



Boarding School Entrepreneurship as a Solution to Economic Empowerment Based on Islamic Values

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Abstract

Islamic boarding schools have great potential as Islamic educational institutions that play a role in the economic empowerment of the people. In the context of improving community welfare and developing an Islamic value-based economy, pesantren can integrate Islamic values with entrepreneurial practices. This study aims to examine how pesantren entrepreneurship can be a solution in community economic empowerment and formulate the strategic role of pesantren in developing an Islamic values-based economy. This research uses a descriptive qualitative approach with a literature study method. Data were collected through literature review from various sources, including books, journals, and related documents that discuss pesantren entrepreneurship, Islamic economics, and Islamic value-based community empowerment. The analysis was conducted by examining the content and interpreting the role of pesantren in an integrative economic context. The results showed that pesantren that successfully develop entrepreneurship generally have a clear economic vision, progressive leadership, and integration of Islamic values in every aspect of their business. Pesantren entrepreneurship is proven to be able to increase economic independence, create jobs, and strengthen the social resilience of the surrounding community. The conclusion of this study is that pesantren have great potential as agents of economic change based on Islamic values, but still need policy support, managerial training, and strategic partnerships to expand their impact. Thus, the development of entrepreneurship in the pesantren environment is a concrete step in realizing the sustainable economic empowerment of the people based on sharia values.

Keywords: Entrepreneurship, Islamic Boarding School, Islamic Economy

Introduction

Economic disparity remains one of the structural challenges faced by a significant portion of the Indonesian population. Data from Statistics Indonesia (Badan Pusat Statistik, BPS) in 2023 indicate that the country's expenditure inequality index (Gini Ratio) stood at 0.388, reflecting a relatively high level of inequality, particularly between urban and rural areas ^[1]. In the context of the Muslim community, this challenge becomes increasingly complex when associated with the low level of economic self-reliance among its members. A significant portion of the community remains dependent on the informal sector and lacks adequate access to economic resources, entrepreneurial education, and modern technology ^[2].

In addressing these challenges, pondok pesantren—as traditional Islamic educational institutions—hold a strategic position. Pesantren function not only as centers of religious education but also as socio-cultural hubs for the Muslim community.

¹ Badan Pusat Statistik, *Ketimpangan Pengeluaran Penduduk Indonesia* (Jakarta: BPS, 2023).

² Adiwarmanto A. Karim, *Ekonomi Islam: Suatu Kajian Kontemporer* (Jakarta: Gema Insani, 2016).

Historically, since the pre-independence era, pesantren have played a significant role in community empowerment, particularly in the realms of education, social development, and economic advancement ^[3]. The dual function of pesantren as centers for tafaquh fi al-din (deep understanding of religion) and as agents of social transformation positions them as highly potential institutions for promoting economic self-reliance grounded in Islamic values.

Moreover, pesantren possess a strong community base and substantial human resources in the form of students (santri) and alumni. In recent decades, an increasing number of pesantren have initiated independent business units such as student cooperatives, integrated farming, livestock breeding, garment production, and Sharia-based digital enterprises. These entrepreneurial activities serve not only as funding sources for the institutions but also as platforms for economic education for santri and as means of empowering the surrounding communities ^[4]. Entrepreneurship developed within the pesantren environment is typically grounded in Islamic values such as honesty, justice, responsibility, and the pursuit of blessings (barakah). This foundation fosters a business ecosystem that prioritizes not only profit but also social benefit (masalah).

Given the significant role and potential of pesantren, it is highly relevant to consider them as an alternative solution to addressing economic disparities and enhancing the self-reliance of the Muslim community. The development of pesantren-based entrepreneurship, rooted in Islamic values, offers a holistic approach that integrates character education, spirituality, and sustainable economic empowerment.

Methodology

This paper is the result of a library research method, which involves collecting information and data from various literature sources. Mestika Zed defines library research as a series of scientific activities that utilize references or written sources as the primary materials to obtain data, which are then processed to produce research findings. This type of research generally focuses on the analysis of events, whether actions or texts, to reveal facts, trace origins, and identify the fundamental causes of a phenomenon ^[5].

