Inspiring Entrepreneurial Spirit to Achieve Economic Independence for the Community Based on the Foundation of Islamic Boarding Schools

Muhammad Fahmul Iltiham, Wiwin Ainis Rohtih
Yudharta University of Pasuruan Jl. Yudharta No. 7, Sengonagung, Purwosari, Pasuruan 67162, East Java, Indonesia.
fahmul.esy@yudharta.ac.id, wieaira11@gmail.com

ABSTRACT
This research aims to recognize the role of Islamic boarding schools (pesantren) in nurturing entrepreneurship as an effort to overcome competition from foreign products. Islamic boarding schools have the potential as educational institutions that shape individuals who are religious and independent, aligning with the goals of the entrepreneurship program. Enhancing entrepreneurship in Islamic boarding schools is a necessity to ensure that students (santri) are not only competent in religious aspects but also possess economic self-reliance. This is expected to have a significant impact on the economy, especially in creating entrepreneurs from among the students. With a large number of Islamic boarding schools and students, these institutions have a strategic potential to support national economic development. Many Islamic boarding schools have established cooperatives, developed small and medium-sized business units or industries, and have business incubators. The research method used is qualitative, employing data collection techniques through observation, interviews, and documentation. The study was conducted at an Islamic boarding school in Pasuruan Regency. The results indicate that Islamic boarding schools in Pasuruan Regency play a crucial role in training modern industrial entrepreneurs by establishing various business units such as food, clothing manufacturing, and accessories. Entrepreneurship programs empower students and the community, improve their well-being, and create job opportunities. The involvement of students in entrepreneurship at the Islamic boarding school has resulted in alumni establishing similar businesses that serve the broader Pasuruan Regency area.

Keyword: Entrepreneurial Spirit, Economic Independence, Community Development, Islamic Boarding Schools, Entrepreneurship Education

A. INTRODUCTION

Islamic boarding schools, known as pesantren, play a crucial role in shaping the character and guiding the development of their students (Zainuri et al., 2021). Beyond religious aspects, pesantren holds significant potential as a cornerstone for the development of the community’s economy through the application of entrepreneurial values (Nazulal Q., 2018). This research aims to delve into efforts to instill an entrepreneurial spirit towards the economic independence of the community based on pesantren. A pressing issue is the high unemployment rate and the lack of well-being, especially among the younger generation
Muhammad Fahmul Iltiham, Wiwin Ainis Rohith., Inspiring Entrepreneurial Spirit to Achieve Economic …

(Falah, 2018). Additionally, the limited interest and job opportunities pose significant obstacles in achieving economic prosperity (Diah Yuniawati & Amalia Muti, 2021).

In this perspective, the research is directed towards identifying the role of pesantren in providing solutions to these issues through fostering an entrepreneurial spirit. The limitations in job opportunities and the low interest in entrepreneurship are root problems that require a holistic approach, including strengthening education and cultivating entrepreneurial character within the pesantren environment, supported by Zainal Abidin & Ari Wahyu Prananta, (2022). Thus, this research is expected to make a significant contribution in addressing the economic challenges faced by the community, particularly through empowering pesantren as a foundation for developing high-quality entrepreneurs. By delving into the efforts undertaken by pesantren, the research aims to provide relevant policy recommendations and strategies to enhance the economic independence of the community in the future.

The entrepreneurial spirit is deemed crucial in enhancing the economic independence of society, and pesantren, with its steadfast adherence to Islamic values, serves as an ideal platform for instilling entrepreneurial values (Dharma et al., 2019). Despite numerous studies focusing on economic independence by strengthening the role of Micro, Small, and Medium Enterprises (MSMEs) Harmaini et al., (2023); Lambey et al., (2018), this research has a unique focus on the role of Islamic boarding schools, specifically pesantren. Pesantren, as an Islamic educational institution, creates an environment that integrates formal and informal education (Hafidh et al., 2023). In addition to involving students in academic learning, pesantren also plays a role in shaping character and moral integrity, creating a generation of individuals with integrity (Handoko, 2020).

