

HUMAN CAPITAL DEVELOPMENT IN PRODUCTIVE ZAKAT PROGRAMME: A CONCEPTUAL FRAMEWORK FOR SUSTAINABLE ASNAF ENTREPRENEURSHIP

Maimunah Johari¹
Maymunah Ismail^{2*}

¹ Faculty of Business Management (FPP), UiTM Melaka Branch, Alor Gajah 78000, Melaka, Malaysia,
(E-mail: maimunahjohari@uitm.edu.my)

^{2*} Faculty of Business Management (FPP), UiTM Melaka Branch, Alor Gajah 78000, Melaka, Malaysia,
(E-mail: maymu791@uitm.edu.my)

*Corresponding author: maymu791@uitm.edu.my

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Abstract: *This conceptual study examines human capital development as a critical mechanism for improving the effectiveness of productive zakat programmes and supporting the transformation of Asnaf recipients into sustainable micro-entrepreneurs. The study synthesises literature on productive zakat, Asnaf entrepreneurship, Human Capital Theory and Maqasid al-Shariah to develop an integrated framework. The analysis indicates that capital assistance alone is insufficient without entrepreneurship training, continuous mentoring, digital and financial literacy, monitoring, and ecosystem support. The proposed framework positions human capital development as a mediating mechanism linking productive zakat support to entrepreneurial capability, business sustainability and economic empowerment. The study contributes to the Sustainable Development Goals, particularly SDG 1 (No Poverty), SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth). Its practical implications emphasise needs assessment, staged training, mentor matching, performance monitoring and standardised impact indicators for zakat institutions.*

Keywords: *Asnaf Entrepreneurship, Economic Empowerment, Human Capital Development, Productive Zakat, Sustainable Development Goals*

Introduction

Zakat is an obligatory Islamic social finance instrument that supports wealth redistribution, poverty alleviation and socio-economic inclusion (Meerangani, 2019a, 2019b; Mohamed Esa et al., 2025). Contemporary productive zakat initiatives extend beyond short-term consumption assistance by providing eligible Asnaf with business capital, equipment, entrepreneurial training, mentoring and institutional support intended to develop sustainable income-generating capacity (Din et al., 2019; Nurhasanah et al., 2023; Sarif et al., 2024). For the purposes of this study, a micro-entrepreneur refers to an individual who owns and manages a very small business, typically with limited capital, few or no employees and considerable dependence on the owner's knowledge, skills and daily participation. For Asnaf recipients, micro-entrepreneurship provides a potential pathway from income vulnerability towards self-employment, household resilience and eventual independence from recurring assistance (Din et al., 2019; Mohamed Esa et al., 2025). Nevertheless, entrepreneurship should not automatically be assumed to alleviate poverty without appropriate entrepreneurial capabilities and supportive institutional conditions (Bruton et al., 2013; Shiyuti et al., 2023). Financial assistance alone may not generate sustainable outcomes when recipients lack business planning, record-keeping, marketing, financial literacy and adaptive capabilities (McKenzie & Woodruff, 2017; Meerangani, 2019a, 2019b; Sarif et al., 2024).

Evidence from Malaysia, Indonesia and Brunei shows that productive zakat programmes commonly combine capital assistance with training, equipment, community development and monitoring, although programme intensity and outcomes differ across institutions (Ayuniyyah et al., 2017; Din et al., 2019; Mohamed Esa et al., 2025; Nurhasanah et al., 2023). In Muslim-minority settings, zakat-based empowerment also operates within broader charitable and employability systems, making institutional coordination, regulatory compliance and partnership support especially important. Across these contexts, the central lesson is that productive zakat becomes more sustainable when financial inputs are complemented by structured capability development rather than treated as a one-off transfer.

Despite the growing emphasis on entrepreneurship, many Asnaf ventures remain vulnerable to weak market access, limited managerial experience, low digital readiness, inadequate monitoring and continued dependence on institutional support (Ismail et al., 2021, 2023; Mahmood et al., 2021; Shiyuti et al., 2023). Productive zakat programme performance also varies across social, economic and institutional settings, suggesting that similar forms of capital assistance may generate different outcomes depending on beneficiary readiness, programme design, mentoring quality and the continuity of institutional support (Mohamed Esa et al., 2025; Nurhasanah et al., 2023; Sarif et al., 2024). Although existing studies have extensively examined financial assistance, programme implementation and Asnaf-development outcomes, comparatively less attention has been given to the specific mechanism through which human-capital development transforms productive-zakat resources into sustainable entrepreneurial capability (Marvel et al., 2016; Mohamed Esa et al., 2025; Unger et al., 2011). This study addresses that gap by positioning human-capital development including entrepreneurship education, technical skills, financial and digital literacy, mentoring and experiential learning as the central mechanism connecting productive-zakat support with business continuity and sustainable economic empowerment.

