

# DEVELOPMENT OF THE ECONOMIC POTENTIAL OF THE PEOPLE THROUGH THE BAHRUL MAGHFIROH Islamic Boarding School BUSINESS UNIT IN THE ERA OF THE COVID-19 PANDEMIC

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## Abstract

*This study aims to find out about the economic development of the people through the business unit owned by the Bahrul Maghfiroh Islamic Boarding School, Malang City. In addition, researchers also want to know the strategy for implementing business unit management during the COVID-19 pandemic. The literature review used refers to the concepts of modern entrepreneurship integrated with Islamic boarding schools. The method used to analyze the data is using the Creswell model, because it will be easier to find and group research results related to the themes and sub-themes of business unit development. The results that can be concluded from this study are 2 philosophies (main reasons) for the establishment of a business unit at Pondok Pesantren Bahrul Maghfiroh Malang, namely as an education for students to be independent and as a tool to support the welfare of the pesantren (santri). Second, the choice of the type of business that already exists because of the opportunities and potential of the Bahrul Maghfiroh Islamic boarding school in Malang which can be developed for the Bahrul Maghfiroh Islamic boarding school in Malang. Third, maximizing digital marketing and direct marketing is a strategy to anticipate the weakening of the economy during the pandemic at the Bahrul Maghfiroh Islamic Boarding School, Malang. Finally, the result of the business unit at the Bahrul Maghfiroh Islamic Boarding School is the realization of the vision and mission of the Bahrul Maghfiroh Islamic Boarding School in Malang, which is to become a boardingschool that has good facilities at a low cost.*

**Keywords:** Islamic Boarding School Business Unit, People's Economy, Santri Entrepreneurship Education

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## 1. INTRODUCTION

The economy is a very vital sector in a country. The strength of the economy in a country indicates the more prosperous the people in that country are. The ups and downs of a country's economy must be a common thing that is felt every year. However, in recent years many countries have experienced a decline in their economy, including Indonesia. The Indonesian economy was minus 5.32% in the second quarter of 2020, the main causes of which were household consumption and contracted investment (Lidya, 2020). COVID-19 is also a major cause of the economic downturn. Restrictions on the economic activity of residents have caused the wheels of economic cycle to run less optimally.

Many efforts have been made by the government to revive the sluggish economy. The government stimulates SMEs by providing subsidies and a light credit system so that their businesses can bounce back (Nindya, 2020). In particular, small businesses are the hardest hit. To revive it, many efforts need to be made, because the economy of the people or people is the root or basis of the Indonesian economy. One of them is by opening other types of businesses to re-stimulate transactions carried out by the people so that the economy will soon return to normal and even increase again.

Islamic boarding schools as one of the institutions that are widely spread throughout Indonesia can be a pioneer to revive the people's economy through the businesses established by the pesantren. Apart from being an institution that has the task of educating and spreading Islam, currently pesantren have also been transformed as economic drivers of the people. Islamic boarding schools have the potential to drive the sharia economy in society. First as a central paradigm change in Islamic economics. Second, the development of knowledge and socialization of Islamic economics. Third, realizing the form of a sharia economic laboratory that can be imitated by the community. So that pesantren have a strategic role to develop a people-based economy (Lugina, 2020)

There are many strategies that can be applied by Islamic boarding schools to revive the people's economy. Among them, many Islamic boarding schools have established cooperatives and have successfully run their businesses, such as the Sidogiri Islamic Boarding School (Sutikno, 2020) and also the Gontor Islamic Boarding School (Syamsuri, 2020). Many studies have proven that students as human resources who drive the pesantren's businesses are believed to have more honesty, discipline, tenacity and high integrity. In addition, the existing business at Islamic boarding schools also brings benefits to developing local economic potential

and supporting the economic acceleration program launched by the government (Azizah, 2020). Therefore, the development of the pesantren business unit will greatly bring future benefits, especially in this era of the Covid-19 pandemic.

The Bahrul Maghfiroh Islamic Boarding School, located in the city of Malang, East Java, initially focused on carrying out the process of Islamic education. But over time, this pesantren has also carried out a transformation to build and develop the economy of the people based on pesantren. Prof. M. Bisri as the caretaker of the Bahrul Maghfiroh Islamic Boarding School must have a special strategy to develop a pesantren-based economy, his extraordinary experience as Chancellor of the University of Brawijaya Malang will definitely bring innovation for the advancement of the sharia economy, especially in the Bahrul Maghfiroh environment. This is realized by the opening of pesantren business units.

