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Social enterprise in the context of educational institution: Lessons from Gontor, Indonesia

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Abstract

This paper describes the social enterprise model at pesantren Gontor which has gained wide recognition as a tool to overcome the independence of pesantren and the ability to integrate between welfare and education via a qualitative approach with a case study. The results of the study found that variation in the context of social enterprise management with pesantren values has differences with social companies in general. In conclusion, the social enterprise approach becomes an alternative and solution to open a new funding source for pesantren, and pesantren environment support for the implementation of the business model.

Keywords: Social enterprise, Education, Pesantren, Gontor.

Empresa social en el contexto de la institución educativa: Lecciones de Gontor, Indonesia

Resumen

Este artículo describe el modelo de empresa social en pesantren Gontor, que ha obtenido un amplio reconocimiento como herramienta para superar la independencia de pesantren y la capacidad de integración entre

bienestar y educación a través de un enfoque cualitativo con un estudio de caso. Los resultados del estudio encontraron que la variación en el contexto de la gestión de la empresa social con valores pesantren tiene diferencias con las empresas sociales en general. En conclusión, el enfoque de la empresa social se convierte en una alternativa y solución para abrir una nueva fuente de financiamiento para pesantren, y pesantren soporte ambiental para la implementación del modelo de negocio.

Palabras clave: Empresa social, Educación, Pesantren, Gontor.

1. INTRODUCTION

Social enterprise has grown for more than three decades, a new innovative concept that has multiple, financial and social missions as well (Davis, 1997). This solution grabs serious attention from various practitioners and academicians in an effort to solve the increasingly complex social problems. In addition, the social enterprise approach provides motivation for entrepreneurs or international-scale social activists in realizing this concept (Bornstein, 2007). Based on the results of the study, the general theme underlying the emergence of social enterprise movement is a weak state or social funding program, either due to the withdrawal or poor function of the state (Kerlin, 2010). So the presence of this concept brings a new spirit to answer various social problems in various sectors such as poverty, health, unemployment, and education. Social Enterprise Research in Global Context: The Role of Higher Education Institutions published by the British Council reports the benefits and challenges of collaboration between social enterprises at 12 universities on 4 continents. The results mentioned that the cooperation between higher education institutions and social companies can improve

health services, educational facilities, curriculum, and various student activities and the expansion of the international network.

The development of social enterprise in Indonesia has been started in the last few years. Indonesia's poverty, health, food and geographic problems are challenges and opportunities for individuals and organizations that have the awareness to participate in empowering and prospering the community with a social enterprise approach. The Muslim community calls social enterprise a part of business jihad, an economic jihad that not only puts profit, but part of mu'amalah worship and religious orders (Boulven et al., 2018). Social-based business innovation in the world of education in Indonesia was pioneered by pesantren more than half a century ago. Gontor's success in building business-based financial independence did not escape the attention of various educational practitioners and researchers. Based on the above explanation, this paper seeks to explain a model with five key capabilities that have been successfully developed and utilized by Gontor in creating independence with social enterprise approach, innovative business approach. These capabilities include comprehension, creation, connection, capability building, education, and trust (Gupta et al., 2015).

2. PROBLEM STATEMENT

Social enterprise has been proven to help overcome social problems, such as education. This concept is in accordance with the problems of pesantren in Indonesia. Islamic educational institutions that are born and developed with self-management system, self-help, from us,

by us and for us, so that concrete and tangible steps are needed to map and resolve various pesantren problems, especially related to funding sources that determine the implementation of education and teaching activities. It is important to find and solve the problems of pesantren financial resources so as to be able to run the educational process independently such as Gontor.

