Integrated Economic Empowerment Model for Rural Islamic Boarding Schools in West Borneo Indonesia

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Abstract

This study was conducted in a traditional Islamic boarding school (IBS) located in West Kalimantan. Among the existed boarding schools in the area, Pondok Pesantren Abdussalam was chosen due to its potential. This study adopted qualitative approach, utilized observation, documentation, interview and focus-group discussion (FGD) technique in collecting the data which then being analyzed using action research technique. The originality of the study is as follow: the study in this topic area has not been conducted previously, especially the one which focuses on the integrated economics improvement of IBS in rural area. The study result shows that there have been some economic activities in the institution in spite of its remote location. Additionally, the economic activities have been provided the institution with some benefits. However, the effect of such activities have not been felt fully yet. There have been three reasons in regard with this situation, namely insufficient human resources who have expertise in existed economic sector, limited capital as well as infrastructure factor. We propose the synergetic model to solve these three issues. The model is a cooperative model which can be implemented both with internal institution such as internal sharia micro-finance institution or with external institution such as local government or universities.

Keywords: Integrated economic empowerment; Rural Islamic boarding school.

1. Introduction

Muslim population has been risen and pronounced positive impact towards the development of Islamic Boarding School (IBS) in Indonesia either in rural or urban area (Yuli et al., 2011). Generally, IBS studies were mainly conducted in Java - the mainland of the Republic of Indonesia, which is relatively more developed than the others area outside Java. However, the IBS’ in West Kalimantan have not being sufficiently studied despite its economic opportunity waiting to be managed i.e. Pondok Pesantren Abdussalam (Tan, 2014; Thahir, 2014), Pondok Pesantren Abdussalam (PPA) established in 1984 in the depth of the Sui Ambawang District, Kubu Raya regency, West Kalimantan, Indonesia Approximately 500 to 1000 students go to PPA to study. The institution has managed some activities in several sectors such as agriculture, plantation, and Islamic finance & trade. Furthermore, PPA has also provided formal and informal education for the surrounding population. Based on (Asrohah, 2011; Ediagbonya, 2013; Suandoko, 2005; Sulaiman et al., 2016; Tan, 2014), studies, IBS has wide potentiality based on its economic condition which is suitable to be improved through designing a suitable economic-empowerment model since PPAs have abundant human and natural resources. There are several factors behind the reason why IBS’ have been consistently preserving its existence. First, it adopts a traditional community-based management model. They also have a good relation with the surrounding community. Second, Islamic boarding schools have a freedom climate for the development of modern education. Third, Islamic boarding schools have an accommodative tradition of all types of development and input from all related groups to improve the quality and autonomy of Islamic Boarding Schools (Alhifni et al., 2017). Based on the above background, this study analyse how economic activities and empowerment in Abdussalam Islamic boarding school, How is the appropriate integrated model of economic empowerment model for rural Islamic boarding schools should be formulated and applied both by Abdussalam Islamic boarding school and other Islamic boarding schools that have the same characteristics as Abdussalam boarding schools.

2. Literature Review

There are 3 types of IBS in Indonesia: salafiyah (traditional), modern and khalafiyah which is a combination of the modern and traditional one (Faozan, 2006; Sari, 2016). Pondok Pesantren Abdussalam belongs to the Khalafiyah category. Based on (Faozan, 2006; Haji Abdurrahim, 2016). IBS’ have economic potential due to three drivers actors that is teachers, students and institutions. The teachers play as a main actor functioning as the main adherent of embedding the entrepreneurial mind-set among IBS’ students. IBS actively plays a important role economic
development as it has sufficient human capital which at the same time influential in the local community. Furthermore, IBS’ are expected to give contribution in strengthening of IBS’ economic improvement through the economic experts and Moslems entrepreneur educated in the institution (Sulaiman et al., 2016).

Economic empowerment is an attempt to make the economy bigger, stronger, more competitive and modern to boost economic development located in an environment where correct market mechanism operates. A theory used is the economic development theory by Schumpeter in which he stressed the importance of businessman in achieving economic development. Theoretically, entrepreneurs are groups that will continue to carry out economic activities. There are two economic empowerment efforts implemented in the first place to prepare the private community towards entrepreneurship (Perkins, 1995; Suandtoko, 2005). Empowerment means providing resources, opportunities, knowledge and skills to enhance people's ability to determine their own future and to participate in the lives of their communities. Economic empowerment has been carried out by many IBS’. On the other hand, empowerment is also done to improve the spiritual, political, social, educational, gender, or economic strength of individuals and communities. The focus of this study is the empowerment of two economic sectors namely incorporating entrepreneurial spirit and mindset among community group (students) since entrepreneurship is a main solution to drive communities (students) work’s role especially among young people in rural areas (Ediagbonya, 2013). Suandtoko (2005), explains that economic empowerment activities measured at the level of empowerment by looking at several aspects of the level of empowerment, which include:

1. Business access. Having reliable business access such as transportation access, capital adequacy, infrastructure, goods supply and distribution chains.
2. Market Access. Having reliable market access which assists the institution in distributing its products as a result people can be easily access. Additionally, this will enable the institution survive in a tough competition within the industry.
3. Technology access. Having reliable and sufficient access to the latest technology which supports the business, facilitates transactions and ensures business transparency & accountability.
4. Human Capital Access. Having access to professional resources in particular those who are capable in business management.
5. Lobbying Skill. Having a good relation with stake holders and a business-maintenance plan. Correspondingly, having a good relation with stake holders in the field of related economic sectors, especially those who is in charge maintaining the industry’s sustainability.

When all of the above access operates soundly, it represents that the empowerment process fully empowered. However, when there is only one access utilized, it represents that the process runs less empowered. Contrary, when all the access are not done properly, it shows that the empowerment process has not empowered. Meanwhile, (Sulaiman et al., 2016). Illustrates that communities’ economic empowerment can be done through the following three models:

1. People in the community has an ability to meet their basic need and enjoy economic stability.
2. People in the community perform sufficient adaptability skill towards change existing in their environment.
3. People in the community possess an ability to cope with external threats and risks.

Based on the mentioned models above, we consider the first model is more relevant to be used as IBS’ empowerment model since IBS’ run in a religious environment and have abundant santri - those who study at IBS’, communities. Haji Abdurrachim (2016), stated in his study that IBS’ generally maintain their relationship with the government agencies or officers to gain their support in developing the institution in various area of activities including education and economy.

3. Research Methods

This research is done to gain descriptive understanding on the subject of economic empowerment in Pondok Pesantren Abdussalam (PPA) and building an integrated empowerment model which can possibly be applied in the mentioned institution. The research adopted qualitative approach by using Participant Action Research (PAR) analysis. PAR is one of applied-social research model which is basically a social experiment by observing new policy introduction and its impact (Davison and Kock, 2004; Miller and Maguire, 2003). This method considers to be appropriate utilized in this study due to the involvement of researchers in the on-site observation. The respondent of this study is all PPS’ management officers and managers in charge of the business unit in PPA. The data in this study is acquired through interview, observation and focus group discussion (FGD). The stages tackled in this study is reciprocal to steps described in PAR stated by Davison and Kock (2004), as shown by figure 1 below:
Figure 1. There are 5 (five) stages in this action research which is adjusted to the study problem i.e.:
1. Diagnosis, identifying main problem in PPA which exists in every business unit in order to perform further improvement.
2. Formulating action plan, both researchers and participants comprehend the problems from previous stage which then proceeds to develop an action plan suited to the existed problem.
3. Taking action, the researchers limit the study on a single action using two approaches: training and development.
4. The researchers and participants jointly implement the action plan based on the expectation that it can possibly solve the problem in PPA’s business unit.
5. Evaluating, subsequent to implementation period, the researchers and participants evaluate the implementation result and creating development design which then executed.
6. Learning, this is the last stage of the cycle is being conducted by reviewing the final phases that have finished.

All of the lesson principles must be learned, changes within the organization situation are evaluated by the researchers and communicated to clients and the other researchers so that they can perform comprehensive reflection of the research completion report.

Based on all of these stages, we limit the research action steps by consideration of the following reasons:
1. Action and evaluation executed only once based on the limited time available.
2. Reflection of lesson learned only formulated in the form of model that can be proposed and implemented. The researchers did not step in to execution phase based on time constraint.

4. Research Discussion

4.1. Empowerment of Economic Sector at Pondok Pesantren Abdussalam

Pondok Pesantren Abdussalam (PPA) is an educational institution that applies a very cheap payment system. Every month santri is only charged Rp. 250,000. The cost is being collected for meals (twice a day), IBS tuition and formal education tuition where the amount is reasonably cheap, especially when economic conditions are uncertain. This system can be applied because Islamic Boarding Schools Abdussalam has several economic sectors such as farm, plantations, trade and animal husbandry including Islamic microfinance institutions that have provided support for the development of the institution.