According to Arikunto, literature review involves the process of data collection through activities such as reading, note-taking, and organizing information obtained from various relevant sources ^[6]. Meanwhile, Sari emphasizes that the data collection technique in this study is verbal symbolic, meaning the collection of texts or manuscripts for further analysis. The approach used in this research is qualitative, which presents data in narrative or descriptive form rather than numerical or statistical tests. The process involves activities such as reading, note-taking, processing materials, and summarizing information from literature or libraries. This method is a form of library study with a qualitative approach. As explained by Hartanto, in qualitative research, literature review is conducted to build a solid theoretical framework, achieved through the systematic collection, filtering, and synthesis of

various references to provide a foundation for scientific decision-making.

Results and Discussion

A. Basic Concept of Entrepreneurship

The term entrepreneurship was first introduced by Richard Cantillon, a French economist. In his monumental work titled *Essai Sur La Nature Du Commerce en Général*, Cantillon described an entrepreneur as an individual who pays a certain price for a specific product and then resells it at a varying price, while making various decisions regarding the acquisition and utilization of resources and bearing the risks involved in running the business ^[7].

Etymologically, the term entrepreneurship originates from the French word *entrepreneur*, meaning an intermediary. In the Indonesian General Dictionary, an entrepreneur is defined as an individual who possesses the skills or talent to identify new products, determine appropriate production methods, design distribution systems, market the products, and manage operational capital aspects. Terminologically, entrepreneurship has various definitions proposed by experts. One notable definition comes from Jean Baptiste Say, who introduced the concept approximately a century after Richard Cantillon's ideas. Say defined entrepreneurship as the ability of an agent to coordinate various factors of production and create value through this process, enabling the formation of a production organization. Say's perspective highlights the integration of leadership elements within the concept of entrepreneurship ^[8].

According to the perspective of the Ministry of National Education (Kemendiknas), entrepreneurship is understood as an attitude, spirit, and ability to create something new that has high value and benefits both oneself and others. Entrepreneurship is also defined as a mental attitude and enthusiasm that is consistently active, creative, productive, innovative, and oriented toward creating works and ventures to increase income through entrepreneurial activities. Meanwhile, an entrepreneur refers to an individual who possesses the skills to capitalize on opportunities to develop their business in order to achieve success in life ^[9].

Based on the various definitions outlined above, it can be understood that the concept of entrepreneurship encompasses a wide range of meanings. This diversity arises as a logical consequence of the inherent nature of entrepreneurship itself, as a part of the social sciences characterized by its dynamic, multidimensional, and contextual nature. Differences in theoretical backgrounds, perspectives, and areas of focus among experts contribute to the emergence of various interpretations of the term. Along with the advancement of knowledge and changes in social, economic, and technological environments, the definition of entrepreneurship has also experienced shifts and adjustments. Nevertheless, there is a common thread that can be summarized as the essence of entrepreneurship. In general, entrepreneurship can be understood as a process accompanying business activities, in which an entrepreneur is prepared to bear risks, responsive to change, demonstrates

³ Zamakhsyari Dhofier, *Tradisi Pesantren: Studi tentang Pandangan Hidup Kyai* (Jakarta: LP3ES, 1982).

⁴ Azyumardi Azra, *Pendidikan Islam: Tradisi dan Modernisasi Menuju Milenium Baru* (Jakarta: Logos Wacana Ilmu, 2019).

⁵ Zed, *Metode Penelitian Kepustakaan*, (Jakarta: Yayasan Obor, 2008) h. 45

⁶ Arikunto, *Prosedur Penelitian : suatu pendekatan praktik*, (Jakarta: Rineka Cipta, 2019) h.23.

⁷ Winardi, *Entrepreneur dan Entrepreneurship*, (Jakarta: Fajar Interpratama offset, 2003). Hlm. 1

⁸ Aldotch Howard, *Entrepreneurship dalam The Handbook of Economic Sociology*, (New Jersey: Pricetown University, 2005) hlm. 452

⁹ Winardi, *Entrepreneur dan Entrepreneurship*. Hlm. 20-21

creativity and innovation in decision-making, and applies effective management principles. Moreover, the orientation of an entrepreneur is not solely aimed at personal gain but also directed toward creating broader benefits for society and the environment.

B. Definition of Entrepreneurship From An Islamic Perspective

In Islam, entrepreneurship is not viewed solely from an economic standpoint but is also considered a form of worship and social contribution. Economic activities are regarded as an integral part of devotion to Allah SWT, as long as they are carried out with sincere intention, through lawful means, and aim to achieve *maslahah* (benefit) for oneself and the community. These values reinforce the understanding that economic activities are not merely worldly endeavors but a path to attaining divine approval when managed according to Sharia principles.

