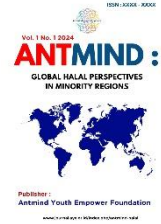


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Productive Zakat and Halal Economic Inclusion in Muslim Minority Areas: A Study in North Sulawesi

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ABSTRACT

This study aims to analyze the role of productive zakat in encouraging halal-based economic inclusion in North Sulawesi Province, Indonesia, an area with a Muslim population as a minority. This study uses a qualitative approach with a field study method through interviews, observations, and documentation of economic empowerment programs by BAZNAS in several districts/cities. The study results show that since 2019, there has been a transformation from the consumptive zakat scheme to productive zakat, with a significant impact on increasing income, business diversity, and *mustahik* (zakat recipients) independence. The programs provided include capital assistance, business training, and ongoing mentoring. In the context of minority Muslim communities, productive zakat is an alternative to Islamic finance that answers the limited access to halal-based financial institutions. This research strengthens the zakat model as an innovative instrument in the Islamic financial system to expand inclusive access in regions with economic pluralism pressure. These findings can serve as a reference for national and international policies in expanding zakat-based empowerment strategies in Muslim minority areas globally.

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1. INTRODUCTION

In recent decades, global attention to an inclusive and equitable financial system has been increasing, especially in the context of vulnerable communities and minority groups (Mertens, 2021; Udohaya, 2025). One of the Islamic financial instruments that has great potential to answer these challenges is zakat, which not only functions as individual worship but also as a mechanism for distributing wealth in a fair and halal manner (Maspul & Mubarak, 2025; Retsikas, 2014). Zakat, in practice, is often understood narrowly as consumptive assistance, whereas in the current context, zakat can be optimized as a source of productive financing that supports the economic independence of the people (Judijanto, 2024). In areas with minority Muslim communities, such as North Sulawesi Province, productive zakat is a very vital instrument in filling the gap in access to Islamic financial services (Latief & Sandimula, 2022). Therefore, it is essential to examine how productive zakat can be used strategically to improve the welfare of *mustahik* (zakat recipients) while encouraging halal economic inclusion in Muslim minority areas.

Normatively, zakat is the central pillar in the Islamic economic system, which is sourced from the Qur'an and Sunnah, and is strengthened within the framework of laws and regulations in Indonesia (Adachi, 2018; Herianingrum et al., 2024). Law Number 23 of 2011 concerning Zakat Management stipulates that zakat management must be carried out in an organized, professional, and trustworthy manner, which includes the collection, distribution, and utilization of zakat (Hendar et al., 2023). Articles 25 and 26 of the Law state that utilizing zakat can be directed to productive programs that empower the *mustahik* sustainably (Jayanto & A. Budiantoro, 2025). BAZNAS, as an official institution appointed by the government, is responsible for ensuring that zakat can contribute to improving the community's quality of life, especially in the context of economic inequality and marginalization of financial access (Latief & Sandimula, 2022).

The concept of productive zakat is also in line with the principle of *maqāṣid al-sharī'ah*, especially in maintaining wealth (*ḥifẓ al-māl*) and encouraging a decent survival (*ḥifẓ al-nafs*) (Al-Qardhawi, 2007; Auda, 2015). In the context of inclusive finance, productive zakat provides an alternative financing that is free from *riba* and by sharia, and can fill the gap in the conventional banking system that is often not accommodating to poor and marginalized communities (Amanda Simanjuntak et al., 2023).

Previous studies have discussed the effectiveness of productive zakat in general, especially in Muslim-majority areas such as West Java, Aceh, or West Sumatra. (Herianingrum et al., 2024; Putriana, 2021). Their findings generally highlight the increase in *mustahik* income and the success of micro businesses supported by zakat funds. However, there are very few studies that raise the practice of productive zakat in Muslim minority areas, even though the social, cultural, and political contexts are very different (Ahmad Malik, 2016; Bin-Nashwan et al., 2021; Muhammad Moi & Hamdalah, 2025). In areas such as North Sulawesi Province, Muslims live as a minority group with more limited access to Islamic financial institutions, government assistance, and sharia-based business networks (Djamali et al., 2025; Hapsin, 2023).

