

# DEVELOPMENT OF ISLAMIC BOARDING SCHOOLS THROUGH LOCAL WISDOM-BASED COMMUNITY ECONOMIC EMPOWERMENT: An Innovative Offer

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**Abstract:** This study aimed to analyze and document the internalizing Islamic boarding school development process through the empowerment of local wisdom and evaluate the innovative impacts of this approach. The research method used was a qualitative approach through case studies of Islamic boarding schools that have implemented local wisdom internalization strategies. The internalization process involves steps such as analysis of local needs, integration of local wisdom values in the curriculum, active involvement of Islamic boarding schools in local community activities, and the formation of partnerships with local governments and related stakeholders. By collecting data through interviews, observations, and document analysis, this research presents findings on the effectiveness of the internalization method. The research results show that Islamic boarding schools that adopt this innovative offer can produce graduates who are not only competent in the field of religion but also skilled in applying local wisdom in everyday life. In general, the Al-Qur'an offers two principles in community economic empowerment activities: the principle of *ta'awun* and the principle of *shura*. The principle of *ta'awun* is the principle of cooperation between various parties. The principle of *syura* is the deliberation between the government and institutions related to this community economic empowerment program. There are at least three economic business offers to empower the local wisdom-based community economy in Islamic boarding schools: community and Islamic boarding school collaboration in plantation management, *batik*-making skills business, and community collaboration with Islamic boarding schools in livestock management.

**Keywords:** Islamic boarding school; community economic empowerment; local wisdom

**Abstrak:** Penelitian ini bertujuan untuk menganalisis dan mendokumentasikan proses internalisasi pengembangan pesantren melalui pemberdayaan kearifan lokal dan untuk mengevaluasi dampak inovatif dari pendekatan tersebut. Metode penelitian yang digunakan adalah pendekatan kualitatif melalui studi kasus pesantren yang telah menerapkan strategi internalisasi kearifan lokal. Proses internalisasi ini melibatkan langkah-langkah seperti analisis kebutuhan lokal, integrasi nilai-nilai kearifan lokal dalam kurikulum, pelibatan aktif pesantren dalam kegiatan masyarakat lokal, dan pembentukan kemitraan dengan pemerintah daerah dan stakeholders terkait. Melalui pengumpulan data melalui wawancara, observasi, dan analisis dokumen, penelitian ini menyajikan temuan tentang efektivitas metode internalisasi tersebut. Hasil penelitian menunjukkan pesantren yang mengadopsi tawaran inovatif ini mampu menghasilkan lulusan yang tidak hanya kompeten dalam bidang agama, tetapi juga terampil dalam menerapkan kearifan lokal dalam kehidupan sehari-hari. Secara umum ada dua prinsip yang ditawarkan Al-Qur'an dalam kegiatan pemberdayaan ekonomi masyarakat, yaitu prinsip *ta'awun* dan prinsip *syura*. Prinsip *ta'awun* adalah prinsip kerja sama dan sinergi diantara berbagai pihak. Prinsip *syura* bermakna musyawarah antara pemerintah dengan lembaga yang terkait dengan program pemberdayaan ekonomi masyarakat ini. Setidaknya, ada tiga tawaran usaha ekonomi dalam upaya pemberdayaan ekonomi masyarakat berbasis kearifan lokal di pesantren, yaitu kolaborasi masyarakat dan pesantren dalam pengelolaan perkebunan, usaha ketrampilan membuat batik, dan kolaborasi masyarakat dengan pesantren dalam pengelolaan peternakan.

**Kata kunci:** Pondok Pesantren; pemberdayaan ekonomi masyarakat; kearifan lokal

## Introduction

Islamic boarding schools are the oldest educational system in Indonesia as compared to other educational institutions, and they have long been considered an indigenous Indonesian cultural product (with distinctive character).<sup>1</sup> The development and advantages of Islamic boarding schools are closely related to the management system developed. There are two reasons why Islamic boarding schools can act as pioneers of the people's economy. First, *santri* (Muslim students) are a group of people who are highly committed to their religion.<sup>2</sup> The students' commitment to their religion can influence their economic activities. Second, by focusing their efforts on Islamic studies, Islamic Boarding School can become agents of change and drivers of Sharia economics in society, as well as producing young entrepreneurs with an Islamic spirit.

Observing the values of local wisdom in Islamic boarding schools is necessary for developing students' personalities independently and responsibly, particularly in the continuing processes of learning managed by the Kiai or *ustadz*. This way, local crafts can become a philosophy for Islamic boarding school educational activities. They can also serve as the basis for Islamic boarding school activities in other fields, such as local crafts. They have the potential to become a direction for the development of Islamic boarding schools in the economic field of the Islamic boarding school itself.

