starting and developing micro businesses. Zakat recipients experience an increase in income and overall economic welfare. This study also highlights the importance of empowerment through skills training.

The difference between this research and several studies that have been mentioned is the object of the research where this research was conducted in Bojong Rangkas Village, Ciampea, Bogor, so that the object of this research is the community of Bojong Rangkas Village, and the implications of the influence of productive Zakat on UMKM actors will be different from previous studies.

B. Theoretical review

This article discusses the concept of productive zakat and its utilization, with a focus on the management of zakat by BAZNAS (National Zakat Collection Agency) and its impact on micro, small and medium enterprises (UMKM).

1. Definition of Productive Zakat:

Zakat comes from the word "zakat" which means pure, good, blessing, growing, and developing. According to sharia, zakat is a certain amount of wealth that has reached certain requirements that are required to be issued and given to those entitled to receive it. The utilization of zakat can be in the form of consumptive programs, such as charity, or productive programs, such as providing business capital to mustahik (Mufraini, 2006).

2. Utilization of Zakat:

Zakat can be used for productive businesses after the basic needs of the mustahik are met. Its distribution must meet the requirements set out in the Decree of the Minister of Religious Affairs of the Republic of Indonesia No. 373 of 2003. The distribution of zakat can be socially based, with direct provision to the mustahik, or based on economic development, with the provision of business capital (Decree of the Minister of Religious Affairs of the Republic of Indonesia No. 373, 2003).

3. Zakat Management by BAZNAS:

BAZNAS is tasked with managing zakat effectively and efficiently to increase its benefits for community welfare and poverty alleviation. The Zakat Collection Agency consists of BAZNAS, the Provincial Zakat Collection Agency, and the Regency/City Zakat Collection Agency. Zakat management aims to improve the welfare of the Muslim community through economic empowerment, including UMKM (BAZNAS, 2020).

4. Micro, Small and Medium Enterprises (UMKM):

UMKM are one of the efforts to reduce poverty by empowering the people's economy. The definition of UMKM can vary depending on the concept used, but generally includes productive economic efforts with limited net worth and sales turnover (Tambunan, 2012).

5. Economic Empowerment Theory:

This theory emphasizes the importance of empowering individuals or community groups in improving their economic welfare through providing access to resources, skills development, and capacity building. In this context, the

use of productive zakat funds to support UMKM can be seen as one form of economic empowerment (Sen, 1999).

6. Community Based Local Development Theory:

This theory suggests that sustainable and inclusive economic development can be achieved through active participation of local communities in the decision-making process and implementation of development programs. In this case, involving the community in the management and use of productive zakat funds can be one strategy to improve local economic development (Korten, 1984).

This paper provides a comprehensive overview of the concept of productive zakat, its management by BAZNAS, and its implications for UMKM in efforts to reduce poverty and improve community welfare in Bojong Rangkas Village, Ciampea, Bogor.

C. Method

research was conducted in Bojong Rangkas Village with a focus on the Micro, Small and Medium Enterprises (UMKM) community. The method used is quantitative research with a descriptive approach. The variables studied are the influence of Productive Zakat Funds on the Empowerment of Micro, Small and Medium Enterprises.

1. Population and Sample:

The population of this study was mustahik who received productive zakat funds for business capital from BAZNAS in Bojong Rangkas Village, Ciampea. A sample of 41 Micro, Small and Medium Enterprises was randomly selected from a total of 570 business actors who participated in the Productive Zakat program in the area.

2. Data collection technique:

Data were collected through a questionnaire method. The questionnaire was used as a research instrument to collect valid and reliable data. The validity and reliability of the instrument were tested to ensure the suitability of the collected data with the actual situation. Valid and reliable instruments are an absolute requirement to obtain valid and reliable research results.

D. Findings

Variable X in this study was measured by 10 questions submitted to 109 respondents and showed indications of the variable. Variable X shows that all question items on the Knowledge of Wangunjaya Village Community about Islamic Banking have appropriate criteria. The data above shows that thirty respondents or 27.5% of the sample really understand and understand Islamic banking; thirty respondents or 32.1% understand and understand Islamic banking; and thirty respondents or 38.5% of the sample do not understand or do not understand Islamic banking. This shows the validity and benefits of further investigation for each topic of Community Knowledge about Islamic finance.

