

FUTURE SERENITY: EMBRACING ZAKAT IN THE FURNITURE INDUSTRY

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ABSTRACT

The furniture industry is at a turning point in its history, where ethical business practices and social responsibility are becoming more and more important. Furniture producers and merchants can fit with consumer values and improve their social effect by adopting zakat, the Islamic concept of charitable giving. The incorporation of zakat into the furniture industry is examined in this essay, with an emphasis on how it could lessen social inequities and promote communal growth. The lives of impoverished families in Jepara can be improved and poverty can be reduced by creating zakat funds and increasing awareness. This study emphasises zakat's function as a catalyst for social justice and economic equity using Islamic qualitative research methods. With its defined routes for zakat donations that guarantee businesses obtain the right tax deductions, the Integrated Zakat Advantage (IZA) framework promotes cooperation between BAZNAS, Mustahiq communities, the Directorate General of Taxation, and business owners. Through this collaboration, BAZNAS is able to provide zakat to local communities in an efficient manner, creating a mutually beneficial relationship that benefits both enterprises and the communities they serve. Businesses can position themselves as leaders in corporate social responsibility and improve customer loyalty and brand reputation by fostering a culture of giving through zakat. This will ultimately help create a society that is more compassionate and just.

Keywords: Zakat, Furniture Industry, Social Responsibility, Economic Equity, Community Development

INTRODUCTION

In Jepara, furniture business owners use a variety of methods to satisfy their zakat duties. Most entrepreneurs decide to send zakat straight to mustahik, or beneficiaries, who live close to the furniture manufacturing facility. This serves as both a religious duty and a kind of reparation for the local community, which might suffer as a result of the furniture industry. Some of the annoyances that residents experience include industrial waste, noise from machinery, and dust pollution from kiln-dried wood ovens. Therefore, zakat is a way for entrepreneurs to show their social responsibility to the environment and to mend fences with the community.

Furthermore, some business owners use mosques to distribute their zakat. The relief centre in Senenan Village, the suar wood and crafts centre in Mulyoharjo, and the dipan (bed frame) and frames centre in Tahunan Village are just a few of the furniture centres spread throughout the villages of Jepara, which is well-known for its varied furniture manufacture. At local mosques, entrepreneurs in these centres frequently gather zakat, which is subsequently dispersed equally among mustahik. This distribution pattern encourages equitable zakat distribution among communities in addition to providing economic benefits to the local community.

Table 1 Small and Medium Industry Data of Industri Furniture in Jepara 2023

No	Type of Business	Com panies	Investment	Labor
1	Wood Equipment	151	213.195.100.000	946
2	Furniture	522	338.659.882.102	3992
3	Design	25	12.556.500.000	161
4	Furniture reparaire and home equipment	108	24.723.000.000	183

Source: <https://jeparakab.bps.go.id/> (2025)

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Table 1 sheds light on the composition of the furniture sector in Jepara, including labour distribution and investment levels per sector. This information highlights the potential influence of zakat in this community by promoting social welfare programs and economic growth, as well as Jepara's significant investment in a variety of furniture-related companies.

Provides insightful information about how zakat, or almsgiving, may be used to foster a healthy and balanced relationship between social responsibility and economic success in Jepara's furniture industry. This paper emphasises the strategic significance of zakat distribution as a two-pronged weapon that acts as a corporate social responsibility (CSR) measure for companies in the furniture sector while also easing the financial burden on the mustahik (zakat beneficiaries).

Furniture companies use zakat to promote goodwill and social cohesion by tackling issues that locals confront, like noise, dust pollution, and waste from furniture production. This is in line with zakat's social welfare role as observed in Indonesia's economic landscape (Jaya et al., 2025). In villages with a focus on furniture, this further demonstrates the communal aspect of zakat distribution through nearby mosques.