Local wisdom is a legacy passed down from ancestors and can be found in traditional literature, worldview, economy, health, and architecture.<sup>3</sup> One of the local values of traditional Islamic boarding schools is a leadership system based on charismatic figures. They are also reflected in

the business units owned by an Islamic boarding school which serve as of independence.

Islamic boarding schools can also utilize other assets to target the economic sector. These assets must be employed by competent asset management from the Islamic boarding school so that asset utilization can take place optimally.<sup>4</sup> Islamic boarding-based economic empowerment of the community is essential since Indonesia, which is currently still classified as a developing country, is working hard to eradicate poverty, necessitating an effective poverty-reduction strategy. These values are also stated in Law Number 18 of 2019 concerning Islamic Boarding Schools in Article 3 point (c), which states that Islamic boarding schools are organized to improve the quality of life of the community, which is empowered to meet the educational needs of citizens as well as the social welfare of the community.

The presence of Islamic boarding schools in the archipelago is accompanied by its strategic role, which can help the surrounding area improve and develop. Islamic boarding schools have played a role in the economic, social, and political fields. The significance of Islamic boarding schools in empowering the community economy still has to be improved. It remains solely focused on educational activities, and even if there are business units, these Islamic boarding school units only generate income for the Islamic boarding school itself. From this perspective, we are interested in discussing strategic initiatives that Islamic boarding schools could take to maximize their existing strengths while also assisting the state in empowering communities surrounding Islamic boarding schools. This article explores integrating Islamic boarding schools to empower the community's economy based on local wisdom. Analyze how significant the potential for collaboration between Islamic boarding schools and local wisdom is in community development, particularly in terms of community economic empowerment.

Based on the preceding narrative, the author

<sup>1</sup> Dewi Asri Ulandari and Guruh Sugiharto, "MANAJEMEN PONDOK PESANTREN AL- AZIZIYAH KAPEK GUNUNGSARI DALAM MEMBENTUK KARAKTER RELIGIUS SANTRI," *Jurnal Ilmu Sosial*, vol. 1, no. 2 (2022), pp. 209–32.

<sup>2</sup> Muhammad Anwar Fathoni and Ade Nur Rohim, "Pesantren Value Added Sebagai Modal Pemberdayaan Ekonomi Masyarakat Kecamatan Cibadak Lebak Banten," *Islamic Economics Journal*, vol. 5, no. 2 (December 30, 2019), p. 221, <https://doi.org/10.21111/iej.v5i2.4002>.

<sup>3</sup> Jumriani Jumriani et al., "The Urgency of Local Wisdom Content in Social Studies Learning: Literature Review," *The Innovation of Social Studies Journal*, vol. 2, no. 2 (March 10, 2021), p. 103, <https://doi.org/10.20527/iis.v2i2.3076>.

<sup>4</sup> Abdulloh Majid, Heni Noviarita, and Erike Anggraeni, "Peran Digitalisasi Ekonomi Untuk Membentuk Kemandirian Ekonomi Pondok Pesantren," *Ekonomi, Keuangan, Investasi dan Syariah (EKUITAS)*, vol. 4, no. 4 (May 30, 2023), pp. 1265–73, <https://doi.org/10.47065/ekuitas.v4i4.3441>.

intends to characterize and explain the cohesion and synchronization between activities in Islamic boarding schools, especially in the economic sector; through Islamic boarding school business units to empower the community through the perspective of local wisdom.

## Method

This study adopted a qualitative approach using conceptual and observational study methods to explore the development of Islamic boarding schools through community economic empowerment based on local wisdom. Several Islamic boarding schools covering a diversity of circumstances were the subject of the study, with the local communities that surround them serving as the primary focus. Data was collected through in-depth interviews with Islamic boarding school leaders, teachers, and community members, as well as direct observation of the implementation of innovations. As conceptual research<sup>5</sup>, the data analysis involves qualitative methods, such as content analysis, to better understand the impact of developing Islamic boarding schools and community economic empowerment based on local wisdom. The results of this research provide in-depth insight into how integrating local knowledge might improve the development of Islamic boarding schools while also innovatively empowering the economy of local communities.