3. LITERATURE REVIEW

Social enterprise experts argue, that the definition and concept of social enterprise in various regions of the world have differences. This variation also brings much debate among researchers and practitioners about how to define social enterprise concepts. These differences arise from specific factors that shape the concept of social enterprise, its use, the form of organization, the legal structure and the supportive environment. The social, economic and political contexts across countries also influence the shape and development of the nonprofit sector in various countries (Ahmad & Ahmad, 2018). In addition, the diversity of concepts that have been used since three decades to describe entrepreneurial behavior with social goals in various countries by scholars has come to dominate the different definitions of social enterprise (Defourny and Nyssens, 2010). Various researches related to the development of social enterprise in overcoming the problem of poverty, education, health, community and environment development have been done in many countries (Calleros et al., 2016; Aluko, 2015). The social enterprise concept is also one of the fund raising models for philanthropic institutions and educational institutions (Arshad and Haneef, 2015).

4. METHODOLOGY

This study uses qualitative analysis with the aim to explore in depth social model enterprise of Gontor. The researcher looked directly at, assessed the words, detailed reports from the respondents' point of view, and conducted a study on the natural situation in Gontor (Creswell, 1998). The nature of data collected, processed and analyzed is descriptive research with a case study, single case. The researcher tries to present a detailed, specific description of the application of the concept of social enterprise in Gontor.

5. RESULT AND DISCUSSIONS

5.1 Definition of Social Enterprise

The UK Department of Commerce and Industry defines a social enterprise with a business with a social objective, whose surplus is not primarily to maximize shareholder or owner profits, but to be reinvested for business or social development (Cornelius et al., 2008). Others, Georgia State University, USA, define with profitable business activity and channel it to different types of socially oriented organizations or activities (Light, 2008). Other, defining social enterprise is a means by which an individual or organization does business with an agreed social purpose. In general, this business has the characteristics of creativity, entrepreneurship, and focuses on community rather than individual gain. Create creative endeavors that generate social, financial, service, educational, employment, or other benefits. Other definitions suggest that

social enterprise is a virtuous that seeks to improve social welfare and economic values, and must still balance the managerial process between social and commercial imperatives (Dacin et al., 2010, Borzaga and Defourny, 2001; Christie and Honig, 2006). More broadly social enterprise is defined as a model of a business-based approach to address social issues (Kerlin, 2010).

5.2 *Pesantren Gontor (Gontor)*

Gontor was founded in 1926 by three sons from Kiai Santoso Anom Besari and Ibu Sudarmi. All three were later known as Trimurti, namely Ahmad Sahal fifth son, Zainuddin Fanani sixth son, and Imam Zarkasyi seventh son (Muttaqin et al., 2016). Gontor education system uses Kulliyatul-Mu'allimin al-Islamiyyah (KMI) curriculum, with a 6-year study package. Understanding of the concept of religious knowledge and general science is equally important, there is no dichotomy between the two. It is really emphasized by its founder, who always says (Muttaqin et al., 2016) Gontor curriculum is 100 percent religious and 100 percent common. On October 18, 1958 Gontor was awarded by the owner to the Institute of Waqf Gontor. Mohsin said that the management of waqf done through formal waqf institutions is recorded as the first initiative in the world of pesantren education in Indonesia. The idea of waqf came from being motivated by Al-Azhar University of Egypt, the oldest university in the world that has a very wide waqf, and is able to provide scholarships to thousands of students. The strong determination that to promote pesantren is a total sacrifice, that is, *labuh banda, bau, pikir, lek perlu sak nyawane pisan* (sacrifice with wealth, energy, mind, if life is necessary).

Furthermore, the maintenance and expansion of waqf is established by Maintenance and Expansion of Waqf Pondok Modern Foundation (YPPWPM).

5.3 From Pesantren to Type of Economics and Entrepreneurship (Empirical)

Gontor that did not get government recognition more than half a century opened the opportunity for itself to develop independently. The concept is very simple, namely to form entrepreneurship education through business units that support the life of pesantren. In addition to the independence of boarding schools, leaders intend to instill the souls of entrepreneurs to all teachers and students to get used, trained and educated in business. This is in accordance with the spirit of independence that proclaimed the founder of the pesantren, so as not to use the money of students even a little except for the implementation of education. Even at the beginning of the founding of the pesantren, the founder had the idea to have 1000 hectares of coconut plantations in Sulawesi, 1000 hectares of rubber gardens in Sumatra, and 1000 hectares of clove gardens. A strange thought in his time, moreover this idea arose from a pesantren religious institution.