According to Muhammad Syafii Antonio, Islamic entrepreneurship is an economic activity conducted professionally based on Islamic ethical principles, such as *sidq* (honesty), *amanah* (trustworthiness), avoidance of *gharar* (harmful uncertainty), freedom from *riba* (usury), and an orientation towards *barakah* (blessing), rather than merely material profit^[10]. In this model, entrepreneurial success is measured not only by profit achievement but also by its contribution to social justice, poverty alleviation, and the dissemination of Islamic values in business practices. Sheikh Yusuf al-Qardhawi emphasizes that Islam regards work, effort, and trade as highly noble forms of worship, even categorizing them as economic *jihad* when carried out with integrity and noble intentions^[11]. The Prophet Muhammad (peace be upon him) himself serves as the primary role model in this regard. Before his prophethood, he was known as a trustworthy merchant (*al-amin*), and his interactions in the business world helped shape a high standard of commercial ethical character^[12]. The companions, such as Abu Bakr, Uthman ibn Affan, and Abdurrahman ibn Awf, were also known as successful business figures who upheld principles of philanthropy, justice, and wealth distribution according to Islamic teachings.

Meanwhile, Husain Heriyanto adds that entrepreneurship from an Islamic perspective has distinctive characteristics as it integrates spiritual (*tauhidiah*), ethical (*akhlakiyah*), and social (*ijtima'iyah*) dimensions^[13]. A Muslim entrepreneur is not only an economic actor but also an agent of social and moral transformation. They are required to practice *tawakal* (trust in Allah), *ikhtiar* (maximum effort), uphold honesty, and act justly toward all parties, including producers, consumers, and employees. This makes entrepreneurship in Islam not merely an economic instrument but also a means to build a just and sustainable civilization.

Thus, the concept of entrepreneurship in Islam holds a crucial position, not only for strengthening the individual and collective economy of the community but also for realizing the ideals of social justice and balance in life. This entrepreneurial model serves as the primary foundation for developing an Islamic economic system that is more humane, inclusive, and oriented toward long-term welfare.

C. Entrepreneurship from the Islamic perspective through the lens of Islamic history

Examining the concept of entrepreneurship from an Islamic perspective, particularly through a historical approach, requires attention to the life journey of the Prophet Muhammad (peace be upon him). This is unavoidable considering he is the bearer of the Islamic message and a figure whose life was rich with entrepreneurial values and practices. Therefore, the figure of the Prophet Muhammad is highly relevant to be used as a model and source of inspiration in the study of Islamic entrepreneurship. More than just a religious symbol, his life history reflects an ethical, professional trading spirit oriented toward social benefit. In fact, several scholars argue that Islam developed through trade, with Muslim merchants serving as the main agents spreading Islamic teachings to various regions of the world. This process occurred massively, especially up to the 13th century CE, during which trading activities became an effective means of conveying Islamic values to global communities.

According to Syafi'i Antonio, the entrepreneurial spirit possessed by the Prophet Muhammad (peace be upon him) did not emerge suddenly but was formed through a long process beginning in his childhood^[14]. Before receiving revelation and being appointed as a Prophet, Muhammad (peace be upon him) was widely known as a skilled and trustworthy merchant. From an early age, he demonstrated commitment and diligence in the field of trade, which laid the foundation for his entrepreneurial spirit. Muhammad began engaging in trading activities at the age of 12, and by the age of 17, he was independently running his own business. He continued his profession as a merchant until the age of 37, which was three years before his appointment as a Prophet. This fact indicates that Muhammad was involved in business for approximately 25 years, a period even longer than his prophethood, which lasted 23 years. Thus, his life journey in business can serve as a model for understanding entrepreneurial practices grounded in Islamic values.

Muhammad's involvement in commerce from a young age was inseparable from his life circumstances, which demanded early independence. He was born an orphan and became a full orphan by the age of six. Limited economic means led him to be cared for by his grandfather, Abdul Muthalib, who later passed away, after which his uncle Abu Thalib took over his guardianship. The awareness of the economic burden borne by his uncle motivated Muhammad to contribute to alleviating the family's responsibilities. Despite his young age, he showed responsibility and independence by willingly engaging in various lawful jobs to reduce dependence on others. One of his early jobs was herding goats owned by the people of Mecca, from which he earned wages. This herding activity not only provided work training but also contained noble values such as spiritual education, empathy for the weak, and character development in facing great responsibilities.