## Economic Empowerment in Islamic Boarding School

The ability of Islamic boarding schools to survive and even have their educational existence recognized as part of the national education system must differ from the education management system developed thus far.<sup>6</sup> According to Mastuhu, an education system (including Islamic boarding schools) will determine whether the educational institution in question will

interest the public.<sup>7</sup> An education system is said to serve the challenges of its time if it can respond to the needs of students and develop their abilities in accordance with their tendencies, respond to advances in science and technology, and meet national development goals. Aside from that, the education system will also be in demand by the public if it can provide moral guidance or noble character through their beliefs, develop skills or expertise so that they can live respectfully and be respected in the community, bringing benefits, a sense of security and trust, and hope for the community to promote life together physically and spiritually.<sup>8</sup>

In general, if we pay attention to the ins and outs of the existence of Islamic boarding schools, we can find several advantages and uniqueness in it, including: (1) the management of the Islamic boarding school prioritizes the family aspects, with teaching and educational staff drawn from within the family and community members. Around the boarding school, as well as prioritizing alumni with competence; (2) organizing more in-depth learning regarding the study of the yellow book and also providing additional knowledge of Arabic grammar (*ilmu nahwu*) and even making it a characteristic of Islamic boarding schools; (3) the curriculum aspect places more emphasis on providing religious material, particularly *nahwu* as a form of the Islamic boarding school Learning Unit Level Curriculum concept; (4) from a social aspect of society, Islamic boarding schools grow and develop within a society which has its characteristics based on the socio-economic culture of the region.<sup>9</sup>

The potential for economic empowerment of Islamic boarding schools can be further developed

<sup>5</sup> Elina Jaakkola, "Designing Conceptual Articles: Four Approaches," *AMS Review*, vol. 10, no. 1 (June 1, 2020), pp. 18–26, <https://doi.org/10.1007/s13162-020-00161-0>.

<sup>6</sup> Mujamil Qomar, *Pesantren: Dari Transformasi Metodologi Menuju Demokratisasi Institusi* (Jakarta: Erlangga, 2002), [https://books.google.com/books?hl=id&lr=&id=\\_u6ouXge9JcC&oi=fnd&pg=PR7&dq=Mujamil+Qomar,+Pesantren:+Dari+Transformasi+Metodologi+Menuju+Demokratisasi+Institusi+\(Erlangga,+2002\).&ots=2sc1DtJSou&sig=-UQXEx0JNnBzg6nFX2IXLze38jc](https://books.google.com/books?hl=id&lr=&id=_u6ouXge9JcC&oi=fnd&pg=PR7&dq=Mujamil+Qomar,+Pesantren:+Dari+Transformasi+Metodologi+Menuju+Demokratisasi+Institusi+(Erlangga,+2002).&ots=2sc1DtJSou&sig=-UQXEx0JNnBzg6nFX2IXLze38jc).

<sup>7</sup> Muhammad Khoiruddin, "Integrasi Kurikulum Pesantren dan Perguruan Tinggi," *Cendekia: Jurnal Kependidikan Dan Kemasyarakatan*, vol. 17, no. 2 (November 5, 2019), pp. 219–34, <https://doi.org/10.21154/cendekia.v17i2.1526>.

<sup>8</sup> Charlene Tan, "Islam and Citizenship Education in Singapore: Challenges and Implications," *Education, Citizenship and Social Justice*, vol. 2, no. 1 (March 2007), pp. 23–39, <https://doi.org/10.1177/1746197907072124>.

<sup>9</sup> Eko Wicaksono, Mohamad Ali, and Mahasri Shobahiya, "Educational Pattern of Islamic Boarding Schools in the Contemporary Era (Case Study: Al-Mukmin Ngruki Islamic Boarding School)," in *Proceedings of the International Conference on Islamic and Muhammadiyah Studies (ICIMS 2023)*, ed. Triono Ali Mustofa et al., vol. 773, *Advances in Social Science, Education and Humanities Research* (Paris: Atlantis Press SARL, 2024), pp. 599–612, [https://doi.org/10.2991/978-2-38476-102-9\\_53](https://doi.org/10.2991/978-2-38476-102-9_53).

to advance the surrounding community's economy.<sup>10</sup> It will have an impact on reducing people's poverty. Suppose the Islamic boarding school economic empowerment model is developed and extensively adopted in a certain area, such as a city or province. In that case, this will reduce the amount of poverty in that area. Ultimately, prosperity in the area will rise.

Islamic boarding schools can carry out economic empowerment using a *da'wah* system.<sup>11</sup> Empowerment through this *da'wah* system will make students more accustomed to preaching, resulting in output (graduates) of Islamic boarding schools who are experts in religion and *da'wah*. This empowerment *da'wah* movement is a *da'wah* strategy towards social transformation in which the lousy stigma associated with *da'wah*, such as coercion, exploitation, oppression, and so on, is avoided when *da'wah* activities occur. This *da'wah* empowerment prioritizes action over discourse or rhetoric (*tabligh*). Furthermore, this empowerment *da'wah* is usually carried out by independent institutions with no involvement in achieving goals with other institutions. It makes Islamic boarding schools the ideal institution for this *da'wah* empowerment.

