



"THE EFFECT OF INDEPENDENT ECONOMIC ACTIVITIES OF THE MUHAMMADIYAH KWALA MADU STABAT ISLAMIC BOARDING SCHOOL FOR STAKEHOLDERS"

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Abstract

Islamic boarding schools, known as Pondok Pesantren, are the oldest educational institutions in Indonesia. Besides their educational role, Pondok Pesantren also play a significant role in the economy due because of their large number with, 37.000 islamic boarding school in total and 4.8 million students across various regions. This substantial economic potential should be harnessed through self-sustaining economic activities, such as those carried out by Pondok Pesantren Muhammadiyah Kwala Madu Stabat. This particular pesantren has engaged in independent economic activities by establishing a corporation that independently produces bottled mineral water. The purpose of this study is to investigate the impact of these self-sustaining economic activities at Pondok Pesantren Muhammadiyah Kwala Madu Stabat on its stakeholders. The method employed involved economic empowerment of the pesantren through workshops with a knowledge and insight transfer approach. The results of the study indicate that the self-sustaining economic activities at Pondok Pesantren Muhammadiyah Kwala Madu Stabat have had a significant impact on its stakeholders. Evidence of this impact includes increased economic inclusion and economic circulation in the surrounding environment of Pondok Pesantren Muhammadiyah Kwala Madu Stabat.

Keywords: *Independent Economy, Economy Inclusion, Corporation, Islamic Boarding School, Stakeholder*

INTRODUCTION

Islamic boarding schools (Pondok Pesantren) are the oldest Islamic educational institutions in Indonesia. These schools exist as strategic partners for government institutions in efforts to improve the quality of education in the country. Additionally, pesantren play a crucial role in building and strengthening the nation's character through the moral and spiritual education they provide to the students (santri) (Syafei, 2017). In North Sumatra Province, there is an Islamic boarding school called Pondok Pesantren Muhammadiyah Kwala Madu Stabat, located in Langkat Regency, North Sumatra. This pesantren is a result of the Muhammadiyah reform movement, established through the IV Regional Conference of the Muhammadiyah Regional Leadership of Langkat-Binjai in Ranting Jati Karya, Binjai Municipality, on July 4-6, 1986. The discussion in this meeting talked about the location of Pondok Pesantren Muhammadiyah Kwala Madu Stabat. The land area used for this boarding school is 6,800 square meters and the process requires substantial financial investment and comes from the land assets owned by the (pesantrenmuhkwalamadu.com, 2020).

The Coordinating Minister for Economic Affairs of the Republic of Indonesia in Press Release No. HM.4.6 / 122 / SET.M.EKON.3 / 03/ 2023 explain that Islamic boarding schools are not only educational institutions but also play a very important role with a total of approximately 37,000 boarding school and more than 4.8 million students spread across various regions. Nearly 40% of these pesantren have significant economic potential in the sectors of agriculture, livestock, fisheries, and small and micro enterprises. (ekon.go.id, 2023). The significant economic potential within the ecosystem of Islamic boarding schools is considered to be able to support the Government's efforts in enhancing financial inclusion. The development of pesantren-based economics can encourage increased financial activity by utilizing formal financial services. Financial inclusion is believed to be

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capable of accelerating economic growth, reducing poverty, and decreasing the disparity between individuals and regions. Independent activities have already been undertaken by the Raudhatul Tarbiyah Islamic Boarding School through its livestock and garment businesses. The government also supports the self-sufficiency of Raudhatul Tarbiyah by providing business capital assistance through the People's Business Credit (KUR) amounting to IDR 4.5 billion with an interest rate of only 6% and also President of Indonesia issued policy No. 114 Tahun 2020 that expands financial access for the community and strengthens coordination between the Central Government, Regional Governments, Financial Services Industry, Community Organizations, and educational institutions such as pesantren, with a special focus on students and youth (ekon.go.id, 2023). Therefore, if an Islamic boarding school engages in independent economic activities, this PkM aims to study its impact on the stakeholders of the boarding school.