Even and equitable distribution to community members is made possible by collective zakat actions in Jepara's furniture hubs, highlighting the important role that zakat plays in establishing socioeconomic equilibrium. The article's assertions are supported by research by (Ashfahany et al., 2023) on the economic growth of Indonesia, Malaysia, and Singapore, which shows a favourable correlation between zakat and economic growth in these nations. This connection highlights zakat as an economic driver under Islamic contexts, which is consistent with research on zakat as an extra growth factor (Ben Jedidia & Guerbouj, 2021).

According to the paper, one of the biggest obstacles facing entrepreneurs is their inability to channel zakat through government agencies like BAZNAS. This hesitation, which results from a desire for direct zakat donations, highlights a larger problem with the public's low level of trust in official zakat organisations (Syaikhu et al., 2022). In order to promote growth, zakat management must aggressively cultivate and uphold public trust according to (Owoyemi, 2020), who emphasises the significance of trust and confidence in zakat administration. Additionally, as a legally recognised non-structural organisation under Indonesian law, BAZNAS is tasked with overseeing and optimising zakat collections (Oktaviana et al., 2024), highlighting the necessity of making calculated changes to boost zakat participation from private organisations like Jepara's furniture sector.

Table 2 Data ZIS at BAZNAS Jepara 2021-20233

No	Year	Zakat	Total ZIS
1	2021	Rp 3.075.482.888	Rp 3.476.998.075
2	2022	Rp 3.868.539.948	Rp 6.331.242.844
3	2023	Rp 5.547.698.562	Rp 9.510.555.264

Source: <https://mobile.baznasjepara.org/> (2025)

Furniture entrepreneurs' zakat donations to BAZNAS Jepara are still comparatively little, despite the furniture industry's crucial importance as Jepara's main economic engine. From about 3 billion IDR in 2021 to over 5.5 billion IDR in 2023, the recorded zakat collection has grown slightly in recent years. The potential of Jepara's furniture sector, a significant source of revenue for the area, is not represented by this level of contribution, though. The furniture industry's social welfare and economic impact could be increased by strengthening zakat distribution through BAZNAS, better serving local communities.

The article's topics on how organised zakat management might lessen poverty and inequality are in line with (Razak, 2020) and (Bouanani & Belhadj, 2020) discussions of

the efficacy of zviation and financial inclusion. The socioeconomic advantages in Jepara's neighbourhoods might be increased if zakat donations from the furniture sector were channelled through organisations like BAZNAS. Zakat donations could more effectively reach underprivileged groups with improved incorporation into official processes, hastening the effects on community stability and welfare.

Furthermore, the article promotes measures to enhance zakat management in order to attract more firms to take part. This is crucial because companies that have recorded their zakat payments may be eligible for tax breaks, which would make the procedure advantageous from a moral and financial standpoint. (Thamrin et al., 2023) emphasise the potential of zakat as a financial regulatory tool that benefits both enterprises and society by stating that structured zakat is essential for Muslims whose income satisfies the nisab (minimum threshold).

In keeping with (Widiastuti et al., 2021) on zakat's function in poverty alleviation and community empowerment, the essay also highlights the importance of zakat as a vehicle for community development. Furniture businesses fulfil their religious duties and support sustainable community welfare, which is central to the Islamic goal of zakat, by focussing on transparent and collaborative zakat practices.

Additionally, as noted byn (Auliyah & Basuki, 2021), Jepara's furniture entrepreneurs have set an example by incorporating zakat into their business operations. They note that moral principles, including corporate social responsibility (CSR) through zakat, improve a business's societal impact. These principles also inspire other sectors to think about how zakat may contribute similarly to reaffirming social and ethical obligations through commercial operations. This strategy upholds the economic justice benefits of zakat and is consistent with Islamic principles of wealth redistribution and communal well-being.

The paper adds to current debates on zakat's function in social capital which (Tlemsani & Matthews, 2021)define as promoting trust, cooperation, and community resilience by highlighting the difficulties and possible solutions facing the furniture sector of zakat distribution. In addition to benefiting the mustahik, integrating zakat into a structured system builds social capital between local communities and enterprises, fostering an atmosphere of respect and collaboration that upholds social and economic well-being.