Another gap that arises is the lack of discussion on how the productive zakat approach can function as a tool for halal economic inclusion under the pressure of financial pluralism and a dominant economic system that is not always compatible with Islamic principles. This research

tries to fill this gap by focusing on the cultural dimension, local institutional system, and innovative capacity of zakat institutions in facing minority challenges.

This study aims to analyze the implementation of productive zakat by the National Amil Zakat Agency (BAZNAS) in North Sulawesi Province to strengthen halal-based economic inclusion in areas with non-Muslim dominance. In particular, this study evaluates how distributing and utilizing productive zakat is carried out in the socio-economic context of minority Muslim communities. It assesses its impact on increasing income, business independence, and *mustahik*'s economic sustainability. This research also identifies the structural and cultural challenges faced by zakat management institutions in encouraging the transformation from consumptive zakat to productive zakat, while offering innovative approaches that can be replicated in other minority areas as an adaptive and contextual model of Islamic economic development.

The academic contribution of this research is strategic and globally relevant, particularly in the context of the development of Islamic financial systems in minority Muslim communities. This study not only presents empirical data from the field, but also proposes a conceptual framework to understand productive zakat as a model of halal financial inclusion that can be replicated in various similar regions of the world. Amid the increasing need for adaptive and contextual Islamic financial solutions, this finding from North Sulawesi Province offers an innovative alternative that can strengthen the development agenda of justice, sustainability, and Islamic values.

2. METHODS

This study uses a qualitative-descriptive approach with the type of field research to explore in depth the implementation of productive zakat by the National Amil Zakat Agency (BAZNAS) in North Sulawesi Province (Aspers & Corte, 2019). This approach was chosen because it provides flexibility for researchers to understand contextually and holistically the social, economic, and institutional dynamics that surround the process of utilizing zakat in minority Muslim communities. In this context, data is collected and analyzed not to test quantitative hypotheses, but to explore the meaning, perception, strategy, and impact of productive zakat practices in the field.

The research location is focused on several districts and cities in North Sulawesi that are actively running productive zakat programs, including Manado City, Bitung City, and Bolaang Mongondow Regency. The selection of regions is carried out purposively by considering important criteria such as the existence of BAZNAS institutions that are active in distributing zakat productively, the level of participation of the Muslim community as a minority, and the diversity of types of micro businesses that have been assisted through the zakat program (Djamali et al., 2025). The research subjects consist of three main groups, namely zakat managers from provincial and district/city BAZNAS, *mustahik* beneficiaries of the productive zakat program, and stakeholders involved in program coordination, such as representatives of the Ministry of Religion or Social Service (Latief & Sandimula, 2022). The informant selection technique was carried out by purposive sampling, which is based on the suitability of the subject's role and experience to the research objectives and their willingness to provide in-depth information.

Data collection was carried out through a combination of in-depth interview techniques, participatory observation, and documentation. Semi-structured interviews are used to explore the understanding and experience of zakat and *mustahik* managers related to the implementation,

mentoring, and impact of productive zakat. Participatory observation is carried out during business training activities, field visits to *mustahik* business locations, and monitoring of other empowerment activities to gain contextual understanding that cannot always be expressed through interviews. In addition, the researcher also collected secondary data in the form of BAZNAS annual reports, productive zakat distribution data, *mustahik* profiles, and relevant program documentation. To ensure the validity of the data, the triangulation technique is applied by comparing information obtained from various sources and methods to ensure consistency and credibility of the findings.

The collected data was analyzed using the Miles and Huberman (2014) model interactive analysis technique, which included three main stages: data reduction, data presentation, and conclusion drawn. The reduction stage is carried out by filtering raw data based on research focus and grouping it into themes such as zakat distribution strategies, types of productive assistance, economic impact on the *mustahik*, and obstacles in implementation. The data that has been reduced is then presented narratively to show the relationships between themes and build a comprehensive understanding of the patterns and dynamics of productive zakat. Conclusions are reached through a continuous process of interpretation, along with strengthening arguments based on empirical data. In this stage, the researcher also applies theoretical reflection based on the framework of *maqāṣid al-sharī'ah*, especially in the aspect of property protection (*hifz al-māl*) (Auda, 2022), and the principle of halal economic inclusion (Riady & Arsidiq, 2024), which is the conceptual foothold of this research.

