

## RESEARCH ARTICLE

# Economic Empowerment via Innovative Zakat Utilization: Lessons from a Multicultural Village in Ponorogo

Distyana Dwiyanthi<sup>1</sup>, Luhur Prasetyo<sup>1\*</sup>

<sup>1</sup> Institut Agama Islam Negeri Ponorogo, Indonesia

\*Corresponding author's email: [luhur@iainponorogo.ac.id](mailto:luhur@iainponorogo.ac.id)

### Abstract

*This study investigates the economic empowerment of mustahiq (zakat beneficiaries) through the Desa Berdaya Program in Mrican Village, Ponorogo, with a focus on sheep-based empowerment strategies. The research examines the forms of empowerment (breeding, fattening, and investment), the factors influencing its implementation, and its impact on beneficiaries' welfare. The program, implemented by Rumah Zakat, leverages zakat funds to promote self-reliance among beneficiaries and transform them into potential muzakki (zakat payers). Using qualitative methods, data were collected through interviews, observations, and documentation. The findings reveal that empowerment addresses socio-economic inequalities, such as low education levels, inconsistent income, and limited knowledge among beneficiaries. The program significantly improves economic, social, and spiritual welfare by enhancing income, fostering community collaboration, and strengthening religious values. Challenges identified include delays in resource provision and unclear profit-sharing mechanisms, highlighting the need for improved management practices. Overall, the study underscores the potential of productive zakat as a sustainable tool for poverty alleviation and community development.*

**Keywords:** Empowerment; ZIS Fund; Empowered Village; Sheep Cattle

### 1. Introduction

Zakat plays a critical role in enhancing the welfare of *mustahiq* by serving as a transformative mechanism that can elevate their status to *muzakki*. This dual function of zakat—alleviating poverty while empowering individuals to become contributors to society—highlights its centrality in fostering social and economic justice within an Islamic framework.<sup>1</sup> As articulated by Yusuf Al-Qaradawi, zakat represents a mandated portion of a Muslim's wealth, ordained

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<sup>1</sup> Luhur Prasetyo, Unun Roudlotul Jannah, and Nurma Fitrianna, "Corporate Governance Model of Islamic Philanthropy at Islamic Hospitals in Ponorogo," *IQTISHADIA* 15, no. 2 (December 19, 2022): 289–308.

by Allah, to be distributed to those eligible to receive it<sup>2</sup>, ensuring the equitable redistribution of resources.<sup>3</sup>

The legal foundation for zakat in Indonesia is detailed in Article 1, Point 2 of Law Number 23 of 2011 on Zakat Management, which defines zakat as a specific property that must be issued by Muslims or Islamic business entities and distributed to eligible recipients in accordance with Islamic law. This legislative framework underscores the institutionalization of zakat as a formal tool for addressing poverty and inequality, bridging religious obligations with modern governance structures.<sup>4</sup>

The unequal distribution of zakat remains a significant challenge that requires attention. Initially, zakat distribution was predominantly consumptive, aimed at immediate relief. However, there has been a shift towards a more sustainable approach through productive zakat distribution.<sup>5</sup> Productive zakat refers to funds allocated for initiatives such as business capital assistance, designed to create long-term economic opportunities and reduce poverty. Poverty, a persistent issue faced by many nations, including Indonesia as a developing country, underscores the importance of such transformative strategies.<sup>6</sup> By leveraging zakat, infak, and sedekah (ZIS) funds for community empowerment, this approach not only aids in poverty alleviation but also enhances the welfare and self-reliance of *mustahiq*.

