The Es Accounting and Finance
Vol. 4, No. 01, November 2025, pp. 43 - 56
ISSN: 2985-7139, DOI: 10.58812/esaf.v4i01

Enhancing Productive Zakat Effectiveness through Transparent and Accountable Governance: A Case Study

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Article Info

Article history:

Received Nov, 2025
Revised Nov, 2025
Accepted Nov, 2025

Keywords:

Accountability;
Islamic social finance;
Mustahik empowerment;
Productive zakat;
Transparency

ABSTRACT

This study explores the implementation of the Zmart program by BAZNAS Papua as a localized model of productive zakat aimed at improving the welfare of mustahik. Through a qualitative case study involving interviews with beneficiaries, program staff, and zakat experts, the research identifies key mechanisms contributing to program success: provision of in-kind business capital, entrepreneurship training, and consistent mentoring. Findings show that these components collectively enhance income stability, financial literacy, self-confidence, and social integration among mustahik. The study also underscores the importance of accountability mechanisms—such as audits, SiMBA-based digital reporting, and public disclosures—in fostering trust and institutional credibility. Challenges such as limited market access, unstable income, and poor financial record-keeping remain persistent, indicating the need for adaptive and ongoing support. The Zmart program offers a replicable model for zakat institutions operating in socioeconomically constrained regions. Future research should investigate the sustainability of mustahik-to-muzakki transformation and integrate psychological dimensions of empowerment. The study contributes to the discourse on Islamic social finance by presenting a holistic, transparent, and participatory framework for zakat-based empowerment.

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1. INTRODUCTION

The Despite its promise, the implementation of zakat-based microenterprises faces critical barriers. A major challenge is the socio-cultural resistance to entrepreneurship among mustahik, often rooted in a lack of awareness and training (Saad & Farouk, 2019). Additionally, economic shocks—such as the COVID-19 pandemic—have exposed the vulnerability of microenterprises to external disruptions (Herianingrum, Iswati, et al., 2024). These realities underscore the importance of resilience-building measures within zakat programs, such as diversified income strategies and digital market access.

Evaluative studies from various countries highlight both the successes and limitations of zakat programs. In Malaysia, the use of prioritization frameworks like the Analytic Hierarchy Process ensures that zakat is directed to the most in-need recipients (Azhar et al., 2023). In Bangladesh, targeted interventions have improved food security and general welfare among mustahik (Tanvir Mahmud et al., 2014). In Indonesia, digitalization and good governance have increased trust and compliance among muzakki (Santoso et al., 2024; Wahyuni-TD et al., 2021).

The Zmart program by BAZNAS Papua draws upon many of these global insights, aiming to localize best practices within the socio-economic conditions of Eastern Indonesia. Its model—combining capital, training, and accountability mechanisms—seeks to provide an integrated pathway for mustahik to escape poverty. However, as empirical data from field interviews and observations suggest, success is uneven. The transformation from mustahik to muzakki remains more aspirational than realized, hindered by persistent gaps in education, infrastructure, and entrepreneurial capacity. This research explores the extent to which accountability and transparency in zakat management affect the effectiveness of productive zakat distribution through the Zmart program. By focusing on mustahik welfare outcomes and stakeholder perceptions, the study aims to uncover the mechanisms that foster trust and empowerment. It also evaluates how digital systems, training programs, and governance structures interact to support—or impede—the intended transformation.

The novelty of this study lies in its localized investigation of zakat management in a high-need area, employing qualitative insights from multiple stakeholders, including mustahik, program administrators, and zakat experts. The scope is confined to the Zmart initiative in Papua Province, providing a focused yet insightful examination of how principles of good governance can be actualized in practice. Ultimately, the research contributes to the broader discourse on Islamic social finance, demonstrating how zakat can be strategically utilized to foster inclusive and sustainable development in underserved communities.

2. LITERATURE REVIEW

2.1 The Basic Concept of Productive Zakat

Productive zakat is a key instrument in Islamic economics aimed at poverty alleviation and the sustainable improvement of mustahik welfare. Unlike consumptive zakat, which provides only temporary relief, productive zakat is designed to generate long-term impact by empowering zakat recipients to achieve economic self-reliance.

Conceptually, productive zakat refers to zakat funds allocated to income-generating activities, such as providing business capital to mustahik. The main objective is to enhance the economic capacity of mustahik so that they can develop their businesses and eventually rise above the poverty line. In this way, productive zakat not only fulfills the basic needs of mustahik but also acts as a catalyst for improving their standard of living.