In his journey to build a career as an entrepreneur, Muhammad began with small trading activities in Mecca, buying goods from the market and reselling them to

¹⁰ Muhammad Syafii Antonio, *Bank Syariah: Dari Teori ke Praktik* (Jakarta: Gema Insani, 2002), 145.

¹¹ Yusuf al-Qardhawi, *Daur al-Qiyam wal Akhlaq fi al-Iqtishad al-Islami* [Peran Nilai dan Etika dalam Ekonomi Islam] (Kairo: Maktabah Wahbah, 1995), 78.

¹² Ibid., 80.

¹³ Husain Heriyanto, *Etika Bisnis dalam Perspektif Islam* (Jakarta: UIN Jakarta Press, 2004), 92.

¹⁴ Muhammad Syafi'i Antonio, *Muhammad SAW The Super Leader Supermanager* (Jakarta: Tazkia Publishing Dan Prolim(Entre, 2008) Hal. 10.

consumers. He was also trusted by capital owners, including orphans who could not manage their inherited funds, to run businesses based on the partnership principle known in Islam as *mudharabah*. The trust placed in him reflected Muhammad's integrity and honesty in conducting business, and demonstrated entrepreneurial values grounded in Islamic ethics.

In his business activities, Muhammad consistently exhibited discipline, high integrity, steadfastness in fulfilling promises, and other noble character traits. These values made him highly trusted by the people of Mecca, earning him the honorary title *Al-Amin*, meaning "the trustworthy one." Additionally, he was known as a resilient, competent, and intelligent figure in managing enterprises, which often enabled him to gain greater profits compared to other merchants of his time.

The success and good reputation of the Prophet Muhammad (peace be upon him) encouraged Khadijah, a prominent merchant in Mecca, to grant him additional bonuses from the agreed profits as a form of appreciation for his professionalism and work results. After marrying Khadijah, the Prophet continued his business activities, albeit with a different role compared to when he was single. Before the marriage, he acted as a project manager running the business on behalf of Khadijah. However, after marriage, his role evolved into that of a business partner as well as the chief supervisor of the trading agents managed by Khadijah^[15].

In the context of entrepreneurship, what the Prophet Muhammad (peace be upon him) did after marrying Khadijah can be seen as a role transformation from being an employee to becoming a business owner and co-investor. This change reflects the implementation of a concept that modern theory calls the Cashflow Quadrant, introduced by Robert T. Kiyosaki. Interestingly, this concept was formulated about 15 centuries after the Prophet's lifetime, showing that his entrepreneurial practice was ahead of contemporary management and business theories.

Furthermore, when the Prophet migrated to Medina, he established a market based on Islamic sharia principles. This market was designed to be different from the previous markets dominated by Jewish merchants, especially in how it was managed and the values applied. The Prophet personally supervised and regulated trading activities in this market, guiding the community to ensure buying and selling followed Islamic ethics. He was committed to eradicating any corrupt economic practices like fraud, manipulation of scales, hoarding goods, and unfair transactions.

From this explanation, it can be concluded that the concept of entrepreneurship from an Islamic perspective, especially through the historical lens, is clearly reflected in the life of the Prophet Muhammad (peace be upon him). His involvement in trade from a young age was not only due to socio-economic conditions but also demonstrated core Islamic entrepreneurial values such as honesty, responsibility, hard work, and commitment to ethics and justice. The Prophet is known not only as a religious figure but also as a professional, trustworthy, and innovative entrepreneur. His journey from worker to business owner and investment partner shows that role transformation in business was already practiced by him long before modern theories like the Cashflow Quadrant were developed. Moreover, the

management of the sharia market in Medina serves as clear proof of the Prophet's commitment to building a fair economic system, free from dishonest practices, and based on the principle of public benefit.

Thus, the history of the Prophet Muhammad's life becomes an inspiring source and ideal model for developing Islamic entrepreneurship, which focuses not only on profit but also on spiritual, social, and moral values in running a business. This historical approach proves that the principles of entrepreneurship in Islam have been present and practiced in full since the early days of Islamic civilization.