In the research data conducted to determine the number based on the percentage level of the characteristics of respondents who were sampled in the population, the data collection method was carried out by distributing questionnaires to 41 respondents who were mustahik recipients of productive zakat funds at BAZNAS Microfinance, Bojong Rangkas Village. The data collection was based on gender, age, last education, and income.

Distribution of Respondents' Answers to the Influence Variable of Productive Zakat Funds (X)

Table
Respondents' Responses to
The Influence of Productive Zakat Funds

NO ITEM QUESTI ON	STS (1)		TS (2)		KS (3)		S (4)		SS (5)		TOTAL		MEAN
	F	%	F	%	F	%	F	%	F	%	F	%	
P1	0	0%	1	2.4%	5	12.2%	21	51.2%	14	34.1%	41	100.0%	4.17
P2	1	2.4%	0	0%	6	14.6%	19	46.3%	15	36.6%	41	100.0%	4.17
P3	0	0%	1	2.4%	5	12.2%	20	48.8%	15	36.6%	41	100.0%	4.20
P4	0	0%	1	2.4%	5	12.2%	21	51.2%	14	34.1%	41	100.0%	4.17
P5	0	0%	1	2.4%	7	17.1%	19	46.3%	14	34.1%	41	100.0%	4.12
P6	1	2.4%	0	0%	8	19.5%	22	53.7%	10	24.4%	41	100.0%	3.98
P7	1	2.4%	0	0%	7	17.1%	19	46.3%	14	34.1%	41	100.0%	4.12
P8	0	0%	1	2.4%	7	17.1%	18	43.9%	15	36.6%	41	100.0%	4.15
P9	0	0%	1	2.4%	6	14.6%	19	46.3%	15	36.6%	41	100.0%	4.17
P10	0	0%	1	2.4%	7	17.1%	19	46.3%	14	34.1%	41	100.0%	4.12

Based on the data above, with the number of respondents 41 people to 10 questions on the variable Influence of Productive Zakat Funds (X). Statement 1 (P1) with the form of a statement is I feel that the Productive Zakat Funds of BAZNAS Microfinance Bojong Rangkas Village are beneficial for Micro, Small and Medium Enterprises, from 41 respondents who answered strongly disagree,

disagree 1 Respondent or 2.4%, disagree 5 respondents or 12.2%, strongly agree 14 respondents or 24.1% and those who answered agree 21 respondents or 51.2%. When viewed from the average, this statement gets an average value of 4.17

Statement 2 (P2) with the form of a statement is the Author feels that the Productive Zakat Fund of BAZNAS Microfinance Bojong Rangkas Village is right on target for Micro, Small and Medium Enterprises, out of 41 respondents answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered disagree 6 respondents or 14.6%, those who answered agree 19 respondents or 46.3% and strongly agree 15 respondents or 36.6%. When viewed from the average, this statement gets an average value of 4.17.

Statement 3 (P3) with the form of a statement is BAZNAS Microfinance Bojong Rangkas Village always monitors member resource management, marketing strategies, financial management, and others, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4% who answered less agree 5 respondents or 12.2%, who answered agree 20 respondents or 48.8%, and who answered strongly agree 15 respondents or 36.6%. When viewed from the average, this statement gets an average value of 4.20.

Statement 4 (P4) with the statement form is I experienced a lack of business capital before receiving assistance from the Productive Zakat Fund, from 41 respondents who answered strongly disagree 0 respondents or 0%, those who answered disagree 1 respondent or 2.4%, those who answered disagree 5 respondents or 12.2%, those who answered agree 21 respondents or 51.2%, and those who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.17.

Statement 5 (P5) with the form of a statement is the greater the amount of zakat funds received, the more it can increase business, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 7 respondents or 17.1%, who answered agree 19 respondents or 46.3%, and who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.12.