According to Ariyani and Yasin (2022), productive zakat encompasses two main dimensions: economic and spiritual. The economic dimension concerns the increase of income and material welfare of mustahik, while the spiritual dimension focuses on improving their spiritual quality of life and religious compliance. The effectiveness of productive zakat is often measured using the CIBEST (Center for Islamic Business and Economic Studies) index, which classifies the condition of mustahik into four quadrants: welfare, material poverty, spiritual poverty, and absolute poverty (Ariyani & Yasin, 2022).

The implementation of productive zakat requires a comprehensive and structured approach. This includes accurate identification of eligible mustahik, careful assessment of their needs, and the provision of training and mentoring to ensure that they can manage zakat funds effectively. Rachman (2022) emphasizes that one of the main challenges in implementing productive zakat is the limitation of capital and the lack of technological literacy among mustahik, which can hinder professional business management.

In addition, the management of productive zakat must be guided by principles of accountability and transparency. These principles are crucial to ensure that zakat funds are used effectively and efficiently, as well as to build public trust in zakat management institutions. Astuti and Kurniawan (2023) show that transparent and accountable management of zakat funds can significantly contribute to enhancing the welfare of mustahik.

In a broader context, productive zakat also functions as an instrument for fair wealth redistribution in society. By channeling funds to those in need, productive zakat helps reduce economic and social inequality and supports inclusive economic growth. As part of the Islamic economic system, productive zakat is not solely oriented toward material gains but also toward holistic well-being, integrating both material and spiritual aspects.

Overall, productive zakat is an effective tool for empowering mustahik and improving their welfare. However, its successful implementation depends on sound management, support from multiple stakeholders, and consistent adherence to Islamic principles (Rachman, 2022).

2.2 *Accountability and Transparency in Zakat Management*

Convey Accountability and transparency are two fundamental pillars of effective and efficient zakat management. These concepts are essential not only to ensure that zakat funds are utilized in accordance with sharia objectives, but also to build and maintain public trust in zakat institutions. In the context of productive zakat, accountability and transparency play a crucial role in ensuring that disbursed funds have a real positive impact on the welfare of mustahik.

Accountability in zakat management refers to the responsibility of zakat institutions to report and justify the collection, management, and distribution of zakat funds to stakeholders, including muzakki (zakat payers) and mustahik (zakat recipients). Purba and Nurlaila (2024) state that accountability includes clear and detailed reporting of activities and outcomes achieved. This ensures that every stage in zakat management can be justified both morally and legally.

Transparency, on the other hand, relates to the openness of information regarding zakat fund management. Transparency enables the public to access relevant and accurate information about how zakat funds are collected, managed, and distributed. Veronica Wongkar et al. (2024) emphasize that transparency in public financial management, including zakat, can enhance institutional performance and public trust. By providing honest and accessible financial reports, zakat institutions can build a strong reputation and encourage greater community participation in zakat programs.

Implementing accountability and transparency in zakat management requires strict systems and procedures. These include the use of information technology to improve the efficiency and accessibility of financial reporting, as well as the regular conduct of internal and external audits. Amoy Dameria Simamora and Renny Maisyarah (2024) indicate that although these principles have been adopted in some institutions, challenges remain, such as delays in fund disbursement and a shortage of skilled human resources in fund management.

Accountability and transparency not only improve the efficiency of zakat management but also contribute to achieving the broader objectives of zakat, namely reducing poverty and social inequality. By ensuring that zakat funds are used optimally, zakat institutions can be more effective in empowering mustahik and supporting their transformation into future muzakki.

In the context of productive zakat, accountability and transparency also serve to monitor and evaluate the impact of implemented programs. This enables zakat institutions to undertake necessary improvements and adjustments so that productive zakat programs can achieve their intended outcomes. For example, Rachman (2022) highlights the need for continuous evaluation of beneficiaries to ensure that programs such as Zmart genuinely enhance mustahik welfare.

In sum, accountability and transparency are key elements in effective zakat management. By upholding these principles, zakat institutions can improve operational efficiency, build public trust, and ensure that zakat funds generate maximum benefits for mustahik (Purba & Nurlaila, 2024; Veronica Wongkar et al., 2024).