In light of Jepara's flourishing furniture sector, Future Serenity highlights the significance of zakat frameworks that uplift local communities and foster regional economic development. This methodical approach to zakat might encourage other areas to adopt a similar strategy, fostering a culture of socially conscious, sustainable entrepreneurship that is consistent with the fundamental tenets of Islamic zakat and economic justice.

This essay concludes by promoting discussion on how zakat institutions may help with industry-specific issues and making the case that BAZNAS and associated groups should take a more active part in training and working with business owners to simplify zakat administration. The furniture industry in Jepara can act as a model for other industries looking to use zakat to improve economic inclusion, community welfare, and social responsibility by cultivating a mutually beneficial partnership between zakat institutions and businesses.

METHODS

The study examines the effects of zakat on the furniture industry in Jepara by incorporating Islamic qualitative research methodology. Principles of tasawur (conceptualisation), epistemology, and analytical instruments with Islamic roots serve as the foundation for the qualitative methodology used here. Using grounded theory, discourse analysis, and conversation analysis as crucial methods to capture a wider cultural and ethical context, this methodology enables a nuanced understanding of zakat

practices (Matta, 2022). This study is based on *usul al-fiqh* and uses interpretive techniques like *qawa'id*, *qiyas*, *dilalah*, and *tarjih* to examine how zakat operates in Jepara as an economic and social force (Kamaruddin & Hanapi, 2021).

Qualitative data collection methods, including document studies, focus group discussions (FGDs), and interviews, were conducted to achieve authentic insights (Chauhan & Sehgal, 2022). Given that the study is cross-cultural, involving diverse stakeholders in the furniture industry, ethical and practical challenges arose, particularly in the adaptation to online formats for interviews. Videoconferencing for FGDs presented obstacles, such as connectivity issues and reduced interaction quality, which are critical in preserving the depth of qualitative insights (Khan & MacEachen, 2022). These challenges necessitated flexibility and sensitivity to cultural norms to maintain the authenticity and depth of the research data (Lawrence, 2022).

The study considers the real-world difficulties of incorporating traditional Islamic ideas into modern qualitative research in a particular industry setting through descriptive analysis. The ability to adapt to local conversational patterns made it possible for the study to gather sincere opinions on zakat from community stakeholders and furniture entrepreneurs. This strategy not only shows how Islamic qualitative approaches may be used with contemporary research techniques, but it also emphasises how important zakat is as a tool for social justice and economic equilibrium in the furniture sector in Jepara.

RESULTS

Economic Potential of Zakat in Jepara's Furniture Industry

The rise of important sectors, especially the furniture sector, which forms the foundation of Jepara's economy, has propelled Jepara Regency's economic growth since 2020. The strong demand for premium, handmade wood goods both domestically and abroad is responsible for Jepara's economy's continued growth, even though economic growth slowed somewhat in 2023 (jeparakab.bps.go.id). This essay examines the potential of zakat in the furniture sector of Jepara, emphasising how it may promote socioeconomic welfare and alleviate local poverty. By incorporating zakat into business operations, Jepara might use the money it makes from the furniture sector to fund neighbourhood welfare programs, establishing a positive feedback loop that benefits both the economy and society.

Table 3 Export by commodity Furniture in Jepara Regency, 2023

No	Type of Commo dities	Amount of Exporter	Amount of Destination States	Export Value Rupiah
1	Furnitures	323	95	Rp.4.395.188.301 991,23
2	Wooden Handicrafts	124	63	Rp. 82.521.357.983,56
3	Processed Wood and Other Wood Products	11	22	Rp. 151.775.350 851,63
4	Non-wood Furniture	48	42	Rp. 87.916.599.742,60
5	Furniture Accessories	2	2	Rp. 3.269.372.463,68

Source: <https://jeparakab.bps.go.id/> (2025)

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Export values from Jepara's furniture sector reached over IDR 4.39 trillion in 2023, a 56.05% rise from the year before, demonstrating the industry's substantial potential for zakat. This significant increase highlights the potential for zakat donations from this industry to promote social welfare and shows how valuable Jepara's exports are. The industry might produce significant funds that could help the local community by tackling issues like poverty and education if even a tiny portion of this financial activity were redirected towards zakat (jeparakab.bps.go.id).