In this context, the research goes beyond merely examining entrepreneurial aspects and explores the role of pesantren in preparing the millennial generation. The focus extends beyond the development of an entrepreneurial spirit, exploring how pesantren can align with the contemporary era, particularly in formulating educational strategies that combine spiritual values with entrepreneurial skills (Muliawanto, 2018). The research encourages an understanding of the extent to which pesantren can serve as a unifying force between economic resilience and spirituality in educating the millennial generation. Through this approach, the research is expected to provide in-depth insights into the efforts of pesantren in shaping a generation that excels not only in religious aspects but also as independent and competitive economic actors. The increasing prevalence of imported products underscores the urgency of preparing a generation of excellence within pesantren, making it not only a center for religious education but also a hub for molding resilient individuals in facing global economic challenges.

**B. THEORETICAL STUDY**

1. **Entrepreneurship**

   Several management theories state that entrepreneurship encompasses the ability to form new companies by utilizing opportunities, taking risks, and embracing change. Audretsch, (2023) defines entrepreneurship as the spirit, behavior, and ability to provide a positive response to opportunities for the purpose of gaining profits or delivering better services to customers or the community. This includes efforts to attract more customers,
enhance service quality, create more beneficial products, and implement more efficient ways of working through the courage to take risks, creativity, innovation, and management skills (Di Paola et al., 2023).

Keyhani, (2023) adds that the science of entrepreneurship originated from commerce and then expanded into various fields such as industry, education, health, government institutions, universities, and others. Schimperna et al., (2022) define entrepreneurship as an individual's ability to sense and pursue opportunities that align with their situation, while believing that success can be achieved. Eesley & Lee, (2021) state that entrepreneurs are individuals who have the ability to see and assess business opportunities, gather the necessary resources to take advantage of them, and take appropriate actions to ensure success.

The success of an entrepreneur is always associated with creativity and innovation. Innovation arises from high creativity, which is the ability to bring something new into life. Creativity is considered a crucial resource in competition due to the rapidly changing business environment. Jabeen, (2016) identifies four human potentials, including self-awareness, moral sustainability, independent views, and creative imagination. Entrepreneurs are individuals who can actualize these four potentials appropriately and sustainably.

Keyhani, (2023) emphasizes that the ability to manage key assets, such as market position, quality human resources, distribution systems, technical capabilities, brand, and others, is a key factor in the success of a company. Creative thinking also contributes to adding value, creating value, and discovering opportunities. Creative individuals have characteristics such as openness to experiences, seeing things in an unusual way, curiosity, independence, and a readiness to take measured risks.

2. Fostering Entrepreneurial Spirit

Fostering entrepreneurial spirit refers to efforts in developing entrepreneurial characteristics in individuals, involving the cultivation of attitudes, behaviors, and skills necessary to become entrepreneurs. This process includes instilling belief in one's potential, nurturing creativity, the ability to identify opportunities, the courage to take risks, perseverance in achieving goals, as well as mastering management and innovation. In the context of Islamic boarding schools (pondok pesantren), nurturing entrepreneurial spirit is integrated with Islamic values and character education (Nurzaman et al., 2022). Pesantren not only serve as religious institutions but also as centers for shaping independent individuals ready to face business dynamics. This process involves strengthening faith, empowerment through business knowledge, and the formation of a strong character.

To support this goal, pondok pesantren can involve students (santri) in entrepreneurship education programs that include training, mentoring by kyai or business practitioners, and building networks with successful entrepreneurial alumni. Students can also participate in business projects or internships to gain practical experience in the business world. Additionally, it is crucial for pondok pesantren to encourage creativity and innovation by embracing a learning approach that emphasizes critical and solution-oriented thinking. In this regard, the development of management skills, including time
and financial management, becomes an integral part of the pesantren curriculum (Indoworo, 2016).

Pondok pesantren can also be an environment that supports sustainability and perseverance by guiding students in facing obstacles and failures as part of the entrepreneurial journey. Meanwhile, understanding the market and customers can be strengthened by emphasizing local empowerment and understanding the needs of the surrounding community (Effendy et al., 2023). With this holistic approach, pondok pesantren is expected to make a significant contribution to fostering entrepreneurial spirit that not only correlates with business success but also aligns with Islamic values, shaping empowered, creative, and integrity-driven individuals.

