



Gontor and Community Economic Empowerment

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Pondok Modern Darussalam Gontor (PMDG) as a leading Islamic educational institution in Indonesia has proven its role not only focusing on religious education, but also on other aspects, namely social and economic, especially the economic empowerment of the people. This study looks at the role of PMDG in community economic empowerment. PMDG's economic empowerment is carried out through an integrative approach between education, entrepreneurship, and sharia-based and sustainable resource management. PMDG incorporates a modern curriculum that includes practical skills such as business management, agribusiness, and information technology in its learning. PMDG incorporates a modern curriculum that includes practical skills such as business management, agribusiness, and information technology in its learning. Thus, it succeeds in instilling entrepreneurial character among the santri, which in turn has an impact on the surrounding community. In addition, the economic programs also implemented by PMDG such as pesantren cooperatives, productive waqf and zakat, and ecology-based activities not only increase the independence of the institution, but also empower the surrounding community economically.

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INTRODUCTION

Economic empowerment in Islam is a multifaceted concept that emphasizes justice, balance, and economic independence, rooted in the teachings of the Qur'an and Hadith. This empowerment not only seeks to alleviate poverty, but also to foster a community-oriented economic structure that prioritizes ethical values and social welfare. Justice in Islamic economics is fundamental, encouraging a fair distribution of resources and opportunities. The concept mandates fair treatment for all individuals, which ensures that economic benefits are accessible to all without discrimination. The Qur'an emphasizes this principle, stating that justice is both a human responsibility and a divine command (Wahyuni & Asriadi, 2023). This includes equal access to education, business opportunities, and the right to participate in economic activities.

On the other hand, the concept of balance ensures that as individuals pursue their economic goals, they do not neglect their responsibilities towards society. Islamic teachings encourage sustainable practices that do not exploit resources or harm society (Hidayah et al., 2023). The emphasis on balance extends to the relationship between material wealth and moral values, highlighting the importance of ethical behavior in economic transactions. In addition, economic self-reliance is an important aspect of empowerment in Islam. self-reliance encourages individuals to engage in productive activities such as trade and agriculture, fostering self-reliance and reducing dependence on external assistance. The teachings of Prophet Muhammad (SAW) advocate individuals to utilize their skills and resources effectively to overcome poverty and improve their living conditions (Samsuddin et al., 2023). This approach is in line with the Islamic principle of striving for self-reliance while contributing to the well-being of society.

Furthermore, Indonesia faces significant challenges in achieving economic equality and welfare for its citizens. In 2022, approximately 9.5% of Indonesia's population lived below the national poverty line, which equates to around 28 million people who do not have sufficient income to meet basic needs such as food, clothing and shelter (Wahyudi et al., 2024). Although this figure marks a decline from the previous decade, down from 98.7% in 1984, persistent economic challenges remain, including high unemployment rates and social exclusion, which disproportionately affect the poor (Wahyudi et al., 2024). On the other hand, Ismail

et al (2023) explain that in Indonesia, Muslims face considerable economic inequality, which is exacerbated by systemic barriers that limit their access to quality education and employment opportunities.

A major obstacle in optimizing economic potential is the lack of financial literacy and education related to the principles of Islamic finance. In many Muslim-majority countries, educational institutions do not cover Islamic economics or finance adequately, leading to a lack of skilled professionals in this field (Akbar et al., 2023). Furthermore, the general public's understanding of Islamic financial products is often limited. Many individuals may be aware of these products but lack knowledge of their functions and benefits, which may deter them from engaging with Islamic financial institutions (Akbar et al., 2023). This gap in education contributes to a reluctance to utilize available financial services, further exacerbating economic inequality. In overcoming this, in addition to the government, educational institutions such as Islamic boarding schools can help empower the community's economy.

Currently, the role of Islamic boarding schools is not only limited to providing learning about religion, but Islamic boarding schools are also required to play a role in universal aspects of life (Syamsuri, 2020). One of these important roles is related to the economic aspect. Many pesantren are involved in economic activities that benefit the institution and the local community. They may operate businesses or agricultural projects that provide employment opportunities for locals while also generating funds to support educational initiatives (Purwanto et al., 2021; Armina, 2020). This economic engagement not only improves the financial sustainability of the school but also empowers the community economically. Pesantren implement programs that encourage local economic development through activities such as agribusiness and community-based creative ventures, including halal industry (Hakim et al., 2022; Rusydiana et al., 2023). This approach not only prepares students to contribute positively to society but also actively involves them in local resource management and entrepreneurial initiatives (Muhsin et al., 2024).