The welfare of *mustahiq* can be achieved through well-structured empowerment initiatives that actively involve them in the planning and implementation processes. Empowerment is closely aligned with the concept of development, emphasizing growth and progress. Key elements of empowerment include enhancing individual capacities, building self-confidence, and fostering the ability to make informed decisions and take actions that positively impact both personal and communal aspects of life.<sup>7</sup>

Productive zakat funds can be effectively utilized as business capital to empower recipients economically, enabling them to sustain and finance their daily needs consistently. By leveraging these funds, individuals with low incomes can generate stable earnings, expand their businesses, and even save for the future. This approach aims to transition *mustahiq* into *muzakki* over time. Additionally, the allocation of zakat funds to support small and medium-sized enterprises creates opportunities for job creation, contributing to a reduction in unemployment and fostering broader economic growth.<sup>8</sup>

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<sup>2</sup> Musa Yusuf Owoyemi, "Zakat Management: The Crisis of Confidence in Zakat Agencies and the Legality of Giving Zakat Directly to the Poor," *Journal of Islamic Accounting and Business Research* 11, no. 2 (January 1, 2020): 499.

<sup>3</sup> Ahmad Sarwat, *Ensiklopedia Fikih Indonesia 4: Zakat* (Jakarta: Gramedia Pustaka Utama, 2019), 6. Owoyemi, "Zakat Management," 499.

<sup>4</sup> Sony Santoso & Rinto Agustino, *Zakat Sebagai Ketahanan Nasional* (Yogyakarta: Deepublish, 2018), 4.

<sup>5</sup> Ani Nurul Imtihanah & Siti Zulaikha, *Distribusi Zakat Produktif Berbasis Model Cibest* (Yogyakarta: CV. Gre Publishing, 2019), 9.

<sup>6</sup> Graham Bird, Faryal Qayum, and Dane Rowlands, "The Effects of IMF Programs on Poverty, Income Inequality and Social Expenditure in Low Income Countries: An Empirical Analysis," *Journal of Economic Policy Reform* 24, no. 2 (April 3, 2021): 170–188; Md Abdullah Omar and Kazuo Inaba, "Does Financial Inclusion Reduce Poverty and Income Inequality in Developing Countries? A Panel Data Analysis," *Journal of Economic Structures* 9, no. 1 (December 2020): 37.

<sup>7</sup> Said In Sya Mustafa, *Zakat Produktif & Penanggulangan Kemiskinan Melalui Pemberdayaan Usaha Mikro Rakyat* (Malang: Media Nusa Creative, 2017), 1.

<sup>8</sup> Tika Widiastuti et al., "Developing an Integrated Model of Islamic Social Finance: Toward an Effective Governance Framework," *Heliyon* 8, no. 9 (September 2022): e10383.

Reducing unemployment positively influences people's purchasing power for goods and services. This increased purchasing power, in turn, drives production growth, making the expansion of the production sector a key indicator of economic progress.<sup>9</sup> Effective management of productive zakat has the potential to transform the economic status of *mustahiq*, enabling them to transition into *muzakki* and eventually become donors themselves, thereby contributing to the gradual reduction of poverty.

Conceptually, empowerment derives from the notion of "power" and emphasizes strengthening those who are weak or disadvantaged. According to Ife, empowerment involves two fundamental elements: the distribution of power and the focus on marginalized groups.<sup>10</sup> It aims to elevate the capacities of individuals and communities, particularly those who are underprivileged, marginalized, or subject to discrimination. By addressing socio-economic dimensions, empowerment fosters independence, supports the fulfillment of basic needs, and enables active participation in broader community development efforts.<sup>11</sup>

An empowerment program is also carried out in Ponorogo Regency, one of which is in Mrican Village, Jenangan District, Ponorogo. The Empowered Village Program is different from other villages in general because in this place, there are two religions, namely Islam and Christianity. Actually between these two religions, religious tolerance is excellent. For example, if there are Muslims who die, there are also Christians who come, and some even come wearing hijab. On the other hand, if Christians have events, Muslims also come.<sup>12</sup> Rumah Zakat is an institution that manages Zakat, Infak, and Alms funds. The general pattern of zakat management is for empowerment programs. Rumah Zakat is one of the institutions from various other institutions that utilize productive zakat with empowerment to improve the economic level of *mustahiq* through sheep. In general, five forms of empowerment become the Rumah Zakat program, but in Mrican, four are realized: capacity building/community development/da'wah, economy, education, and health.<sup>13</sup> One of the programs from Rumah Zakat that will be taken in this research is community economic empowerment through sheep.