3. Pesantren Economy

Pesantren Economy is a concept that encompasses various economic activities taking place within the pesantren environment. It involves economic practices carried out by pesantren in the realms of education, well-being, and community development. Pesantren Economy is not solely focused on financial aspects but also includes social, educational, and religious aspects integral to the sustainability of pesantren as an Islamic institution (Iqbal Irfany, 2022). Pesantren Economy may involve diverse activities such as educational fund management, independent pesantren initiatives, participation in the local economy, and community empowerment through training and skill development. This concept also involves pesantren's efforts to make positive contributions to the general economy and the welfare of the surrounding community (Fitria, 2022).

In addition to financial aspects, Pesantren Economy also incorporates Islamic values in economic management, such as justice, transparency, and social responsibility. Thus, Pesantren Economy is a holistic view of economic practices within the pesantren environment, aiming to achieve educational, welfare, and sustainable community development goals (Muslimin, 2019). Developing pesantren economy with a focus on preparing students to compete involves several integrated strategies and practices. Here are some steps that can be taken (Hakim et al., 2022):

a. Entrepreneurship Education: Integrate the pesantren curriculum with entrepreneurship education to equip students with business knowledge and skills.

b. Practical Skills Development: Focus on developing practical skills relevant to the business world, such as crafts, agriculture, or technology skills.

c. Innovation and Creativity: Encourage innovative and creative attitudes by providing space for students to develop new ideas or entrepreneurship projects.

d. Time Management and Personal Skills Training: Provide time management and personal skills training to ensure students can efficiently balance studies and economic activities.

e. Mentoring and Guidance: Provide mentoring programs where students can learn from successful entrepreneurs or pesantren alumni who have succeeded in the business world.

f. Collaboration with Local Industries: Collaborate with local business stakeholders to create job opportunities and learning experiences for students.

g. Pesantren Business Management: Manage pesantren businesses with professionalism and transparency.
h. Empowerment of the Local Community: Involve pesantren in local community empowerment initiatives through training and skill development.

i. Market Understanding and Product Innovation: Teach students to understand the market and business trends.

j. Financial Education and Investment: Provide financial education and investment knowledge for students to understand personal and business financial management.

C. METHODOLOGY

This research utilizes a qualitative descriptive approach (Gunawan, 2014). The data collection methods involve observation, interviews, and documentation (MA Pratama, 2013). The research is conducted in Islamic boarding schools in Pasuruan Regency that have business units in the fashion and creative crafts sector, with a higher number of female students compared to other boarding schools. The selected boarding schools include Pondok Pesantren Ngalah, Pondok Pesantren Walisongo Purwosari, and Pondok Pesantren Dalwa Bangil. The informants involved in this study include the leaders and administrators of the Islamic boarding schools, the managers of businesses owned by the boarding schools, as well as students and alumni engaged in entrepreneurial activities within the Islamic boarding school. Secondary data is obtained from various supporting sources, such as books, journals, and relevant literature regarding the roles and functions of Islamic boarding schools.

In the research process, several stages are undertaken to manage and analyze qualitative data. The initial step involves data transcription, particularly if interview results are recorded, by transcribing the recordings into written text, encompassing all words spoken by the respondents (Fadli, 2021). Subsequently, data obtained from observations, interviews, and documentation are categorized based on specific themes or topics to identify emerging patterns or trends. Thematic analysis is conducted to identify and extract main themes reflecting patterns, perceptions, or experiences relevant to the research. The data can then be grouped or classified based on specific characteristics, such as the type of business in the fashion and creative crafts sector, the role of Islamic boarding school leaders, or the contributions of students and alumni in entrepreneurial activities.

