

Research Article

The Role of Zakat in Economic Recovery and Reducing Poverty Rates in Lampung Province

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Abstract.

This study aims to analyze the role of zakat management institutions in improving the community's economic welfare through empowering Micro, Small, and Medium Enterprises (MSMEs). It uses qualitative research method, with a case study approach on several zakat programs in Lampung. The study results indicate that zakat functions as a socio-religious instrument and a strategic tool in poverty alleviation and MSME development. Programs such as providing business capital, skills training, business mentoring, and facilitating market access have proven effective in increasing the capacity and income of MSME actors. However, challenges such as limited resources and lack of coordination between institutions still need to be overcome. This study recommends strengthening the capacity of zakat institutions, utilizing digital technology, and cross-sector collaboration to increase the effectiveness of empowerment programs. Thus, zakat can contribute significantly to the region's inclusive economic development and poverty alleviation.

Keywords: MSMEs, poverty alleviation, zakat institutions

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1. Introduction

After a deep economic crisis in 2020 caused by the pandemic, most sectors have recovered, although the national economic recovery has occurred unevenly and with differences between provinces. In Q3 2021, many sectors have returned to or even above pre-pandemic output levels, while others appear to be lagging, namely in the transportation, warehousing, hotel, restaurant, construction, manufacturing, and business services industries (shown by red and yellow dots in Figure 1). However, Indonesia's economic recovery has been slower than expected in the first half of 2021. The prolonged pandemic has impacted social and business activity restrictions, resulting in economic activity disruptions. This condition was exacerbated by the surge in the Delta variant in mid-2021, causing new restrictions on people's mobility. This has resulted in continued income losses in several sectors and has had a direct negative impact on



employment and investment and obstacles to labor and capital moving to other sectors.

(1)

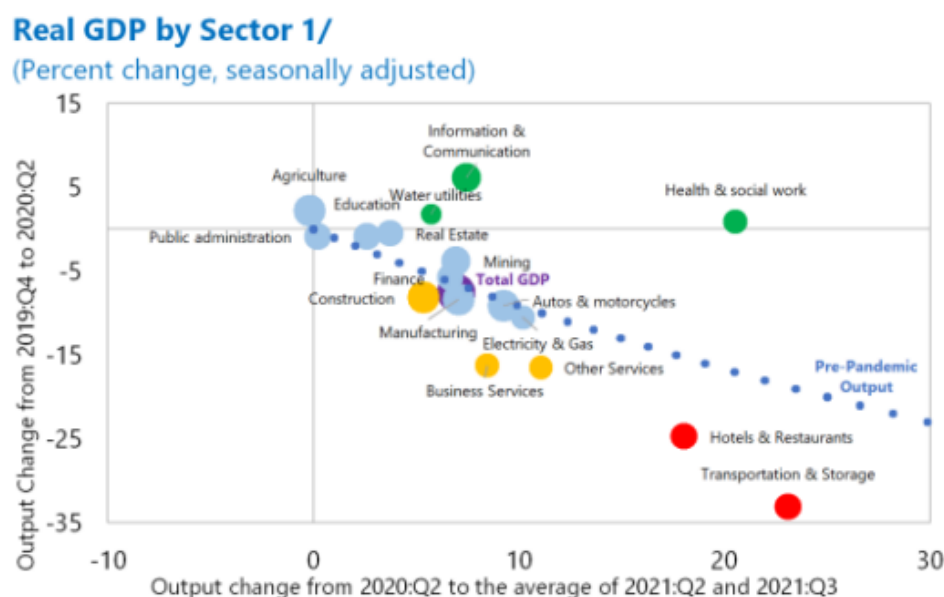


Figure 1: Changes in Industrial Output Levels. Source: IMF Country Report No. 22/84 March 2022.