This sheep farm is located in several yards of beneficiary houses of Rumah Zakat, the *mustahiq* task in this case is to feed and care for sheep daily. The zakat produced in the form of sheep farming is to train the soul of the *mustahiq* to have independence so that the funds provided by Rumah Zakat can sustainably improve the *mustahiq* economy even though later the program facilitator from Rumah Zakat has moved to handle other villages.<sup>14</sup>

The empowerment in Mrican Village starts from the mechanism, where the head office of Rumah Zakat provides a certain amount of money to program facilitators in each region. To provide productive zakat assistance to *mustahiq* not in the form of money but directly in the form of sheep. There are three forms of sheep management in Mrican Village, namely breeding, fattening, and investment.<sup>15</sup>

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<sup>9</sup> Ahmad Thoharul Anwar, "Zakat Produktif Untuk Umat," *Jurnal Zakat dan Wakaf* 01 (2018): 48.

<sup>10</sup> Edi Suharto, *Membangun Masyarakat Memberdayakan Rakyat Kajian Strategis Pembangunan Kesejahteraan Sosial Dan Pekerjaan Sosial* (Bandung: PT Refika Aditama, 2017), 57.

<sup>11</sup> Silvina Choiratul Fahmi and Luhur Prasetyo, "Pemberdayaan Ekonomi Komunitas Muslim (Studi Pada Majelis Ta'lim Al-Muthmainnah Di Kabupaten Ponorogo)," *Muslim Heritage* 5, no. 2 (December 26, 2020): 349.

<sup>12</sup> Susilo, interview, September 27, 2021

<sup>13</sup> Susilo, interview, September 27, 2021

<sup>14</sup> Susilo, interview, September 27, 2021

<sup>15</sup> Susilo, interview, February 8, 2022

The monitoring of the empowerment process is conducted regularly by Rumah Zakat facilitators, who are supported by local figures designated as supervisors or administrators. These supervisors play a vital role in assisting the *mustahiq* in their daily activities, providing guidance, and addressing any issues related to livestock management. If a beneficiary encounters an urgent problem with their livestock, they can promptly report it to the supervisor, who facilitates follow-up actions with the management.

As part of the empowerment initiative, monthly routine studies are organized for the fathers of the sheep beneficiaries. These sessions aim to strengthen their *'aqidah* while fostering a sense of community and responsibility. The program's strengths include a welcoming approach that encourages active participation from beneficiaries, consistent and effective assistance and monitoring, and an ample supply of feed ingredients to ensure smooth livestock management. This comprehensive support system has proven to be a key factor in the program's success.

The empowerment carried out by Rumah Zakat continues to run even in religious differences because it is not only carried out by Rumah Zakat as an Islamic institution but also by the Christian religion. There is also a program such as empowerment to its adherents. The *taklim* study conducted for the fathers of beneficiaries of sheep (*mustahiq*) is mainly aimed at fortifying the Islamic faith.<sup>16</sup>

The implementation of productive zakat distribution often faces challenges in the field, which can hinder its effectiveness in the economic sector and increase the risk of failure. These challenges may arise from external business-related factors, such as inefficiencies in production and marketing processes, or internal factors, including a lack of motivation and creativity among beneficiaries in utilizing the funds effectively.<sup>17</sup>