D. Islamic Values In Entrepreneurship

From an Islamic perspective, entrepreneurship is not just an economic activity but also a field for actualizing moral and spiritual values taught by the sharia. Islam does not separate worldly matters from the hereafter, so all economic activities, including entrepreneurship, must follow Islamic ethical principles. These values are not only normative boundaries but also the foundation for shaping Muslim entrepreneurs who are responsible, just, and beneficial to the wider community. Below are some of the Islamic values in entrepreneurship :

a. Justice (al-'adl)

Justice is a fundamental principle in Islam that serves as the foundation for all activities, including business and entrepreneurship. The Qur'an clearly commands the establishment of justice, even toward those who are disliked: *يَا أَيُّهَا الَّذِينَ آمَنُوا كُونُوا قَوَّامِينَ لِلَّهِ شُهَدَاءَ بِالْقِسْطِ وَلَا يَجْرِمَنَّكُمْ شَنَاَنُ قَوْمٍ عَلَىٰ أَلَّا تَعْلَمُوا ۚ أَعْدِلُوا ۖ هُوَ أَقْرَبُ لِلتَّقْوَىٰ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ خَبِيرٌ بِمَا تَعْمَلُونَ* "O you who believe, be steadfast witnesses for Allah in justice, and let not the hatred of a people prevent you from being just. Be just; that is nearer to piety. And fear Allah; indeed, Allah is aware of what you do." (Qur'an, Al-Ma'idah: 8)

In business practice, justice is reflected in providing fair wages, transparent pricing, equal treatment of consumers and business partners, and avoiding exploitation or market manipulation. According to Sheikh Yusuf Al-Qardhawi, justice in Islamic economics includes fairness in wealth distribution, treatment of workers, and transparency in transactions^[16]. A Muslim entrepreneur must ensure that their business does not harm others and promotes a balance between rights and responsibilities.

b. Amanah

Amanah (trustworthiness) is an essential value embedded in the character of a Muslim entrepreneur. The Prophet Muhammad (SAW) was given the title *al-Amin* because of his reputation as an honest and trustworthy trader. In the business context, amanah is reflected in transparency of product information, commitment to promises, and responsibility towards consumers and partners. Allah SWT says:

إِنَّ اللَّهَ يَأْمُرُكُمْ أَنْ تُؤَدُّوا الْأَمَانَاتِ إِلَىٰ أَهْلِهَا وَإِذَا حَكَمْتُمْ بَيْنَ النَّاسِ أَنْ تَحْكُمُوا بِالْعَدْلِ ۚ إِنَّ اللَّهَ نِعِمَّا يَعِظُكُمْ بِهِ ۚ إِنَّ اللَّهَ كَانَ سَمِيعًا ۚ بَصِيرًا

"Indeed, Allah commands you to deliver trusts to those entitled to them, and when you judge between people, judge with justice. Indeed, Allah admonishes you with the best admonition. Indeed, Allah is ever Hearing and Seeing." (QS.

¹⁵ Muhammad Syafi'i Antonio, Muhammad SAW The Super Leader Super Manajer, hlm. 92.

¹⁶ Yusuf al-Qardhawi, *Daur al-Qiyam wal Akhlaq fi al-Iqtishad al-Islami* (Kairo: Maktabah Wahbah, 1995), 71–72.

An-Nisa: 58).

Husain Heriyanto emphasizes that amanah (trustworthiness) is a key distinction between Muslim entrepreneurs and secular ones. In Islam, violating amanah is not only an ethical breach but also a spiritual violation that will be accounted for in the hereafter ^[17].

c. Halal

The concept of halal not only concerns the objects of transactions but also the methods and production processes. A Muslim entrepreneur must ensure that the products sold do not contain any prohibited elements, and that all business activities are conducted in accordance with Shariah law. This aligns with the principle of *halalan thayyiban* (lawful and wholesome) as stated in QS. Al-Baqarah: 168. According to Antonio, adherence to the halal principle reflects the integrity and social-spiritual responsibility of an entrepreneur toward the impact of their products ^[18]. Compliance with halal principles not only builds trust within the Muslim market but also strengthens the moral standing of the business in the eyes of the public.

d. Blessing (Barakah)

In Islam, success is measured not only by the amount of profit but also by the blessing (barakah) gained. Barakah means widespread benefit, inner peace, and the sustainability of a business that brings long-term good. The Prophet Muhammad SAW said, "Whoever seeks lawful worldly gain to avoid begging, provide for his family, and do good to his neighbors, will meet Allah with a radiant face like the full moon."