Islamic boarding schools can empower<sup>12</sup> The Islamic boarding school economy in a variety of ways, including the following:

- a) Employment opportunities,
- b) Business opportunities and establishment of business entities,
- c) Financial institutions and/or Islamic boarding school social institutions
- d) Education of students.

<sup>10</sup> Murtiadi Awaluddin, Ilham Gani, and Sri Prilmayanti Awaluddin, "Economic Business Development for the People Through Optimizing the Role of Islamic Boarding Schools in a Pandemic Period," *Al-Mashrafiyah: Jurnal Ekonomi, Keuangan, Dan Perbankan Syariah*, vol. 7, no. 1 (April 30, 2023), pp. 62–74, <https://doi.org/10.24252/al-mashrafiyah.v7i1.33479>.

<sup>11</sup> Abdul Rahman, Megawati, and Najamuddin, "The Role of the Nuhayah Islamic Boarding School in Empowering Islamic Communities," in *Proceedings of the International Conference on Social Science 2019 (ICSS 2019)* (Atlantis Press, 2019), pp. 135–39, <https://doi.org/10.2991/icss-19.2019.220>.

<sup>12</sup> Grisna Anggadwita et al., "Empowering Islamic Boarding Schools by Applying the Humane Entrepreneurship Approach: The Case of Indonesia," *International Journal of Entrepreneurial Behavior & Research*, vol. 27, no. 6 (January 1, 2021), pp. 1580–1604, <https://doi.org/10.1108/IJEBR-11-2020-0797>.

In general, the Al-Qur'an offers two principles in community economic empowerment activities: the principle of *ta'awun* (collaboration) and the principle of sharia.<sup>13</sup> The principle of *ta'awun* is the principle of cooperation and synergy between various parties. These parties include the Islamic boarding school, the community, and local government institutions. These three parties must work harmoniously to fully and comprehensively empower the people's economy.<sup>14</sup> Islamic boarding schools can develop programs to empower the community's economy. The public can participate in the programs designed by the Islamic boarding school.

Meanwhile, the government can monitor and support the programs established by the Islamic boarding school. The principle of shura refers to the deliberation between the government and institutions involved in this community economic empowerment program. The government can undertake discussions with Islamic boarding schools about the programs they have created. The government can also act as a facilitator and regulator in this empowerment program on the agreed-upon results of deliberations.

Empowerment refers to the ability of people or groups, especially vulnerable and weak groups, to have the strength or ability to (a) fulfill their basic needs so that they have freedom, (b) reaching productive sources enables weak groups to raise their income and obtain essential goods and services, and (c) participate in development and decision-making processes that affect weak/vulnerable groups.<sup>15</sup> According to experts, discussion on empowerment should be considered based on the objectives, processes, and methods of

<sup>13</sup> Ahmad Lukman Nugraha, "Islamic Business Ethics and Islamic Microfinance in Pesantren Gontor," *Shirkah: Journal of Economics and Business*, vol. 2, no. 1 (2017) *DOI - 10.22515/Shirkah.V2i1.28*, January 10, 2018, <https://www.shirkah.or.id/new-ojs/index.php/home/article/view/28>.

<sup>14</sup> Lavli Matria Esya, Egabetha Amirah Y, and Aina Zahra Parinduri, "Pelatihan Memulai Usaha Berdasarkan Prinsip Ekonomi Syariah," *PROGRESIF: Jurnal Pengabdian Komunitas Pendidikan*, vol. 1, no. 2 (November 17, 2021), pp. 87–95, <https://doi.org/10.36406/progresif.v1i2.447>.

<sup>15</sup> Nadeera Ranabahu and Farzana Aman Tanima, "Empowering Vulnerable Microfinance Women through Entrepreneurship: Opportunities, Challenges and the Way Forward," *International Journal of Gender and Entrepreneurship*, vol. 14, no. 2 (January 1, 2022), pp. 145–66, <https://doi.org/10.1108/IJGE-01-2021-0020>.



empowerment carried out. These include: (1) empowering vulnerable or disadvantaged parties to become more powerful, (2) empowerment is the process by which parties become strong enough to participate actively in improving the situation, (3) empowerment refers to efforts to reallocate power by changing society's existing economic structure, and (4) empowerment is a method for people, organizations and communities to gain control over their lives.