Statement 6 (P6) with the statement form is BAZNAS Microfinance Desa always provides routine assistance to groups once a month/ according to the agreed meeting schedule, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered less agree 8 respondents or 19.5%, those who answered agree 22 respondents or 53.7%, and those who answered strongly agree 10 respondents or 24.4%. When viewed from the average, this statement gets an average value of 3.98

Statement 7 (P7) with the form of a statement is that the Zakat Fund Financing provided is sufficient for business capital, from 41 respondents who

answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered less agree 7 respondents or 17.1%, those who answered agree 19 respondents or 46.3%, and those who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.12

Statement 8 (P8) with the statement form is I am domiciled/live in the working area of the zakat management institution or BAZNAS Microfinance Village, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, those who answered disagree 7 respondents or 17.1%, those who answered less agree 18 respondents or 43.9%, those who answered agree 15 respondents or 36.6%, and those who answered strongly agree 13 respondents or 22%. When viewed from the average, this statement gets an average value of 4.15.

Statement 9 (P9) with the statement form the business that I manage is a halal product, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 6 respondents or 14.6%, who answered agree 19 respondents or 46.3%, and who answered strongly agree 15 respondents 36.6%. When viewed from the average, this statement gets an average value of 4.17.

Statement 10 (P10) with the statement form is Refund of loan funds according to the initial requirements, from 41 respondents who answered strongly disagree 0, ge bn respondents or 2.4%, disagree 1 respondent or 2.4%, disagree 7 respondents or 17.1%, those who answered agree 19 respondents or 46.3%, and those who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 34.1

Distribution of Respondents' Answers to Empowerment of Micro, Small and Medium Enterprises (Y)

Table

Respondents' Responses to Empowerment of Micro, Small and Medium Enterprises

NO ITEM QUESTI ON	STS (1)		TS (2)		KS (3)		S (4)		SS (5)		TOTAL		MEA N
	F	%	F	%	F	%	F	%	F	%	F	%	
P1	1	2.4 %	0	0%	8	19.5 %	2	53.7 %	1	24.4 %	4	100.0 %	3.98
P2	1	2.4 %	0	0%	8	19.5 %	2	53.7 %	1	24.4 %	4	100.0 %	3.98

P3	1	2.4	0	0%	8	19.5 %	22	53.7 %	10	24.4 %	4	100.0 %	3.98
P4	0	0%	1	2.4 %	4	9.8%	23	56.1 %	13	31.7 %	4	100.0 %	4.17
P5	0	0%	1	2.4 %	7	17.1 %	19	46.3 %	14	34.1 %	4	100.0 %	4.12
P6	1	2.4 %	0	0%	8	19.5 %	22	53.7 %	10	24.4 %	4	100.0 %	3.98
P7	0	0%	1	2.4 %	5	12.2 %	21	51.2 %	14	34.1 %	4	100.0 %	4.17
P8	0	0%	1	2.4 %	7	17.1 %	19	46.3 %	14	34.1 %	4	100.0 %	4.12
P9	0	0%	1	2.4 %	7	17.1 %	19	46.3 %	14	34.1 %	4	100.0 %	4.12
P10	1	2.4 %	0	0%	8	19.5 %	22	53.7 %	10	24.4 %	4	100.0 %	3.98

Based on the data above, with a total of 41 respondents for 10 questions on the Empowerment of Micro, Small and Medium Enterprises (Y) variable.

Statement 1 (P1) with the statement form is My turnover or net profit increased after receiving productive Zakat Fund, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered less agree 8 respondents or 19.5%, those who answered agree 22 respondents or 53.7%, and those who answered strongly agree 10 respondents or 24.4%. When viewed from the average, this statement gets an average value of 3.98.

Statement 2 (P2) with the statement form is Productive Zakat Fund Assistance is used to purchase raw materials to increase Sales production, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, %, those who answered disagree 0 respondents or 0%, those who answered less agree 8 respondents or 19.5%, those who answered agree 22 respondents or 53.7%, and those who answered strongly agree 10 respondents or 24.4%. When viewed from the average, this statement gets an average value of 3.98.

Statement 3 (P3) with the statement form is Productive Zakat Fund Assistance is very helpful for UMKM actors to buy supporting equipment for

Business, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered disagree 8 respondents or 19.5%, those who answered agree 22 respondents or 53.7%, and those who answered strongly agree 10 respondents or 24.4%. When viewed from the average, this statement gets an average value of 3.98.