This research certainly has certain limitations that need to be noted academically. *First*, geographical and administrative limitations exist in several districts/cities that have not implemented productive zakat optimally, so the data only represents areas that have implemented empowerment programs. *Second*, the qualitative approach focuses on an in-depth exploration of the process, not a longitudinal quantitative measurement of *mustahik* income. However, these limitations do not detract from the important contribution of this research, because the approach allows researchers to capture the social, cultural, and institutional complexities surrounding the implementation of productive zakat in areas with the pressure of pluralism and limited access to Islamic finance.

3. RESULTS AND DISCUSSION

BAZNAS Program in the Context of Minority Areas

BAZNAS institutions operating in North Sulawesi Province face a distinctive and challenging social configuration. As a province where the majority of the population is Christian, the institutional role of Islamic zakat does not necessarily gain a dominant position in the social, economic, or local bureaucratic architecture (Hutagalung, 2015). Amid these conditions, BAZNAS is required to collect, manage, and distribute zakat professionally while navigating the social space that often does not understand, or even lacks support, for the existence of zakat institutions. This reality shows that the institution of zakat in minority areas cannot work only by relying on the legitimacy of national law, but also requires social strategies, interreligious communication, and cultural sensitivity to remain able to function optimally in the context of strong socio-religious pluralism (Haryanto, 2019).

Although it has been regulated nationally in Law Number 23 of 2011 concerning Zakat Management, the implementation of this policy at the regional level does not always run uniformly (Jumailah & Ahmad Fauzan, 2022; Salim, 2015). In North Sulawesi, the effectiveness of the law is

greatly influenced by the political will of the local government, especially in terms of the issuance of derivative regulations such as the Governor's Regulation or the Regent/Mayor Regulation regarding the deduction of zakat for Muslim ASN. Without the support of binding local regulations, BAZNAS does not have a strong basis to optimize the collection of zakat funds from the potential *muzaki* (paying zakat) in the government structure (Aziz, 2024). As a result, although the law provides normative legitimacy, in practice, the implementation of the policy has been weak and sporadic. This situation shows that there is a gap between legality and operationalization, which is a big challenge for zakat institutions in minority areas.

The low participation of *muzaki*, especially from the Muslim State Civil Apparatus (ASN), is a fundamental problem in the zakat collection system in North Sulawesi (Djangko, 2021). Based on the results of interviews and documentation obtained from regional BAZNAS, most Muslim ASN have not consistently distributed their income zakat through official institutions, either for reasons of ignorance, lack of awareness, or the absence of an automatic deduction mechanism from salaries. In some regions, the awareness of paying zakat is still seen as a purely individual responsibility, without a structured collective mechanism (Hasan et al., 2024). This is very different from the practice in Muslim-majority areas such as West Java or Aceh, which already have an auto-debit system of zakat for civil servants, supported by technical regulations from local governments. This difference shows that the social context and local policies play a vital role in determining the effectiveness of zakat management.

The limited funds that BAZNAS has managed to raise in North Sulawesi directly impact the scale and scope of programs that can be implemented. With relatively small funds, BAZNAS has to conduct a strict selection of *mustahik* candidates, and can only reach a small part of the vulnerable groups that need economic intervention. On the other hand, the low capacity to collect zakat also limits program diversification, so in recent years, most funds have been focused on consumptive programs such as compensation and short-term cash assistance. In fact, in a dynamic economy and increasingly complex societal needs, consumptive schemes tend to be unsustainable and do not adequately address the structural problems of poverty (Bailey, 2015; Lorek & Spangenberg, 2014). In other words, limited resources have hampered the potential transformation of zakat into a tool for systemic economic empowerment of the ummah.

However, in recent years, there has been a change in paradigm and program orientation in several regional BAZNAS, such as in Manado City, Bitung City, and Bolaang Mongondow Regency. These institutions demonstrate institutional initiatives to shift the focus from consumptive to productive zakat by developing community-based economic empowerment programs. This transformation is based on the realization that zakat is not only an instrument to meet the basic needs of *mustahik*, but also as a social resource that can be used to encourage economic independence and micro-development (Herianingrum et al., 2024). This shift is in line with the long-term mission of the national BAZNAS in developing a zakat ecosystem that is responsive to short-term needs and proactive in forming an economic structure based on Islamic values.