Economic empowerment is both a process and an end goal. As a process, economic empowerment involves a series of activities aimed at strengthening the power or empowering vulnerable groups (their economic conditions) in society.<sup>16</sup> As a goal, empowerment refers to the conditions or results to be achieved, and the concept of empowerment goals is frequently used to assess the success of empowerment as a process. If the empowerment concept above is attached to precede the economic concept, a new, narrower, and more specific concept emerges. Economic empowerment is the process of giving power to a second party (the target of empowerment) for them to become financially capable. Economic empowerment emerged as an antithesis to development and industrialization models that do not benefit the majority community (which does not hold economic power).

This concept is built from the following logical framework: (1) the concentration of power is built from the center of strengthening production factors; (2) centralization of power in the factors of production will give rise to a working society and a peripheral ruling society; (3) power will result in building knowledge systems, political systems, legal systems and ideologies that are manipulative to strengthen and legitimize; and (4) systematic co-optation of knowledge systems, legal systems, political systems, and ideologies that will create two groups of society: empowered communities and disabled communities.<sup>17</sup>

<sup>16</sup> Tarsem Lal, "Impact of Financial Inclusion on Economic Development of Marginalized Communities through the Mediation of Social and Economic Empowerment," *International Journal of Social Economics*, vol. 48, no. 12 (January 1, 2021), pp. 1768–93, <https://doi.org/10.1108/IJSE-12-2020-0830>.

<sup>17</sup> Mohammad Nadzir, "MEMBANGUN PEMBERDAYAAN EKONOMI DI PESANTREN," *Economica: Jurnal Ekonomi Islam*; vol. 6, no. 1 (2015), <https://doi.org/10.21580/economica.2015.6.1.785>.

## Various Factors Influencing Economic Empowerment in Islamic Boarding Schools

Religion is a guide for humans in both worldly and worshipping God. In terms of *muamalah*, divine religions have regulated their followers in relations between humans in the fields of government, law, society, and issues related to the economy.<sup>18</sup> In economics, scientists have conducted in-depth research on the relationship between religion and economics. One of the main points of the study is whether religion contributes to the economic spirit of society. Kenneth Boulding discovered in his research that the influence of Protestant Christianity on the economic spirit was more significant than the influence of religion on economic thought alone.<sup>19</sup>

Religion also influences decision-making regarding the types of commodities produced, the establishment of economic institutions, and financial practices or behavior. The preceding opinion is strengthened by Max Weber's theory, which proves that religion, in this case, the ethics of Protestantism, contributed to the development of capitalism and the industrial revolution.<sup>20</sup> The description above demonstrates the importance of religious and ethical values are vital in driving the economic spirit, as described by Weber in his book, "The Protestant Ethic and the Spirit of Capitalism". Now, what about Islam? In Islam, financial issues—which fall into the category of worldly affairs—actually have a significant weight in religion, not just as a supplement, as is widely believed. Islam teaches a balance between the orientation of earthly life and the afterlife.

However, Islam teaches life ethics, which states that when acquiring wealth, we must maintain

<sup>18</sup> Muhammad Djakfar, "Revitalization and Actualization of Religious Values to Realize Civilized Wasathiyah Economy," in *Proceedings of the 2018 International Conference on Islamic Economics and Business (ICONIES 2018)* (Atlantis Press, 2019), pp. 149–53, <https://doi.org/10.2991/iconies-18.2019.29>.

<sup>19</sup> A. M. W. Pranarka, *Pemberdayaan: Konsep, Kebijakan, Dan Implementasi*, (Jakarta: Centre for Strategic and International Studies, 1996).

<sup>20</sup> Ernest J. Yanarella, "Weber's Protestant Ethic Thesis and Ecological Modernization: The Continuing Influence of Calvin's Doctrine on Twenty-First Century Debates over Capitalism, Nature and Sustainability," in *The Changing World Religion Map: Sacred Places, Identities, Practices and Politics*, ed. Stanley D. Brunn (Dordrecht: Springer Netherlands, 2015), pp. 145–73, [https://doi.org/10.1007/978-94-017-9376-6\\_7](https://doi.org/10.1007/978-94-017-9376-6_7).

good deeds towards people or protect other people's human rights; we must not be greedy, deprive others of their rights, be unfair, and not harm others.<sup>21</sup> Islam does not view economic problems through the lens of capitalism, which grants individuals freedom and ownership rights and encourages individual business. Not even from a communist point of view, which seeks to abolish all individual rights and turn everyone into economic slaves controlled by the state.