LITERATURE REVIEW INDEPENDENT ECONOMY

Independent economies is the independent in business and production to meet one's own needs and help others, as well as reduce dependence on other parties in carrying out the educational process, and can improve quality and competitiveness (Rifa'i, 2019). Economic independence can be achieved by doing business as taught by the Prophet Muhammad (peace be upon him), which is:

It means: Once, someone asked the Prophet Muhammad (peace be upon him), 'O Rasulullah, what is the best kind of work?' The Prophet Muhammad (peace be upon him) replied, 'The work that a person does with his own hands and every trade that is mabrur (good and honest).' (Reported by al-Baihaqi in al-Kubra 5/263, authenticated by al-Albani in Silsilah ash-Sahihah 607)

This hadith teaches that independence, especially economic independence, is good to pursue. We should remember the words of khalifah Umar ibn Khattab (may Allah be pleased with him), whose teachings emphasize achieving a life full of justice, free from pressure, self-sufficient, independent, and prosperous, so that we can help others in need, as taught by the Prophet Muhammad (peace be upon him), which is:

قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ: **الْيَدُ الْعُلْيَا خَيْرٌ مِنَ الْيَدِ السُّفْلَى**. (رواه مسلم)

It means: The Prophet Muhammad (peace be upon him) said, 'The upper hand (the giver) is better than the lower hand (the receiver)'. (HR. Muslim)

An economically independent pesantren (Islamic boarding school) is an institution that is capable of choosing and carrying out activities to survive and grow, as well as providing quality educational services. This independence is closely related to development, self-improvement, and increased productivity in various aspects of life, so it can contribute to society. This independent attitude emphasizes the ability to overcome various challenges to achieve goals, while remaining open to innovation and cooperation with other parties that provide benefits for business advancement (Rifa'i, 2019). Quality education is highly dependent on the availability of adequate and sustainable financing. Superior educational services are always supported by independent funding and not reliant on other parties. Developing high-quality educational services is the primary responsibility of the pesantren. Imagine how much easier it would be to make decisions to improve the quality of educational services if all the necessary tools were already available in the pesantren. The presence of adequate instruments would certainly be fully supported by sustainable and measurable financing. Achieving economic independence undoubtedly requires an entrepreneurial spirit that includes the ability to identify opportunities, the courage to take risks, and an independent and innovative



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approach to running businesses or creating change. Additionally, it is important to have a positive belief in plans and the future, as well as the determination to achieve success and provide benefits to others, in accordance with the principles of mutual assistance and charity in Islamic teachings (Rifa'i, 2019). The command to help one another is explained by Allah SWT in Surah Al-Maidah, verse 2, which states:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَحْلُوا شَعَائِرَ اللَّهِ وَلَا الشَّهْرَ الْحَرَامَ وَلَا الْهَدْيَ وَلَا الْقَلَائِدَ وَلَا أَمِينَ الْبَيْتِ الْحَرَامَ يَبْتَغُونَ فَضْلًا مِّن رَّبِّهِمْ وَرِضْوَانًا وَإِذَا حَلَلْتُمْ فَاصْطَادُوا وَلَا يَجْرِمَنَّكُمْ شَنَا نُ قَوْمٍ أَن صَدُّوكُمْ عَنِ الْمَسْجِدِ الْحَرَامِ أَن تَعْتَدُوا وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ وَاتَّقُوا اللَّهَ إِنَّ اللَّهَ شَدِيدُ الْعِقَابِ ۚ

It means: O believers, do not violate the sanctity of the symbols of Allah, the sacred month, the offerings, the garlands, nor those who flock to the Sacred House seeking their Lord's grace and approval. But once you have completed the pilgrimage rites, you may hunt. Do not let your enmity toward those who barred you from the Sacred Mosque lead you to transgress. Help one another in righteousness and piety, but do not help one another in sin and aggression. Fear Allah; surely, Allah is severe in punishment.

STAKEHOLDER

The stakeholders consist of eight (8) parties that have satisfaction criteria as shown in Table 1:

Table1. Stakeholder and Their Satisfaction Criteria

Stakeholder	Satisfaction Criteria of Stakeholder
Government	- tax, PPN, Economic improvement, economic inclusion,
Customer	-Product quality, affordable price, service quality
Supplier	-fair profit, competitive justice, good supply chain
Creditor	-New Contract, Liquidity
Society	-Job vacancy, involvement, environmental improvement, environmental protection
Labor Union	-Employment protection, quality of work, job vacancy
Owner	-Profitability, market share
Investor	-Return of investment, revenue

Source: Puspita & Lindawati, 2015

Stakeholder has a significant role in ensuring that the company continues to operate well, and the roles of these stakeholders, according to Nugroho (2014), are:

- Policy Creator which means stakeholders plays a role in decision making and determining company policies.
- Coordinator, which means they are responsible for coordinating the involved stakeholders.
- Facilitator, which means they facilitate and meet all the needs required by the corporation.
- Implementer, which means they are responsible for executing policies.
- Accelerator, which means they speed up and contribute to activities so that they can be realized better and completed more quickly

The definitions of each stakeholder as explained by Certo & Certo (2006) are:

A. Government

The government will create policy which will impact the company or business entity in its

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operational activities.