Indonesia, with most of the population having informal sector employment or engaged in agriculture and related activities. Services and industrial sectors are other major employers in the region, while micro, small, and medium enterprises (MSMEs) and informal sector services involve the largest workforce, with around 55 to 65 percent of employment in Indonesia being informal. (2) MSMEs also play an important role in providing employment and income, contributing to exports, and generating foreign currency. The pandemic has hit the informal sector in general and MSMEs in particular. Informal firms and wage workers are facing enormous challenges. Many MSMEs are closed as they cannot sustain themselves through the lockdown, leaving many informal sector workers behind. The economic losses are accumulating due to reduced demand, restrictions on movement, lack of access to markets, and loss of mobility of people and goods. The restrictions have brought major economic activities to a standstill and have shut down the operations of almost all MSMEs except for a few health-related firms. Over a million informal sector workers have lost their jobs temporarily or permanently and need state assistance. Since hotels and restaurants were closed for months, demand for food and related supplies has also dropped sharply. (3)

The government has issued regulations to limit the social and economic movement of the community. It has been noted that the government has implemented several

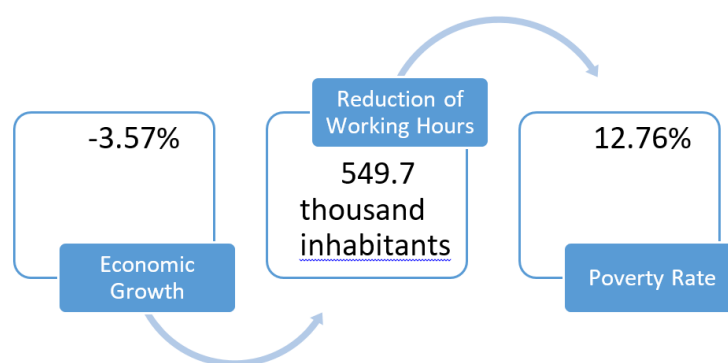
social restriction policies to suppress the rate of spread, starting from the Large-Scale Social Restrictions (PSBB) policy, which began on April 10, 2020, in Jakarta, Transitional PSBB, Strict PSBB, to the Implementation of Community Activity Restrictions (PPKM). Implementing these policies aims to break the chain of virus transmission and improve the economy. (4) This policy has broad implications because all industrial and office sector activities have been forced to suspend activities temporarily. In addition, places of worship, education sectors, public services, shopping centers, restaurants, and tourist destinations have experienced the same thing. This social or physical distance affects the decline in economic activity. (5)

One of the most affected sectors is small and medium enterprises (SMEs), which also impact the decline of the national economy. This is understandable because SMEs contribute significantly to the national economy. Services and industrial sectors are other major employers in Indonesia, while micro, small, and medium enterprises (SMEs) and informal sector services involve the largest workforce. According to the Ministry of Small and Medium Enterprises and Cooperatives (KUKM), the number of SMEs in 2018 was 64.2 million, or 99.99% of the total number of economic actors in Indonesia. The labor absorption capacity of SMEs is 117 million, representing 97% of the absorption capacity of the business world. On the other hand, the contribution of SMEs to the national economy (GDP) is 61.1%, with the remaining 38.9% coming from large economic actors, contributing 5,550 or only 0.01% of the total number of economic actors. SMEs are dominated by micro-entrepreneurs, whose number reaches 98.68, with a labor absorption capacity of around 89%. On the other hand, the contribution of micro businesses to GDP is only around 37.8%. (6) In addition, the impact on the economic sector during the COVID-19 pandemic in Indonesia, among others: Mass layoffs, Indonesia's manufacturing PMI falling to 45.3 H44 in March 2020, Imports fell 3.7% in the first quarter, Inflation reached 2.96% y/y, Declining sales across industries, hotel declines and closures. (7)

Restrictions on community activities, including business activities, create economic problems and poverty; not only do people at the lower-middle economic level feel the impact, but all economic joints feel the same way. This condition encourages the government to formulate various policies in an effort to restore the economy; one of the policies issued by the Indonesian Government is through the formation of a committee specifically tasked with handling the spread of the virus and efforts for National Economic Recovery (PEN) through Presidential Regulation Number 82 of 2020. The considerations in issuing the Presidential Regulation aim to ensure the community's economy and social welfare, the threat to the national economy caused by the decline

in economic activity, and the need for strategic steps in balancing the priorities of health, public safety, and economic recovery that cannot be separated. (8) The PEN program has various objectives; the implementation of the PEN program is an effort to guarantee, protect, protect, ensure, improve, and develop the economic performance of business stakeholders or parties who are just starting a business during the COVID-19 pandemic. (9)