3. METHODS

This study adopts a qualitative research design with a case study approach, focusing on the Zmart (Zakat Mart) program managed by BAZNAS in Papua Province. The qualitative case study method allows for an in-depth exploration of the complex dynamics and contextual realities of productive zakat implementation within a localized setting. By centering on one specific initiative, the study captures the nuanced experiences, perceptions, and outcomes associated with the program's operations. The research seeks to understand how accountability and transparency mechanisms influence the effectiveness of zakat fund utilization and their impact on the socio-economic welfare of mustahik.

To effectively evaluate social programs like zakat utilization using qualitative case study methods, several best practices can be employed based on scholarly insights. Clearly defining the research objectives and questions ensures alignment with the overarching goals of the evaluation, while a robust theoretical framework helps structure understanding of contextual relationships (Majid et al., 2024). Employing a multi-method approach—including interviews, document analysis, and participant observation—enriches data, offering nuanced insights from diverse stakeholders (Herianingrum, Supriani, et al., 2024).

Rigorous triangulation of data sources and methods enhances credibility, corroborating findings through varied methodologies such as documentary evidence and qualitative interviews (Ascarya & Sakti, 2022; Islam et al., 2023). Reflexivity, which encourages researchers to examine their own biases, further supports objective analysis (Arifin & Anwar, 2021). Adopting a participatory approach empowers stakeholders by involving them in evaluation processes, enriching the results and enhancing validity (Rusydiana et al., 2025). Lastly, maintaining ethical rigor—via informed consent and confidentiality—is essential for research integrity (Mukhlishin et al., 2024).

This design aligns with the interpretive paradigm, emphasizing the construction of meaning through interactions between researchers and participants. It allows the researcher to delve into the lived experiences of mustahik, program administrators, and external experts, thus offering a holistic view of the governance and performance of the Zmart program.

Data were obtained from three key sources: mustahik (beneficiaries), program administrators from BAZNAS Papua, and external experts in zakat management and Islamic social finance. These informants were selected based on their direct involvement or specialized knowledge of the Zmart program.

The mustahik informants provided firsthand accounts of how the Zmart program influenced their economic activities, welfare, and perceptions of transparency. The administrators shared insights on the planning, implementation, monitoring, and evaluation processes. Meanwhile, experts offered a broader contextual understanding of governance, sustainability, and innovation in zakat programs. The triangulation of these perspectives ensured a comprehensive understanding of the program's effectiveness and governance.

Three primary data collection methods were employed: in-depth interviews, direct observation, and documentation review.

In-depth Interviews: Semi-structured interviews were conducted with five informants: three mustahik beneficiaries, one staff member from BAZNAS Microfinance Papua, and one independent researcher in zakat economics. These interviews explored themes such as the nature of zakat assistance, training, monitoring, transparency, challenges, and success indicators. Participants were encouraged to share detailed narratives about their experiences.

Observation: Field observations were conducted during training sessions, mentoring activities, and program implementation phases. The researcher observed the interactions between mustahik and program staff, documented behavior patterns, and recorded implementation practices that revealed the real-time application of accountability and transparency principles.

Documentation: Documents reviewed included BAZNAS annual reports, financial reports, training materials, program brochures, and SiMBA system outputs. These materials provided supporting evidence for claims made during interviews and observations and helped contextualize administrative procedures and reporting mechanisms.

Data were analyzed using thematic analysis facilitated by NVivo 12 software. Thematic analysis involved coding interview transcripts and observation notes to identify recurring patterns and themes. These themes were then organized into categories aligned with the research objectives: effectiveness, accountability, transparency, empowerment, and challenges. The codes were initially open-coded, followed by axial and selective coding to refine conceptual relationships. Themes such as "business improvement," "financial training," "public reporting," and "technology access" emerged as dominant. These categories were cross-referenced with theoretical models of good governance and Islamic social finance to ensure conceptual validity.

NVivo and similar qualitative data analysis software (QDAS) have proven effective in thematic analysis for social impact research, streamlining the processes of data organization and interpretation (El Messaoudi et al., 2023). The software's ability to manage large datasets allows researchers to analyze complex social phenomena efficiently, which is essential when investigating nuanced issues (Akbar et al., 2024). NVivo also facilitates data triangulation, enhancing credibility by integrating interviews, focus groups, and textual analysis (Derin et al., 2020). Moreover, its visual representations support pattern detection and results communication (Robins & Eisen, 2017). Collaboration features in NVivo promote inclusivity and team-based coding, fostering richer research outputs (Mohammed, 2022; Rohmadi & Bagaskara, 2023). To enhance analytical rigor, a triangulation method was applied by comparing insights from interviews, observations, and documents. This triangulation strengthened the credibility and reliability of findings.

