

ABSTRACT

This study aims to analyze the optimization of the productive zakat program managed by BAZNAS Semarang City as an instrument for socio-economic transformation—specifically in facilitating the transition of beneficiaries *mustahik* into donors *munfiq* through MSME empowerment amidst the challenges of economic recovery and digital adaptation. The study also addresses the dynamics of public sentiment regarding the accountability of zakat institutions by highlighting tangible evidence of welfare transformation. A descriptive qualitative method based on field research was employed. Primary data were collected through in-depth interviews with BAZNAS Semarang City administrators and assisted MSMEs, as well as through direct observation. Secondary data were obtained from official reports and relevant literature. Data analysis was conducted interactively (involving reduction, presentation, and conclusion drawing), utilizing triangulation techniques to ensure data validity. The findings indicate that productive zakat is implemented comprehensively through capital assistance, training, and mentoring. Enhanced financial literacy and market access proved to be key factors in accelerating the transformation of *mustahik* into *munfiq* within the urban setting. Although the program positively contributes to the economic capacity of beneficiaries, it still faces constraints regarding the limited reach of funds and the consistency of post-disbursement monitoring. The study recommends the need for program innovations based on the actual needs of business owners, as well as the strengthening of monitoring systems to track MSME progress sustainably and uphold institutional accountability.

Keywords: *Productive Zakat, Mustahik Transformation, Munfiq, MSME, BAZNAS Semarang City*