Accordingly, this paper treats human-capital development as the mechanism through which productive-zakat resources are converted into sustainable entrepreneurial capability (Mohamed Esa et al., 2025; Sarif et al., 2024). It includes entrepreneurship education, technical and

vocational skills, financial and digital literacy, confidence, problem-solving, mentoring and experiential learning (Bahri et al., 2022; Shiyuti & Zainol, 2023). These capabilities enable Asnaf entrepreneurs to identify business opportunities and manage their resources more effectively (Bahri et al., 2022; Shiyuti & Zainol, 2023). Digital literacy and e-commerce knowledge further strengthen their ability to adopt digital practices, reach wider markets and respond to changing customer behaviour (Abu Hassan et al., 2021, 2022; Ismail et al., 2023). Productive-zakat assistance is therefore more likely to support business continuity when it is matched with the readiness and capability of Asnaf entrepreneurs (Mohamed Esa et al., 2025; Shiyuti et al., 2023). Human Capital Theory explains the productive value of investing in these capabilities, while Maqasid al-Shariah provides the ethical basis for protecting livelihood, dignity and self-reliance (Khalil & Saniff, 2023; Mahmood et al., 2021; Sarif et al., 2024).

Building on these arguments, the study aims to develop an integrated framework linking productive-zakat support, human-capital development and Islamic entrepreneurship ecosystem support with sustainable economic empowerment. The framework identifies the main programme mechanisms, expected outcomes and practical indicators that zakat institutions can use to improve programme design and evaluation. It also connects productive-zakat programmes with SDG 1 through poverty reduction, SDG 4 through skills and lifelong learning, and SDG 8 through entrepreneurship, productive employment and inclusive economic growth (United Nations, 2015).

Literature Review

The current study examines how productive zakat combines capital assistance with entrepreneurial support to facilitate the movement of Asnaf from recurring aid towards self-reliance and, where feasible, contributor status. This approach moves beyond direct subsistence by allocating resources to income-generating activities and capability development (Din et al., 2019; Mohamed Esa et al., 2025; Sarif et al., 2024). The proposed framework consequently treats resilient entrepreneurship as the product of both resources and sustained capability support rather than assuming that a one-off transfer is sufficient.

Zakat And Poverty Alleviation

Zakat is an obligatory form of almsgiving that redistributes wealth and supports eligible groups facing economic hardship (Meerangani, 2019a, 2019b). Its poverty-alleviation function is directly relevant to SDG 1, while productive zakat programmes may also contribute to SDG 4 by expanding access to entrepreneurship and vocational learning and to SDG 8 by promoting productive employment, enterprise creation and inclusive growth (United Nations, 2015). Unlike purely consumptive assistance, productive zakat seeks to build an income-generating asset or capability that can be sustained beyond the initial intervention (Sarif et al., 2024). This orientation is also consistent with Maqasid al-Shariah because it protects basic welfare, dignity and livelihood while enabling recipients to participate productively in society.

Productive Zakat Programs

Productive zakat programmes distribute zakat in forms intended to generate continuing income, including start-up capital, equipment, inventory, revolving funds, vocational training, business coaching and market support. At the global and regional levels, studies from Indonesia and Brunei highlight the use of community-based enterprise support, financial inclusion and structured empowerment, whereas Malaysian programmes commonly include business capital, equipment, training and monitoring through state zakat institutions (Abai et al., 2023; Ayuniyyah et al., 2017; Din et al., 2019; Mohamed Esa et al., 2025; Nurhasanah et al., 2023).

The evidence indicates that productive zakat is not a single uniform model; it is a portfolio of interventions whose effectiveness depends on beneficiary selection, programme sequencing, institutional capability and follow-up support.