Islam justifies selfish behavior without allowing it to ruin society. To improve the economy, Islam motivates its adherents to work hard and maintain a high work ethic. Because Islam is a religion that teaches and encourages its followers to achieve life's riches both materially and spiritually, at least two of Islam's five pillars, zakat and hajj, reflect this recommendation. The implementation of these two pillars of Islam requires material wealth or sufficiency. If implementing zakat and the Hajj pilgrimage demand sufficient material, then looking for it becomes obligatory. In other words, the pillars of Islam require its followers to be materially sufficient. The Prophet also emphasized that *al-yad al-ulya khairun min al-yad as-sufla*, "the hand above is better than the hand below", or giving is better than asking.<sup>22</sup>

The Al-Qur'an also highlights the value of working hard and urges Muslims to consider their economic condition.<sup>23</sup> Among them is QS. Al-Qashash [28]: 77: "Rather, seek the 'reward' of the Hereafter using what Allah has granted you, without forgetting your share of this world. And be good to others as Allah has been good to you. Do not seek to spread corruption in the land, for Allah certainly does not like the corruptors." In al-Jalalain, the verse is interpreted as "Obtain the interests of the afterlife that Allah has given you, by donating these assets in obedience to Allah. And don't forget your part

related to the worldly to become a charity for the Hereafter."<sup>21</sup> Also in Surah Al-Jumu'ah [62]: 10: "Once the prayer is over, spread throughout the land and seek the bounty of Allah. And remember Allah often so you may be successful." Islam encourages people to work. Hadith revealed that: "*Asyaddu an-nâs azâban yaum al-qiyâmah al-maghfi al-ba'îl* (the most severe torment on the Day of Judgment, is for people who only want to be provided for by other people and live idle).

According to Yusuf Qardhawi, Islam does not want its people to be in poverty.<sup>24</sup> Because the implications of poverty and social inequality might lead to deviations from faith, it believes, as the Prophet Muhammad stated that "Poverty can lead to disbelief" (HR. Abu Na'im from Anas). Poverty can also lead to people falling into despicable morals and values since the voice of the stomach can overpower the voice of conscience. The burden of adversity can also make people question their moral and religious values. Islam imposes a charge on humans as economic subjects, known collectively as the Ummah, to exert efforts commensurate with their capacity. This burden has implications for many things. Although economics is not a component of endeavor fiqh in Islamic law, it is strongly tied to economic endeavors. We recognize *muamalah* articles as comprehensive and detailed financial modifications. Starting with the existence of humans as economic objects (producers and consumers), and in addition to efforts to improve the economic system, such as increasing the participation of private capital, it is equally important is work on the skills and abilities of economic actors, which are related to human business or endeavor.

Touching on economic efforts, we recall a hadith which means, "Working to fulfill economic needs is obligatory after other obligations." The interpretation of this hadith will result in productive human groups or people with abundant resources who are also the core of the economy. Allah does not provide *rizq* in finished, ready-to-use, but rather as a means and natural resource. Then, of course, it

<sup>21</sup> Gillian Rice, "Islamic Ethics and the Implications for Business," *Journal of Business Ethics*, vol. 18, no. 4 (February 1, 1999), pp. 345–58, <https://doi.org/10.1023/A:1005711414306>.

<sup>22</sup> Azyumardi Azra, *Pendidikan Islam: Tradisi Dan Modernisasi Menuju Milenium Baru*, (Logos Wacana Ilmu, 1999), p. 36.

<sup>23</sup> Ermawati Ermawati, Siti Musyahidah, and Nurdin Nurdin, "Muslim Society Perspective on Islamic Banking Corporate Social Responsibility in Indonesia (Based On Qur'an and Hadits Economic Themes)," SSRN Scholarly Paper (Rochester, NY, August 8, 2021), <https://papers.ssrn.com/abstract=3901287>.

<sup>24</sup> Shidqi Ahyani, "KEMISKINAN DALAM PERSPEKTIF AL-QUR'AN DAN SOLUSINYA DALAM PANDANGAN ISLAM," *Kariman: Jurnal Pendidikan Keislaman*, vol. 4, no. 1 (2016), <https://doi.org/10.52185/kariman.v4i1.61>.

is necessary to process it and seek it in industrial form, among other things. This hadith provides a proportional view of the economy. An attitude of endeavor can prevent humans from adopting a fatalistic attitude (surrendering to fate), which has been expressly prohibited by Allah in Surah Yusuf verse 87: "And do not lose hope in the mercy of Allah, for no one loses hope in Allah's mercy except those with no faith."