Statement 4 (P4) with the statement form is Additional capital provided is very useful for the development of my business, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 4 respondents or 9.8%, who answered agree 23 respondents or 56.1%, and who answered strongly agree 13 respondents or 31.7%. When viewed from the average, this statement gets an average value of 4.17.

Statement 5 (P5) with the statement form is the business that I have is a main business, not a side business, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 7 respondents or 17.1%, who answered agree 19 respondents or 46.3%, and who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.12.

Statement 6 (P6) with the statement form is Income from my business has met my needs, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered less agree 8 respondents or 19.5%, those who answered agree 22 respondents or 53.7%, and those who answered strongly agree 10 respondents or 24.4%. When viewed from the average, this statement gets an average value of 3.98.

Statement 7 (P7) with the statement form is Productive zakat fund assistance makes the reach of business marketing wider, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 5 respondents or 12.2%, who answered agree 21 respondents or 51.2%, and who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.17.

Statement 8 (P8) with the statement form is the amount of zakat funds given is in accordance with my needs, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 7 respondents or 17.1%, who answered agree 19 respondents or 46.3%, and who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.12.

Statement 9 (P9) with the statement form is the financing repayment period is not burdensome, from 41 respondents who answered strongly disagree 0 respondents or 0%, who answered disagree 1 respondent or 2.4%, who answered less agree 7 respondents or 17.1%, who answered agree 19 respondents or 46.3%, and who answered strongly agree 14 respondents or 34.1%. When viewed from the average, this statement gets an average value of 4.12.

Statement 10 (P10) with the statement form is Income from my business has met the needs of my family, from 41 respondents who answered strongly disagree 1 respondent or 2.4%, those who answered disagree 0 respondents or 0%, those who answered less agree 8 respondents or 19.5%, those who answered agree 22 respondents or 53.7%, and those who answered strongly agree 10 respondents or 24.4%. When viewed from the average, this statement gets an average value of 3.98

E. Discussion

Based on the table presented, there are 10 statements (P1-P10) that evaluate respondents' views on the influence of productive zakat funds from BAZNAS Microfinance Bojong Rangkas Village on Micro, Small and Medium Enterprises (UMKM). In this analysis, we can see the distribution of respondents' answers in five categories, namely Strongly Disagree (STS), Disagree (TS), Less Agree (KS), Agree (S), and Strongly Agree (SS), as well as the average value of each statement.

For example, if we take statement P1, which states that "I feel that the BAZNAS Microfinance Productive Zakat Fund of Bojong Rangkas Village is beneficial for Micro, Small and Medium Enterprises", we can see that the majority of respondents (85.3%) agree or strongly agree with this statement. The average value for this statement is 4.17, which indicates a fairly high level of agreement.

However, there is variation in respondents' responses to each statement, with some statements having a lower level of agreement such as P5 with an average value of 4.12. This indicates a diversity of opinions among respondents regarding the impact of productive zakat funds on UMKM. Some statements may indicate certain obstacles or challenges faced by recipients of productive zakat funds.

Research on productive zakat by Karlan and Morduch (2010) shows that microfinance can have a positive impact on the development of micro-enterprises and increasing income. This finding supports the results of the analysis of respondents in this study, where the majority felt a positive impact from productive zakat funds. Another study by Amalia and Priyono (2018) also showed that productive zakat contributed positively to the growth of UMKM, especially in terms of increasing business scale and market access.

In addition, research by Hidayat and Setiawan (2015) on the effectiveness of productive zakat in alleviating poverty in rural areas found that recipients of productive zakat experienced a significant increase in economic welfare. This is in line with the results of this study which show that the majority of respondents feel the benefits of productive zakat funds in improving their businesses.

In order to improve the effectiveness of productive zakat, it is important for institutions such as BAZNAS to continue to evaluate and provide assistance to zakat recipients. This assistance can be in the form of business management training, access to markets, and other technical assistance. As shown by Nurhayati and Widodo (2017), assistance and skills empowerment are very important in

ensuring that productive zakat funds are used optimally to improve the welfare of mustahik.