All provinces in Indonesia feel the impact of this condition, including Lampung Province, which has an impact on changes in the social order of life and declining economic performance. BPS Lampung released data that the decline in economic performance in Lampung Province has occurred since the first quarter of 2020, which is reflected in the economic growth rate in the first quarter of 2020, which only reached 1.74 percent (y on y). It again decreased significantly in the second quarter of 2020, when it grew minus 3.57 percent (y on y). Another impact is that as many as 655.9 thousand working-age residents were affected by COVID-19 in August 2020, of which 52.6 thousand people lost their jobs due to the pandemic. It was further explained that as many as 549.7 thousand residents, primarily the lower-class population, were affected by reduced working hours. The poverty rate has increased, indicated by the increase in the number of poor people, which reached 1.09 million or 12.76% in September 2020, higher than March 2020, which was 12.34%. Although the increase in the poverty rate did not show a sharp increase, which was around 0.46%, this could be an indicator of the reduced ability of the community to meet the needs of food and other life support goods. (10) (Figure 2)



Source: BPS Lampung Province, 2021

Figure 2: Impact of the Pandemic on the Economy in Lampung Province.

Poverty has been a major fundamental problem since the beginning of human history, and even today, societies are trying to overcome it. Humans must fulfill their basic

needs, such as water, food, and shelter. Some people can fulfill these needs, while others cannot. People who are struggling to survive are described as poor by society. Another definition is poverty, a condition where people do not have the means to fulfill their basic needs, such as food, shelter, and clothing, and where people maintain their lives below the minimum standard of living. According to Islam, poverty is a state where a person's wealth does not reach the nisab. A person who does not have wealth or money amounting to the nisab (equivalent to 80 grams of gold), even though he has fulfilled his basic needs such as a house, household goods, and amount, is considered poor, according to Islam.

1.1. Problem Formulation

The social and economic impacts caused by the pandemic are huge, resulting in a decline in people's welfare. Economic contractions have occurred in almost all countries, including Indonesia, which has increased poverty rates. Lampung Province is not free from this condition, placing itself above the national poverty average. Although economic data at the beginning of 2022 has shown a trend toward improvement, it takes effort and hard work from various parties to maintain this momentum. Zakat in poverty alleviation is often underestimated; the main discussion about zakat usually focuses on the failure of zakat institutions to manage zakat funds wisely. The potential of zakat to alleviate poverty and harmonize economic recovery has not been studied further.

Based on these conditions, this research is formulated as:

1. What economic impacts does society face?
2. How is zakat utilized to reduce poverty?
3. What are the supporting and inhibiting factors of Zakat's potential for economic recovery?
4. A strategy is needed to manage Zakat so that it can harmonize the programs prepared by the government to restore the economy.

1.2. Research Objectives

The under-explored role of zakat as a tool to combat poverty and economic recovery from the pandemic is the aim of this study to reveal how zakat assistance can help

alleviate poverty and economic recovery. This study will be conducted to obtain several answers related to the problems that the author has formulated:

1. Obtain information on the extent of the community's impact and the main needs required by the poor during the pandemic and the economic recovery period.
2. Obtain information on the use of zakat that the community has obtained.
3. Knowing the response of zakat management institutions to conditions during the pandemic related to the collection, management, and distribution of zakat.
4. Provide recommendations based on findings in the field, focusing on the problems faced by economically affected communities by the pandemic and the policies that need to be taken by zakat managers.

1.3. Conceptual Framework

The COVID-19 pandemic has significantly impacted the economic joints in Indonesia, including Lampung. This condition has caused an increase in poverty rates in Lampung Province. Communities affected by the pandemic face problems such as the ability to meet their living needs, layoffs, and business closures. This condition causes broader and more complex problems that require handling in all aspects. Zakat is expected to play a role in dealing with these conditions. Zakat funds collected by zakat managers and individuals can be used directly to assist in survival, such as buying food and other routine needs for those who are of non-productive age. However, for those of a productive age, zakat can be used to open a business and strengthen capital. Ultimately, zakat is expected to play a role as one of the solutions to poverty alleviation and economic recovery. The conceptual framework is described and explained in Figure 3:

1.4. Previous Studies

The study by Akram, Mian Muhammad, and Muhammad Afzal titled *"Dynamic Role Of Zakat In Alleviating Poverty: A Case Study Of Pakistan."* Published in the Research Journal Social Sciences. It concludes that zakat, at the government level, has a positive role in alleviating chronic poverty in Pakistan in the short and long term, along with other variables, including GDP, inflation, and school education. The study has proposed strategies to rectify the deficiencies in the current Zakat system implemented by the Government of Pakistan and also proposed a new plan to target the problem of poverty.