The principle of independence became Panca Jangka Gontor, namely education and teaching, kaderisasi, khizanatullah (funding), infrastructure and family welfare. These five runs became a reference in developing Gontor educational institutions. Initially, YPPWPM which has authority in the development and expansion of waqf assets manages wakaf

land area of 18.591 Ha. Over time, it continues to grow to 1,562 Ha. The expansion of Gontor land comes from waqf, trade-in and purchase. The past year Gontor bought land for an expansion of 12.9 billion rupiah. Some are built for educational facilities and infrastructure; others are used and used for business units engaged in agriculture, plantation, trading and service farms. More than 30 Gontor business units generate pesantren funding. In 2018, business units in Gontor 1 reported current assets of 49.2 billion rupiah, or tripled in the past 10 years. This amount does not include business units developed in Gontor branches, Darussalam University, oil palm plantations in Jambi, Ngawi farms, Shariah Micro Finance Institutions (Baitul Maal wa Tamwiil), gas stations, and 50,000 Ha of forest concessions in Borneo (Khosianah, 2019).

5.4 Gontor Social Enterprise Model

Gontor movement in the world of education has the same goal with the concept of social enterprise, solving social problems, especially education. The founder of Gontor embodies this institution as stated in the wakaf charter aims to "to nurture and perfect Gontor into a qualified and meaningful Islamic University" (Muttaqin et al., 2016: 14). As known together, that waqf institution is a non-profit organization that still exist and develop throughout the history of Islam. In accordance with the previous discussion, Gontor as a waqf educational institution managed to survive and develop independently. Independence is built and developed by conducting various business activities. Business and social is an indispensable characteristic that gave birth to the concept of social enterprise.

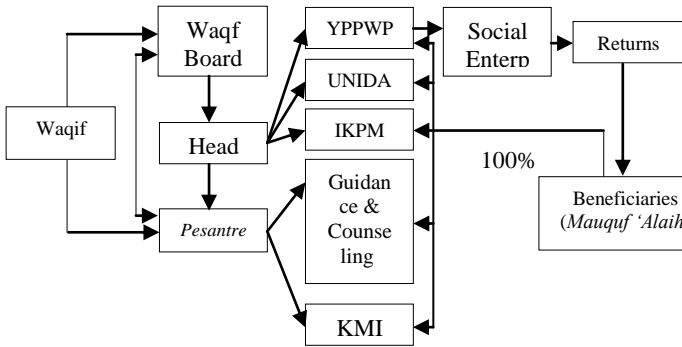


Figure 1. Gontor Social Enterprise Model

The picture above explains the concept of social enterprise developed by Gontor. YPPWPM is an extension of the leadership of pesantren in charge of managing and developing waqf. The maintenance and development of waqf in Gontor is developed in the form of plantations, agriculture, livestock, services, trade, and industry. The six sectors run on five main bases, comprehension, creation, connection, capability building, education, and trust. First, the understanding is the cultivation of pesantren values enclosed in Panca Jiwa, namely sincerity, simplicity, independence, Islamic brotherhood (al-ukhuwwah al-islamiyyah), and freedom. The value of Islamic culture that is responded to the values and culture of this pesantren can give encouragement to the manager of Gontor business unit to work professionally. Professional is meant to work as much as possible, always think to give, give, and give, without thinking of rewards or rewards that will be received. Working is a part of performing religious duties, as well as a mandate that must be done as well as possible.