One of the Islamic boarding schools that is oriented towards the economic empowerment of the people is Pondok Modern Darussalam Gontor. Pondok Modern Darussalam Gontor (PMDG), founded in 1926 in Ponorogo, East Java, Indonesia, is one of the largest and most influential Islamic educational institutions in the country. Known for its modern approach to Islamic

education, PMDG has played a significant role in shaping the educational landscape in Indonesia and Southeast Asia. PMDG operates as an independent institution managed by the community for the benefit of Muslims. This management model allows it to maintain financial independence and flexibility in its educational offerings. The pesantren has built a strong network with various alumni organizations and associations across Indonesia, further increasing its community impact and reach (Bahroni, 2012).

In addition to education, PMDG is actively involved in economic empowerment initiatives. The school has developed various business units that serve both educational and economic sustainability purposes. These initiatives include agricultural projects, cooperatives, and entrepreneurship training programs that aim to provide students with practical skills and knowledge of business management (January, 2018; Sulaiman et al., 2018). One well-known model of economic empowerment in Gontor involves ecological protection-based businesses that not only generate income but also promote environmental sustainability. This model encourages students to engage in entrepreneurial activities while paying attention to ecological impacts (Kaltsum et al., 2023). The success of this initiative contributes to the financial independence of the institution and provides employment opportunities for the local community.

Moreover, PMDG's impact extends beyond its student body; it plays a significant role in uplifting the surrounding community. By providing training and resources for entrepreneurship, Gontor fosters economic independence among its graduates and the local population. The skills acquired through these programs enable individuals to start their own businesses or expand existing ones, thus increasing the overall economic resilience of the community (January, 2018; Sulaiman et al., 2018). Furthermore, PMDG's focus on cooperative models in its economic programs encourages collective growth and resource sharing among students and local entrepreneurs. This cooperative approach not only strengthens community ties but also ensures that economic benefits are distributed more equitably (Sulaiman et al., 2018).

There are quite a lot of studies that discuss the role of Gontor pesantren in community empowerment. The majority of research highlights Gontor's economic activities and the role of Gontor in utilizing Islamic philanthropy such as zakat and waqf in empowering the community. A number of related studies, namely Susilo (2016), explain the contribution of waqf gontor to the

welfare of the Gontor community. This research explains that waqf management in Gontor is running very well even with the emergence of rapidly growing business units, Gontor productive waqf also seeks to contribute to the welfare of the Gontor village community, and all maqasid syariah indicators can be fulfilled, especially in the field of economic independence. Syamsuri & Bohran (2017) present how the Gontor pesantren strategy in empowering the community, and the extent of its role in Islamic economic development. Achmadi (2021) analyzes the management of the implementation of the pesantren protective economy in the unida gontor siman business unit. Kasudin et al (2024) explained the application of economic development strategies at the Gontor Islamic Boarding School. Fanani & Hakim (2022) explain the economic system of waqf-based independence at the Darussalam Gontor Islamic Boarding School in Indonesia. Ukas et al (2024) analyzed the development strategy of annisa taylor as a waqf business unit at darussalam gontor for girls first campus. Jazil et al (2021) studied pesantren and economic empowerment from the maqashid sharia perspective.

METHOD

This study uses a descriptive qualitative approach. Qualitative methods are research approaches that focus on in-depth understanding of phenomena, behavior or human experiences in their context. This research does not rely on numerical or statistical data, but rather on description, narrative, and interpretation. The descriptive method is a research approach that aims to describe or explain a phenomenon, situation or condition systematically and factually. This research focuses on collecting information and data to provide a clear picture of the object under study, without carrying out manipulation or experimentation.

RESULT AND DISCUSSION

Pondok Modern Darussalam Gontor (PMDG) has a modern education system that combines religious curriculum and practical skills. The curriculum at Gontor emphasizes the importance of Islamic economics, which is in line with sharia principles, and incorporates the management skills necessary for entrepreneurship. This integrative approach ensures that santri not only learn theoretical concepts but also how to apply these concepts in real-world scenarios. The curriculum includes subjects such as business management, agribusiness, and information technology,

which are crucial to fostering an entrepreneurial mindset among santri (Muhsin et al., 2024; Triyawan & Sa'idah, 2022). Muhsin et al (2024) and Nafi'Hasbi & Widayanti (2022) added that santri can be involved in agricultural activities, learning about land management, crop cultivation, and sustainable agricultural practices. This not only equips santri with important skills, but also contributes to food security and self-reliance in the community.