To direct contributions into organised social projects, zakat from the furniture sector could potentially forge meaningful alliances between BAZNAS (National Zakat Agency) and industry participants. A more structured and efficient zakat distribution could result from BAZNAS strengthening its partnerships and supporting regional healthcare and economic empowerment programs. For instance, encouraging more companies to formally contribute zakat through BAZNAS could streamline industry donations and assist the community and businesses by promoting a socially conscious atmosphere.

However, there are still issues with zakat regulations being fully implemented. Inefficiencies in the disbursement of zakat persist despite current legislation. Research shows that the zakat regulatory structure has not been well implemented, and efforts to distribute zakat have not resulted in notable improvements in local welfare or efficiency (Yusup et al., 2021). This inefficiency shows how zakat administration organisations' processes need to be improved in order to guarantee efficient distribution.

Additionally, there are potential and challenges associated with digital zakat. Potential zakat recipients in rural locations are impacted by the unequal internet availability throughout Indonesia, which is impeding the growth of digital zakat acceptance. Building solid ties between zakat recipients, donors, and organisations like BAZNAS is essential to efforts to boost digital zakat collections. In order to reassure zakat donors and maximise zakat collection through contemporary channels, this relationship should be reinforced by implementing sharia-compliant principles in digital zakat administration (Utami et al., 2020).

To increase public trust in zakat institutions, research indicates that better education and understanding of zakat practices are necessary in addition to improving digital accessibility (Hikam et al., 2025). Higher zakat contributions through digital channels may result from improving the quality of the online zakat system, raising social media visibility, and highlighting the advantages of digital zakat ((Kasri & Sosianti, 2023). Education programs could encourage more firms to distribute their zakat through official institutions by educating them about the tax deductions linked to formal zakat donations.

According to research, including zakat into business plans can help achieve the Sustainable Development Goals (SDGs), especially if zakat distribution is in line with reducing poverty and promoting welfare. However, improved zakat collection techniques and effective management strategies are necessary to meet these goals (Haji-Othman et al., 2021). Zakat may develop into a potent instrument for addressing community needs, promoting economic resilience, and lowering social inequities when used in conjunction with a corporate social responsibility (CSR) framework.

In Islamic cultures around the world, zakat and charitable trusts have shown promise for economic support, especially when tax breaks are given to individuals who satisfy their zakat requirements. This strategy acts as a financial tool to encourage wealth transfer in addition to encouraging adherence to religious obligations (Nayak & Hegde, 2023). Adopting such tactics in Jepara could significantly improve local welfare while upholding Islamic values.

Another important element in raising zakat donations is the incorporation of sharia principles with digital zakat solutions. Following sharia law increases donor engagement

and trust, which attracts muzzaki (zakat payers) to digital zakat platforms. Based on sharia law, digital zakat marketing may be crucial in increasing participation rates and using technology to make zakat contributions more efficient (Hadi et al., 2021).

Zakat is a potent economic tool that, when properly administered, can advance societal welfare in addition to fulfilling religious duties. Zakat can alleviate economic inequality, promote social cohesion, and support general economic growth by being in line with the maqasid al-shari'ah (the goals of sharia). Zakat's power to change societies and guarantee long-term welfare is highlighted by this paradigm shift from its purely religious to socioeconomic benefits (Fakhrudin et al., 2024).

More zakat incorporation into business plans is desperately needed in Jepara. For example, a reputable furniture manufacturer has adopted the "Maqasid Sharia" philosophy and promised to "spread happiness" by making zakat payments of around IDR 2 billion a year. However, only a small portion of these contributions have been made through BAZNAS; the majority have been informal. The company redirected IDR 100 million in zakat through UNISNU Jepara's Unit Pengumpul Zakat (UPZ) for student scholarships and another IDR 100 million through LAZISNU Batealit for religious teachers after learning about the tax advantages of official zakat channels. This shows how formal zakat management can maximise social impact.