The validity of the study was ensured through three strategies: source triangulation, method triangulation, and informant review (member checking). Source triangulation involved comparing data across the three informant groups. Method triangulation ensured robustness by combining interviews, observations, and documentation. Informant review allowed participants to verify the accuracy of interview transcripts and preliminary findings.

However, the study has limitations. It focuses solely on the Zmart program in Papua Province, which limits the generalizability of results. Additionally, its reliance on qualitative data means findings are interpretive and may be influenced by participant subjectivity. Access to internal BAZNAS documents was also limited due to confidentiality, potentially restricting the depth of administrative analysis. Despite these constraints, the study provides meaningful insights into productive zakat governance in a high-need context.

4. RESULTS AND DISCUSSION

Thematic analysis of interview data revealed five primary themes: (1) the structure and delivery of Zmart assistance; (2) the mustahik selection process; (3) indicators of success and impact on mustahik welfare; (4) institutional accountability and transparency practices; and (5) business challenges faced by mustahik and program responses. These themes reflect the research objectives and illuminate both the strengths and limitations of the Zmart initiative.

This section presents the findings in alignment with the themes mentioned above, offering an in-depth view of the program's impact on beneficiaries and the operational standards employed by BAZNAS Papua. The integration of multiple perspectives ensures a balanced representation of experiences and supports a comprehensive evaluation of the program's governance and effectiveness.

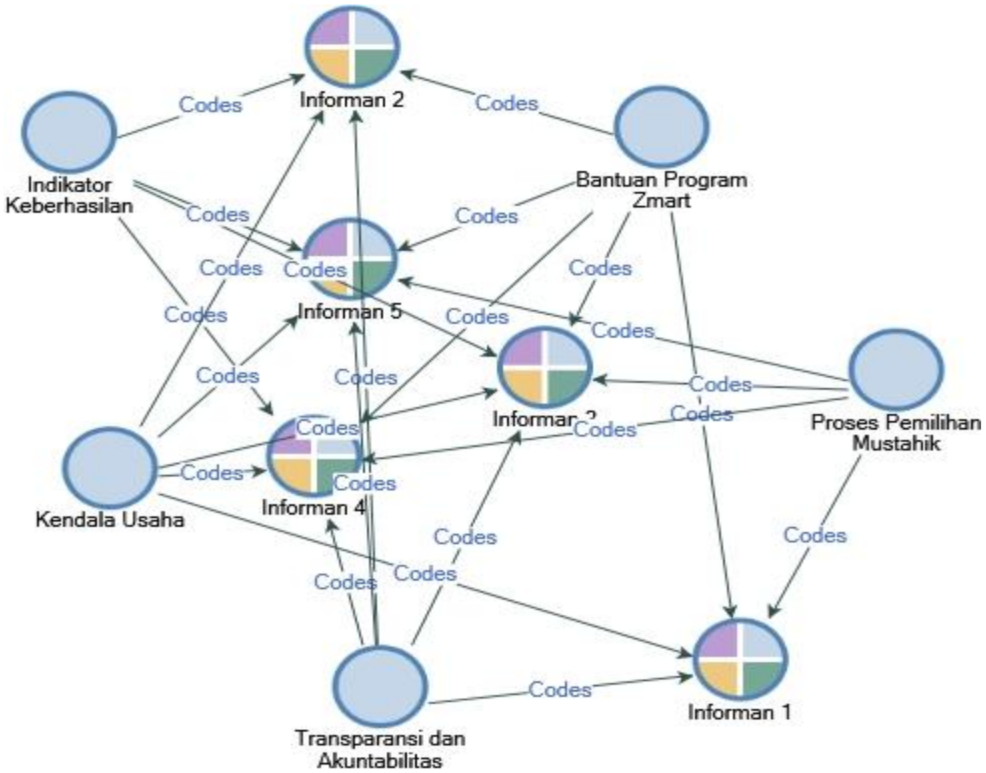

Figure 1. Five primary themes.

4.1 *Zmart Program Assistance*

The Zmart program of BAZNAS Papua provides productive zakat assistance in the form of non-cash capital, primarily in the form of business equipment and goods tailored to the mustahik's needs. This includes items such as carts, cooking materials, and retail equipment.

Informant 3 noted,

"Modal yang diberikan berupa barang, bukan berupa uang, jadi langsung dalam bentuk barang." ("The capital provided is in the form of goods, not money, so it is directly in goods form.")