According to Didin Hafidhuddin, the success of a zakat management organization is not solely determined by the volume of zakat funds collected or disbursed but by how effectively these funds enable *mustahiq* to enhance their livelihoods and business activities. To fully optimize the role of productive zakat, particularly in its distribution and utilization, a comprehensive approach is required. Zakat administrators must adhere to the guidelines outlined in Zakat Management Law No. 23 of 2011 to ensure proper implementation. Furthermore, assessing the effectiveness of zakat distribution is essential to evaluate its impact on the welfare and empowerment of *mustahiq*, ensuring that the intended socio-economic improvements are achieved.<sup>18</sup>

This study explores the effectiveness of sheep-based economic empowerment within the Empowered Village Program, implemented by Rumah Zakat in the multicultural and rural community of Mrican Village, Jenangan District, Ponorogo. It evaluates whether critical components of the program—such as planning, supervision, profit-sharing mechanisms, and record-keeping—are effectively executed and how they contribute to improving the welfare of *mustahiq*. The research aims to comprehensively describe the various forms of sheep-based economic empowerment, analyze the factors influencing the selection of this approach, and assess its overall impact on the economic, social, and spiritual welfare of the

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<sup>16</sup> Susilo, interview, September 27, 2021

<sup>17</sup> Zainul Fuad Mulkan Syahriza, Pangeran Harahap, "Analisis Efektivitas Distribusi Zakat Produktif Dalam Meningkatkan Kesejahteraan *Mustahiq* (Studi Kantor Cabang Rumah Zakat Sumatera Utara)," *At-Tawassuth: Jurnal Ekonomi Islam* IV (2019): 141.

<sup>18</sup> Ibid.

beneficiaries. Through this, the study provides valuable insights into the role of productive zakat in fostering sustainable development and poverty alleviation.

## 2. Method

This research was conducted in Mrican Village, located in Jenangan District, Ponorogo, as part of an in-depth investigation into the economic empowerment initiatives targeting *mustahiq*. The study employed a field research approach to directly observe and analyze the implementation of the Desa Berdaya Program facilitated by Rumah Zakat. This program is specifically designed to address poverty alleviation through sustainable empowerment strategies.

A qualitative research methodology was adopted to capture the complexity and nuances of the program's impact. Data collection relied on multiple methods, including semi-structured interviews with program facilitators and beneficiaries engaged in sheep-based empowerment activities, participant observations to understand day-to-day operations, and documentation review to validate findings. The primary focus was on exploring the processes, challenges, and outcomes of the empowerment program.

For data analysis, a qualitative descriptive approach was applied, utilizing the ACTORS framework as a guiding analytical tool. This framework encompasses six key dimensions—Authority, Confidence and Competence, Trust, Opportunity, Responsibility, and Support—to assess the beneficiaries' experiences and the overall effectiveness of the program. The framework allowed the researchers to systematically evaluate the empowerment process, examining not only the economic outcomes but also the social and psychological aspects of the intervention. Through this comprehensive approach, the study provides insights into the factors that contribute to the success or limitations of community-based economic empowerment models.

## 3. Discussion

### 3.1 Forms of sheep-based *mustahiq* economic empowerment through the Empowered Village Program in Mrican Village

Capital is a critical component for the sustainability of any business, and this is no different for economic empowerment programs centered around sheep farming. In Mrican Village, the funding for such initiatives is sourced from *muzakki* contributions, managed by the Rumah Zakat institution. Alongside capital, effective operational planning plays a pivotal role in ensuring that the objectives of the program are met and that the sheep farming activities yield the desired outcomes.

The overarching goal of this sheep-based empowerment initiative is to uplift the community's welfare, transforming *mustahiq* into *muzakki* by equipping them with the tools and skills to achieve economic independence. To realize this vision, program facilitators and administrators collaborate closely, ensuring that every stage of the empowerment process is carefully executed. This includes initial deliberations, provision of capital, hands-on mentoring, training, continuous supervision, and a well-structured sales process. Marketing efforts are further strengthened through partnerships established by Rumah Zakat, ensuring that the beneficiaries' sheep are successfully sold.

