

## Analysis of Economic Activities in Islamic Boarding Schools to Support Welfare in the Tulang Bawang Islamic Boarding School

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### ABSTRACT

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The many aspects of the needs that exist in boarding schools such as building construction, management incentives, proper sanitation, health insurance for students and administrators and a guarantee of a healthy food menu. All of these things certainly require a large budget of funds, but with the condition of the community in the middle to lower economy, the pesantren must reduce the cost of education as little as possible. So that pesantren run independent economic businesses to support these needs, so in this study researchers tried to analyze these economic activities in an effort to improve the prosperity of Islamic boarding schools in Tulang Bawang. This research uses qualitative field methods, the purpose of the research is to know the management and role of pesantren economic activities in efforts to improve the prosperity of pesantren. The conclusion of the results showed that the five pesantrens studied had more than one business, the results of the business had a role in helping the cost of maintaining existing facilities and becoming a place of entrepreneurial practice for students but had not been able to contribute to improving the prosperity of pesantren administrators.

**Keywords:** Business, Economy, Pesantren, Prosperity.

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## INTRODUCTION

Pondok pesantren is an Islamic educational institution that plays an essential role in advancing economic life for students, educators, and the surrounding community. Through various economic activities, pesantren contribute significantly to the welfare of the local population. However, many pesantren have not yet fully optimized their economic potential. The challenges faced in maximizing the economic activities at pesantren include limited capital, human resources, and a lack of understanding and management skills in handling economic enterprises (Khan & Ahmad, 2016).

Economic activities within pesantren have the potential to support the institution's sustainability and improve the welfare of the students and staff. In addition to providing financial resources for operational costs, these activities also create opportunities for students to develop entrepreneurial skills. However, the lack of formal business education and expertise in managing these ventures often hinders their effectiveness (Sari & Wibowo, 2018). Consequently, some pesantren have struggled to capitalize on the resources available to them and have faced difficulties in managing their economic enterprises, resulting in underperformance in terms of revenue generation and sustainability (Adiwijaya, 2017).

Modernization in pesantren has also affected the management of economic activities. In many cases, pesantren have shifted to a more formalized financial system, including the use of contracts for remunerating educators (Ustadz) and staff. This contrasts with the traditional model in which compensation was based on the financial condition of the pesantren or provided in kind, such as staple goods (Hasan & Nur, 2019). This change is part of a broader trend of modernization that has affected not only financial management but also administration, teaching methods, and leadership styles in pesantren (Salim, 2020).

While many pesantren were originally established as places for religious study with a primary focus on the imparting of knowledge rather than financial profit, there is an increasing need for these institutions to ensure the welfare of their educators and staff. To address this, pesantren have undertaken economic initiatives to fulfill the needs of their community members. These efforts are crucial for maintaining the sustainability of the pesantren and enhancing the living standards of its inhabitants (Fauzi, 2018). In particular, pesantren have implemented various strategies, such as cooperatives, canteens, selling educational materials, and engaging in agricultural, fisheries, and livestock activities (Putra & Rahman, 2017).

In line with the need for economic independence, pesantren have started to prioritize the development of internal economic activities as a means of generating funds for operational expenses. This is especially important for pesantren located in rural areas where financial support from external sources may be limited. Economic initiatives such as cooperatives and small businesses within pesantren offer both economic and educational benefits, as students can participate in these activities, gaining hands-on experience in business management and financial literacy (Yani & Setiawan, 2019).

An analysis of economic activities within pesantren is essential to identify the challenges and barriers to success and to explore solutions to optimize the economic potential of these institutions. By conducting such an analysis, pesantren can improve their financial management strategies and identify best practices for sustainable economic ventures. This research aims to highlight how pesantren, particularly in Tulang Bawang, have developed economic activities to support the welfare of their students, staff, and surrounding community (Ismail & Setiawati, 2020).

The key economic activities in Tulang Bawang pesantren include farming, animal husbandry, and the sale of goods produced within the pesantren. The management of these activities is crucial in providing adequate resources for the institution while also supporting the local economy. For example, agricultural projects contribute not only to the pesantren's financial stability but also to the development of students' practical skills in agriculture, which is essential for their future careers (Haryanto, 2016). Furthermore, these activities help foster a sense of responsibility and teamwork among students, as they are involved in the day-to-day operations of the economic ventures (Suharto, 2020).