The empowerment initiatives by regional BAZNAS show an adaptive and progressive approach, albeit within a limited scope (Samsi et al., 2024). One example is the productive zakat program for micro and household business actors carried out by BAZNAS Bitung and Bolaang Mongondow (Husein, 2021; Latief, 2019). This program involves the selection of *mustahik* who have micro businesses, the provision of business capital in the form of goods or cash, and short

training on business management and product marketing (Adiwijaya et al., 2023; Adiwijaya & Amilahaq, 2023). In some cases, BAZNAS also works with religious extension workers, village counselors, and local communities to expand the program's reach. This collaboration is important because it opens up space for cross-sectoral participation and increases the legitimacy of the program in the eyes of the wider community, both Muslims and non-Muslims.

Although its space for movement is limited, BAZNAS' strategy in the context of minority areas demonstrates institutional intelligence in adapting to local social and political pressures. They work with an administrative approach and build an inclusive social narrative, emphasizing universal values such as social justice, economic empowerment, and community solidarity (Abdullahi et al., 2025). This is done to reduce social resistance from the majority group and build trust between religious communities (Yogev, 2022). This strategy is also important to strengthen the position of zakat as part of the socio-economic system of the local community, not as a foreign entity exclusive to Muslims alone.

The existence of BAZNAS in Muslim minority areas also opens up space for reflection on the challenges of institutional pluralism in Indonesia (Krismono et al., 2025; Rasyid, 2025). On the one hand, the state has recognized zakat as a legal entity on par with other fiscal systems. However, in practice, there is still an imbalance of support between majority and minority regions. This raises serious questions about the fairness of resource distribution and policy affirmation against religious groups that are in several marginalized positions (Green et al., 2012). Therefore, the success of BAZNAS in North Sulawesi in carrying out the productive zakat program is not only important in terms of economic empowerment, but also as a symbol of the institutional resilience of Muslims in maintaining their existence in the public space.

In the future, efforts to strengthen BAZNAS institutions in minority areas require a more integrated strategy. This includes regulatory support from local governments, increasing zakat literacy among muzaki, and strengthening human resources capacity for zakat management. In addition, collaboration between zakat institutions from majority areas and BAZNAS in minority areas can be a solution for transferring experience, technology, and resources. In the digital era, strengthening technology-based zakat management systems such as SIMBA can also be optimized to increase efficiency, transparency, and accountable public reporting.

Thus, the experience of BAZNAS in North Sulawesi is an important mirror for developing the zakat model in other minority areas, both in Indonesia and globally. Within its limitations, zakat institutions can still carry out a significant socio-economic role, as long as they can adapt contextually and maintain the fundamental values of zakat as an instrument of justice and empowerment. Lessons from North Sulawesi show that the strength of zakat lies not only in the size of the funds collected, but in how it is managed wisely, inclusively, and strategically in the face of the challenge of social pluralism.

Pattern of Productive Zakat Distribution

The pattern of productive zakat distribution implemented by BAZNAS in several regions of North Sulawesi reflects a serious effort to shift the orientation of zakat from consumptive assistance to long-term economic interventions. This productive approach is aimed at equipping *mustahik* with business resources that allow them to build financial independence, rather than just receiving momentary assistance. This model is not just a diversion of the form of assistance, but

reflects a shift in the institutional paradigm of zakat that emphasizes social transformation rather than charity alone (Ahmad Malik, 2016). In Muslim minority areas, this transformation has become more significant as Muslim communities have limited access to the Islamic financial system and, therefore, require substantial and sustainable economic support based on Islamic values.

The application of productive zakat in this context is generally directed to the micro and home business sectors due to the socio-economic characteristics of the local community (Al-Haddad et al., 2024). Most of the *mustabik* who are beneficiaries are small business actors in the culinary sector, household-scale agriculture, handicrafts, and informal services such as stalls and sewing. The selection of this sector is carried out selectively by considering local potential, *mustabik* basic skills, and available market opportunities. This is important considering that the productivity of zakat is not only determined by the value of the aid, but also by the relevance of the program to the reality of *mustabik* life. In addition, adjustment to the potential of local culture and work ethic determines the success of the long-term program.