This explains that Entrepreneurial Character Education at Pondok Pesantren Gontor is implemented through a comprehensive approach that combines various educational strategies and practices aimed at fostering entrepreneurial skills and characters among santri. The boarding school promotes a holistic educational environment where entrepreneurial character is fostered through formal and informal learning experiences. This includes the hidden curriculum that emerges from the daily activities and interactions among the santris. The hidden curriculum includes training in leadership, teamwork, and problem-solving skills, which are critical for entrepreneurial success (Alamin et al., 2024; Dacholfany, 2015). Gontor also emphasizes practical training through various activities such as workshops, business simulations, and community projects. These activities give students hands-on experience in managing a business and understanding market dynamics. The focus on experiential learning helps students apply theoretical knowledge in a real-world context, fostering their entrepreneurial mindset (Winarto et al., 2024; Fitriastuti et al., 2023).

Furthermore, Gontor also has a number of economic programs such as cooperatives that function as a forum to improve the economic welfare of santri and the surrounding community. The cooperative established by Gontor serves as a business entity for santri. The cooperative is designed to provide practical experience in managing a business while fostering entrepreneurial skills. Santris participate in various cooperative activities, including production, marketing, and financial management, which are essential for their economic empowerment. The pesantren cooperative operates under a sharia-based economic model, which is in line with Islamic principles. This model emphasizes ethical business practices, social responsibility, and community welfare. By adhering to sharia guidelines, cooperatives not only ensure compliance with Islamic teachings but also build trust within the community, encouraging wider participation and support (Isnawan, 2023).

Cooperatives at Gontor also engage the local community by providing goods and services that meet local needs. This engagement helps strengthen the relationship between the school and the community while offering students real-world experience in market dynamics. Cooperatives often work closely with local businesses, increasing their operational capacity and reach (Latifah, 2024). The ultimate goal of the cooperative is to achieve sustainability and economic independence for the students and the school. By generating income through cooperative activities, Gontor aims to reduce dependence on external sources of funds, thereby ensuring its long-term viability as an educational institution (Armita & Hanifah, 2023; Sulaiman et al., 2018).

On the other hand, Pondok Pesantren Gontor operates with a unique economic model that combines Waqaf (Islamic charity fund) and Zakat (mandatory charity) to achieve financial sustainability and community empowerment. This model is important to understand how traditional Islamic financial instruments can support educational institutions independently. The Waqaf system encourages community involvement. Alumni networks and entrepreneurial initiatives contribute significantly to fundraising efforts, fostering a sense of ownership among stakeholders (Umam et al., 2024; Nafi'Hasbi & Widayanti, 2022). Proceeds from Waqaf are used to subsidize education costs for students, including tuition fees and living expenses. This approach helps to maintain affordable education despite limited income from student tuition fees (Umam et al., 2024; Nafi'Hasbi & Widayanti, 2022). In addition, funds generated from Waqaf are invested in the construction and maintenance of facilities such as dormitories, school buildings and sports halls. These developments improve the overall quality of education and community services (Umam et al., 2024; Fanani & Hakim, 2022). In addition, santri families make voluntary contributions (Infaq) and Zakat that collectively enrich the institution's coffers. Investments earned from Zakat collection generate passive income streams that support ongoing operational expenditures (Al-Ayubi et al., 2022; Nafi'Hasbi & Widayanti, 2022).

Based on this, pesantren are increasingly recognized as an important institution among both students and the community. Research from Iltiham & Rohtih (2023) shows that these pesantren have established cooperatives and small and medium enterprises (SMEs), which provide practical business experience and enhance the economic independence of students and communities. The involvement of

pesantren can result in increased income for local traders and job creation for community members, including migrants seeking employment opportunities (Zikwan, 2024). In addition, by collaborating with locals in various economic ventures, pesantren also encourage solidarity and collective action. This collaborative approach has been shown to increase social capital in the community, which is crucial for long-term economic sustainability (Milah et al., 2024; Irhas et al., 2023). The emphasis on sustainability by pesantren also ensures that economic activities can be sustained in the long term, benefiting current and future generations (Zikwan, 2024; Syafa'at et al., 2023).

CONCLUSION

Pondok Modern Darussalam Gontor (PMDG) as a leading Islamic educational institution in Indonesia has proven its role not only focusing on religious education, but also on other aspects, namely social and economic, especially the economic empowerment of the people. PMDG's economic empowerment is carried out through an integrative approach between education, entrepreneurship, and sharia-based and sustainable resource management. PMDG incorporates a modern curriculum that includes practical skills such as business management, agribusiness, and information technology in its learning. Thus, it succeeds in instilling entrepreneurial character among the santri, which in turn has an impact on the surrounding community. In addition, the economic programs also implemented by PMDG such as pesantren cooperatives, productive waqf and zakat, and ecology-based activities not only increase the independence of the institution, but also empower the surrounding community economically. These initiatives reflect the harmony between Islamic values, sustainability, and social welfare, making PMDG an inspiring model in education-based community economic development.

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