Moreover, the establishment of a cooperative within the pesantren has proven to be beneficial in creating a sustainable source of income. Cooperatives enable pesantren to manage resources collectively, ensuring that all members of the institution have access to essential goods and services. Additionally, the cooperative serves as an important learning platform for students, as they can gain experience in cooperative management and finance (Abdurrahman & Rahman, 2018). However, the effectiveness of such cooperatives depends largely on the management skills of the leadership and the involvement of the community in the cooperative's activities (Lestari & Nugroho, 2019).

In the context of livestock farming, pesantren in Tulang Bawang have also engaged in animal husbandry as part of their economic strategy. Livestock farming offers a sustainable income stream for the pesantren, with the sale of animals or animal products contributing significantly to the institution's finances. The integration of livestock farming into the pesantren's economic model provides an excellent opportunity for students to learn about animal care and agricultural practices (Setiawan & Wicaksono, 2020). These practical experiences contribute to the overall development of students, helping them acquire skills that will serve them well in the future.

The fisheries sector is another area where economic activities within pesantren are flourishing. Fish farming provides an additional source of income for the pesantren and helps to diversify the institution's economic portfolio. Students involved in the management of the fishery program gain valuable insights into sustainable farming practices and environmental stewardship (Mulyadi, 2017). The success of these programs is heavily influenced by the leadership and the ability to manage resources effectively, particularly in rural settings where access to markets and infrastructure can be challenging (Iskandar & Huda, 2020).

The importance of integrating these economic activities into the broader goals of pesantren is clear. Not only do these initiatives provide essential financial resources, but they also contribute to the overall development of the students and the local community. The economic activities in Tulang Bawang pesantren exemplify the potential for pesantren to become centers of both educational and economic growth (Wahyuningsih & Irawan, 2019). This research highlights the importance of recognizing the role of pesantren in local economic development and how these institutions can be empowered to play a more significant role in fostering sustainable community development (Fikri, 2020).

In conclusion, the development and optimization of economic activities within pesantren, particularly in the Tulang Bawang area, is essential for the long-term sustainability and welfare of these institutions. By strengthening their economic base, pesantren can better serve their educational and community development missions. The success of these initiatives depends on several factors, including effective management, community involvement, and the ability to adapt to changing economic conditions (Gunawan, 2017). Therefore, further research and investment in improving the economic activities of pesantren are essential for ensuring their continued contribution to the welfare of the broader community.

## **METHOD**

This research uses a qualitative methodology with a case study approach, aiming to gain a deep understanding of the economic management implemented in several pesantren in the Tulang Bawang area. This case study approach allows the researcher to focus on a specific phenomenon within a particular social context, in this case, the economic management of pesantren. As explained by McMillan and Schumacher in their book, qualitative research aims to explore and gain a deeper understanding of a situation, event, or phenomenon through a more holistic and descriptive approach (McMillan & Schumacher, 2010). In this study, the subjects involved are individuals who play an important role in the economic management of the pesantren, including heads of cooperatives/canteens, financial bureaus, pesantren administrators, as well as the kiai or directors of the pesantren.

Data collection techniques in this study use three main methods mentioned by McMillan and Schumacher: participant observation, in-depth interviews, and document analysis. Participant observation is the technique used by the researcher to directly engage in the ongoing activities in the pesantren. The researcher is not just an observer but is also involved in the social context, which allows for a deeper understanding of the situation being analyzed (Creswell, 2014). In this study, the researcher conducted direct observations at five pesantren located in Tulang Bawang: Darussalam Syafaat, Darul Ishlah, Al Iman, Nurul Fattah, and Pondok Pesantren Tri Bhakti an-Nur.