The assistance provided by BAZNAS to *Mustabik* is not only in the form of cash funds but also in the form of capital goods such as cooking utensils, sewing machines, agricultural tools, and other operational needs. This strategy is intended to prevent the misuse of cash funds and ensure that zakat is used for productive purposes. Conventional businesses sometimes need assistance inputting raw halal materials such as foodstuffs, organic agricultural seeds, or sharia cloth. Assisting in the form of goods builds a relationship between religious values, economic productivity, and halal integrity practically in the life of a *mustabik* (Almurni, 2025; Susiang et al., 2024). This makes zakat an economic instrument that genuinely reflects the principle of *halalan tayyiban*.

BAZNAS also conducts technical and non-technical training for *mustabik* as part of a more comprehensive, productive distribution pattern. Technical training includes small business management, simple financial records, local marketing strategies, and packaging of marketable products. Meanwhile, non-technical training concerns work motivation, Islamic business ethics, and spiritual capacity building. This approach provides holistic debriefing that integrates economic skills with religious values, so *mustabik* is not only a business actor, but also a representative of an ethical and responsible Islamic economy (Purnomo & Hidayati, 2025; Susiang et al., 2024). This training is often carried out periodically in collaboration with religious extension workers, local MSME actors, and other BAZNAS partners.

One of the direct impacts of this productive distribution pattern is a significant increase in *mustabik* income. Based on BAZNAS internal reports and the results of field interviews, many *mustabik* have experienced an increase in income of up to 60% within six to twelve months since the program was implemented. In addition, *Mustabik* has also experienced business diversification, from selling only one type of product originally to selling two to five types of goods or services. This diversification is driven by training and mentoring that helps them understand market demand and innovate in products. This shows that the productive zakat approach is not only economically practical, but can also encourage a more adaptive and market-oriented transformation of business behavior.

The pattern of productive zakat distribution in North Sulawesi also applies the principles of structured monitoring and evaluation. Regional BAZNAS develops a periodic monitoring system through field visits, periodic reports from *mustabik*, and documentation of business developments. This is done to ensure that the assistance is used appropriately and, at the same time, becomes an

evaluation material for future program development (Abdullahi et al., 2025). This monitoring also provides space for BAZNAS to identify problems early on and offer direct solutions in the field. This process is an important form of social accountability in maintaining public trust, both from muzaki and external stakeholders.

In addition, there is a participatory mentoring approach, where the *mustahik* is the recipient and a partner in the empowerment process. Mustahik is involved in group activities such as micro-cooperatives fostered by BAZNAS, business experience sharing forums, and productive recitations in several programs. Through this mechanism, *mustahik* gets moral, social, and spiritual support that strengthens the sense of ownership of his business. This model aligns with the spirit of *ta'awun* (please help) and *ukhuwah islāmiyyah* (solidarity with fellow Muslims), core values in empowering productive zakat (Al-Haddad et al., 2024; Salim, 2015).

This outcome-oriented distribution pattern also shows the flexibility of the strategy implemented by BAZNAS, given the characteristics of *mustahik* and regions. In coastal areas like Bitung, productive zakat is directed to fisheries, fish processing, and marine culinary. Meanwhile, in mountainous areas such as Bolaang Mongondow, the program focuses more on agriculture and small livestock. This flexibility reflects the high local sensitivity of zakat managers, as well as a deep understanding of the needs and potentials of the region. This pattern shows that the success of productive zakat is not only determined by the amount of assistance, but also by the accuracy of the target and the alignment of the program with the local context.

However, several obstacles are still faced in implementing the productive zakat distribution pattern, especially related to limited funds, human resources, and uneven training infrastructure. Another challenge is the change in the mindset of *mustahik* who are still used to receiving consumptive assistance and are not fully ready to run a business independently. Therefore, the pattern of productive zakat distribution needs to be combined with a sustainable educational and motivational approach, so that the transformation from *mustahik* to muzakki can be truly achieved. This requires hard work, patience, and institutional innovation from zakat managers at the regional level.