Likewise, Informant 4 stated,

"saya sudah menerima bantuan modal usaha berupa peralatan dagang seperti gerobak dan bahan baku untuk usaha gorengan." (*"I have received business capital assistance in the form of trade equipment such as a cart and raw materials for my fried snack business."*)

Informant 5 echoed this: "

"Saya menerima bantuan berupa modal usaha dalam bentuk barang dagangan dan

perlengkapan jualan." ("I received business capital assistance in the form of goods and selling equipment.")"

This method aims to ensure that zakat is used for productive purposes, reducing the risk of misuse. However, the reliance on in-kind support may limit flexibility in addressing specific market demands. Literature suggests that while in-kind aid addresses urgent needs, it might not align with long-term growth potential (Tlemsani et al., 2023; Umar et al., 2021), whereas cash assistance may foster sustainability through adaptable investments (Hamdani et al., 2024).

Training is another key component of the Zmart model. Informant 2 emphasized the need for continuous entrepreneurship development:

"Agar program zakat produktif berkelanjutan, perlu dilakukan pendampingan usaha minimal 12 bulan, pelatihan kewirausahaan berbasis lokal." ("To make productive zakat programs sustainable, at least 12 months of business mentoring and locally based entrepreneurship training is needed.")

Informant 4 added,

"saya juga mendapatkan pelatihan cara mengelola usaha dengan baik, termasuk cara mencatat keuangan dan memasarkan produk." ("I also received training on how to manage a business well, including how to record finances and market products.")

Informant 5 shared,

"Perubahan paling nyata, usaha saya jadi lebih tertata dan menarik, omset meningkat, dan saya lebih percaya diri dalam berjualan. Selain itu, saya juga jadi lebih paham cara kelola uang dan promosi." ("The most obvious change is that my business has become more organized and attractive, turnover has increased, and I am more confident in selling. I also now better understand money management and promotion.")

Online sales skills were also emphasized. Informant 3 explained,

"Kita diajarkan bagaimana cara berjualan secara online, jadi tidak monoton hanya berjualan di rumah saja. Dengan begitu, kita bisa mengikuti perkembangan zaman." ("We were taught how to sell online, so it's not just monotonous selling from home. That way, we can keep up with the times.")

Informant 4 stated,

"Dengan pelatihan tersebut, saya belajar cara mencatat pemasukan dan pengeluaran serta strategi menarik pelanggan, termasuk menggunakan media sosial sederhana." ("Through the training, I learned how to record income and expenses, and strategies to attract customers, including using simple social media.")

Informant 5 emphasized, "

Yang paling bermanfaat itu pelatihan cara mengatur keuangan dan promosi lewat media sosial. Dulu saya nggak pernah catat pengeluaran, sekarang jadi lebih rapi. Promosi online juga bantu tambah pembeli." ("The most useful was training on managing finances and promoting via social media. I never used to record expenses, but now it's more organized. Online promotion also helped increase buyers.")

Regular mentoring is conducted to guide mustahik. One informant explained,

"pendamping program membuat jadwal pendampingan harian dan bulanan untuk melakukan pemantauan secara berkala ke masing-masing penerima manfaat guna menganalisa sejauh mana perkembangan dari usaha yang dijalankan." ("The program mentor creates daily and monthly schedules for regular monitoring of each beneficiary to analyze the development of their businesses.") Another added, "Zmart BAZNAS Papua memiliki konsep yang kuat, yaitu warung mustahik dengan sistem usaha terpadu, pelatihan, dan pendampingan." ("Zmart BAZNAS Papua has a strong concept—mustahik stalls with an integrated business system, training, and mentoring.")

Mustahik 5 emphasized the impact of guidance:

"Pendampingan yang saya terima juga membuat saya lebih disiplin dalam mengelola keuangan, sehingga usaha saya semakin berkembang." ("The mentoring I received also made me more disciplined in managing finances, so my business developed more.") And another affirmed, "pendampingan rutin

dari tim BAZNAS yang datang langsung untuk membimbing dan mengecek perkembangan usaha." ("Regular mentoring from the BAZNAS team who come directly to guide and check business progress.")

Literature indicates that entrepreneurial training, mentorship, and targeted business support significantly enhance mustahik welfare and promote sustainable self-sufficiency (Mawardi et al., 2023; Santoso et al., 2024; Widiastuti et al., 2021). Zmart's comprehensive integration of in-kind assistance, structured training, and active mentoring offers a robust framework for zakat-based empowerment.