Economic empowerment, as implemented in this program, seeks to fundamentally improve the lives of beneficiaries by enabling them to meet their needs sustainably. In Mrican Village, this empowerment is applied through three distinct models: sheep breeding, fattening, and investment. Each model is tailored to provide the beneficiaries with both financial stability and the knowledge required to manage livestock effectively, fostering long-term self-sufficiency.<sup>19</sup>

Sheep breeding form is a sheep to be bred. The profit-sharing process once a year by visiting each beneficiary's sheepfold, then valued and continued with a profit-sharing system of 70% for beneficiaries and 30% for group treasuries for 3 years, while in the fourth year profit sharing in the form of 70% for beneficiaries and 30% returned to the institution to create a new group.<sup>20</sup> In breeding, sheep will give birth within a period of 6 months. This form of breeding sheep feed can be in the form of grass or remnants of agricultural products.

Fattening sheep are specifically raised to meet the demand for qurban (sacrificial animals) during *Eid al-Adha*. The process is facilitated by Rumah Zakat, which allocates funds to program facilitators to manage the initiative. Facilitators oversee the procurement and fattening of sheep, ensuring that they reach the required weight before the festival. The sheep are distributed to beneficiaries, who are tasked with their care and fattening over a period of 2.5 to 3 months. The management process in Mrican Village begins well ahead of *Eid al-Adha*, allowing sufficient time for the sheep to reach an optimal harvest weight, typically between 23 kg and 25 kg. Feed for the sheep is sourced from manufacturers to meet specific dietary requirements that support weight gain. However, delays in feed delivery occasionally require substitutes such as locally sourced grass. The program aims to complete 2–3 harvest cycles, maximizing the benefits for the beneficiaries. In addition to fattening, the program includes a sheep investment model. Through this approach, beneficiaries receive funds from Rumah Zakat to purchase sheep. Over an agreed period, they are expected to repay the initial capital, demonstrating a self-sustaining mechanism that supports economic empowerment and resource circulation within the community.<sup>21</sup>

The three sheep farming programs provide significant educational benefits for the community, particularly the *mustahiq*, by enhancing their understanding of various sheep management approaches and improving their livestock-raising skills. The first program, sheep breeding, focuses on raising sheep for reproduction, with sheep typically giving birth every six months. The second program, sheep fattening, involves raising sheep to optimal weight within a treatment period of 2.5 to 3 months, making it particularly suitable for seasonal demands such as Qurban. The third program, sheep investment, demonstrates that livestock farming does not necessarily require personal capital; instead, it enables partnerships with individuals who can provide financial support, thereby facilitating wealth distribution from wealthier individuals to those in need. These programs collectively illustrate that sheep farming can evolve beyond traditional practices into sustainable and innovative business models. Beneficiaries not only gain practical skills but also acquire insights into managing livestock as a viable economic enterprise, contributing to their financial independence and community development.

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<sup>19</sup> Susilo, interview, Februari 8, 2022

<sup>20</sup> Susilo, interview, November 3, 2021

<sup>21</sup> Susilo, interview, Maret 15, 2022

The most accessible form of sheep to maintain is the breeding form of sheep because finding feed is considered easy because it can be searched around the house.<sup>22</sup> While the form of sheep fattening, the feed must be from the manufacturer because it pursues the weight target. In this case, there was a delay in feed from the factory, so it had to be replaced with ordinary grass. Profit sharing in the form of sheep fattening has never been done, and the beneficiaries do not know what percentage of profits will be obtained, even though two harvests have been carried out.<sup>23</sup> From the statement of the program facilitator, profit sharing will be carried out during *Eid al-Adha*. In this empowerment, sheep management in breeding and investment has no significant obstacles. However, the fattening profit-sharing determination system is less specific and unclear because the beneficiaries do not know what percentage of the sale will get.