A key practice in achieving this goal involves managing collected zakat assets to address both immediate consumptive needs and to serve as productive investments, such as business capital. For instance, in Indonesia, programs like "Rumah Makmur BAZNAS" provide capital access and promote Islamic economics to foster economic well-being and eventual self-reliance among zakat beneficiaries (Ayuniyyah et al., 2017). Mentorship and ongoing support are integral components, ensuring that these Asnaf overcome the initial challenges and achieve sustained growth (Nurhasanah et al., 2023).

Productive or revolving business capital is more likely to support sustainable economic empowerment when it is coupled with sound programme management, strategic partnerships, entrepreneurial training, skills development and continuing guidance (Din et al., 2019; Mohamed Esa et al., 2025; Sarif et al., 2024).

Human Capital Theory

Human Capital Theory conceptualises education, training, knowledge, skills and experience as productive assets developed through deliberate investment. Schultz (1961) established that acquired knowledge and skills constitute a form of capital, while Becker (1964) explained how investments in education and on-the-job training can enhance individual productivity and economic returns. Although these foundational contributions remain theoretically important, more recent entrepreneurship research shows that the value of human capital depends on its relevance to the tasks, business environment and challenges faced by entrepreneurs (Marvel et al., 2016; Unger et al., 2011). Applied to productive zakat, the theory suggests that financial and material assistance is more likely to generate sustainable outcomes when recipients possess the competencies required to use those resources effectively (Bahri et al., 2022; Mohamed Esa et al., 2025; Sarif et al., 2024).

The entrepreneurship literature supports this capability-based interpretation. A meta-analysis of 70 independent samples found a positive, although modest, relationship between human capital and entrepreneurial success. It also demonstrated that task-related knowledge and skills were more strongly associated with entrepreneurial success than general education or experience alone (Unger et al., 2011). A subsequent critical review of 109 entrepreneurship studies similarly demonstrated that human capital is multidimensional and that its value depends on the correspondence between specific knowledge, skills and experience and the entrepreneur's tasks and operating context (Marvel et al., 2016). These findings justify an emphasis on targeted and context-specific capability development rather than relying solely on participation in general entrepreneurship training (Bahri et al., 2022; Shiyuti & Zainol, 2023).

Within the Asnaf entrepreneurship context, relevant human capital encompasses business planning, costing, bookkeeping, marketing, digital and financial literacy, customer management, problem-solving and opportunity recognition (Ismail et al., 2021, 2023; Shiyuti et al., 2023). Mentoring and experiential learning complement formal training by helping recipients translate acquired knowledge into actual business decisions and operational practices (Nurhasanah et al., 2023; Shiyuti & Zainol, 2023). Human-capital development therefore operates as a mediating mechanism in the proposed framework: productive zakat provides financial and material resources, capability development strengthens recipients' ability to

deploy those resources productively, and improved entrepreneurial capability supports business continuity, income stability and economic empowerment (Becker, 1964; Marvel et al., 2016; Mohamed Esa et al., 2025; Unger et al., 2011).

This interpretation is consistent with Islamic social-finance research emphasising that zakat should develop sustainable income-generating capabilities rather than provide only temporary relief (Meerangani, 2019b; Mohamed Esa et al., 2025; Sarif et al., 2024). Evidence from education-based assistance, zakat-supported microfinance and productive-zakat programmes further indicates that vocational learning, mentoring and continuing institutional guidance can strengthen entrepreneurial capability and recipients' progression towards self-reliance (Nurhasanah et al., 2023; Nurhayati et al., 2020; Shiyuti & Zainol, 2023). Accordingly, human-capital development should be delivered progressively, tailored to specific entrepreneurial tasks and aligned with each recipient's business sector, stage of development, readiness and identified capability gaps (Mohamed Esa et al., 2025; Shiyuti et al., 2023).

Micro-Entrepreneurship and Sustainability

Micro-entrepreneurship refers to owner-managed business activity conducted on a small scale with limited capital, labour and market reach. In the Asnaf context, it commonly encompasses food production, retail, personal services, agriculture, home-based enterprises and digitally enabled microbusinesses. Sustainability is achieved when an enterprise can maintain operations, generate reasonably stable income, adapt to market changes and progressively reduce dependence on recurring zakat assistance. It therefore extends beyond short-term business survival to include household welfare, financial discipline, resilience, capability development and, where feasible, progression from zakat recipient to zakat contributor (Mohamed Esa et al., 2025; Sarif et al., 2024).