(11)

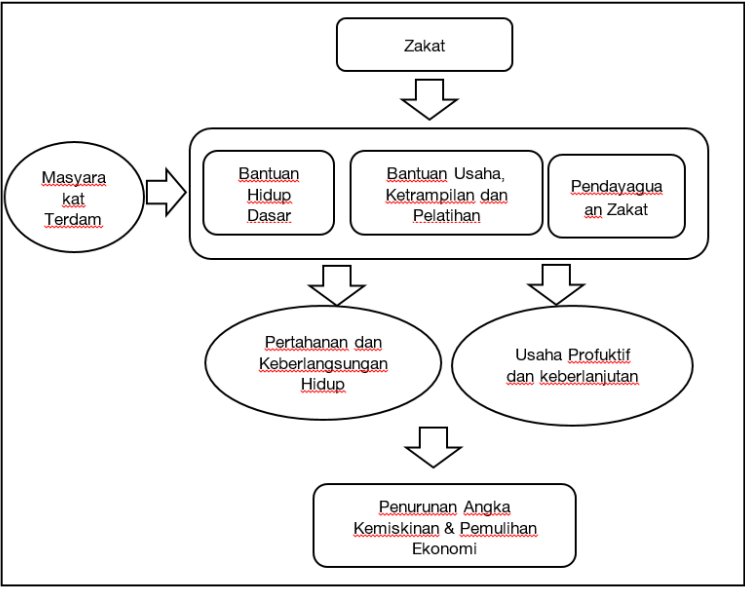


Figure 3: Conceptual Framework of Research.

The following study by Zulkifli is entitled “*Combating Poverty In Malaysia: The Role Of Zakat.*” This reveals that Malaysia’s poverty rate is increasing due to the Covid-19 pandemic. Zakat is recommended as a helper for people who need help and acts as an assistant to encourage people’s economic ability to meet basic needs. Zakat also plays a role as a tool to strengthen the social economy as it reduces the gap between rich and poor by distributing welfare fairly. (12)

Shaikh, Salman Ahmed, and Abdul Ghafar Ismail in a study *entitled “Role of Zakat in Sustainable Development Goals.”* The potential of zakat can answer development challenges, especially in the Muslim world. On average, Muslim countries with low-middle incomes must travel much further distances to achieve development targets compared to middle and high-income countries. Because the goals are ambitious but the period set for this goal is relatively short, comprehensive efforts must be made involving all types of institutions to leap forward for the longer term. Zakat can play an important role in meeting sustainable development goals related to poverty, hunger, global health and well-being, quality education, decent work, economic growth, and income inequality. (13)

The study entitled “*How to increase social fund income during the COVID-19 pandemic in Indonesia? (A case study on the Great Mosque of Kediri City, East Java, Indonesia)*” written by Mutafarida describes the impact of the COVID-19 outbreak on the decline in the amount of income from social funds, but the number of mustahik has not decreased. This condition requires a new strategy to increase social fund income. The

strategy used by zakat managers during the pandemic and new normal is to go out of their way, use digital marketing, distribute pamphlets, and make appeals during religious studies. This has proven to increase the income received by the Zakat Collection Unit of the Great Mosque of Kediri City so that assistance is distributed to the community that has been supported and assisted. During the COVID-19 period, the Zakat Collection Unit (UPZ) of the Great Mosque of Kediri City could still provide productive and consumptive assistance for mustahik. (14)

1.5. Methods and Reasons for Using Methods

This study uses qualitative methods to explain the results of field research *in* the real community to obtain information on the reality of specific problems. Qualitative methods were chosen in this study because the phenomena related to the pandemic's economic impact are comprehensive, so a holistic approach is needed. In addition, with qualitative research techniques, the author can conduct a broader and deeper exploration of the problems faced in the field to obtain information on how significant the role of zakat is in post-pandemic economic recovery.

The research was conducted on zakat management institutions and communities affected by the pandemic to provide information on the impacts faced by the community and the primary needs required by people experiencing poverty during the pandemic and the economic recovery period, the use of zakat as an effort to reduce poverty, supporting and inhibiting factors for the potential of zakat in economic recovery, and the strategies needed in zakat management so that zakat can harmonize the programs that the government has prepared as an effort to recover the economy.