Barakah also implies that the business serves many people and becomes a source of social good. In the Islamic entrepreneurship model, the orientation toward barakah motivates entrepreneurs not only to pursue personal profit but also to contribute to social justice and community welfare.

E. The role of pesantren in economic empowerment

Historically, pesantren have played a central role in community life, not only as centers of religious education but also as drivers of the local economy. Along with evolving social and economic dynamics, the function of pesantren has expanded beyond education and preaching to become agents of economic empowerment based on Islamic values. This role has become increasingly significant in addressing economic inequality and the weak competitiveness of grassroots communities.

For a long time, many pesantren have involved their students (santri) in productive activities such as farming, animal husbandry, traditional trade, and managing waqf assets. For example, utilizing waqf land for gardens and rice fields, with the proceeds used to finance pesantren operations, or developing cooperative stores as means for independent economic training. These activities not only serve economic purposes but also contribute to building the santri's character in terms of hard work, responsibility, and discipline.

In a contemporary context, this role continues to grow alongside increasing needs for economic self-sufficiency of the institutions. Economic independence is considered

crucial to ensure the sustainability of education without full reliance on external aid and to broaden the pesantren's reach in serving surrounding communities. Some pesantren have even established formal business units, such as Islamic cooperatives, Baitul Maal wat Tamwil (BMT), and santri business incubators managing halal culinary ventures, organic farming, and Sharia-based digital businesses.

According to Zamakhsyari Dhofier, historically, pesantren have not only served as centers for the transmission of Islamic knowledge but also played a broad social role. One of these roles is promoting community self-reliance through an educational approach integrated with practical life, including vocational training and entrepreneurship ^[19]. In this framework, pesantren act as facilitators, pioneers, and companions in the community empowerment process. This is realized through local-based vocational training, providing access to productive resources such as business capital and land, as well as developing micro-enterprise units that actively involve santri (students) and local residents. Furthermore, pesantren can serve as catalysts for the economic development of the Muslim community by integrating Islamic spiritual values into a just economic system. By instilling awareness of the importance of halal and ethical economics, pesantren nurture young entrepreneurs who seek not only profit but also blessings and social benefits. Additionally, the strategic position of pesantren within the social networks of society makes them central points for mobilizing collective participation and strengthening community-based economies.

In practice, several major pesantren have demonstrated the success of this economic empowerment model. For example, Pesantren Sidogiri in Pasuruan, with its strong cooperatives and Baitul Maal wat Tamwil (BMT), and Pesantren Al-Ittifaq in Bandung, which has developed modern agribusiness based on horticulture. These successes prove that pesantren have great potential as drivers of microeconomies based on Islamic values, capable of addressing challenges related to economic inequality and limited access in lower communities.

Thus, the role of pesantren in economic empowerment is not only relevant but also strategic in the context of sustainable and just economic development for the Muslim community. Through the synergy of education, spirituality, and economics, pesantren become a vital foundation for building communities that are economically independent, morally strong, and socially empowered.

F. Economic empowerment models based on pesantren

Pesantren, as Islamic educational institutions that grow from and for the community, have developed various economic empowerment approaches tailored to local characteristics, Islamic values, and available resource potentials. Along with the growing awareness of the importance of economic independence, several innovative models have emerged that integrate education, production, and community empowerment functions simultaneously. These models fundamentally adopt the principles of Islamic economics—blessing (barakah), justice ('adl), togetherness (ukhuwwah), and self-reliance (istikhlal)—which are reflected in pesantren-based entrepreneurial practices. Below are several

¹⁷ Husain Heriyanto, *Etika Bisnis dalam Perspektif Islam* (Jakarta: UIN Jakarta Press, 2004), 95.

¹⁸ Muhammad Syafii Antonio, *Bank Syariah: Dari Teori ke Praktik* (Jakarta: Gema Insani, 2002), 142.

¹⁹ Zamakhsyari Dhofier, *Tradisi Pesantren: Studi tentang Pandangan Hidup Kyai* (Jakarta: LP3ES, 1982), 102.

economic empowerment models based on pesantren:

a. Integrated Pesantren Agribusiness Model

This model utilizes pesantren land as the foundation for developing integrated agricultural, livestock, and fisheries sectors. Santri (students) are actively involved in all stages, from cultivation and processing to product marketing. This approach not only fulfills the pesantren's food needs independently but also serves as a practical skills education platform supporting the entrepreneurial competence of the santri.