Sarif et al. (2024) clarify that productive zakat for sustainable income may take the form of capital grants, equipment, financing arrangements and appropriate training. Their analysis is important because it establishes the permissibility and developmental rationale of income-generating distribution, but it does not imply that capital automatically produces a sustainable enterprise. The evidence instead supports a sequenced intervention in which resources are combined with training and continuing assistance. Mohamed Esa et al. (2025), based on a systematic review of 44 studies, similarly report mixed outcomes across productive-zakat programmes and emphasise the need to connect programme inputs and implementation processes with measurable economic, educational and behavioural outcomes.

Recent Malaysian evidence further supports the distinction between financial inputs and capability-building processes. Abai et al. (2023) found that business-capital assistance across Malaysian zakat institutions was delivered principally through financial and equipment support. Focusing specifically on Majlis Agama Islam Melaka (MAIM), Abai and Awang (2021) identified training and gradual monitoring as necessary strategies for improving the effectiveness of business-capital assistance. Together, these studies reinforce the sequencing proposed in this paper: capital and equipment initiate the intervention, but structured capability development and continuing institutional follow-up are required to translate assistance into sustainable entrepreneurial performance.

Din et al. (2019) extend this argument through the turning-over model, in which an Asnaf entrepreneur is expected to progress from receiving business assistance to operating a viable enterprise and, ultimately, contributing business zakat. This transition requires accountable use

of assistance and sustained business performance, not merely programme participation. Shiyuti and Zainol (2023) further show that education-based non-cash support can develop specialised capability, entrepreneurial spirit, integrity and practical experience. Their case evidence suggests that learning through actual business activity, coaching and mentoring can be more valuable than generic short-term training. Shiyuti et al. (2023) nevertheless caution that gaps in experience, confidence, products and market positioning continue to prevent some Asnaf entrepreneurs from succeeding.

The Malaysian institutional experience illustrates how these mechanisms can be operationalised. Ismail et al. (2021) report that Lembaga Zakat Selangor (LZS) organised its economic-development assistance through entrepreneurship and group-based economic programmes. The reported support included initial or additional capital, business equipment, pre-capital and entrepreneurship courses, skills and financial-management training, continuous monitoring and collaboration with external agencies. LZS also used entrepreneur-group arrangements to support product promotion, branding, information exchange and the collective interests of participants. Earlier empirical evidence developed with the Selangor Zakat Board found that its mobile-business programme could generate visible entrepreneurial progress within a relatively short period and that compulsory savings and external advisory support contributed to programme effectiveness (Hassan & Noor, 2015).

Lembaga Zakat Negeri Kedah (LZKN) provides another relevant institutional illustration through its Jayadiri assistance programme. Ismail et al. (2021) identify LZKN as part of Malaysia's state-based approach to Asnaf economic development, in which productive assistance is intended to facilitate movement from income vulnerability towards business participation and greater self-reliance. More specifically, Abu Hassan et al. (2021, 2022) examine the Jayadiri Scheme as the institutional setting for expanding the e-marketing of Asnaf products and services. They propose a dedicated e-commerce platform that would operate as a one-stop marketplace, enabling customers to locate and purchase Asnaf products while widening recipients' market access beyond conventional sales channels. This evidence shows that LZKN's productive support is not limited to capital and equipment; its sustainability can be strengthened through digital-market infrastructure and the recipient's ability to use that infrastructure effectively. Consistent with this interpretation, Ismail et al. (2023) emphasise digital-marketing knowledge, appropriate training, suitable digital equipment and e-commerce participation as important elements in strengthening Asnaf entrepreneurship. Productive assistance must therefore develop recipients' ability to promote products, conduct online transactions, communicate with customers and manage digitally enabled business activities (Abu Hassan et al., 2021, 2022; Ismail et al., 2023; Nambisan, 2017).

Broader digital-marketing research reinforces this institutional argument. Digital marketing now incorporates strategic planning, mobile applications, social media and customer-oriented communication, requiring entrepreneurs to develop capabilities that extend beyond access to technology alone (Faruk et al., 2021). Evidence from small firms shows that social-media competence develops through complementary information-technology infrastructure, marketing management and innovation-management capabilities (Braojos-Gomez et al., 2015). Strategic implementation is also important: customer-engagement initiatives, social-media analytics and a clearly formulated strategy contribute more meaningfully to marketing performance than maintaining an online presence without direction (Tafesse & Wien, 2018). Social-media marketing can enhance perceived value and customer satisfaction (Chen & Lin, 2019), while empirical evidence associates digital-media activity with stronger sales

performance among start-ups (Hawaldar et al., 2022). For Asnaf entrepreneurs, these findings indicate that LZS and LZNK support should combine digital access with task-specific training in content planning, customer engagement, platform management and performance monitoring.