B. Customer

The party that requires the products from a company or business entity, and this party significantly influences the sustainability of the business entity.

C. Supplier

The party that provides materials or goods that can be used by the business entity to produce products or services to be sold to customers

D. Creditor

The Creditor will provide funds to the company in the form of loans, which may be granted with certain conditions and guarantees.

E. Society

The society will receives the effects of the existence of a company or business entity, both positive, such as economic improvement for the community, and negative effects.

F. Labor Union

Labor Union is a group from the internal side of a company or specific business entity. it has rights and responsibilities within the company or business entity.

G. Owner

The party that holds shares or ownership in a company or specific entity, and determines the direction of the company's or business entity's policies

H. Investor

The party that provides funds in the form of equity or assets that can be used by the company or business entity to generate fund to profit, and this party is also entitled to enjoy these profits.

According to Tan et al. (2020), every practice within a company inevitably affects its stakeholders. If the practice is positive, the impact on them will also be positive. Conversely, negative practices will have a negative impact. Based on stakeholder theory, every stakeholder has the right to receive accurate and transparent information about the company's condition, without any concealment or manipulation.

METHOD

The method employed involves the economic empowerment of Pondok Pesantren Muhammadiyah Kwala Madu Stabat through workshops with an approach focused on knowledge and insight transfer. The activities carried out can be seen in the Figure1:

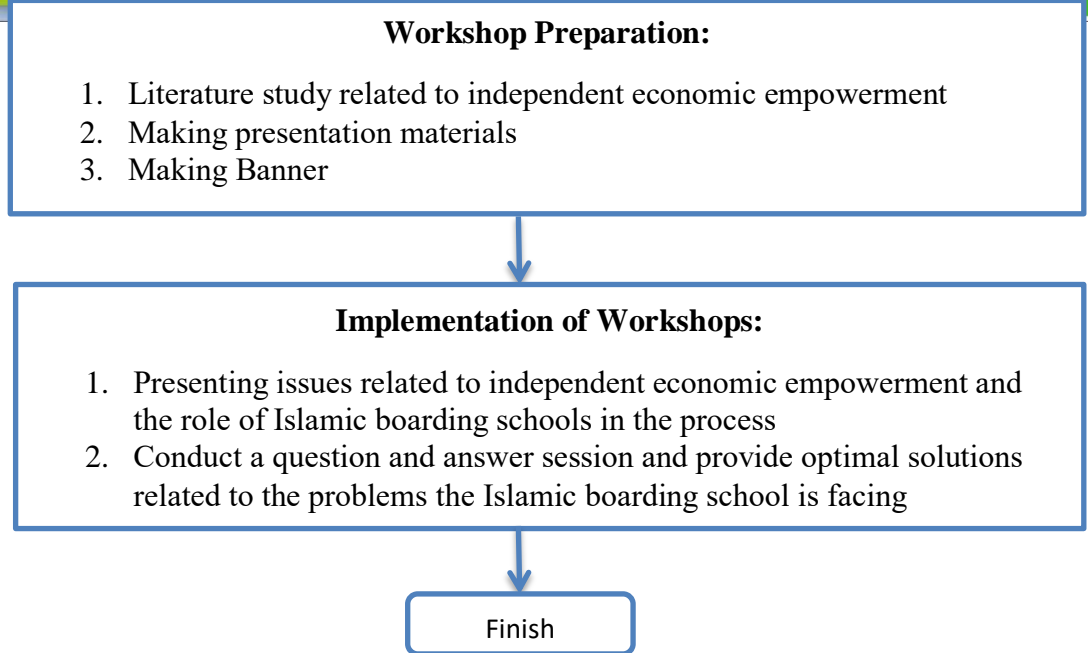


Figure1. PKM Methodology
 Source: Data processed, 2024

RESULTS AND DISCUSSION

The independent economic activity carried out by Pondok Pesantren Muhammadiyah Kwala Madu Stabat involves established a corporation and producing bottled mineral water that competes strongly with other mineral water products. In the consignment practice at the pesantren's cooperative through the canteen business unit and community promotion, it is similar to the wakalah bil ujah contract. In this arrangement, the owner of the goods (the community) acts as the muwakkil (the one who delegates the sale of goods), the canteen manager acts as the wakil (the one who accepts the delegation to sell the goods), the products from the community are referred to as muwakkal fih, and the shighat ijab qabul is a verbal agreement for the contract that has been agreed upon by both parties through a written agreement.