An "Integrated Zakat Advantage" (IZA) framework could completely realise the potential of zakat in Jepara's furniture industry. To optimise benefits, the IZA model entails a tripartite cooperation between zakat organisations, businesses, and the government. Zakat would become a strategic component of corporate responsibility as a result of this partnership, which would benefit the community at large and strengthen government initiatives to combat poverty. Companies who contribute to zakat, for example, may be eligible for tax benefits as well as government recognition in the form of certificates or other incentives.

The IZA model functions as a CSR strategy for businesses, especially when it comes to distributing zakat to local communities. This philosophy, which is referred to locally as "Pagar Mangkok," places a great emphasis on fostering goodwill and mutual protection by strengthening links with communities through zakat payments. Local communities frequently offer prompt assistance during emergencies or natural disasters, improving a company's security and reputation. Additionally, this strategy is financially advantageous for companies due to government tax benefits for official zakat contributions.

The IZA framework has advantages for the government as well. Supporting vulnerable populations is the state's responsibility under Indonesian law. The government can more successfully reduce poverty by encouraging zakat partnerships with businesses, especially if zakat donations are allocated to certain welfare initiatives. This model is further supported by the fiscal relief provided to zakat-paying businesses, as described in PER-06/PJ/2011, which provides a recognised and organised method of making zakat contributions.

Businesses' increased zakat participation greatly benefits BAZNAS, the statutory organisation responsible for collecting zakat. BAZNAS can collaborate with companies to meet local needs, like health and education services for communities around manufacturing locations, by developing targeted zakat initiatives. This strategy is in line with BAZNAS's goals to increase zakat distribution to reduce poverty, strengthen ties between donors and beneficiaries, and promote cooperation for national zakat projects.

In the end, the mustahiq (zakat recipients) are the main recipients of zakat donations. Through official institutions, zakat funds can be strategically distributed to give people especially the unemployed and poor skills and chances to improve their socioeconomic circumstances. Furniture companies can make a difference by hiring locals, including

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members of marginalised communities, or giving them access to resources like reasonably priced wood scraps for handicrafts. This strategy promotes a long-term business model that not only lessens poverty but also increases financial autonomy.

The furniture industry in Jepara might make a substantial contribution to local welfare by adopting the IZA framework, which reflects the Islamic idea of happiness for all. Because companies actively support the well-being of the communities in which they operate, this all-encompassing strategy fosters a sense of success for all. Business owners establish a sustainable zakat model that benefits all parties involved when they see the joy and security that come from helping their neighbours. The furniture sector in Jepara might be a shining example of Islamic economic resiliency through cooperative zakat initiatives, promoting regional social cohesion and economic prosperity.

Framework for Harmonizing Zakat and Tax Collection Mechanisms

Zakah, or Islamic tax, occupies a crucial position in Islam as one of the main tools for reducing poverty within Muslim societies. Zakat seeks to support the less fortunate by requiring the donation of a percentage of one's wealth, encouraging a sense of solidarity and collective responsibility (Bin-Nashwan & Al-Daihani, 2020). Adopting zakat can improve the social impact of firms in the furniture sector, which frequently depends on the neighbourhood for both labour and customers. Furniture companies can fulfil their religious duties and play a significant part in improving their communities by incorporating zakat into their business plans.

The significance of organised zakat administration is highlighted by the President of Indonesia's creation of BAZNAS (Badan Amil Zakat Nasional) as a legally recognised organisation. BAZNAS is a key participant in the zakat ecosystem since it has the authority to supervise the gathering, allocation, and growth of zakat assets. Notably, companies who make BAZNAS contributions can lower their taxable income, which directly encourages them to pay zakat. Additionally, BAZNAS has the power to suggest and oversee Local Zakat Management Organisations (LAZ), making sure they run efficiently and openly. By reporting the results of these assessments to BAZNAS, the zakat system is made more accountable and trustworthy (Yahya, 2020).