Although fattening sheep harvest has been done twice, profit sharing still awaits the moment of *Eid al-Adha*. So, in the initial sale of fattening sheep (before *Eid al-Adha*) the beneficiaries have not been able to feel the results. Basically, in general, economic empowerment aims to meet the daily needs of *mustahiq* and cover all the shortcomings that exist in meeting basic needs. In addition, there was a delay in the delivery of fattening sheep feed. In this case, it is necessary to clarify the management aspects of profit sharing in the form of fattening sheep through consensus deliberation with beneficiaries and mature communication with the manufacturer's sheep feed suppliers.

In empowerment, there are several stages of empowerment to achieve a structured empowerment goal. Soekanto stated seven stages or steps of community empowerment: the preparation stage, the assessment stage, the alternative planning stage of the program or activity, the formalization stage of the action plan, the implementation stage of the program/activity, the evaluation stage, and the termination stage.<sup>24</sup>

This sheep-based *mustahiq* economic empowerment applies the seven stages, namely preparation, assessment, and program planning. The formalization of action plans that have been carried out since the beginning of this program will enter the village by gathering the community to find out what potential exists. Implementation and evaluation of this have been carried out in the empowerment process. Implementation in the supervision process from the beginning once every 2 weeks, sometimes to once every 1 month, is not a problem because active communication about perceived obstacles can be carried out during deliberation. The termination or termination of employment with a 3-year mentoring plan is carried out utilizing profit sharing (breeding) for 3 years, 70% for beneficiaries and 30% for group cash, while in the fourth year, 70% for beneficiaries and 30% return to Rumah Zakat to create a new group. Profit sharing is carried out 70% for beneficiaries and 30% in group treasuries intended to develop the group. 30% belongs to beneficiaries but becomes shares. If 100% is given directly to beneficiaries, it is unlikely to grow, but if it is put into the group treasury, it can be managed together and grow.

According to Sarah Cook and Steve Macaulay, measuring the community's economic empowerment can be done using the ACTORS framework indicators (Authority, Confidence and Competence, Trust, Opportunity, Responsibility, Support).<sup>25</sup>

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<sup>22</sup> Beneficiary 1 and 3, interview, April 12, 2022

<sup>23</sup> Beneficiary 4, interview, April 17, 2022

<sup>24</sup> Dedeh Maryani & Ruth Roselin E. Naigolan, *Pemberdayaan Masyarakat* (Yogyakarta: Deepublish, 2019), 13–14.

<sup>25</sup> Abdul Bashith, *Ekonomi Kemasyarakatan Visi & Strategi Pemberdayaan Sektor Ekonomi Lemah* (Malang: UIN Maliki Press, 2012), 35.

In this empowerment, the beneficiaries have the Authority to manage sheep with confidence and ability. Confidence is also owned by the beneficiaries because some of them have never raised sheep, and some have been rowdy goats but are considered unsuccessful. The support provided by the institution includes capital (sheep) as well as funds for sheep sheds and feed. Beneficiaries also have an opportunity and responsibility for the events that occur in each sheep they keep, as evidenced by the existence of an MoU or initial agreement that if there is a sheep that dies within 24 hours, there must be a video or photo, and provide information to the management for follow-up. If this is done, the beneficiary is not required to compensate for the death of the sheep, and if this is not done, the beneficiary must replace the sheep.

The support provided by Rumah Zakat is not only in the form of capital but includes business support and support in the spiritual field. In the spiritual field, there is also assistance by holding a *taklim* study every month for beneficiaries to fortify *aqidah*. In addition, the business support provided is in the form of sheep and given sheep feed production machines. So it is possible that the beneficiaries in terms of effort are suitable and in terms of spirituality are also good.

### 3.2 Underlying Factors Driving Mustahiq Economic Empowerment in the Empowered Village Program, Mrican Village

The establishment of the sheep group was motivated by the empowerment implementation process of Rumah Zakat in the Empowered Village Program. This empowerment was formed aimed at the economic welfare of *mustahiq*, especially the poor and poor categories. Around the end of 2018, Program Facilitators from Rumah Zakat and local village officials conceptualized the appropriate type of empowerment and led to the improvement of *mustahiq* welfare employing deliberation/FGD.<sup>26</sup>

Program facilitators from Rumah Zakat and other administrators made a decision that a sheep-based empowerment would be established with the provision of creating a livestock group first.