### Muslim Students and Economic Empowerment

The role of students in economic empowerment is an intriguing topic to discuss because students who are involved in various learning activities or reciting the Al-Qur'an also have economic activities. Certain Islamic boarding schools provide students with multiple skills in the economic field, including cooperatives, crafts, and trading. The Islamic boarding school conducts all of this to equip students with various skills or to at least prepare their mentality and abilities so that they can be self-sufficient when they leave the Islamic boarding school.<sup>25</sup> Therefore, it is natural for Islamic boarding schools to strive for growth by implementing concrete actions (*da'wah bil hal*) in the community around the Islamic boarding school in all fields, including economic empowerment.

To proceed with a development program based on economic empowerment, at least the Islamic boarding school must meet the following requirements: (1) the activities carried out must benefit the Islamic boarding school and the surrounding community, incredibly the weak; (2) the Islamic boarding school and the community itself carry out the implementation; and (3) because Islamic boarding schools and weak communities struggle to work independently due to lack of power, efforts to empower them also include developing joint business activities in specific groups based on business units that students can assign. We encourage engagement in local communities to help each other in the context of social solidarity. It incorporates the participation of locals who have progressed.

According to Law Number 18 of 2019, Islamic Boarding Schools have several functions, one of which is as a community empowerment institution that involves the economic sector.<sup>26</sup> For this reason, Islamic boarding schools must be able to develop economic *mujahids* (warriors) who can be financially independent, hence improving people's well-being over time. Therefore, attempts to implement Law Number 18 of 2019 concerning Islamic Boarding Schools must be balanced with the policies of Islamic boarding school management in developing Islamic boarding schools as they should. Through efforts to offset this, the implementation of Islamic boarding schools to empower Islamic boarding schools can be achieved by the expected goals. Community empowerment programs are critical for demonstrating that Islamic boarding schools, especially Salaf Islamic boarding schools, can not only play a role in the religious field but also empower the surrounding community in the fields of education, social, and Islamic *da'wah*. The significance of Islamic boarding schools in community empowerment in substance leads to more communication between Islamic boarding schools and the surrounding community.

### Local Wisdom and Its Role in Society-Based Economic Empowerment

A well-known saying is that "another field is another grasshopper, another hole is another fish", implying that each region has its different customs. Traditions in one area may differ from those in other areas. Suppose this proverb is relevant to this article. In that case, it is possible to conclude that the economic empowerment of Islamic boarding schools in a region varies depending on the social and cultural context. The Islamic boarding school is located in these demographic and ethnographic conditions contexts.

Local wisdom is defined as the cultural superiority of local communities and geography in a broad sense, with a greater place and location. Understanding local knowledge is essential for managing the environment, society, and state governance. Regulation of local

<sup>25</sup> "Improving Skills in Batik Design through Digital Application for a Pesantren Community in Jombang," *ASEAN Journal of Community Engagement*, vol. 6, no. 2 (December 30, 2022), <https://doi.org/10.7454/ajce.v6i2.1155>.

<sup>26</sup> Desak Tiara Wirawan, "Social Accountability Process of Islamic Boarding School: Case Study of Sidogiri Pasuruan Islamic Boarding School," *International Journal of Multicultural and Multireligious Understanding*, vol. 6, no. 1 (February 1, 2019), p. 134, <https://doi.org/10.18415/ijmmu.v6i1.497>.



wisdom, as defined in Law no. 32 of 2009 concerning Environmental Protection and Management Article 1 number 30, is a noble value that applies in the community life system, which aims to sustainably protect and manage the environment.<sup>27</sup> Local wisdom functions as a filter and controller for foreign culture, which is regulated in various laws and regulations, as well as the 1945 Constitution of the Republic of Indonesia. However, it does not discuss this matter significantly.

According to the local wisdom, there are at least several economic business patterns in the Islamic boarding school environment. First, economic efforts centered on *kiai*, who are primarily responsible for developing Islamic boarding schools with large land areas. For example, a *kiai* has a large plantation. The *kiai* involves the local community to do the work for maintenance and harvesting. Thus, a mutually beneficial relationship develops: the *Kiai* can manage his plantation, the community gets additional income, and ultimately, the profits generated from the plantation can support the needs of his Islamic boarding school while also employing the community around the Islamic boarding school. In this situation, the community can also gain benefits as managers of the plantation owned by the *Kiai*/Islamic boarding school around their residence. This collaboration between the community and Islamic boarding schools can be implemented in areas with high soil humus content. For example, the Mambaul Ulum Islamic Boarding School in Malang is a boarding school with very fruitful plantations.<sup>28</sup> This Islamic boarding school's produce includes cassava, cavendish bananas, and avocados, which are managed by workers from the neighboring community who nurture the gardens and make the plantation products into snacks.