Agriculture and plantations in the Abdussalam Islamic boarding school have been developed since 1999, livestock since 1997, and trade began in 2014. The development of all these sectors has improved well as can be explained by the following table:

<table>
<thead>
<tr>
<th>No</th>
<th>Economic Sector</th>
<th>Administrator</th>
<th>Person in charge</th>
<th>Land Area</th>
<th>Annual Income (Rp)</th>
<th>Net Empowerment Access</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture</td>
<td>14 Students added by 70 regular students</td>
<td>Misnadi</td>
<td>25 Hectare</td>
<td>244,245,200</td>
<td>Business access market access, human capital access, information technology access and lobbying access: have been run properly in spite of limited financial capital, lack of professional human resources and low infrastructure-availability.</td>
</tr>
<tr>
<td>2</td>
<td>Plantations</td>
<td>30 Student added by another 70 regular students</td>
<td>Luqman</td>
<td>42 Hectare</td>
<td>14,770,000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Cattle Livestock</td>
<td>20 Students</td>
<td>Syafi’i</td>
<td>-</td>
<td>124,715,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chicken Livestock</td>
<td>2 Students</td>
<td>Mu’adi</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Goat Livestock</td>
<td>1 Students</td>
<td>Luthfi</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Trade</td>
<td>2 Students</td>
<td>Agent</td>
<td>-</td>
<td>300,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Girls Shop</td>
<td>2 Student</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Boys Shop</td>
<td>2 Student</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Processed Research data
The above table shows that all economic sectors in Islamic Boarding School Abdussalam have been empowered, in all access category i.e. business access, market access, access to information technology, access to human resources and access to lobbying the related authority. Financial gain from the sector was used to help the operation of Abdussalam Islamic Boarding School, especially in providing subsidy of santri’s meals consumption, so that the costs paid by santri were cheaper and affordable.

In general, economic activities in Islamic Boarding School Abdussalam have been adequately empowered, this is in line with opinion (Ediagbonya, 2013; Suandtoko, 2005), which stated that empowerment can be measured by five criterions, namely business access, market access, access to information technology, access to human resources and lobbying access. When all access utilizes appropriately, it defines that the empowerment process is done properly. While (Asrohah, 2011; Sulaiman et al., 2016), stated that economic activities can be empowered if the member of the institution has the ability to meet his/her basis needs for living and a stable economy. All sectors in the Islamic Boarding School of Abdussalam have given their resources and capabilities to fulfill the institution and students’ need. However, the results obtained have not been favorably optimal compared to economic potential the institution has.

Empowerment program conducted by PPA is still facing both internal and external hindrances such as capital, transportation facilities & infrastructure and the professional availability who have expertise in their field. Based on (Faozan, 2006; Mulkan et al., n.d.), there are three driving factors in the empowerment of IBS i.e. IBS’ teacher, students and last but not least institution and education. Pondok Pesantren Abdussalam has led these element so that provided positive impact back to the institution. Currently, economic empowerment conducted in PPA is adopting Top-down system in which Guru (the teachers) is a central figure who is responsible for managing and running all of economic unit owned by PPA. Some asset which is owned personally by Guru is also utilized in PPA activities as well as initiatives to throw certain activities whereas the santri’s play a role solely as executers. Hence, written plan or systematic roadmaps are not readily available. In other words, all institutional activities involving students’ assistant are based on Guru’s spontaneous ideas. As a result, PPA’s students are not involved in any activities without command given by Guru. Students do not take initiative or share personal ideas since Guru’s permission is determined. Nevertheless, Top-down system does not always possess drawbacks features. It sometimes promotes positive attitude such as punctuality, honesty, and obedience. Additionally, these attitude are in line with sami‘na wa atha ‘na (Arabic phrase literally means we hear so we obey) principles. This approach has empowered economic activities performed in the institution. Yet, this type of command system is going to give more positive impact when combined with bottom-up system.

The system practiced by teachers at PPA is a theoretical approach through curriculum and practical activities. For the theoretical approach, PPA does not use a special curriculum created to support economic empowerment. For formal education line the curriculum is adjusted based on the direction of the relevant government authority, namely the Education Office of the District of Kubu Raya. As for economic practice activities are carried out after study hours and focus on every sector of the economy available in PPA (agriculture, plantations, livestock, trade and Islamic microfinance). In general, the empowerment activities in Abdussalam Islamic boarding schools are as follows:

**Figure-2. Practiced Economic-Empowerment Model**

The above figure depicts three main problems:
1. Financial Capital (all economic sectors are likely to increase their financial capital and take bigger role in the empowerment process)
2. Human Capital Resources and Management (all sectors have certain degree of limitation in terms of human resource development and management. This is due to lack of training and education given. Theoretical and
traditional practices have been the main approaches. Thus, to be able to manage the institution through modern and efficient techniques there must be certain degree of improvement conducted in the institution. PPA sincerely welcome any construction advice or recommendation mainly because the students of PPA are highly loyal to their teachers. This is coherently in agreement with what (Rizkiani, 2012; Zaibi, 2016) stated. Generally, IBS’ have loyal and highly obedient students, yet their modern managerial skill is reasonably limited therefore more applicable training with special treatment is highly needed.