Empowerment is carried out because of the factors behind it. Sennet, *et al.* state that people's powerlessness is due to factors such as lack of economic security, inexperience in the political arena, lack of access to information, lack of financial support, no training, and physical and emotional strain.<sup>27</sup>

Meanwhile, according to Jim Ife, the concept of empowerment has a close relationship with two main concepts, namely, the concept of power and the concept of disadvantage or inequality. Inequalities that often occur in society include structural inequalities such as class differences between rich and poor people, group inequalities such as underdevelopment and underdevelopment, and personal inequality due to factors: death, loss of loved ones, and personal and family problems.<sup>28</sup>

The condition of the beneficiaries empowered by Rumah Zakat is seen from the aspects of education, economy, and knowledge. The choice of *mustahiq* economic

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<sup>26</sup> Susilo, interview, Februari 8, 2022

<sup>27</sup> Suharto, *Membangun Masyarakat Memberdayakan Rakyat Kajian Strategis Pembangunan Kesejahteraan Sosial Dan Pekerjaan Sosial*, 61.

<sup>28</sup> Zubaedi, *Pengembangan Masyarakat Wacana Dan Praktik* (Jakarta: Kencana Prenada Media Group, 2013), 27.

empowerment is in terms of education of beneficiaries of the achievement of the education level, namely elementary and high school, in terms of the economy, odd beneficiary jobs, and some are initially unemployed and in terms of knowledge who lack confidence in new things. On the other hand, this empowerment was chosen because of the vast agricultural potential that can be combined with animal husbandry.

First, from the aspect of education of beneficiaries whose education level is on average elementary to high school, when the education is low, the network is limited, not knowing too much about the outside world to set up a business, nor does it know that it will affect competence skills.

Secondly, from the economic aspect, beneficiaries have a lower middle income; judging from the odd work of each beneficiary, some were even unemployed.

Third, the beneficiaries initially lacked knowledge and understanding of the program. This was partly due to the background of the Rumah Zakat program facilitator, who was not a local resident. As a newcomer, the facilitator faced challenges in introducing the concept of Rumah Zakat and its empowerment initiatives to the community. Early in the program, misunderstandings arose, as the beneficiaries were unclear about the program's objectives and doubted its feasibility. To address this, the facilitator engaged with community leaders as intermediaries rather than directly approaching the beneficiaries. This strategy helped bridge the gap and gradually gained the community's trust. Although initial reactions were skeptical, the delivery of sheep for the empowerment program marked a turning point. Beneficiaries began to understand the program's purpose and actively participated. They demonstrated excellent communication skills, openness, and adaptability, which allowed them to collaborate effectively across different age groups. This shift fostered mutual respect and strengthened the group dynamics, enabling the program to progress successfully.

Thus, economic empowerment is held due to the factors behind the absence of power or helplessness. Factors of the absence are the inequality factors, such as structural inequality. Among the forms of such factors are a low level of education, odd jobs, and lack of knowledge.

### **3.3 The Impact of Economic Empowerment on Mustahiq Welfare through the Empowered Village Program**

As discussed earlier, the group-based sheep farming empowerment initiative in Mrican Village, facilitated through focused group discussions (FGDs), has significantly contributed to improving the economic, social, and spiritual well-being of its beneficiaries. This program has successfully inspired group members, including those working as farmers or in irregular jobs, to adopt innovative practices in sheep farming, enhancing their motivation and productivity.