A concrete example of this model's implementation can be seen at Pesantren Al-Ittifaq, located in Rancabali District, Bandung Regency, West Java. This pesantren is one of the pioneers in successfully developing modern horticulture-based agribusiness, serving as an ideal model of integration between religious education and community-based productive economy. Starting from its geographical location in a mountainous agricultural area, Al-Ittifaq views its natural potential as an opportunity to develop farming activities that are not only for internal consumption but also commercial and professional.

Through the establishment of the Al-Ittifaq Pesantren Cooperative (Kopontren) in 1997, the pesantren began managing approximately 130 hectares of farmland planted with various fresh vegetables such as carrots, cabbage, tomatoes, bell peppers, and lettuce. These commodities are cultivated following organic farming principles, with the harvest supplied directly to various modern retail outlets in Bandung and Jakarta, including Carrefour, Hypermart, and five-star hotels.

The pesantren acts not only as a producer but also establishes an independent distribution system, effectively eliminating long and harmful supply chains for farmers. Profits from agricultural activities are used to support the pesantren's operational sustainability, care for orphaned and underprivileged santri, and fund the development of agriculture-based entrepreneurship curricula. Interestingly, santri are not only taught religious knowledge but also involved in the entire business cycle—from planting, maintenance, harvesting, packaging, to marketing. Through this practice-based education (experiential learning), santri gain dual competencies—both spiritual and economic skills. The pesantren also collaborates with various institutions, including universities and NGOs, to improve production quality and expand marketing networks.

Besides agribusiness, Pesantren Al-Ittifaq has also developed business digitalization through virtual platforms like Alifmart, which serves as an online store for pesantren products and supported farmers^[20]. This makes Al-Ittifaq one of the pesantren that successfully combines local wisdom, Islamic values, and modern technology to promote just and sustainable economic empowerment. With this success, Al-Ittifaq has become not only a national role model but also gained attention from the government and international institutions as an example of practical, inclusive, and independent pesantren-based economic empowerment.

b. Santri Cooperative and Sharia-Based MSME Model

Pesantren cooperatives, or Kopontren, serve as collective

economic institutions that not only fulfill the needs of santri and the surrounding community but also act as a driving force for local economies based on Sharia principles. Through cooperatives, pesantren promote economic justice, collective participation, and financial independence.

Many pesantren across Indonesia are actively developing Sharia microfinance institutions, particularly in the form of Baitul Maal wat Tamwil (BMT), as a strategic effort to establish an inclusive, interest-free financial system aligned with Islamic economic principles. These institutions often emerge from the pesantren's internal need for independent financing systems but have grown to empower the local community economically, especially Micro, Small, and Medium Enterprises (MSMEs) that traditionally face difficulties accessing funding from conventional financial institutions.

A successful example of this model is BMT UGT Sidogiri, founded and managed by Pesantren Sidogiri in Pasuruan, East Java. This BMT is not only a pioneer in developing pesantren-based Sharia financial cooperatives but has also expanded into Indonesia's largest network of Sharia financial cooperatives, with hundreds of branches across various regions and millions of active members. Institutionally, BMT Sidogiri serves not only pesantren members and alumni but also the general public, particularly micro-entrepreneurs such as market traders, farmers, craftsmen, and homemakers running home-based businesses.

BMT Sidogiri operates based on non-interest Sharia finance, using contracts such as mudharabah (profit-sharing), murabahah (cost-plus financing), and ijarah (leasing). Additionally, it practices social justice principles by providing easy, fast financing without heavy collateral requirements, accompanied by business mentoring. In many cases, BMT Sidogiri's presence has enhanced MSME capacities and collectively strengthened community economic empowerment.

Another advantage of BMT Sidogiri lies in its professional management model based on the cadre system of santri and pesantren alumni. Thus, santri not only study religion but also receive training in financial management, business administration, and community service. The institution has also implemented effective digital systems for financial services and internal supervision, maintaining integrity and public trust.