Taken together, the LZS and LZNK experiences show that state zakat institutions perform several interconnected functions in Asnaf entrepreneurship development. LZS illustrates a structured combination of capital assistance, entrepreneurship education, financial-management training, group support, institutional collaboration and continuing monitoring. The LZNK experience highlights the importance of extending productive assistance towards digital-marketing capability, e-commerce participation and wider market access (Ismail et al., 2021, 2023). These institutional practices support the proposed framework by demonstrating that productive-zakat resources constitute only the initial input. Human-capital development and entrepreneurship-ecosystem support are subsequently required to convert those resources into entrepreneurial capability, business continuity and sustainable economic empowerment. This interpretation is consistent with entrepreneurial-ecosystem research, which treats enterprise outcomes as the product of interdependent actors, resources and institutional conditions rather than the entrepreneur alone (Stam & van de Ven, 2021).

Conceptual Framework

The revised conceptual framework comprises four interconnected stages grounded in Human Capital Theory, Maqasid al-Shariah and systems-oriented entrepreneurship research (Becker, 1964; Khalil & Saniff, 2023; Stam & van de Ven, 2021; Unger et al., 2011). The first stage consists of productive-zakat inputs, including financial capital, business equipment, inventory and access to essential business resources (Din et al., 2019; Sarif et al., 2024). In the second stage, human-capital development operates as the central mediating mechanism through entrepreneurship education, technical and vocational skills, financial and digital literacy, mentoring and experiential learning (Ismail et al., 2021, 2023; Shiyuti & Zainol, 2023). The third stage comprises entrepreneurial capability that consists of business knowledge, planning and management, innovation, problem solving and resilience, decision making and market readiness. The fourth stage encompasses the expected outcomes: enhanced entrepreneurial capability, business continuity, income stability, reduced dependence on recurring zakat assistance and sustainable economic empowerment (Din et al., 2019; Mohamed Esa et al., 2025). Islamic entrepreneurship-ecosystem support, including institutional monitoring, market access, strategic partnerships, peer networks and Shariah-based governance, which strengthens the translation of entrepreneurial capability into sustainable outcomes (Nurhasanah et al., 2023; Stam, 2015; Stam & van de Ven, 2021). Human Capital Theory explains the capability-building pathway, while Maqasid al-Shariah provides the ethical and welfare rationale for protecting recipients' livelihoods, dignity and social well-being (Khalil & Saniff, 2023; Mahmood et al., 2021).

The LZS and LZNK evidence provides institutional grounding for the second and third stages of the framework. Entrepreneurship and financial-management training strengthen human capital, while group-based promotion, external collaboration, continuous monitoring, digital equipment and e-commerce access form part of the entrepreneurship ecosystem that enables capability to generate sustainable outcomes (Ismail et al., 2021, 2023).

The framework further proposes that beneficiary readiness and programme quality influence the strength of the relationships across these four stages (Bahri et al., 2022; Mohamed Esa et al., 2025; Shiyuti et al., 2023). Recipients with stronger entrepreneurial intentions, motivation

and engagement in learning are more likely to apply acquired knowledge and skills in managing their businesses (Bahri et al., 2022). Similarly, institutions that conduct systematic needs assessments, provide differentiated and stage-appropriate training, match mentors with recipients' business requirements and maintain continuous monitoring are more likely to generate sustainable outcomes (Ismail et al., 2021; Mohamed Esa et al., 2025; Nurhasanah et al., 2023). The framework therefore avoids treating Asnaf entrepreneurs as a homogeneous group. Instead, it encourages zakat institutions to segment recipients and tailor programme interventions according to their business stage, sector, readiness, capability gaps and market environment (Mohamed Esa et al., 2025; Shiyuti et al., 2023).