2. Discussion

The indicators used by BPS in measuring poverty levels use *the basic needs approach*: a person's spending capacity to fulfill basic needs, both food and non-food. So that those who are considered poor have per capita spending below the poverty line. (15)

Poverty is divided into three types: relative, absolute, and cultural. Relative poverty refers to people who have lived above the poverty line but, when compared to other people or the surrounding community, will be below other communities. Absolute poverty is anyone who cannot meet basic living needs and cannot meet basic food and life support needs. Finally, cultural poverty occurs in individuals or communities

who do not want to make changes in life, especially in the economy. Even though the surrounding community has helped them, this poverty is a culture, and there is no desire to improve their economic life. (16)

Based on the report data obtained from the Central Bureau of Statistics of Lampung Province, it shows that the percentage of poor people in Lampung Province is ranked fourth compared to other provinces on Sumatra Island, namely with a percentage of 11.67%, below the provinces of Aceh, Bengkulu, South Sumatra, respectively 15.53%, 14.42% and 12.79. The percentage of poor people nationally is 9.71%, so that Lampung Province is above the percentage of poor people nationally (17) (Table 1)

TABLE 1: Percentage of Poor Population in Provinces on Sumatra Island.

No	Province	Percentage of Poor Population	Position of Province Against National
1	Aceh	15.53	Above National
2	Bengkulu	14.43	Above National
3	South Sumatra	12.79	Above National
4	Lampung	11.67	Above National
5	North Sumatra	8.59	Under National
6	Jambi	7.67	Under National
7	Riau	7.00	Under National
8	Boast	6.04	Under National
9	Riau islands	5.75	Under National
10	The Babel Islands	4.67	Under National

Source: Publication of Development of Macro Socio-Economic Indicators in Lampung, Quarter I of 2022

Due to the pandemic, Lampung province experienced a contraction of up to -3.59% in the 2nd quarter of 2020. Along with the decline in active cases, the tightening of community social activities has slowly begun to be relaxed. This relaxation of social activities has an impact on increasing economic activity. The economy of Lampung Province has begun to show improvement; in the 1st quarter of 2022, it experienced economic growth of 2.96%, higher than the 1st quarter of the previous year, which experienced a contraction of -1.99%. Economic improvement and recovery are certainly the concerns of all parties, so this momentum can be maintained.

When we refer to the verses and hadiths, we see that helping the poor and fulfilling their needs is an obligation for everyone, especially economically capable ones. As social beings, humans have a humanitarian obligation to help other humans who need

help, especially those experiencing difficulties in life. Poverty is a problem in various countries, and each country has tried eradicating it. Various literature and studies that have been conducted previously show the positive influence of zakat on the welfare of society. The zakat system encourages Muslims to give some of their wealth to those in need or poor.

Islam has a comprehensive solution for poverty alleviation. If implemented correctly and totally, this system has the potential to eradicate poverty, improve the economy, reduce unemployment, and improve people's standard of living. (18) Zakat management should be done correctly to provide significant community benefits. Mistakes in zakat management result in zakat's failure to eliminate or reduce poverty. (19)

Norazlina & Rahim identified that many types of programs can be funded by Zakat, such as providing education for people experiencing poverty, establishing schools, vocational training and rehabilitation for Zakat recipients to make them more productive, developing agriculture and home industries, providing fixed assets and equipment for small business projects, providing working capital, building low-cost housing and providing medical treatment and health care. (20) Zakat management agencies play an important role in collecting and distributing zakat; broad benefits can be obtained if zakat is distributed correctly and evenly in every region, not only in cities but also in remote areas. (21)

Zakat is an important part of wealth given by all Muslims who meet certain conditions. Linguistically, zakat comes from the word "*zakat*," which means blessing, plant, purity, clean, and good. (22)

Assets that must be given zakat have several conditions as follows:

1. Perfect ownership means that the property is truly owned and controlled by its owner, is not in dispute, and can be used entirely to obtain benefits from the property.
2. Growing or Developing Zakati assets can impact their owners economically; the economic impact can be profit.
3. Reaching Nisab, the obligation to pay zakat does not ignore the amount or amount; there is a measure or nisab in paying zakat.
4. Excess Over Primary Needs: This condition refers to the wealth subject to zakat being reduced by expenses for basic needs such as food, clothing, education, electricity, and water.