Some researchers also utilize qualitative analysis software such as NVivo to assist in organizing, analyzing, and presenting data systematically (Edwards-Jones, 2014). Triangulation of data is the subsequent step, involving the use of multiple data sources to validate findings (Lexy, 2010). In this context, data from observations, interviews, and documentation are used collectively to ensure the accuracy and reliability of information. The results of data analysis are presented in narrative form, highlighting key findings and may include direct quotations from interviews as support (Reyvan, 2021). Visualizations such as diagrams or graphs may also be employed if appropriate. The final stage involves the
interpretation of findings and the formulation of conclusions along with practical implications, serving as a basis for recommendations.

D. RESEARCH FINDINGS

Pasuruan Regency, formerly renowned as the "city of Islamic students," continues to uphold the tradition of religious scholarship through regulations mandating young individuals or school students to participate in madrasah diniyah. The primary objective of these regulations is to cultivate a generation with strong religious and social knowledge. In the context of Islamic boarding schools (pesantren) in Pasuruan Regency, the internalization of religious values in entrepreneurship plays a crucial role in shaping the attitudes and behaviors of entrepreneurs. The integration of religious values serves as the foundation for achieving both spiritual and material goals, fostering a sense of family among the pesantren, students (santri), congregation (jama’ah), and the surrounding community. This not only strengthens social relationships but also creates an environment supportive of sustainable economic growth.

The establishment of pesantren as educational institutions integrating Sufi values with the Nubuwwah method helps shape entrepreneurs with a foundation in Islamic morals and ethics. Entrepreneurs internalized with religious values tend to prioritize integrity, honesty, and responsibility in every aspect of their business. The leadership demonstrated by the administrators of pesantren reflects a commitment to human resource development, focusing not only on religious aspects but also formal education and skill development. This results in entrepreneurs who are not only highly qualified in religious matters but also possess competent entrepreneurial skills.

In economic endeavors, pesantren in Pasuruan Regency extend beyond the education/mission sector. They actively engage in the development of various business sectors such as cooperatives, crafts, freshwater fish farming, dairy and beef cattle farming, as well as various trade and service sectors. The establishment of these business sectors reflects diversity and creativity in conducting entrepreneurship in accordance with religious principles (Muliawanto, 2018).

This approach aligns with the educational concept applied by Ustad Badrus Soleh, emphasizing "improving the quality of worship, the quality of education, and well-being." This approach creates entrepreneurs who are not only successful materially but also exhibit a sense of concern for the well-being of their communities. By integrating the qualities of entrepreneurship, Muslim qualities, and leadership qualities, Pasuruan Regency becomes not only a center for religious scholarship but also a model ecosystem for ethical and sustainable entrepreneurship that positively impacts community development (Iqbal Irfany, 2022).

The above components, consisting of entrepreneurship quality, Muslim quality, and leadership quality, as seen in Figure 2, provide a deep understanding of the essential attributes needed to achieve the internalization of religious values in entrepreneurship, especially in the pesantren environment.
1. Entrepreneurial Quality

To foster an entrepreneurial spirit in a student, it is necessary to have entrepreneurial qualities that start with an open-minded attitude. This attitude allows students to receive various input and innovations, including the use of modern technology which can speed up and simplify business activities. Apart from that, good relationships with administrators, alumni, teachers as components of Islamic boarding schools are very important. By establishing good relationships, you can get support that contributes to the smooth running and development of your business. Involvement in good relations also needs to be carried out with the community around the Islamic boarding school to support the smooth running of business activities. Professionalism is a necessity, where an entrepreneur must be able to divide the roles of a student and a businessman.

2. Muslim Qualities

A santri who is serious about entrepreneurship in the Islamic boarding school environment must reflect Islamic characteristics, namely actions and deeds that are in accordance with Islamic teachings. So this also applies to carrying out business activities. Figure 5 shows that students must have a high understanding of Islamic teachings to support business operations. According to Islamic teachings, students who become business people must be honest, trustworthy, gentle, and always guide their team. The products or services sold must be halal, transparent and honest in transactions without harming other people. Business transactions must be protected from fraud or monopoly, applying Islamic values in business activities to differentiate them from other business activities.
3. Leadership Qualities

Santri who are successful in entrepreneurship must be role models in organizing, guiding and managing their subordinates in business activities. Students also need to have dexterity in finding the best solution when facing problems. The ability to become a leader involves the skill of listening to input from various parties, including students. Firmness and humility are considered a must, while leaders must also encourage their subordinates to think critically and creatively so that the business can survive, develop and compete with competitors. The picture of leadership qualities is as follows:

![Figure 5. Leadership qualities](image)

These three components form a unity called entrepreneurial Muslim leadership. This analysis is interpreted into a proposed framework. The three components complement and perfect each other, forming a unified whole where business leaders combine a good entrepreneurial spirit with running a business in accordance with Islamic teachings. With these capabilities, the main goal is to meet its operational needs without relying on external assistance.