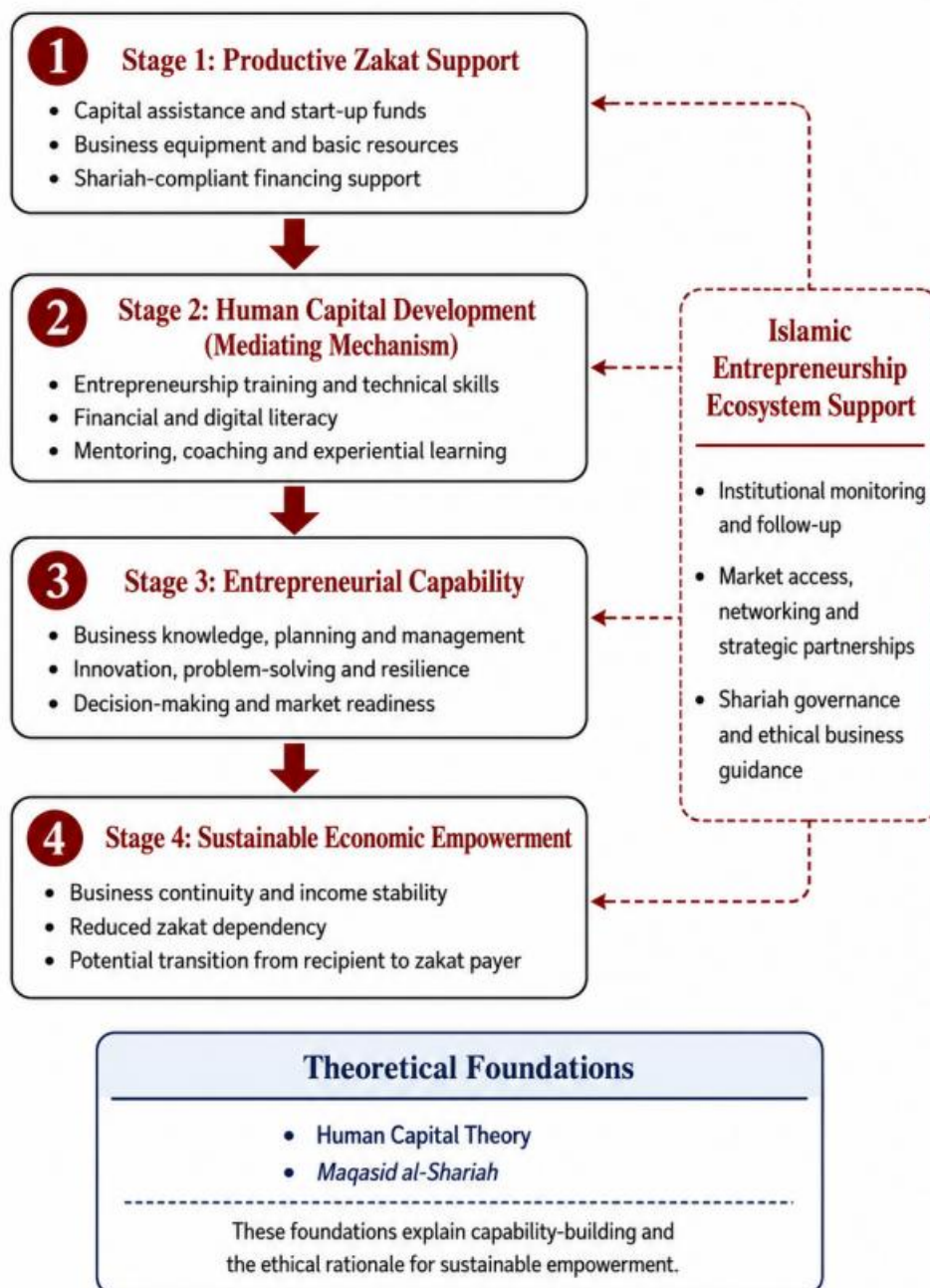


Figure 1: Revised Conceptual Framework for Sustainable Asnaf Entrepreneurship

Research Methodology

This paper adopts an integrative conceptual review to explain how human capital development connects productive zakat assistance with sustainable Asnaf entrepreneurship. An integrative review is appropriate when the purpose is to synthesise heterogeneous theoretical and empirical evidence, reconcile different perspectives and develop new conceptual understanding. Recent methodological guidance emphasises that the review approach should be aligned with the research purpose, nature of the existing literature and intended theoretical contribution (Grønstad, 2026; Kraus et al., 2022). Within the zakat field, Mohamed Esa et al. (2025) similarly demonstrated how a structured synthesis of Asnaf-development evidence can be used to construct a logic model linking zakat inputs, programme processes and development outcomes. This design is therefore suitable because the present study seeks to integrate evidence and develop a conceptual framework rather than estimate an empirical effect. Consistent with Snyder (2019), the review does not claim exhaustive systematic-review coverage or statistical generalisation; instead, it brings together conceptually relevant evidence from productive zakat, Asnaf entrepreneurship, human capital, Islamic social finance and sustainable economic empowerment.