Religion has a significant impact on how people feel about zakat and paying taxes. Many Muslims consider zakat to be both a moral and a religious duty, which might influence their willingness to pay taxes to differing degrees. However, as many taxpayers are still ignorant of the advantages of utilising zakat to offset tax burdens, the difficulties of incorporating zakat into the tax system may cause misunderstanding. This ignorance emphasises the necessity of teaching programs that make clear how zakat can complement tax duties, thereby encouraging greater compliance rates among Muslim business owners and entrepreneurs (Thamrin et al., 2023).

Both tax authorities and zakat organisations must increase the body of knowledge regarding the relationship between zakat and taxation. Scholars can contribute significant insights towards enhancing zakat collecting and distribution tactics by presenting factual data on the actions of Muslim taxpayers. Authorities can create laws that encourage more enterprises to participate in zakat by understanding taxpayer preferences and behaviours, which will increase the impact of zakat on community welfare (Muhammad & Nor, 2021). Additionally, research shows that people's decisions to pay zakat are strongly influenced by their level of satisfaction with zakat organisations. Taxpayers are more inclined to make significant contributions if they have faith in the effectiveness and openness of zakat organisations.

The tendency for many people to ignore the entire spectrum of zakat requirements at their disposal is reflected in the emphasis on income zakat as opposed to maal (wealth) zakat. The mechanisms governing zakat collection, such as monthly rebate schemes, frequently have an impact on this phenomena and may restrict the knowledge and

application of wealth zakat. Resolving these information gaps is essential to promoting a more comprehensive view of zakat, which may improve its ability to fund a range of community projects, including those in the furniture sector (Siswantoro et al., 2022). Businesses are better able to support community development when they raise knowledge of all zakat categories.

Instead of being seen as a stand-alone duty, zakat should be seen as an essential part of fiscal policy in the modern world, enhancing conventional taxation methods. Scholars and decision-makers who support incorporating zakat into national economic strategy are increasingly endorsing this viewpoint (Ashfahany et al., 2023). Stakeholders should capitalise on zakat's capacity to alleviate economic disparities and promote social welfare programs by acknowledging it as a valid fiscal tool. Industries like furniture manufacture, where zakat payments directly help local communities, might especially benefit from this all encompassing strategy.

It is clear that Islamic fiscal policies, like zakat, offer special benefits in tackling social issues and unemployment when contrasted with traditional tax-based strategies. According to research, traditional fiscal policies especially those that just concentrate on tax-funded education subsidies—frequently fall short of producing appreciable drops in unemployment rates. On the other hand, by promoting entrepreneurship and community investment, an Islamic fiscal model that includes zakat can successfully reduce unemployment (Raies, 2020). This model emphasises how policymakers' perceptions of zakat's potential to accomplish more general economic goals need to change.

There is increasing support for acknowledging zakat as a monetary policy tool that can supplement conventional financial instruments like interest rates, rather than just as a fiscal substitute for taxes (Shaukat & Zhu, 2021). This creative framing encourages companies to view zakat as a strategic instrument that can improve their CSR efforts and have a positive financial impact, rather than only as a religious requirement. This implies that furniture companies can carefully incorporate zakat contributions into their entire financial planning, which will help the community as well as the business.

Businesses and the government can benefit much from the combination of zakat and taxation. The wellbeing of the populace is the government's main objective, and zakat is a potent tool for achieving this. Poor people, referred to as *mustahiq*, can get quick aid through zakat, which lessens their financial responsibilities. Furniture companies who actively engage in zakat show their dedication to social responsibility by supporting this admirable cause. These businesses improve their image and cultivate goodwill among stakeholders by using zakat to benefit their local communities and employees financially.

It is crucial to acknowledge the admirable endeavours of businesspeople who are dedicated to zakat. In addition to providing tax breaks, the government and zakat authorities ought to encourage and mentor these companies, urging them to contribute more to the betterment of impoverished areas. This cooperative strategy might result in a win-win scenario where companies prosper and society benefits at the same time. With such assistance, more companies in the furniture sector may decide to include zakat into their daily operations, fostering a giving culture throughout the industry.