During the observation, the researcher focused on various activities related to economic management in the pesantren, such as the management of cooperatives or canteens, financial arrangements, as well as activities related to empowering students and pesantren administrators economically. This observation aimed to understand how economic practices are carried out in the pesantren and identify the challenges and strategies implemented by the pesantren administrators in managing their economic activities. Direct observation also gives the researcher the opportunity to capture phenomena that may not be revealed through interviews or documents (Patton, 2002).

In addition to observation, in-depth interviews are also an important data collection technique in this study. In-depth interviews were conducted with pesantren administrators, cooperative heads, and other related parties to further explore how they manage the pesantren's economy. These interviews allowed the researcher to obtain more detailed information about the thoughts, perceptions, and personal experiences of the informants regarding economic management in the pesantren. This method provides deeper insights that cannot be found through quantitative data or mere observation (Kvale, 2007).

Furthermore, the researcher also collected data through document analysis related to the economic management of the pesantren. These documents could include financial reports, cooperative activity records, the pesantren's budget, as well as policies or regulations in place at the pesantren. Document analysis is important to provide a more comprehensive picture of the managerial practices implemented in the pesantren and to verify and delve deeper into the information obtained from observation and interviews. Through this technique, the researcher can obtain concrete evidence regarding the successes or challenges in the economic management of the pesantren (Bowen, 2009).

By combining the techniques of observation, in-depth interviews, and document analysis, this research seeks to provide a broader understanding of pesantren economic management and identify factors that affect the success or failure in managing the pesantren's economy. Moreover, this research also aims to provide practical recommendations for pesantren to improve their economic management, making them more independent and sustainable. Using a qualitative approach, this study hopes to uncover more substantial and complex aspects of pesantren economic management that are often overlooked in quantitative studies.

## **RESULT AND DISCUSSION**

### **A. Description of the Research Location**

The location of this research is focused on five Islamic boarding schools in Tulang Bawang, namely Darussalam Syafaat Islamic Boarding School, Darul Ishlah, Al Iman, Nurul Fattah, and Pondok Pesantren Tri Bhakti an-Nur. The surrounding environment of these pesantrens is predominantly rural, where the majority of the population relies on agricultural activities and local market trades. As a result, the financial capacity of

the pesantrens is relatively low, as it is aligned with the economic conditions of the community. This situation makes it difficult for the pesantrens to meet the welfare demands within the institutions. These five pesantrens were chosen based on their number of economic ventures. First, pesantrens with more than five economic business units, such as Darul Ishlah which has seven units of business: 1) Conventional agriculture, 2) Greenhouse agriculture, 3) Conventional fisheries, 4) Modern bioflok fisheries, 5) Poultry farming, 6) Shop/canteen, 7) Cooperative savings and loan. Second, pesantrens with 3-5 business units, such as Darussalam Syafaat and Nurul Fattah, which have 3 business units: canteen/mini-market, fisheries, and agriculture as well as plantations. Third, pesantrens with 1-3 business units, such as Pondok Pesantren Tri Bhakti an-Nur, which has 3 business units: canteen, animal husbandry, and plantations, while Al-Iman Boarding School operates plantation and canteen/cooperative units to supply various needs for the santri.

## **B. Economic Sector Development**

The economic sectors developed by the pesantrens are aligned with the culture and needs of the local community, particularly in agriculture. The community in Tulang Bawang is known for cultivating cassava, rubber, and vegetables. Some of these pesantrens have also developed greenhouse agriculture as part of a modern agricultural system. This modern agriculture is supported by an economic development program by Hebitren, affiliated with Bank Indonesia. As for fisheries, the pesantrens mostly focus on farming catfish and gourami, as catfish is considered easier to cultivate and market. In addition to agriculture and fisheries, there is a retail sector in every pesantren to meet the needs of the santri. However, some pesantrens have expanded their businesses beyond small shops or canteens into full-fledged mini-markets.

## **C. Management of Economic Activities in Pesantren Tulang Bawang**

### **1. Management**

The involvement of santri and teachers in the economic activities is carried out by external staff and selected santri. The santri involved in these activities are typically senior students who have an interest in business activities. However, these economic activities do not interfere with their study hours. Their tasks are limited to procurement, serving customers, financial administration, and profit calculations. Based on observations, the administrative board or teachers are not directly involved in the economic activities of the pesantren, as they are focused on teaching and managing the students. Furthermore, it is believed that the administrative board lacks the necessary competence in business management.