Literature was identified through targeted keyword combinations, backward reference checking and verification through journal or publisher records. The search and selection process was guided by the principles of transparency, relevance and reproducibility recommended for standalone review research (Kraus et al., 2022; Sauer & Seuring, 2023; Snyder, 2019). The principal terms included “productive zakat”, “Asnaf entrepreneurship”, “human capital development”, “micro-entrepreneurship”, “economic empowerment”, “Maqasid al-Shariah”, “digital literacy”, “mentoring” and “sustainable development”. Priority was assigned to peer-reviewed journal articles with verifiable publication metadata and direct relevance to Malaysia or comparable Southeast Asian zakat-management settings. Recent studies were prioritised, while selected earlier studies were retained when they provided foundational theoretical or empirical contributions. Sources with unclear provenance, insufficient methodological transparency or limited relevance to the proposed conceptual relationships were excluded from the final synthesis.

The synthesis proceeded in four stages using concept-centric comparison and critical integration rather than a descriptive author-by-author summary. This approach follows recent guidance that review research should demonstrate how synthesis clarifies, challenges or advances theoretical understanding (Fan et al., 2022; Kraus et al., 2022). First, each source was examined for evidence relating to productive zakat inputs, beneficiary capability, entrepreneurship support or empowerment outcomes. Second, the evidence was organised into five analytical domains: productive zakat resources, human capital development, Islamic entrepreneurship ecosystem support, entrepreneurial capability and sustainable economic empowerment. Third, points of convergence and divergence were compared across studies, including differences between capital-centred interventions and programmes combining finance, education, mentoring and monitoring. Fourth, the resulting relationships were interpreted through Human Capital Theory and Maqasid al-Shariah and assembled into the proposed conceptual framework. This domain-specific synthesis-to-framework procedure is consistent with Mohamed Esa et al. (2025), while the present study differs by adopting an integrative conceptual rather than PRISMA-based systematic design.

Methodological quality was considered through source relevance, transparency of method, clarity of evidence and credibility of the publication outlet. These criteria reflect recent

recommendations that review research demonstrate rigour, theoretical generativity, appropriate scope and transparent reporting (Fan et al., 2022; Sauer & Seuring, 2023). Greater interpretive weight was given to systematic reviews and directly relevant empirical studies, while conference papers and conceptual publications were used mainly for contextual or theoretical support. This evidence-weighting approach reduces reliance on isolated programme descriptions and provides a transparent basis for the conceptual findings.

The study remains limited by its conceptual design and dependence on published evidence. It does not test mediation, moderation or causal effects and should not be interpreted as proving that all productive zakat programmes generate the proposed outcomes. Future research should validate the framework through interviews with zakat institutions and Asnaf entrepreneurs, followed by longitudinal or mixed-method evaluation of capability development, income stability, business continuity and movement out of recurring assistance.

Findings and Discussion

The synthesis produces five interrelated conceptual findings. First, productive zakat capital is an important enabling resource but is not sufficient on its own to ensure sustainable entrepreneurship. Comparative evidence shows that production-based assistance can improve poverty and income outcomes, yet programme effectiveness varies with beneficiary selection, business readiness, coaching intensity and follow-up support (Abai et al., 2023; Ayuniyyah et al., 2017; Mahmood et al., 2021; Mohamed Esa et al., 2025; Sarif et al., 2024). Studies reporting mixed or uneven outcomes therefore qualify the assumption that the provision of finance automatically produces independence. The framework responds by separating the resource input from the capabilities required to use it productively.

Second, human capital development is the principal mechanism through which recipients convert zakat resources into entrepreneurial capability. Education-based assistance, technical knowledge, financial literacy, mentoring and experiential learning strengthen business judgement and the ability to respond to operational problems (Bahri et al., 2022; Nurhayati et al., 2020; Shiyuti & Zainol, 2023). Evidence on gaps among Asnaf entrepreneurs further shows that finance and short training programmes may be inadequate when confidence, experience and specialised capability remain weak (Shiyuti et al., 2023). Unlike approaches that treat training as a one-off activity, the proposed framework positions capability development as a staged process extending from needs diagnosis to business consolidation and growth.