5. Free from Debt: After the assets are calculated and reduced by basic and routine needs, it is still necessary to pay attention again to whether the zakat is clean or dirty. Debt still needs to be included in the calculation of net zakat.
6. The Passing of One Year: This definition refers to the assets in the hands of the owner that must have twelve lunar months. (23)

Development and strategies are needed in developing zakat so that zakat provides benefits to recipients and can be empowered (24), namely:

1. Direct economic improvement through business capital is used for mustahik who are productive in business skills, such as trade and services that require capital (e.g., shoemakers, rice farmers, etc.).
2. Improving the economy by providing skills and competencies through workshops or training for productive beneficiaries.
3. Improve the economy by providing business capital to the desired mustahik. Increase your business independence.

In other words, improving the economy by providing job opportunities to mustahik who do not have job opportunities. You have the ability to run your own entrepreneurial spirit. The increase in wealth is expected based on the creation of the above strategy, which will always be improved with various efforts in using Zakat funds effectively and efficiently.

Various aspects of the role of zakat in eradicating poverty and economic development strategies are presented by Habib Ahmed in the book *Role of Zakah and Awqaf in Poverty Alleviation*, namely (25) :

1. The potential of zakat to overcome poverty will depend on the level of per capita income and the level of poverty. The strategy of poverty alleviation programs with zakat must focus on reducing the number of poor people by building capacity and increasing zakat revenues to provide decent income support for unproductive segments of the population.
2. Because complex and interrelated causes cause poverty, eradicating it requires various approaches.
3. Identifying poor communities and monitoring progress achieved after interventions

- 4. The focus of zakat distribution should be on capacity development and income generation,
- 5. Increasing zakat income can be done by expanding the asset base on which zakat must be paid.

As part of the overall development strategy, Zakat generally plays a role in poverty alleviation. Specifically, this institution can play the role of zakat and waqf in mitigating and reducing poverty through the provision of public goods such as education, health, and social services for the poor. The table below provides some examples of zakat institutions in Lampung Province with poverty alleviation programs and the resulting impacts.

TABLE 2: Poverty Alleviation Program of Zakat Institutions in Lampung Province.

Name of Zakat Institution	Poverty Alleviation Program	The Impact Generated
BAZNAS Lampung Province	A holistic zakat-based community empowerment program combining economic, social, and health approaches and focusing on increasing capacity, resource access, and community resilience.	Reducing poverty rates, increasing the welfare of the mustahik, accelerating the poverty alleviation process, and encouraging inclusive and independent economic growth.
LAZNAS Amanah Bakrie Lampung	The Agri Zakat Cattle Cultivation Program in Central Lampung provides live cattle and assistance to local farmers.	Increasing the income and welfare of livestock farmers, changing the status of zakat recipients from mustahik to muzakki, and empowering the rural economy.
LAZDAI and DPU-DT Lampung	Distribution of zakat, infak, and sedekah (ZIS) for poverty alleviation programs with an economic empowerment approach.	It significantly impacts reducing poverty levels, accelerating poverty alleviation, and increasing the income of mustahik families.
Dompot Dhuafa Lampung	Business capital assistance programs, entrepreneurship training, and health services for underprivileged communities.	Improving the standard of living of the mustahik, expanding access to health services, and reducing structural poverty.
Rumah Zakat Lampung	Zakat-based economic empowerment program focuses on business training and access to capital.	Increasing small business productivity, improving family incomes, and strengthening economic resilience.

Source: Research Data, 2024

In addition to poverty alleviation, zakat management institutions have an important role in improving the economy from the side of MSMEs (Micro, Small, and Medium Enterprises) through various empowerment programs that focus on utilizing zakat, ink, and alms funds. One of the main steps taken is to provide business capital to MSME actors who are less fortunate or do not yet have access to capital from formal financial institutions. With the help of this capital, MSMEs can develop their businesses, increase production capacity, and expand the market.

TABLE 3: Zakat Institution MSME Empowerment Program in Lampung Province.