A strong interaction between business owners, BAZNAS, the Directorate General of Taxation, and the *Mustahiq* communities can be facilitated by the idea of the Integrated Zakat Advantage (IZA). In order to guarantee that businesses obtain the proper tax deductions, this framework attempts to provide clear channels for them to channel their zakat donations through BAZNAS. In order to increase the social impact of the donations, BAZNAS should be willing to take zakat from furniture entrepreneurs and make sure that the money is used in the local communities. A win-win relationship that benefits the businesses and the communities they serve can be developed by designating these donations as joint ventures between BAZNAS and businesses.

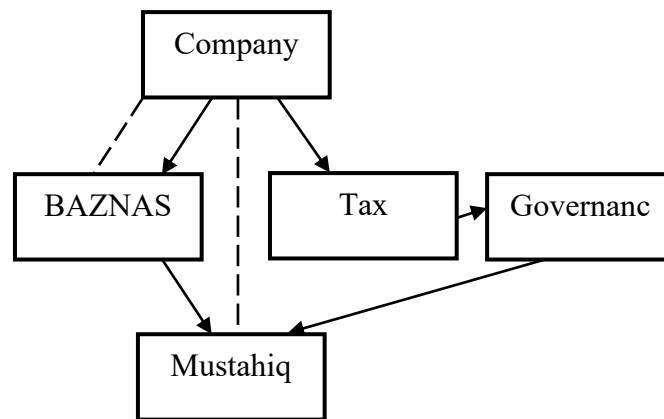


Figure 1. Integrated Zakat Advantage (IZA) Framework
 Source: Processed Data (2025)

Businesses that support Mustahiq people should be acknowledged and valued for their efforts, as the government plays a vital role in helping impoverished areas. By bringing enterprises, zakat authorities, and the government together around a shared objective of national development, the IZA framework offers a chance for shared prosperity and collective welfare. The furniture business may greatly improve the socioeconomic well-being of the community and pave the path for a better future marked by cooperation and shared success by creating an atmosphere where zakat is seen as a strategic asset.

Impact of Zakat on Social Welfare and Community Development

Zakat has a great deal of potential to support community welfare programs, particularly when considering Jepara's furniture sector. Communities can have access to a range of initiatives aimed at reducing poverty, promoting education, and providing healthcare by efficiently allocating the zakat money received from this industry. This transfer is a prime example of the social return on investment that zakat can offer, highlighting its vital role in promoting economic stability and communal resilience. Such programs support those in need while also encouraging a feeling of group accountability, which is consistent with Islamic values of social justice and charity.

It is clear from analysing the effects of zakat that a more thorough comprehension of its social, spiritual, and economic ramifications is essential. Given that Western discourses frequently ignore the comprehensive aspect of zakat, this is especially crucial (Tlemsani & Matthews, 2021). Because it promotes a generous and socially responsible attitude, including zakat into community development plans can result in better results. Stakeholders can have a greater understanding of zakat's capacity to promote sustainable development in their communities by emphasising its many advantages.

Furthermore, the social capital of zakat leaders has a direct impact on how successful zakat institutions are. Studies show that the performance of zakat institutions, especially in smaller organisations, is positively correlated with the social capital of the CEO (Syakir et al., 2021). This implies that effective leadership and community involvement can improve zakat initiatives' operational performance. However, in larger zakat institutions, the advantages of social capital can be lessened, highlighting the necessity of customised strategies to optimise zakat's influence in diverse organisational settings.

It is impossible to overstate the importance of social media in zakat and other nonprofit fundraising efforts. Important empirical insights into how social media use can improve NGOs' fundraising effectiveness are provided by recent studies (Bhati & McDonnell, 2020). Zakat organisations can engage new contributors, attract a larger audience, and

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promote a sense of communal togetherness by utilising social media platforms. This contemporary approach to fundraising is in line with how social involvement is changing and how digital tactics are increasingly being used to augment old techniques.