The economic impact of the empowerment program is evident in the beneficiaries' improved ability to meet their daily needs and save money from livestock-related activities. Beneficiaries also benefit from access to free manure, eliminating the need to purchase it.<sup>29</sup> This program underscores the importance of building competence and skills, enabling individuals to optimize their economic activities and achieve better outcomes. The beneficiaries' knowledge and capabilities in sheep farming have significantly improved through training, particularly in producing fermented feed, which enhances livestock

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<sup>29</sup> Beneficiaries 1 & 2, interview, March 20, 2022

management efficiency. This training has further supported their ability to meet daily needs and accumulate savings. Additionally, the program promotes environmental sustainability by utilizing farm waste effectively. Manure, which could otherwise accumulate and cause unpleasant odors or disturb neighbors, is repurposed as organic fertilizer. This fertilizer benefits agricultural practices, such as enriching soil in rice fields and home gardens, contributing to both economic and ecological well-being.

Animal husbandry and agriculture are closely interconnected, offering opportunities for synergy between the two sectors. Beneficiaries engaged in sheep farming who also work as farmers can utilize sheep manure as organic fertilizer for their crops. Conversely, agricultural by-products such as corn stalks, cassava leaves, bean plants, or soybean residues can be repurposed as animal feed. This approach not only reduces reliance on traditional foraging but also enables the production of fermented feed from these remnants, enhancing resource efficiency. By integrating these practices, beneficiaries can minimize dependency on external markets, stabilize the cost of fertilizer, and ensure a consistent supply of agricultural inputs.

The sheep-based community empowerment program has demonstrated significant success, reflected in its positive impact on social, spiritual, and economic welfare. Regular monthly deliberations foster cooperation among group members, enabling them to collectively address challenges, exchange ideas, and build stronger relationships. These interactions not only enhance social cohesion but also improve the beneficiaries' knowledge and problem-solving skills. Additionally, the program supports spiritual welfare through *taklim* and *tausiyah* sessions, which provide emotional solace, strengthen faith, and offer broader insights into personal and communal development. Beyond social and spiritual dimensions, the program's comprehensive support—including capital provision, business assistance, spiritual guidance, and feed production equipment—has significantly contributed to the success of the livestock initiatives. This success is evident in the tangible welfare improvements experienced by the beneficiaries, underscoring the program's effectiveness as a holistic empowerment model.

#### 4. Conclusion

The Empowered Village Program in Mrican Village, Ponorogo, demonstrates the effectiveness of sheep-based economic empowerment as a sustainable model for addressing poverty and fostering self-reliance among *mustahiq*. By implementing three distinct approaches—breeding, fattening, and investment—the program equips beneficiaries with the tools and skills needed to improve their economic conditions. These models not only provide immediate financial relief but also build the entrepreneurial capabilities of participants, enabling them to generate steady incomes, save for the future, and gain financial independence. Through this approach, the program aligns with the broader goal of transforming *mustahiq* into *muzakki* and contributors to their communities.

Beyond economic benefits, the program addresses critical socio-economic inequalities, such as low education levels, limited economic opportunities, and insufficient knowledge among beneficiaries. By leveraging local resources and fostering collaboration, it integrates agricultural and livestock activities to maximize efficiency and sustainability. For instance, beneficiaries repurpose agricultural by-products as livestock feed and use manure as organic fertilizer, reducing costs and dependency on external markets. The program also emphasizes social cohesion and spiritual development through regular group deliberations

and *taklim* sessions, which strengthen community ties, enhance problem-solving capabilities, and provide emotional and spiritual support.

Despite its successes, the program faces challenges, such as delays in feed supply and unclear profit-sharing mechanisms, particularly in the fattening model. Addressing these issues through transparent agreements and better resource management is essential for optimizing outcomes. Overall, the program's holistic approach—combining financial capital, business support, spiritual guidance, and technical resources—serves as a replicable model for community-based empowerment. It highlights the potential of productive zakat to transform vulnerable populations into active contributors to economic and social development, underscoring its role as a powerful tool for poverty alleviation.

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