Distribution of Respondents' Answers to the Variable of Empowering UMKM: In this table, there are 10 statements (P1-P10) that evaluate respondents' views on empowering UMKM through productive zakat funds. The distribution of respondents' answers is presented in five categories: Strongly Disagree (STS), Disagree (TS), Disagree (KS), Agree (S), and Strongly Agree (SS), and the average value is calculated for each statement.

For example, if we consider statement P4 which states that "The additional capital provided is very useful for the development of my business", we can see that the majority of respondents (87.8%) agree or strongly agree with this statement, with an average value of 4.17. This shows that the productive zakat funds provided by BAZNAS Microfinance Bojong Rangkas Village have a significant positive impact on the development of UMKM.

However, other statements such as P1, P2, and P3 have a lower average value (3.98), indicating a diversity of opinions in terms of empowering MSME business actors through productive zakat funds. This difference can be caused by various factors, including the level of understanding of business actors regarding the use of funds, the effectiveness of mentoring programs, and the economic situation of each business actor. So from the distribution of these answers we can analyze:

a. Economic Empowerment Concept:

The theory of economic empowerment focuses on providing access, control, and independence to individuals in managing their economic resources. According to Kabeer (2001), economic empowerment seeks to provide opportunities for individuals to change their lives by having greater control over economic resources. In the context of productive zakat, providing business capital does not only provide funds, but also includes mentoring and training so that business actors can utilize the funds optimally.

b. Impact on MSME Development:

Research by Amalia and Priyono (2018) shows that productive zakat contributes significantly to the development of UMKM. They found that recipients of productive zakat experienced an increase in business scale, income, and market access. This finding is in line with respondents' responses to statement P4, where the majority felt direct benefits from the additional capital provided.

c. Effectiveness of Productive Zakat Program:

According to Hidayat and Setiawan (2015), the effectiveness of productive zakat in eradicating poverty and empowering the recipient's economy is highly dependent on proper and sustainable management. Programs that include ongoing mentoring, business management training, and wider market access can increase the effectiveness of productive zakat.

d. Improved Understanding and Allocation of Funds:

Research by Nurhayati and Widodo (2017) emphasized the importance of a good understanding of the use of productive zakat funds. They found that recipients who received training and assistance were more likely to use the funds more effectively. Therefore, BAZNAS needs to improve training and assistance programs to ensure that recipients understand how to use the funds optimally.

Thus, this study obtained respondents' responses to the influence and empowerment through productive zakat funds indicating significant support for the contribution of BAZNAS Microfinance Bojong Rangkas Village to UMKM in the area. However, there are also several aspects that need to be considered to increase the effectiveness of the program, including more efficient management and allocation of funds and increasing understanding of its benefits for micro and small business actors.

Implications of Findings for MSME Development and Productive Zakat Policy:

a. Development of UMKM

Based on the findings that the majority of respondents (87.8%) felt that additional capital from productive zakat funds was very beneficial for the development of their businesses (average value 4.17), it can be concluded that access to capital is a key factor in the development of UMKM. Wider access to productive zakat funds can accelerate the growth of micro and small businesses, giving them the ability to make larger investments in improving product quality, technology, and production capacity (Hidayat & Setiawan, 2015, p. 48).

b. Business Scale Up

With the additional capital provided, UMKM can increase their operational scale. Research by Amalia and Priyono (2018) shows that productive zakat contributes significantly to increasing business scale, which has an impact on increasing turnover and business profitability. This also means that UMKM can create more jobs, which in turn helps reduce unemployment in the area.

c. Strengthening Management Capacity

To utilize productive zakat funds effectively, UMKM also need to increase their management capacity. Training and mentoring in business management are very important. Nurhayati and Widodo (2017) found that training provided to productive zakat recipients improved their abilities in financial management and business strategy, which ultimately increased the competitiveness of UMKM.

d. Productive Zakat Policy

1. Effective Fund Management

The finding that there are differences in the level of respondent agreement with several statements (such as P1, P2, and P3 with an average

value of 3.98) indicates the need for improvement in the management and distribution of productive zakat funds. Productive zakat policies must ensure that the funds distributed are managed transparently and accountably to maximize their benefits for recipients (Hidayat & Setiawan, 2015, p. 53).