*Second*, economic efforts benefit the community by providing skills and abilities that can be employed as an economic resource in the future. Islamic boarding schools develop training programs for

financial businesses such as weaving and batik crafts. The aim is solely to provide people with additional skills in the hope that they will become provisions and instruments for earning a living income. The Baitul Hamdi Islamic Boarding School in Menes Pandeglang can also serve as a sample of this type of Islamic boarding school because the students are encouraged to engage in farming and gardening.<sup>29</sup> For example, the Tarbiyatut Tholabah Lamongan Islamic Boarding School is a batik business. Batik Craft is a local Lamongan craft—an Islamic boarding school business that trains and collaborates with the community to manufacture typical Lamongan batik.

*Third*, economic efforts for student alumni. By involving the community, the boarding school management organizes a specific business to initiate a productive business for the community; thankfully, the remaining profits can be used to develop the Islamic boarding school. The main priority remains to empower student alumni. An example is Jabal Nur Islamic Boarding School in Siak Regency, Riau Province. The Jabal Nur Farm Business (JN Farm), which collaborates with the community and livestock, is the livelihood of the Siak people in meeting their daily needs.<sup>30</sup> It is also done by the Sidogiri Islamic boarding school in Pasuruan, East Java, and the Maslakul Huda Islamic boarding school in Kajen Pati, Central Java.

Based on the utilization methods explained, several approaches have been developed, that can be applied to economic empowerment activities, namely (1) efforts to empower Islamic boarding schools must be directed at Islamic boarding schools that are in need, and many of the surrounding communities are poor or undeveloped, (2) a business unit group approach to facilitate the resolution of problems faced together, and (3) community assistance during the empowerment process is carried out by forming groups. This

<sup>27</sup> Rinitami Njatrijani, "Kearifan Lokal Dalam Perspektif Budaya Kota Semarang," *Gema Keadilan*, vol. 5, no. 1 (October 1, 2018), pp. 16–31, <https://doi.org/10.14710/gk.2018.3580>.

<sup>28</sup> Muhammad As' ad, "Upaya Pondok Pesantren Dalam Meningkatkan Keterampilan Hidup Santri: Studi Kasus Di Pondok Pesantren Man'baul Ulum Sidomulyo-Batu" (PhD Thesis, Universitas Islam Negeri Maulana Malik Ibrahim, 2008), <http://etheses.uin-malang.ac.id/4253/>.

<sup>29</sup> Metrobanten, "Para Santri Buat Sentuhan Fashion Modern Dari Tenun Baduy Dan Batik Lebak," *Metrobanten.Co.Id | Berita Terkini Dan Terdepan* (blog), December 15, 2020, <https://metrobanten.co.id/para-santri-buat-sentuhan-fashion-modern-dari-tenun-baduy-dan-batik-lebak/>.

<sup>30</sup> GoRiau.Com, "GoRiau - Tidak Hanya Fokus Dakwah, Yayasan Ponpes Jabal Nur Kandis Perkuat Ekonomi Masyarakat Di Masa Pandemi," 2021, <https://www.goriau.com/berita/baca/tidak-hanya-fokus-dakwah-yayasan-ponpes-jabal-nur-kandis-perkuat-ekonomi-masyarakat-di-masa-pandemi.html>.



strategic role of Islamic boarding schools can be implemented by utilizing local wisdom as an effort to empower the community as well as to carry out the mandate of Law Number 18 of 2019. The law explains the changes in function related to the exclusive role of Islamic boarding schools, which previously only carried out educational functions, to become more inclusive and work together with the community in presenting a more advanced socio-economy and assisting the government in overcoming poverty in the archipelago.

## Conclusion

Observing the values of local wisdom in Islamic boarding schools is necessary for developing students' personalities independently and responsibly, particularly throughout the education and learning process, which is constantly managed directly by the *Kiai* or *ustadz*. Local crafts might thus serve as a philosophical foundation for Islamic boarding school educational activities. They can also serve as the basis for Islamic boarding school activities in other fields, such as local crafts. They have the potential to be a direction for the development of Islamic boarding schools in the economic field of the Islamic boarding school itself.

In the context of the Islamic boarding school environment, there are at least several possible economic business patterns to empower the community economy based on local wisdom. These include (a) community and Islamic boarding school collaboration in plantation management, (b) community economic efforts through the provision of batik-making skills, and (c) community and Islamic boarding school collaboration in livestock management.

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