3. Infrastructure, all economic sectors in PPA have physical structure and soft structure that are considerably limited because the institution is located in rural area which is extremely secluded from municipality. Transportation means are the least reliable and available. Nonetheless, the others infrastructure means are merely available and need further improvement and development.

4.2. Action Plan and Take Action

The formulated plan was with the purpose of solving three main problems by doing some necessary action such as setting the business unit in a well-organized business group, modernizing traditional equipment and improving human resources skill. This plan is important so that the actions planned can be executed immediately. “Taking Action” approach is done through two activities: training and development that focus on every business sector running actively in PPA. To gain clear result regarding the changes occur in every business sector, a comparison table, comparing the unit condition before and after the treatment performed, was created (see Table 4).

<table>
<thead>
<tr>
<th>NO</th>
<th>BEFORE</th>
<th>ACTION</th>
<th>AFTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>All sectors are not well recorded</td>
<td>Collective data collection between researchers and managers in all sectors ranging from total assets in each sector in Abdussalam Islamic Boarding School</td>
<td>There is real data from every economic sector</td>
</tr>
<tr>
<td>2</td>
<td>The equipment used is still traditional</td>
<td>Procurement of computers of five units for all sectors (agriculture and Plantations, animal husbandry, trade, education and Islamic microfinance) Provision of electronic sales system Procurement of one cart unit for trade sector</td>
<td>Computers are available Publishing Financial Statement (year 2016) Sales system (trading) has been used Cart is already used</td>
</tr>
<tr>
<td>3</td>
<td>Capital limitations</td>
<td>Campaign to obtain donors to raise cash waqf (Livestock Sector) Obtain cash waqf Rp. 3000.000, Management training of Cash waqf</td>
<td>Funds are already managed and in turn increase income originated from livestock</td>
</tr>
<tr>
<td>4</td>
<td>Lack of skilled human resources</td>
<td>Training of Data collection Technique for all sectors Training of basic financial statements for all sectors Training on the operation of sales system (trade sector) Computer Training for all sectors Cooperation with Higher Education (MOU signing)</td>
<td>Able to register transaction independently Able to prepare and publish basic financial statements The system has been used in a more efficient and effective way. Some improvements have been identified Able to operate computer</td>
</tr>
</tbody>
</table>

The above table shows that the actions planned have been taken and some progress have been sighted. The following are detailed-explanations of the actions taken:

1. All sectors are not well-documented

The collective collected between managers and researchers originated from all sectors at PPA is done on April 15, 2017. Computers procurement was performed by providing 5 sets of computer for all economic unit (agriculture, plantations, livestock, education, trade and Islamic microfinance). All computers was given to all economic unit on August 2017: agriculture, plantation and trade 1 (one) set of computer, education (formal) unit 1 (one) set, education (informal) 1 (one) set, trade 1 (one) set, and sharia micro-finance cooperative (BMT Barokah Abdussalam) 1 (one) set. All computers have been already assisting the sectors.

1. Installing new electronic selling application on August, 2017. The system has been on duty since the mentioned date.
2. Trolley procurement to be use at trade unit was on August 2017. The trolley is important in transporting goods from storage area to PPA area. The trolley has been utilized since the mentioned date.

3. Lack of Financial Capital

Fund raising to support cash waqf (animal husbandry sector): fund raising was he held on February to April 2017. Yet, the fund was successfully collected by April and gained from Ahmad Hasani for Rp. 3000.000, - . The sector also held a cash-management training on April 2017. This training was for managers who were responsible of the operation of each economic unit. Socialization of the importance of cash waqf for santri was also given in this event.