Third, capability produces stronger outcomes when it is reinforced by an enabling entrepreneurship ecosystem. Continuous monitoring, market access, partnerships, peer support and appropriate governance can reduce the isolation of micro-entrepreneurs and help institutions respond to emerging business difficulties (Kachkar & Alfares, 2021; Nurhasanah et al., 2023; Stam & van de Ven, 2021). Digitalisation also expands the potential for communication, payment, record management and programme monitoring, although access and digital competence remain necessary conditions (Nambisan, 2017; Rosele et al., 2022). Evidence from Muslim-majority economies similarly indicates that institutional quality and digital infrastructure influence entrepreneurial formation (Munir, 2025). The framework therefore treats ecosystem support as a reinforcing condition rather than an incidental programme component.

Fourth, sustainable empowerment should be evaluated through multidimensional indicators rather than sales or profit alone. Relevant measures include business continuity, income

regularity, record-keeping, savings behaviour, digital adoption, household welfare, reduced reliance on recurring assistance and, where feasible, progression from recipient to contributor status (Din et al., 2019; McKenzie & Woodruff, 2017; Mohamed Esa et al., 2025). Evidence across micro and small firms also links stronger marketing, stock-control, record-keeping and financial-planning practices with survival and sales growth (McKenzie & Woodruff, 2017). This broader outcome structure is consistent with evidence that zakat contributes to human development and welfare beyond immediate income effects (Meerangani, 2019a, 2019b). It also connects programme evaluation with SDG 1 (No Poverty), SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth) (United Nations, 2015).

Fifth, Human Capital Theory and Maqasid al-Shariah perform complementary explanatory functions. Human Capital Theory explains how investment in knowledge, skills and experience can improve productive capacity, whereas Maqasid al-Shariah directs that capacity towards livelihood protection, dignity, ethical conduct and community well-being (Khalil & Saniff, 2023; Mahmood et al., 2021). The theoretical contribution is therefore not merely the addition of two perspectives. It is the specification of a capability-building pathway in which productive zakat supplies resources, human capital development converts those resources into entrepreneurial capability, and ethically governed ecosystem support helps translate capability into sustainable empowerment.

Figure 1 summarises these relationships as a four-stage pathway supported by Human Capital Theory and entrepreneurial-ecosystem research (Becker, 1964; Marvel et al., 2016; Stam & van de Ven, 2021). The figure should be read as a set of conceptually expected relationships rather than statistically confirmed causal effects. Beneficiary readiness and programme quality may strengthen or weaken the pathway because recipients differ in motivation, prior experience, business stage, sector and market environment. Consequently, zakat institutions should segment participants, conduct capability assessments, provide modular training, match mentors to business needs and monitor financial, capability and household-welfare indicators over an adequate period.

Conclusion

This conceptual study concludes that the transformation of zakat recipients into sustainable Asnaf entrepreneurs requires an integrated capability-building pathway rather than capital assistance alone. Productive zakat provides financial and material resources, human capital development converts those resources into entrepreneurial capability, and ecosystem support helps capability generate business continuity, income stability and reduced dependency. The synthesis consequently places needs-based training, mentoring, financial and digital literacy, market linkage and performance monitoring at the centre of programme effectiveness (Abai & Awang, 2021; McKenzie & Woodruff, 2017; Mohamed Esa et al., 2025; Nambisan, 2017; Unger et al., 2011). The study contributes theoretically by specifying how Human Capital Theory and Maqasid al-Shariah operate together within productive zakat programmes. Human Capital Theory explains the mechanism of capability formation, while Maqasid al-Shariah establishes the ethical and welfare purposes of empowerment. Practically, the framework encourages zakat institutions to replace uniform assistance with recipient segmentation and multidimensional monitoring covering capability, enterprise performance and household welfare (Din et al., 2019; Mohamed Esa et al., 2025; Stam & van de Ven, 2021).

These conclusions are conceptual propositions derived from the reviewed literature and not results of primary-data testing. Future studies should assess the framework across Malaysian

zakat institutions through qualitative inquiry, mixed-method research and longitudinal programme evaluation. Such research should examine whether human capital development mediates the relationship between productive zakat support and sustainable empowerment and whether beneficiary readiness and ecosystem quality condition that relationship.

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