4.2 *Indicators of Success*

The effectiveness of the Zmart program in improving mustahik welfare is assessed through a range of success indicators, which emerged inductively from field interviews and observations. Based on patterns in the data, these indicators can be grouped into five core categories: increased self-confidence, income improvement, social status, mindset transformation, and transition toward economic independence.

First, increased self-confidence is consistently reported by beneficiaries following their participation in the Zmart program. Informant 2 emphasized,

"Zmart BAZNAS Papua memiliki konsep yang kuat, yaitu warung mustahik dengan sistem usaha terpadu, pelatihan, dan pendampingan. Di lapangan, implementasinya menunjukkan hasil positif, khususnya dalam membangun kepercayaan diri mustahik dan menciptakan identitas usaha yang layak jual." ("Zmart BAZNAS Papua has a strong concept... its implementation shows positive outcomes, particularly in building mustahik's confidence and creating a marketable business identity.")

Informant 4 added,

"saya merasa lebih percaya diri dan punya pengetahuan baru tentang cara mengelola usaha dengan baik." ("I feel more confident and have gained new knowledge about managing a business properly.") Informant 5 also stated, "saya lebih percaya diri dalam berjualan." ("I am more confident in selling.")

Second, income improvement is a strong indicator of program success. Informant 2 stated,

"Keberhasilan program zakat produktif dapat diukur melalui keberlanjutan usaha mustahik minimal 1–2 tahun, peningkatan penghasilan dan aset." ("The success of productive zakat programs can be measured by business sustainability for 1–2 years, increased income, and asset growth.")

Informant 3 mentioned, "*Dari segi ekonomi, terdapat perubahan yang cukup signifikan, yaitu adanya bantuan untuk membiayai pendidikan anak-anak serta memenuhi kebutuhan hidup sehari-hari." ("Economically, there has been a significant change—aid has helped pay for children's education and daily needs.")*

Informant 4 added, *"Perubahan paling nyata sejak saya bergabung dengan program Zmart adalah peningkatan omset dan jumlah pelanggan yang lebih banyak karena usaha saya jadi lebih tertata dan produk saya lebih dikenal." ("The most noticeable change since joining Zmart is increased turnover and more customers, as my business has become more organized and recognized.")*

Informant 5 echoed, "*Perubahan paling nyata, usaha saya jadi lebih tertata dan menarik, omset meningkat, dan saya lebih percaya diri dalam berjualan." ("The most obvious change is that my business has become more organized and attractive, turnover increased, and I'm more confident in selling.")*

Third, improvement in social status is observed through more active involvement of mustahik in their communities. Informant 4 described,

"Perubahan yang paling nyata adalah kemampuan kita untuk beradaptasi dengan orang-orang... terjalinnya silaturahmi." ("The most noticeable change is our ability to adapt to others... fostering social relationships.")

Fourth, there is clear evidence of mindset transformation. Informant 4 stated, *"Pelatihan yang paling bermanfaat bagi saya adalah tentang manajemen keuangan dan pemasaran... saya belajar cara mencatat pemasukan dan pengeluaran serta strategi menarik pelanggan." ("The most beneficial training for me was on financial and marketing management... I learned how to record income and expenses and attract customers.")*

Informant 5 shared,

"Yang paling bermanfaat itu pelatihan cara mengatur keuangan dan promosi lewat media sosial. Dulu saya nggak pernah catat pengeluaran, sekarang jadi lebih rapi." ("The most useful training was on managing finances and promotion via social media. I never used to record expenses, but now it's more organized.")

Finally, the transition from mustahik to muzakki status represents the ultimate measure of success. Informant 2 emphasized,

"perubahan status dari mustahik menjadi muzakki." ("The shift from being a mustahik to becoming a muzakki.").

This transition signifies economic independence and sustainability. These findings are consistent with literature emphasizing holistic zakat empowerment. Fitriani et al. (2022) advocate for strategic, integrated approaches addressing economic, social, and spiritual dimensions. Saputra & Canggih (2023) affirm that mustahik independence is the highest indicator of long-term zakat effectiveness. Thus, these five indicators—self-confidence, income, social inclusion, mindset transformation, and mustahik-to-muzakki transition—provide a robust framework to evaluate the impact of Zmart and to inform future program improvements.