1. Lack of skilled human capital:
   a. Training of Data Collecting Technique for all economic sector on April 2017
   b. Training of basic financial statements for all sectors on August 2017
   c. Training on the operation of sales system (trade sector only) on August 2017
   d. Computer Operation Training for all business sectors on August 2017
4.3. Evaluating System and Follow-Up Plan for Model Development Design

The evaluation shows that the offered model is the one which can solve these three main problems. Based on the result from Focus Group Discussion (FGD) involving Head of Islamic Micro-finance Institution at Pondok Pesantren Abdussalam (Marsud, M.Pdi), the manager (Ghazali, S.Pdi), the advisors (Anis Hifni, M.Pdi, KH Hafiuddin Muhammad Yusuf), Pondok Pesantren Abdussalam management (Utsman Hasan), person in charge of economic sector (Syafii and Selamat Wido), Islamic economics expert (Sofian Muhtisim, LLM, Imron Mawardi), a supervisor officer from Cooperative Department of Kebayoran District (Syahid, MM), and IT USSI (Alif Sukana, SE) formulated recommendations to solve these three main problems as the following:

1. Financial Capital Problem: to solve this issue, all sectors in the institution are encouraged to build constructive cooperation with Sharia micro-finance institutions (BMT) which offer *mal* (social fund) and *tamwil* (commercial financing) products since, in general, Sharia micro-finance institutions have shown incredible financial performance and likely influence to the economic empowerment of Islamic boarding schools (Alhifni and Huda, 2015).

2. Infrastructure problems. To overcome infrastructure problems at the institution, PPA works with the government, (Haji Abdurrachim, 2016). explained that Islamic Boarding Schools are working closely with the government in order to gain support the development of IBS in various fields such as education and economic. Islamic Boarding Schools can also work with the government especially in empowering the Islamic Boarding School's economy and supporting the independence of Islamic Boarding Schools (Alhifni and Huda, 2015).

3. Human Resources. The problem of human resources in each sector of business activity in Islamic Boarding School can also work with universities as educational institutions that teach various disciplines, especially in providing training in human resources as a form of community service. By 2017, Abdussalam Islamic Boarding School held an MOU with the Faculty of Islamic Economics, Djuanda University, Bogor. This step was considered appropriate and mutual in providing convenience access for the institution to overcome human resource problems, especially lack of skilled human resources in economic and business field. In the future, a broader cooperation is a compulsory agenda, not only with a department in a higher education but also with the university. Furthermore, cooperative work with professional training and related institutions that have direct relevance to these sectors or business units, such as government institutions must be put on the proximity. According to Tomatala (2003), the development of human resources in Islamic Boarding Schools can be carried out through analyzing the needs in the process of developing human resources. The analysis closely related to quality and quantity analysis of the action. Next, analyzing the implementation of human resource development which done through educational programs and establishing institutional value and cultural ethics. The third evaluation is focusing on the changes in attitudes and behavior when person in charge carrying out his/her roles and responsibilities. This process can be used to determine the weak points of human resources management so that the strategies are taken appropriately. The most important weakness point of human resources in Pondok Pesantren Abdussalam is administrative and management skills coping with modern finance and management practices. Whereas (Rudi and Haikal, 2014), articulated that the collaboration performed at Al-Syaikhul Abdul Wahid Islamic Boarding School in developing santri’s skills and managerial capability was carried out via a good communication, involvement and coordination. This could also be implemented at Abdussalam Islamic Boarding School specifically in building a healthy working culture in each existing economic sector. In general, the proposed model can be explained as follows:

![Synergetic Model](image.png)

**Source:** processed research data
Synergetic model is an integrated economic empowerment model of Islamic Boarding School based on the development of local communities’ of IBS that synergizes between institutions (Islamic Boarding Schools that have BMT, government, and universities) and managers - kiyai, santri and local community to improve the welfare of Islamic Boarding Schools. Synergetic model is also a model that combines a top-down and bottom-up system and focuses on solving three problems in Abdussalam Islamic Boarding Schools, namely infrastructure, human resources and financial/capital. The outcomes of this study resulted in the recommendation of a collaboration between Islamic Boarding Schools Abdussalam and BMT (Islamic financial cooperative house) and universities. Whereas, the cooperation with the government is still in the form of informal cooperation.

5. Conclusion

1. Economic empowerment model at Pondok Pesantren Abdussalam adopts a top-down model which streams down from the gurus by using formal and informal education approach and applicative practices in several economic sectors i.e. agriculture, plantation, animal husbandry and trade. This model has provided self-sufficient economy to the institution and yet some limitations are still in existent i.e. lack of financial capital, skilled human resources and infrastructure.

2. The model proposed in this study is a synergetic model which focuses on solving three main problems: financial capital, skilled human resources and infrastructure. To resolve these problems, cooperation with the related government agency, universities and sharia micro-finance institutions operating nearby need to be built.

Reference