Second, creation creates a second base in the management and development of Gontor's business unit. Although Gontor can realize business units with an easy process, in the implementation, the manager is required creative and hard think. Using his reason according to the command of the Qur'an, *afalā yatafakkarūn?* (Do not they think?), *afalā yubaşirūn?* (If they do not see?), *afalā yatadabbarūn?* (Are not they contemplating?), *afalā ya'qilūn?* (Do not they understand?), and *afalā ya'lamūn?* (Do not they know?). Managers are required to continue to find new ideas and innovations in the development of old business units, and find new business unit development model that suits the nature of pesantren education. This bottom-up system is part of a form of entrepreneurship education taught by Gontor. Third, the connection is required in the business world to help running a business smoothly. Products and services can be easily offered if they have extensive connections or relationships. Even many business opportunities arise and awaken from relations, or religious language is called *silaturrahim*, and in the business world is also known as networking. Networks built with the name Gontor provide convenience and path for business managers and developers who and will be developed. This is called the blessing of the greatness of the name Gontor. Especially considering the number of families of pesantren reach the amount of 26,000 more people become capital and a big market for business development.

Fourth, capability building meant is the ability of the manager in order to organize business activities. The capability also means the ability of each business unit to run its overall business strategy in accordance with the plan. Various efforts made by YPPWPM include the reorganization of the responsible person in each business unit. In addition,

capacity building and capability through various training are essential for improved management and managerial systems. The impact can also hone talent, innovative, build. Fifth, education is the main spirit in all business activities undertaken in Gontor. In accordance with its worth, Islamic educational institutions, Gontor teaches students and teachers with an Islamic business education model. Teaches how to run a business outside of pesantren in a real way. Give priority to the principle of benefit over the purpose and other business interests. So that in the management cannot be separated from the regeneration system, hereditary every year from the old manager to the new manager, in accordance with matters that have been carefully considered by YPPWPM. Not a few Gontor sent his cadres to continue his studies and explore the field of Islamic economics at home and abroad. As a form of planning effort in Gontor's long-term economic development. Other businesses can attend training, education, workshops, and other skill enhancement models.

Finally, trust is key and an important component of the business activity. Gontor with its big-name gained confidence in the midst of society. Heavy duty then how then business managers maintain the trust of the name Gontor so as to build a good business reputation with the general public. Internally, YPPWPM builds trust and fosters it with a transparent management system so that they can remind each other and improve themselves with each other. Create a culture of responsibility to create a more comfortable, conducive and positive business atmosphere. As well as put forward the principle of musyawarah to exchange ideas and thoughts so that the various problems that inhibit the solution can be sought jointly; Social enterprise is the business units established by YPPWPM in the effort to develop and maintain the endowment assets of

Gontor. All the benefits generated from this business unit are used 100 percent to finance the long-term set by Gontor in Panca Jangka, namely education and teaching, regeneration, khizanatullah (funding), infrastructure and family welfare. The above social enterprise model is the flow of implementation and implementation of business activities implemented in Gontor and is very open to be implemented in other pesantren institutions. Of course, the organizational structure becomes one of the keys to the success and determinants of the policies taken in pesantren that apply this model. The implementation phase is also very open to be adapted to the values, environmental condition and culture of each pesantren.

6. CONCLUSIONS

The concept of social enterprise that developed today is not a new thing for the world of boarding schools. Gontor has been running this concept for more than three decades to raise funds and build its independence. Even at the beginning of the establishment, this concept became the founders' ideas to address the problems of pesantren education, particularly related to funding sources. Not only in pesantren funding becomes an important issue and study. All educational institutions place funding on a priority scale for the sustainability of a decent and good education. The difference, pesantren with boarding education system, has a burden two times heavier than other formal education models. Social enterprise approach becomes an alternative and solution to open a new funding source for pesantren, and pesantren environment support for the implementation of the business model. Gontor is a pioneer of modern

pesantren in Indonesia. The word modern which means not stodgy impact on the system and the mindset instilled in Gontor education, including how it opens and follows the development and trends of the business world. This is evidenced by Gontor's response by trying new business ventures every year, opening up supportive courses in college, and sending his cadres to study economic concepts. This procession that brings Gontor still exist and grow rapidly in the age that approached this century. It is hoped that pesantren and similar educational institutions can learn from what has been successfully applied in Gontor, especially the concept of independence.

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