### **2. Capital Sources**

The capital for the economic activities of these pesantrens comes directly from the foundation, without involvement from the teachers or administrators. There is no program to encourage the participation of the pesantren's management in generating additional income, such as investment programs with profit-sharing from the economic activities of the pesantren.

### **3. Profit Management**

The profits generated from the pesantren's economic ventures are generally managed directly by the foundation. The proceeds from the sales are collected by the foundation's treasurer in a centralized financial system. These funds are

then allocated for the development of the pesantren, supporting its economic ventures, and for the general funds of the pesantren.

#### **D. Role of Economic Activities in Pesantren Tulang Bawang**

The economic activities of pesantrens in Tulang Bawang serve at least four main roles in promoting the welfare of each pesantren, including providing job opportunities, improving access to basic services, enhancing the quality of life, and contributing to public service programs.

##### **1. Job Opportunities**

The research reveals that the economic activities of the pesantren contribute significantly to job creation for both internal pesantren members and the local community. It is found that the existing human resources in the pesantren do not all hold important positions or receive adequate compensation. Non-degree staff with limited skills generally occupy less strategic roles and thus earn lower wages. However, the various business units in the pesantrens create job opportunities for those not involved in formal educational activities. For instance, at Pondok Pesantren Darul Ishlah, the various business units have provided job opportunities for the surrounding community as well as internal pesantren staff. At least three locals work in the agricultural and canteen sectors, and six pesantren administrators are involved in fisheries and greenhouse operations. These opportunities have significantly supported the economic well-being of those involved.

##### **2. Access to Basic Services**

Access to basic services refers to the public services and facilities that can be used by the community, such as education, health services, clean water, sanitation, and housing. The economic activities of the pesantrens have a positive impact on the availability of such services, thus contributing to the overall well-being of the pesantren residents. The increasing number of santri each year demands more facilities for learning, sanitation, healthcare, and accommodation for the staff. Although the profits from the pesantren's businesses are insufficient to build new facilities, they contribute to the maintenance of existing ones, such as performing minor and medium repairs. For instance, Pondok Pesantren Al Iman, which has been established for a long time, has better sanitation facilities compared to other pesantrens, primarily due to its well-maintained infrastructure.

##### **3. Quality of Life**

The economic activities of the pesantrens play a key role in improving the quality of life for both the santri and the staff. For santri, the presence of a canteen significantly supports their daily needs. Without the canteen, it would be difficult for the students to meet their daily requirements. Additionally, during harvest periods or Islamic holidays, santri are also given the opportunity to participate in celebrations, such as grilling fish from the pesantren's fishponds. Meanwhile, the staff benefit from the opportunities for work and investment within the pesantren's economic units, though some pesantrens, like Darul Ishlah, have not yet opened investment opportunities for the staff. Despite this, the staff enjoy basic living benefits such as housing and healthcare services.

#### **4. Public Expenditure**

The pesantrens also contribute to public welfare through their social programs, which are part of their broader social responsibility. Three pesantrens in the area regularly carry out social programs such as distributing food packages during Ramadan, providing scholarships to orphaned children during Muharram, and organizing health seminars. The average monthly budget for these social programs ranges from 350,000 to 3 million rupiah, sourced from the profits of the pesantren's businesses. These programs strengthen the relationship between the pesantren and the surrounding community, promoting goodwill and raising awareness about the pesantren's role in local development.

This research shows that economic activities within pesantrens in Tulang Bawang contribute significantly to both the internal welfare of the pesantren and the wider community, despite the limitations of the available resources. These efforts highlight the importance of integrating economic strategies within religious institutions to support the sustainability and well-being of their communities.

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The authorship contributions for this research are as follows: Author 1 conceived and designed the study, conducted data collection and analysis, and drafted the manuscript. Author 2 provided guidance on the research methodology, contributed to the interpretation of the results, and reviewed the manuscript. Both authors participated in the final revision of the manuscript and approved the submitted version.

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