Name of Zakat Institution	MSME Empowerment Program	The Impact Generated
BAZNAS Lampung Province	Provision of productive business capital, business management training, and assistance for MSME businesses.	Increase production capacity, expand markets, and increase the income of MSMEs.
LAZNAS Bakrie Amanah Lampung	Business capital assistance, digital marketing training, and market access facilitation for MSMEs.	MSMEs become more independent, products are widely known, and business turnover increases.
LAZDAI Bandar Lampung	Assistance with business equipment and entrepreneurship training for MSMEs in the craft and culinary sectors.	Improving product quality, increasing the competitiveness of MSMEs, and opening up new job opportunities.
Dompet Dhuafa Lampung	MSME empowerment program through business capital, entrepreneurship training, and business mentoring.	MSMEs develop better, can compete in local and national markets, and improve welfare.
Rumah Zakat Lampung	Business capital assistance, financial management training, and digital marketing for MSMEs.	Increased turnover, more professional business management, and expansion of marketing networks.

Source: Research Data, 2024

Zakat management institutions actively provide training and mentoring for MSMEs. This training includes financial management, marketing, improving product quality, and utilizing digital technology to expand market reach. Ongoing mentoring helps MSMEs manage their businesses professionally and sustainably so that they receive capital assistance and develop their businesses independently.

Zakat institutions also often initiate partnership programs between MSMEs and various parties, such as the government, private sector, and business communities. This partnership program aims to open wider market access and strengthen MSME business networks. In addition, zakat institutions also support the development of local superior products so that they have better competitiveness in regional and national markets. Zakat managers facilitate MSME access to technology and information, including digital marketing training and e-commerce platforms. This is very important in today's digital era so that MSMEs can compete and reach wider consumers without being limited by geographic location.

In addition, zakat institutions often hold promotional activities and exhibitions of MSME products that they support so that these products get more attention from the community and other business actors. This activity is also an event to strengthen branding and increase consumer trust in MSME products.

3. Conclusion

This study shows that zakat has a strategic role in poverty alleviation efforts and community economic empowerment, primarily through support for Micro, Small, and Medium Enterprises (MSMEs). Zakat funds that are managed professionally and in a structured manner can provide significant positive impacts, improving the welfare of mustahik and developing business capacity. Programs run by zakat management institutions, such as providing business capital, skills training, business mentoring, and facilitating market access, have proven effective in helping MSMEs to grow and become economically independent.

In addition, this study also found that the success of the Zakat program is highly dependent on a holistic empowerment approach, not just providing capital assistance. Continuous mentoring, training relevant to business actors' needs, and the use of digital technology are key factors in increasing the competitiveness of MSMEs. However, several challenges, such as limited resources, lack of coordination between institutions, and obstacles in market access, need to be overcome so that the Zakat program can provide broader and more sustainable benefits.

From a social perspective, zakat also strengthens solidarity and a sense of caring among society's members, thus creating a harmonious social climate and supporting inclusive economic growth. Thus, zakat is a religious instrument and an effective socio-economic development tool.

4. Recommendation

Based on research findings, several recommendations that can be given to improve the effectiveness of zakat management in empowering MSMEs and alleviating poverty are as follows: (1) Strengthening the Capacity of Zakat Institutions Zakat management institutions need to continue to improve the professionalism and capacity of their human resources, including in terms of program management, reporting, and evaluation. Training and certification for Zakat managers can help improve service quality and accountability. (2) Integrated Empowerment Approach Zakat programs should adopt a comprehensive empowerment approach, from providing capital, skills training, and business assistance to facilitating market access and technology. This will ensure that beneficiaries not only receive temporary assistance but are also able to develop independently. (3) Utilization of Digital Technology Zakat institutions need to optimize the

use of digital technology, both in managing Zakat funds and in training and marketing MSME products. Digital platforms can expand market reach and facilitate program monitoring. (4) Collaboration and Synergy Between Parties Building strong partnerships with the government, private sector, universities, and business communities will strengthen the MSME empowerment ecosystem. This synergy can open access to resources, training, and broader markets. (5) Continuous Monitoring and Evaluation The implementation of the Zakat program must be accompanied by a strict monitoring and evaluation system to measure its impact and effectiveness. Accurate data will help zakat institutions make improvements and develop programs sustainably. (6) Socialization and Community Education Increasing public awareness of the importance of zakat and its benefits in economic development will encourage greater participation, both from the muzaki and mustahik sides. By implementing these recommendations, zakat institutions can be more optimal in carrying out their role as agents of social and economic change and provide fundamental contributions to poverty alleviation and empowerment of MSMEs in Indonesia.

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