4.3 Accountability and Transparency Mechanisms

The Zmart program under BAZNAS Papua has implemented a series of mechanisms to ensure accountability and transparency in the management of productive zakat funds. These include regular internal and external audits, digital financial reporting via the SiMBA platform, consistent public reporting, and the dissemination of information to both muzakki and mustahik.

One of the primary transparency measures involves routine audits. As stated by Informant 1,

"Untuk menjaga transparansi pengelolaan dana ZIS khususnya zakat produktif BAZNAS Papua rutin melakukan audit baik oleh kantor akuntan publik maupun Audit syariah." ("To maintain transparency in managing zakat funds, BAZNAS Papua routinely conducts audits by public accounting firms and sharia auditors.")

Similarly, Informant 2 emphasized,

"BAZNAS sudah menunjukkan komitmen terhadap akuntabilitas, melalui laporan kegiatan, audit internal, serta pelatihan SDM yang mendukung profesionalitas." ("BAZNAS has shown commitment to accountability through activity reports, internal audits, and HR training that supports professionalism.")

In addition to audits, BAZNAS Papua consistently publishes financial and program reports across multiple platforms. Informant 1 noted,

"menyampaikan laporan secara berkala kepada muzakki melalui website resmi BAZNAS Papua, media sosial, selebaran pamflet serta dokumen berbentuk laporan pertanggungjawaban yang dikirim langsung ke masing-masing muzakki." ("They deliver regular reports to muzakki through BAZNAS Papua's official website, social media, pamphlets, and physical accountability reports sent directly to each donor.")

Informant 2 added,

"Strategi membangun kepercayaan publik oleh lembaga zakat dapat dilakukan melalui publikasi rutin laporan keuangan dan capaian program." ("Building public trust can be achieved through routine publication of financial reports and program achievements.")

A key technological support is the SiMBA (Sistem Informasi Manajemen BAZNAS) platform. Informant 1 described,

"BAZNAS Papua memiliki sistem pelaporan dana berbentuk pelaporan digital

terpusat yang biasa disebut SiMBA... untuk mengintegrasikan seluruh proses pengelolaan ZIS, mulai dari pengumpulan, pencatatan hingga penyaluran." ("BAZNAS Papua uses a centralized digital reporting system called SiMBA... to integrate all zakat management processes from collection, recording, to distribution.")

Transparency also extends to communication with mustahik. Informants shared that financial information, including sources and uses of zakat funds, is presented during trainings or meetings. One informant stated,

"Informasi yang kita terima sebenarnya sudah kita ketahui, bahwa uang zakat itu berasal dari mana dan digunakan untuk apa saja... disampaikan pada saat pelatihan oleh pendamping Zmart." ("We already know the information we receive—that zakat funds come from where and are used for what—because it is conveyed during training by Zmart facilitators.")

Another mustahik expressed,

"informasi yang disampaikan cukup jelas. Kami diberi tahu dana zakat itu dari mana dan digunakan untuk apa." ("The information provided was quite clear. We were told where the zakat funds come from and how they are used.")

These direct engagements foster trust and a sense of involvement among beneficiaries.

This multifaceted approach to accountability aligns with literature on best practices in zakat governance. Digital zakat management systems such as SiMBA enhance efficiency and traceability (Hadi et al., 2024), while online platforms and social media improve accessibility and two-way communication (Abdullah et al., 2023; Alam et al., 2022). Regular audits not only verify compliance but also reinforce institutional integrity, building donor trust and enhancing zakat compliance (Hamdani et al., 2024; Sawmar & Mohammed, 2021).

Furthermore, data dashboards and audit feedback loops contribute to continual improvement in financial management (Ryandono et al., 2023; Wahyuni-TD et al., 2021). Ethical governance is promoted through transparent reporting practices, which resonate with Islamic values and donor expectations (Shamsuddin et al., 2018). Thus, the mechanisms employed by BAZNAS Papua reflect a comprehensive model of transparency that strengthens both operational performance and public accountability.

4.4 *Business Challenges and Solutions*

Although the Zmart program has demonstrated significant positive impacts, mustahik still encounter a range of challenges in sustaining and growing their businesses. Based on field interviews, three main challenges frequently emerge: limited market access, poor financial record-keeping, and unstable income.

First, limited market access is a common issue. Most mustahik operate from home or non-strategic locations, restricting customer reach. Informant 2 explained,

"Tantangan utama adalah minimnya pengalaman usaha, keterbatasan pencatatan keuangan, serta keterbatasan akses pasar dan digitalisasi." ("The main challenges are lack of business experience, limited financial record-keeping, and limited access to markets and digitalization.")