Thus, the pattern of productive zakat distribution carried out by BAZNAS in minority areas such as North Sulawesi shows that zakat schemes can be developed into a value-based, contextual, and sustainable economic inclusion model. By providing capital, training, mentoring, and structured monitoring, productive zakat reduces dependence on *mustahik* and builds the economic foundation of Muslims in a more just and independent social framework. This experience contributed to the global discourse on zakat as a tool for halal financial inclusion in minority areas.

Halal Financial Inclusion

Amid the limited access of the Muslim community to the Islamic financial system in non-Muslim majority areas, productive zakat managed by BAZNAS plays a strategic role as an authentic and solution-oriented halal financial inclusion instrument. While most financing facilities in North Sulawesi are controlled by conventional interest-based financial institutions (*riba*), local Muslims face a dilemma between capital needs and religious obligations. In this situation, productive zakat is the only financing channel entirely legal according to sharia, because it is interest-free and distributed through religious and state-legitimate institutions (Qardawi, 1996). Therefore, zakat

functions not only as social assistance but also as an alternative financial model that can replace the role of Islamic banks on a micro scale.

The physical and systemic absence of Islamic financial institutions in many districts/cities in North Sulawesi has led to the marginalization of Muslims in the formal financial system. Some *mustahik* state that even though they have a small business, it is impossible to access capital from banks due to strict administrative requirements, fears of usury, and the absence of Islamic bank branches close to where they live (Adiwijaya & Amilahaq, 2023). This creates a religious-based economic exclusionary effect, as the Muslim community is not only a demographic minority, but also isolated from access to financing that matches their values (Djamali et al., 2025; Nurhayati, 2013). In this context, productive zakat is a microfinance solution that is clean from usury, sourced from halal funds, and used for halal business activities.

The productive zakat model offers an interest-free, uncollateral, and non-burdensome financing approach. This is very different from formal financial institutions that implement interest-bearing credit mechanisms, require collateral, and have a credit score system that is not yet friendly to informal business actors. With a productive zakat approach, *mustahik* is trusted as initial capital, which is then strengthened through mentoring and training. In many cases, this assistance is the first experience *Mustahik* has had connecting functionally with the Islamic financial system. Therefore, productive zakat can be said to be the main entrance for minority Muslim communities in building an initial relationship with the world of sharia-based finance, even without the presence of Islamic bank infrastructure (Jayanto & A. Budiantoro, 2025).

One of the important aspects of halal financial inclusion offered by zakat is the religious legitimacy it brings. In contrast to soft loans from government programs that sometimes keep hidden interest elements, zakat is perceived as a sacred fund with worship value. This provides psychological and spiritual comfort for the *mustahik*, who feels his business is blessed because it starts from a halal source of funds and is channeled through sharia procedures. This legitimacy is crucial in building trust, especially in minority environments where Muslims often feel marginalized or subordinated in the local economic system. In this context, zakat is a resource and a symbol of meaningful religious inclusion.

The productive zakat program also plays a role in introducing Islamic economic ethical values in community business practices. *Mustahik* receives capital and is educated about halal transactions, price fairness, the prohibition of fraud, and the principle of honesty in trading. This makes zakat an effective medium of economic da'wah and an instrument of business morality. This ethics is important not only from a religious point of view, but also as a strategic differentiator in a market often colored by unfair and exploitative practices. When *Mustahik* applies sharia principles in its business activities, it creates a consistent halal value chain from funding sources, production processes, and market behavior (Adachi, 2018; Maspul & Mubarak, 2025).

Productive zakat in North Sulawesi also encourages forming a micro-scale sharia business community that supports each other. *Mustahik*, who was previously self-employed, now has the opportunity to join a collaborative BAZNAS fostered business group. This group shares experiences and conducts transactions in a trusting and sharia-compliant manner, such as simple *murabahah* practices or *musyarakah* systems. The presence of this community is the forerunner of forming a halal economic ecosystem in minority areas, which can develop more widely if facilitated systemically.