Unlike mechanical solidarity, which dominated earlier social systems, social solidarity in modern society is increasingly defined by organic links. This change is best illustrated by crowdfunding platforms, which promote a more flexible and responsive kind of social solidarity in response to local needs (Sidiq et al., 2021). The ramifications for zakat are significant since these platforms can let people work together to solve urgent social problems, which will increase the overall effect of charitable projects both inside and beyond the furniture sector.

Zakat has both social and economic components, and its incorporation into Islamic banks' operations emphasises how crucial social components are to improving financial success (Ali et al., 2023). There are potential and challenges associated with the changing understanding of Islamic charity, which is increasingly seen through the prism of economic benefit rather than only social welfare (Kailani & Slama, 2020). By striking a balance between these viewpoints, zakat can develop into an essential instrument for promoting both charity endeavours and long-term, steady economic growth in local communities.

Through their dedication to social responsibility, several furniture entrepreneurs in Jepara serve as excellent examples of the spirit of zakat. The Indonesian Furniture and Craft Association (HIMKI) Jepara coordinated the distribution of potable water to those in need during the extreme drought in 2023. Additionally, by assisting in the founding of organisations like Universitas Nahdlatul Ulama (UNISNU) and Islamic schools like Madrasah Masalikil Huda IV, prosperous businesspeople have significantly improved educational prospects. Through empowering communities and encouraging a culture of generosity and support among local business leaders, these initiatives demonstrate how zakat may act as a catalyst for positive change.

Additionally, businesspeople like Tresno and Kusmin have supported healthcare programs by supplying ambulances to nearby mosques, guaranteeing their communities' access to healthcare services. Such activities demonstrate the diversity of zakat and its ability to meet a range of communal needs, including those related to healthcare and education. By these efforts, furniture entrepreneurs show the significant influence that zakat may have on society by actively participating in Jepara's overall growth as well as the wellbeing of impoverished people. In the end, adopting zakat in the furniture sector can result in a more promising future marked by economic stability, social cohesion, and a dedication to the common good.

CONCLUSION

Zakat's incorporation into Jepara's flourishing furniture sector offers a special chance to improve socioeconomic wellbeing and fight poverty in the area. Zakat contributions have the potential to significantly impact community development, as seen by the sector's excellent export values and strong growth. Furniture firms can create strategic alliances with zakat organisations and government agencies by using the Integrated Zakat Advantage (IZA) framework, which guarantees that zakat revenues are efficiently directed towards worthwhile social projects. In addition to encouraging corporate social responsibility, this cooperative strategy supports Islamic values of social justice and community service.

Additionally, resolving current issues with zakat administration and educating people about the advantages of official zakat contributions can increase stakeholder engagement and trust. In the end, the furniture sector in Jepara can act as a prototype for

sustainable economic growth by strategically implementing zakat, creating a more wealthy and equitable society for all of its citizens.

RECOMMENDATIONS

By adopting zakat, the Islamic custom of charitable giving, the furniture sector has a huge chance to improve its sustainability and sense of social responsibility. Furniture makers and sellers can support community development projects, reduce poverty, and promote social welfare by incorporating zakat into their business plans. In addition to being in line with moral corporate conduct, this strategy improves brand recognition and client loyalty among Muslim customers, who respect companies that take an active role in social impact. As the sector develops, giving zakat first priority can result in a more just economy and cultivate a giving culture that goes beyond financial gain. The recommendation are:

Create a Zakat Fund: To ensure accountability and transparency, furniture companies should set up a specific zakat fund to receive and disburse zakat donations. Community projects like constructing homes for the poor or giving furniture to impoverished households can be funded using this grant.

Encourage Zakat Awareness: Run initiatives to educate the public and business community about the value of zakat. Workshops, collaborations with Islamic organisations, and educational materials that emphasise the benefits of zakat for the wellbeing of the community could all fall under this category.

Include Zakat in Business Strategy: As part of the corporate social responsibility (CSR) framework, create a well-defined zakat strategy. In order to strengthen the company's commitment to social responsibility, this strategy should specify how the business plans to compute zakat, distribute cash, and assess the effects of zakat donations on the community.

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