2. Ongoing Mentoring

Productive zakat policies need to include a component of ongoing mentoring as an integral part of the program. This mentoring includes not only the provision of capital but also training and guidance in business management. Karlan and Morduch (2010) show that effective mentoring programs can improve recipients' understanding and ability to manage businesses, which has an impact on long-term success.

3. Mustahik Needs Assessment

Before distributing productive zakat funds, it is important to conduct a comprehensive assessment of the needs of the mustahik. This is to ensure that the funds provided are in accordance with the needs and potential of the recipients. This assessment also helps in determining the most effective type of assistance and assistance (Nurhayati & Widodo, 2017, p. 118).

4. Integration with Other Economic Empowerment Programs

Productive zakat policies can be more effective if integrated with other economic empowerment programs. For example, skills training programs, market access, and technology support. Kabeer (2001) emphasizes the importance of a holistic approach to economic empowerment, which includes various aspects that contribute to increasing individual economic capacity and independence.

5. Evaluation and Monitoring

Continuous evaluation and monitoring are important to ensure the effectiveness of productive zakat programs. Evaluation should include an assessment of the program's impact on improving the welfare of mustahik and developing UMKM. Hidayat and Setiawan (2015) showed that continuous evaluation helps in identifying deficiencies and improving programs according to the needs of recipients.

Thus, it is clear that the influence and empowerment through productive zakat funds provide a significant contribution to the development of UMKM. However, there are several aspects that need to be improved, including fund management, ongoing assistance, and integration with other empowerment programs. More targeted policies that focus on the needs of mustahik can increase the effectiveness of productive zakat in supporting the growth and sustainability of UMKM.

e. Productive Zakat Fund-Based UMKM Empowerment Strategy:

To increase the empowerment of UMKM based on productive zakat funds, several strategies that can be applied are:

1. Provision of Mentoring: Providing regular mentoring to UMKM receiving productive zakat funds to help them manage their businesses better.
 2. Providing Training: Conducting training for UMKM receiving productive zakat funds to improve their skills and knowledge in managing their businesses.
 3. Network Development: Building a collaborative network between UMKM receiving productive zakat funds and other parties such as suppliers, distributors, and financial institutions to expand the market and gain better access to resources.
- f. Research Contribution to UMKM Development Policy and Zakat Management:
- This research makes an important contribution to policy development in two main respects:
1. MSME Development: By identifying factors that influence the effectiveness of productive zakat programs in supporting MSME growth, this study provides valuable insights for the development of more effective policies in supporting MSME development at the local level.
 2. Zakat Management: Through analysis of community perceptions and responses to productive zakat programs, this study also provides important input for zakat management at the local level to improve transparency, accountability, and effectiveness in the use of zakat funds.

F. Conclusion

From the analysis of the distribution of respondents' answers to the variables of influence and empowerment of UMKM business actors through productive zakat funds, it can be concluded that the majority of respondents showed significant support for the contribution of BAZNAS Microfinance Bojong Rangkas Village to UMKM in the area. However, there was variation in respondents' responses to each statement, indicating a diversity of opinions related to the effectiveness of the productive zakat program in supporting MSME development. The recommendations from this study are:

- a. Improving Monitoring and Evaluation: It is necessary to improve the monitoring and evaluation system for the use of productive zakat funds to ensure that the funds truly provide the expected benefits for recipient UMKM.
- b. Preparation of Guidelines for Use of Funds: Clear and structured guidelines are needed regarding the use of productive zakat funds to ensure that the funds are used effectively and in accordance with the needs of UMKM.
- c. Providing Mentoring and Training: Providing regular mentoring and training to UMKM receiving productive zakat funds to help them manage their businesses better.

- d. Network Development: Building a collaborative network between UMKM receiving productive zakat funds and other parties such as suppliers, distributors, and financial institutions to expand the market and gain better access to resources.

By implementing the recommendations above, it is hoped that it can increase the effectiveness of the productive zakat program in supporting the development of UMKM and provide a more significant impact on the community in the region as well as improving the welfare of the community as a whole.

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