Although this program is still micro and limited in scale, it has macro potential in redesigning the financial inclusion architecture in Indonesia. Many conventional microfinance models place minority Muslims in an ambiguous position, between having to follow the usury system or having no access to capital at all. Productive zakat breaks through this impasse and introduces a financial approach based on trust, morality, and equality. From a public policy perspective, this approach can be replicated through zakat-linked microfinance or by integrating zakat and Baitul Maal as an alternative local financial entity.

Globally, this model is also relevant for minority Muslim communities in other countries that face limited access to the Islamic financial system (Zulkhibri, 2016). With a flexible and community-based design, productive zakat can be the main instrument in answering the challenge of halal integrity in various secular and pluralistic countries. The success of zakat as an instrument of sharia microfinance in regions such as North Sulawesi shows that local solutions can have international implications, as long as they are supported by institutional commitment, management integrity, and sensitivity to the local cultural context.

However, productive zakat as an instrument of halal financial inclusion still faces sustainability challenges. One of the weaknesses is the limited source of funds, because the nature of zakat depends on the awareness of the muzaki and has not been fully integrated with the state fiscal system. In addition, the lack of a formal connection between zakat and inclusive financial policies at the national level makes this program stand-alone without systemic support. Therefore, it is necessary to strengthen regulations, incentives for muzaki, and synergy between zakat institutions and national sharia financial authorities so that halal inclusion can truly be institutionalized in the long term.

Overall, the experience of productive zakat in North Sulawesi shows that zakat is not only a tool for wealth distribution, but also a vehicle to enter an inclusive halal financial ecosystem, especially in areas with minimal sharia infrastructure. Through a humane, spiritual, and community-based approach, productive zakat provides a new space for the economic empowerment of the people who have been marginalized in the mainstream financial system. Its contribution is important locally and strategically globally, as it affirms that halal integrity and Islamic economic inclusion can coexist in the context of plurality and limitation.

Local Culture and Digital Accountability

The success of productive zakat programs in minority areas such as North Sulawesi is not only determined by the strength of regulations or economic models, but also highly dependent on the ability of institutions to blend in with local culture. A cultural approach is the key to building social acceptance of Islamic-based programs in a plural society with diverse identities. BAZNAS in North Sulawesi has demonstrated this sensitivity by actively adopting local values such as cooperation, community togetherness, and a kinship approach in distributing and assisting zakat. This approach strengthens the social legitimacy of the zakat program, as it not only carries the mission of the sharia economy but also adapts to social ethics that have been alive for a long time in local culture.

The value of cooperation, for example, is not only a symbol of solidarity in society, but also translates into productive zakat practices, such as collective work between *mustahik* in running group businesses, sharing equipment, and helping each other in marketing products. When BAZNAS distributes business tools to a *mustahik* group, they are directed to form a rotation system

to use the tools or a production cooperation scheme. This model reflects the integration between Islamic values and local wisdom, as the principle of help-help (*ta'āwun*) in Islam is substantially equivalent to the local culture, such as *mapalus* (cooperate) in Bolaang Mongondow. The integration of these values proves that the zakat program is not exclusively religious, but can adapt to a pluralistic socio-cultural structure (Almurni, 2025; Hendar et al., 2023).

This cultural approach is also a mitigation strategy against resistance from non-Muslim groups. In minority contexts, programs that carry religious symbols are often suspected of identity expansion. However, by prioritizing universal social values and building open communication across religions, BAZNAS can create a narrative that zakat is part of the contribution of Muslims to inclusive local development. The productive zakat program not only advances Muslim *mustahik* but also positively impacts the surrounding social environment, including creating jobs and increasing economic interaction across communities. Thus, this program expands the social acceptance base while strengthening the position of Muslims in a plural social structure.

In addition to the cultural approach, the success of productive zakat in North Sulawesi is also supported by the use of digital technology, primarily through the SIMBA (BAZNAS Management Information System) system. SIMBA records data on *muzaki* (paying zakat), *mustahik*, type of assistance, distribution time, and the progress of *mustahik* business development in real-time. This system helps zakat managers in minority areas with minimal staff to carry out data management neatly, efficiently, and accountably. This technology also makes it easier for regional BAZNAS to coordinate with the center, so that all processes can be audited and reported transparently. Technology is a strategic instrument to address the challenges of limited human resources and improve institutional professionalism amid structural limitations.