Informant 5 added,

"Yang paling sering saya hadapi itu soal persaingan dengan pedagang lain karena di sekitar sini banyak yang jualan serupa." ("What I often face is competition from other vendors because many sell similar products around here.")

Second, many mustahik struggle with maintaining systematic financial records, despite receiving training. Informant 2 reiterated the issue:

"Tantangan utama adalah minimnya pengalaman usaha, keterbatasan pencatatan keuangan." ("The main challenge is limited business experience and financial record-keeping.") Informant 5 also stated, "saya masih agak kesulitan dalam mencatat

keuangan dengan rapi, karena belum terbiasa, jadi sering bingung mana yang untung mana yang modal." ("I still struggle to record finances neatly because I'm not used to it, so I often get confused about profits and capital.")

Third, income instability remains a critical challenge, especially during low-sales periods. Informant 3 noted,

"namanya usaha, pasti pemasukan naik turun, tidak selalu tinggi... kalau sedang sepi, pemasukan jadi kurang." ("In business, income goes up and down... when it's quiet, income drops.") Informant 4 added, "penghasilan sebagai buruh serabutan tidak menentu." ("Income as a freelance laborer is uncertain.")

To address these challenges, BAZNAS Papua has implemented integrated strategies, including regular mentoring, ongoing training, and adaptive monitoring. Informant 1 highlighted,

"data masing-masing mitra yang telah di kumpulkan oleh pendamping selanjutnya disampaikan kedalam rapat pelaksana program... dengan harapan hasil evaluasi tersebut mampu membantu perkembangan usaha." (*"The data collected by facilitators are presented in program meetings, hoping that the evaluation results can help business development."*)

Mustahik also acknowledged responsive support. Informant 3 shared,

"kita akan ditanyakan tentang kendala yang dihadapi. Jika ada, pasti akan dibantu untuk mencari solusinya." ("We are asked about problems we face. If there are any, they will surely help find solutions.")

Informant 4 confirmed,

"Pendampingan rutin juga memberi motivasi dan solusi saat saya menghadapi kesulitan... omset usaha saya meningkat dan saya bisa lebih tenang." ("Regular mentoring also gives motivation and solutions when I face difficulties... my turnover has increased and I feel more at ease.") Informant 5 emphasized, "Kalau ada kendala, langsung dibantu cari solusinya." ("If there's a problem, they help find a solution right away.")

These field findings align with literature emphasizing the need for tailored support mechanisms. Zakat recipients often face barriers related to capital, market access, digital literacy, and operational inefficiencies (Herianingrum, Supriani, et al., 2024; Mawardi et al., 2023). Solutions such as simple bookkeeping tools, digital marketing training, and performance-based evaluations are crucial for sustaining business improvements.

The data underscores the necessity of holistic and continuous support strategies—integrating financial aid, skills development, mentorship, digital adaptation, and monitoring—to overcome the operational challenges faced by mustahik and enhance the long-term effectiveness of zakat-based empowerment initiatives.

5. CONCLUSION

The This study has examined the Zmart program initiated by BAZNAS Papua as a model of productive zakat implementation aimed at enhancing mustahik welfare. Through qualitative fieldwork involving interviews with beneficiaries, program administrators, and experts, the study reveals that the integration of in-kind business capital, tailored entrepreneurial training, and continuous mentoring forms a robust and context-sensitive approach to zakat empowerment. Key indicators of success include increased income stability, improved self-confidence, better financial literacy, enhanced social inclusion, and, in some cases, a shift toward economic independence.

The research highlights that accountability and transparency mechanisms—such as routine audits, digital systems like SiMBA, and public reporting—play a critical role in building trust among muzakki and mustahik. Additionally, the structured and participatory selection process ensures that assistance is targeted appropriately, while challenges related to market access, income fluctuations, and record-keeping call for ongoing support and innovation.

The implications of this research extend beyond the regional context. The Zmart model demonstrates how zakat institutions can adopt localized and digital strategies to enhance program effectiveness and stakeholder engagement. For future studies, longitudinal research is recommended to assess the long-term sustainability of mustahik transformation, particularly their transition to becoming muzakki. Further exploration into psychological and spiritual dimensions of empowerment could also enrich the discourse on zakat impact.

ACKNOWLEDGEMENTS

Not Applicable.

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