Ujah refers to the reward/profit for the work done by the canteen manager, which is in the form of a percentage of the sales of the consigned goods. The consignment practice within the wakalah bil ujah contract can be concluded as valid according to Islamic law, as there are no conditions or pillars that contradict the wakalah bil ujah system, the termination of the wakalah contract is clear, and the contract has been agreed upon by both parties. The consignment cooperation between the pesantren and the surrounding community is mutually beneficial for both parties. The cooperative receives products from the community to sell to the students and earns a profit of 10% from the sales of the products supplied by the community. Based on Table 2, the effects of the independent activities of this pesantren on the stakeholders can be detailed as follows:

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Table 2. Impact of Independent Islamic Boarding School Activities on stakeholders

<i>Stakeholder</i>	The Effect of Independent Economy
Government	The government feels assisted because this independent economic activity has an impact on the improvement of the local community's economy, as explained by the Coordinating Minister for Economic Affairs, Mr. Airlanga, as stated in Press Release No. HM.4.6/122/SET.M.EKON.3/03/2023. He mentioned that this independent economic activity can help the government increase economic inclusion in the Republic of Indonesia.
Customer	Customers or consumers of the bottled mineral water products from Pondok Pesantren Muhammadiyah Kwala Madu Stabat also feel a significant impact because access to affordable bottled water can be easily felt, thus customers feel greatly assisted
Supplier	Suppliers of products to Pondok Pesantren Muhammadiyah Kwala Madu Stabat, such as suppliers of reusable bottled water, certainly feel a significant impact from this independent economic activity because they profit from selling their products to the corporation largely owned by Pondok Pesantren Muhammadiyah Kwala Madu Stabat.
Creditor	The corporation, which is almost entirely owned by Pondok Pesantren Kwala Madu Stabat, certainly does not have any loans or debts because the funds used are sufficient to establish and operate the corporation. Additionally, Pondok Pesantren avoids any involvement in interest-bearing transactions (riba). However, for creditors themselves, this independent economy activity can potentially generate profit from the loans they provide in the form of People's Business Credit (Kredit Usaha Rakyat - KUR).
Society	Society here is divided into 3 parts: <ul style="list-style-type: none"> - The society, such as students from Pondok Pesantren Muhammadiyah Kwala Madu Stabat, certainly experiences significant impacts because the profits gained from this corporation, 90% of which is owned by Pondok Pesantren Muhammadiyah Kwala Madu Stabat, will lead to the improvement and enhancement of the educational facilities owned by the pesantren - The society, such as Ustadz or teachers at Pondok Pesantren Muhammadiyah Kwala Madu Stabat, feel the impact of this independent activity in the form of increased knowledge in establishing a corporation and experiencing the improvement of the pesantren's facilities, - The last, surrounding society of Pondok Pesantren Muhammadiyah Kwala Madu Stabat also experiences the impact of this independent economy activity that create a new job opportunities involving the local community who can work at the cooperative, which is almost entirely owned by Pondok Pesantren Muhammadiyah Kwala Madu Stabat.
Labor Union	Islamic boarding schools, which are almost entirely owned by corporations, do not have an internal company called a workers' union yet
Owner	Pondok Pesantren Muhammadiyah Kwala Madu Stabat, as the holder of 90% ownership of the corporation producing bottled mineral water, certainly experiences significant impact because of the income, which will be very useful for the development of Pondok Pesantren Muhammadiyah Kwala Madu Stabat.
Investor	The remaining ownership of the corporation producing bottled mineral water naturally belongs to other members outside of Pondok Pesantren Muhammadiyah Kwala Madu Stabat who are investors. The impact of this



Stakeholder	The Effect of Independent Economy
	independent economy activity certainly cannot be separated from the profits gained and the improvement in income and welfare of these investors.

Source: Data processed, 2024

CONCLUSION

The independent economic activities of Pondok Pesantren Muhammadiyah Kwala Madu Stabat have a very significant impact on the stakeholders of Pondok Pesantren Muhammadiyah Kwala Madu Stabat, where there is an increase in economic inclusion and an improvement in economic welfare for the stakeholders of Pondok Pesantren Muhammadiyah Kwala Madu Stabat. Stakeholders such as the government, customers purchasing the products, suppliers providing materials for production, the community including students, teachers, or ustads, and others feel a significant impact from the presence of this independent economy, and the impacts felt naturally vary, but they are positive impacts due to the presence of independent economic activities at Pondok Pesantren Muhammadiyah Kwala Madu Stabat.

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