Digital systems such as SIMBA are important public accountability tools in building muzaki trust. One of the reasons for the low participation in zakat in minority areas is doubts about fund management. With this technology, muzaki can see their zakat allocation used for productive programs, including *mustahik* profiles and developing the businesses they help (Djunaidi, 2007; Iswandi, 2023). This not only increases transparency but also provides a sense of spiritual and moral involvement to donors. This trust is a significant social capital in strengthening the zakat funding base, especially in areas that do not have a strong institutional zakat tradition.

At the *mustahik* level, digital technology also has a positive impact. Several entrepreneurship training programs organized by BAZNAS have started using online platforms for training materials, product sales monitoring, and business consulting. Although still limited by digital infrastructure, this initiative shows that there are efforts to transform zakat as a modern social movement that is technologically literate. In addition, in some cases, BAZNAS encourages *mustahik* to promote their products online through social media, instant messaging applications, or local e-commerce platforms. Thus, productive zakat is not only a capital provider, but also encourages the transformation of halal-based micro-businesses through digitalization.

However, integrating technology in the productive zakat program also faces many challenges, especially related to *mustahik* digital literacy and limited internet access in some rural areas. Many *mustahik* are not used to using digital applications, even in the simplest form. Therefore, digital literacy training is important to the business assistance stage. BAZNAS collaborates with student volunteers, young Muslim communities, and religious extension workers to guide *mustahik* in using

technology in stages. This shows that the digital approach is not enough to provide a system, but must also be accompanied by humane education and coaching.

The main strength of this cultural and digital approach is its ability to establish dual legitimacy: social and administrative. Social legitimacy is created from the familiarity of local values and norms adopted into the zakat program, while administrative legitimacy is supported by data accountability and technology-based reporting. When the two synergize, the zakat program gains wider trust from Muslims and local governments, development partners, and the general public. This is important for zakat institutions in minority areas, often in the spotlight and requiring higher performance evidence than similar institutions in majority areas.

This culturally and technology-based approach is also highly relevant in a global context. Many Muslim minority communities in the world face similar challenges in terms of structural limitations and social pressures. Integrative models such as those run by BAZNAS in North Sulawesi can be a global inspiration for how zakat can be managed inclusively and professionally without losing the roots of local values. This also shows that the institutional transformation of zakat does not have to follow a single model, but can develop contextually by utilizing local potential, including culture and technology.

Thus, the success of the productive zakat program in North Sulawesi is determined by how much funds are channeled and how deeply local values and modern technology are integrated into institutional practices. Culture is a social bridge that expands program acceptance, while digitalization guarantees transparency and efficiency. When the two go in harmony, zakat is not only an economic solution, but also a symbol of Islamic adaptation in a plural and dynamic public space. This is a model of the future of zakat: contextual, accountable, and community-based.

4. CONCLUSION

This study shows that the management of productive zakat by BAZNAS in North Sulawesi Province, as an area with a minority Muslim community, has succeeded in proving that zakat not only functions as an instrument of philanthropy, but also as a tool for economic empowerment and halal financial inclusion. By shifting the orientation from consumptive to productive assistance, zakat institutions in this region can provide contextual solutions to limited access to capital, lack of Islamic financial infrastructure, and social pressure in a pluralistic space. The productive zakat program increases *mustahik* income and forms a micro business ecosystem based on Islamic values. Applying cultural and digital approaches is key to the program's success, as they both strengthen social legitimacy and institutional accountability.

Globally, this study makes an important contribution to expanding the discourse of zakat as a relevant Islamic financial instrument in minority areas. North Sulawesi's experience can be used as a model for replication for Muslim communities in other countries that face similar challenges: the limitations of the Islamic financial system, social marginalization, and weak policy support. These findings recommend the integration of zakat in the architecture of national and international financial inclusion through community-based approaches, strengthening information technology, and adapting local cultures. Thus, productive zakat has the potential to become a fair, sustainable, and contextual model of Islamic microfinance, bridging economic disparities while maintaining halal integrity in a pluralistic global society.

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