E. DISCUSSION

A study exploring the factors that an entrepreneurial student at an Islamic boarding school needs to have has revealed interesting findings. Even though business is still relatively new in the Islamic boarding school environment, businesses that have succeeded in achieving extraordinary business achievements are still quite rare. Based on data we obtained from the Ministry of Religion of East Java Province, many individuals in East Java were able to maintain their businesses. Success in the Islamic boarding school context must have broad insight and solid values, which are rooted in Islamic teachings. These values are related to business transactions based on fear of God and responsibility based on belief in the afterlife. This finding is in line with the view of Mobarak, (2016) which states that Islamic entrepreneurs are different from conventional entrepreneurs, focusing on the welfare of society. This practice reflects Islamic teachings, by ensuring that the products sold are halal and involving the community in its operations.

Research also supports the idea that students need to master religious knowledge, managerial knowledge, networking, entrepreneurship and leadership. Success in running a business requires a combination of these skills to survive and develop, but still in accordance with Islamic principles. Apart from that, knowledge and insight about business needs to continue to be updated and sharpened through various training programs related to entrepreneurship development. The Islamic boarding school entrepreneurship development
program which is held every year by several agencies such as the Cooperatives Service, Bank Indonesia, University Institutions is a concrete step to increase creativity and quality of entrepreneurship (Muhtarom, 2016).

The importance of financial management based on sharia is reflected in Islamic teachings, where the Prophet Muhammad SAW is used as a good role model in trading procedures. In this case, the Prophet Muhammad SAW played the role of leader of the people and business manager, showing the importance of managing finances in accordance with Islamic principles. Several Islamic boarding schools that have implemented sharia-based financial management have succeeded in creating stability in their businesses, involving sharia financial institutions in them to ensure financial transactions are carried out professionally and in accordance with Islamic teachings.

An interesting challenge faced is how to implement the concept of an institution that is largely dependent on external assistance so that it can be independent without external support (Ratnasari, 2021). How a leader can lead the institution effectively is an important question that needs to be answered to achieve independence. These questions form the basis for future research, delving deeper into this unique and interesting topic.

F. CONCLUSION

In conclusion, the findings underscore the pivotal role of Islamic boarding schools in Pasuruan Regency as key training grounds for contemporary industrial entrepreneurs, evident through the establishment of diverse business units. Entrepreneurship programs within these schools not only empower students and the community, fostering improved well-being and job opportunities but also contribute to the creation of alumni-led businesses benefitting the wider Pasuruan Regency. The study delving into factors crucial for entrepreneurial students reveals that success in this relatively new business environment is rare but achievable. Success, according to the data from the Ministry of Religion of East Java Province, is attributed to individuals maintaining businesses with broad insights and solid values rooted in Islamic teachings, emphasizing the welfare of society. The integration of religious knowledge, managerial skills, networking, entrepreneurship, and leadership is identified as essential for business success, aligning with Islamic principles. The ongoing commitment to updating and honing business knowledge through various training programs, exemplified by the annual Islamic boarding school entrepreneurship development program, highlights concrete steps toward increasing creativity and the quality of entrepreneurship. Furthermore, the importance of Sharia-based financial management, drawn from the exemplary practices of Prophet Muhammad SAW, has been instrumental in ensuring stability within businesses operated by Islamic boarding schools. Despite these successes, an intriguing challenge lies in transitioning from external dependence to institutional independence, raising questions about effective leadership to achieve autonomy, providing a foundation for future in-depth exploration in research on this unique and compelling topic.

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