In terms of impact, BMT Sidogiri plays a crucial role in distributing economic resources more equitably, helping the community avoid predatory lending debt traps, and fostering a healthy, independent economic ecosystem grounded in Islamic values^[21]. As noted in various studies, the success of BMT Sidogiri demonstrates that pesantren can integrate spirituality, economic institutions, and social empowerment into a concrete and measurable framework of action.

c. Edupreneurship and Santri Business Incubation Model

This model emphasizes the importance of integrating the pesantren curriculum with entrepreneurship training. Edupreneurship develops the concept of learning by doing, where santri actively participate in real pesantren business units as part of their entrepreneurial education. Several

²⁰ Siti Nurjanah, "Model Agribisnis Berbasis Pesantren: Studi Kasus Pesantren Al-Ittifaq Bandung," *Jurnal Sosial Ekonomi Pertanian* 12, no. 2 (2020): 105–118.

²¹ Nur Kholis, "Koperasi dan BMT Pesantren Sidogiri Sebagai Model Kemandirian Ekonomi Umat," *Jurnal Ekonomi dan Perbankan Syariah* 5, no. 1 (2021): 47–60.

pesantren have established business incubators focusing on sectors such as garment production, halal culinary, digital services, printing, and Sharia-compliant application development.

With this approach, pesantren not only produce graduates who are knowledgeable in religion but also equip them with technical skills and entrepreneurial mindset ready to compete in the job market or create their own employment opportunities ^[22].

d. Productive Waqf and Social Business Model

In Islam, waqf is not merely a static asset but can be managed productively to generate sustainable income streams. This income can then be allocated to support various social initiatives, such as funding the education of underprivileged students (santri dhuafa), building public facilities, or implementing other community programs. This approach positions Islamic boarding schools (pesantren) as responsible and professional custodians of community assets.

By transforming the paradigm of waqf from consumptive to productive, pesantren not only utilize religious assets symbolically but also leverage them as strategic instruments to create a sustainable and impactful Islamic socio-economic ecosystem. This shift marks a significant transformation in waqf management, where assets previously used passively for religious and social activities—such as mosques or cemeteries—are now activated to generate long-term economic benefits that support educational operations, poverty alleviation, and community development.

The productive waqf paradigm enables pesantren to manage land, buildings, or waqf funds through business units like agriculture, livestock, sharia retail, educational and healthcare services, and even commercial properties. The profits from these activities are then allocated to fund student education, scholarships, social services, and empower impoverished communities around the pesantren.

A concrete example of implementing productive waqf can be found in institutions like Dompot Dhuafa. Through programs like Dompot Dhuafa Farm and collaborations with pesantren such as Pondok Pesantren Ilmu Al-Qur'an in Lebak, the organization has developed 2.5 hectares of waqf land for horticultural cultivation. The produce is not only used for internal consumption but is also marketed commercially, while students and local residents receive training in organic farming, access to sharia-compliant financing, and employment opportunities ^[23]. Another institution, such as Wakaf Al-Azhar under the auspices of the Al-Azhar Islamic Boarding School Foundation (Yayasan Pesantren Islam Al-Azhar), manages a waqf portfolio comprising hospitals, schools, apartments, and productive land. This waqf management is carried out professionally and transparently, with the proceeds allocated to support da'wah activities, education, and social services ^[24].

Modern Islamic boarding schools (pesantren) are increasingly adopting this approach. For instance, Pesantren Al-Anwar and Pesantren Darunnajah have begun managing waqf assets in the form of land and property to finance educational enterprises, printing businesses, student cooperatives, and vocational training programs. This

transformation demonstrates that productive waqf can serve as an alternative source of financing that is not reliant on consumptive donations, but rather sustainable and empowering. Conceptually, this approach aligns with the spirit of maqāsid al-sharī'ah, which emphasizes the protection of wealth (ḥifẓ al-māl), communal welfare, and social justice. With sound governance and adherence to Shariah-compliant management principles, productive waqf managed by pesantren can become a driving force for a values-based Islamic economy, rather than merely functioning as occasional charitable acts.

Conclusion

Pesantren-based entrepreneurship represents a strategic approach to the economic empowerment of the Muslim community rooted in Islamic values. Pesantren serve not only as religious educational institutions but also as agents of socio-economic transformation. The application of entrepreneurship principles grounded in Islamic ethics—such as honesty, justice, responsibility, and the pursuit of blessings (barakah)—enables the creation of an ethical and sustainable economic ecosystem. Through the development of business units within the pesantren environment, students (santri) are equipped not only with religious knowledge but also with practical entrepreneurial skills, allowing them to actively contribute to community economic development. Consequently, pesantren entrepreneurship offers an integrative solution that addresses the economic challenges of the ummah in a holistic and sustainable manner, while simultaneously reinforcing the role of pesantren in national development.

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