There are several types of business units at the Bahrul Maghfiroh Islamic Boarding School. There are catfish cultivation, mushroom cultivation, orchid cultivation, organic vegetable cultivation, mozzarella cheese, BM Mart, and coffee. According to Gus Bisri, these business units are targeted to be able to support 50% of pesantren operations (Kominfo, 2020). Of course, this would be a very extraordinary thing if it was realized because currently 20% of the role of business units is to support the operations of the pesantren. It is possible that in the future the role of the business unit will be much greater to support the operation of the pesantren and be able to have a wider impact on the welfare of the people. This is also supported by the OPOP of East Java Province to make the Bahrul Maghfiroh Islamic Boarding School a model for Islamic boarding schools in Malang who want to develop businesses for the advancement of the pesantren economy (Ardiansyah, 2020). This fact shows that a pesantren-based economy will be able to have a positive effect on the people.

To develop the economy of Islamic boarding schools, especially in the Bahrul Maghfiroh Islamic Boarding School, it certainly requires many ways and strategies to run it. Prof. M. Bisri as a Kyai as well as a caregiver must have many tricks to realize it, all of which are supported by stakeholders both internally and externally. In addition, the dynamics and culture of the pesantren will also greatly affect the development of the economy which is carried out through optimizing the existing business units there. There will be many things that can be explored from the development of the people-based economy in Bahrul Maghfiroh. Especially the philosophy of developing the business unit, the reasons for choosing the existing business unit, the way the business units are managed, as well as the expected impact of the existence of a business unit as the economic development of the people. Thus, this research is very interesting to be researched further in order to get a clear picture of the model

of economic development of the people based on pesantren, especially in Pondok Pesantren Bahrul Maghfiroh Malang.

The purpose of this research is, first, to find out the philosophy (main reason) for the establishment of a business unit at the Pondok Pesantren Bahrul Maghfiroh Malang. Second, to analyze the reasons for choosing the type of business in the field of agriculture or cultivation, cheese, mart and coffee products at the Bahrul Maghfiroh Islamic Boarding School, Malang. Third, to find out the management of business units at the Bahrul Maghfiroh Islamic Boarding School. Finally, to explore the expected results or impacts of the establishment of existing business units at Pondok Pesantren Bahrul Maghfiroh Malang.

## 2. METHODS

This study uses a qualitative approach. The qualitative method is an interpretive perspective, the object studied is natural, the researcher is the main instrument, the data collection technique is carried out by triangulation, the data and analysis obtained are qualitative, the results of the research are to understand the meaning (Sugiono, 2017). This research emphasizes more on case studies. Case studies are designs that are found in many fields, especially evaluation, where the researcher develops an in-depth case analysis, often a program, activity, activity, process, or one or many individuals (Creswell, 2014).

There are two kinds of data sources in this research. First, the main data sources are the kiyai or caretakers of the Islamic boarding school and the head of the business unit of the Pondok Pesantren Bahrul Maghfiroh Malang. This figure was chosen because he is considered the main figure in the initiation to the process of running a business unit there. Second, complementary data sources from documents and business unit activities as well as students or employees involved in the business unit. These sources are very important to help researchers describe the results of later research. Furthermore, the types of data used are primary and secondary. The primary data in this study were transcripts and transcriptions of the results of interviews with the main data sources and also notes collected during observation activities. Secondary data sources in the form of a collection of documentation conducted by researchers when they went to the field. While the main instrument in this study is the researcher himself and is supported by tools such as mobile phones for them, taking notes, and taking pictures.

There are several stages of data collection techniques in this study. Semi-structured interviews were conducted with kiai and business unit heads individually and face to face to get the main ideas. These interviews were conducted based on the basic interview guidelines but were more flexible. The goal is to be able to describe the problem more openly where the

interviewee is asked for his opinion or idea. The researcher recorded carefully what the informants said. Then, the researcher made observations by noting the habits or activities of the individual or object under study. Researchers one and two observed passive participation by coming to the activity site but not doing or being involved in the activity. The researcher also carried out active observation because he also participated in most of the activities carried out by the resource persons, considering the position of the third researcher as a special staff of the kyai. Furthermore, during the research process, the researcher also collects qualitative documents publicly or privately. Documentation in this study was carried out by collecting files relating to business units at Bahrul Maghfiroh Islamic Boarding School, Malang, which assisted in the research process.

Triangulation was also carried out in this study. Triangulation is a mix and match technique of collecting data from several data collection techniques and sources. This is useful for checking the credibility of the data. Triangulation technique is the collection of different data in obtaining data from the same source. Source triangulation is getting data from different sources with the same technique.

The data analysis technique in this study used the Creswell method. Researchers must prepare all raw data starting from transcripts and transcriptions of interviews, notes or recordings of observations, collections of documents, and videos or photos of activities. This data is of course a lot and very varied, for this reason, good data storage is an absolute must for researchers. The steps of data analysis can be described as follows.

First, organize and prepare data to be analyzed based on different types of data and sources of information. Can be sorted by, data collection date, data type, and data nature. Second, read and see the entire data. Researchers must ensure that all data that has been collected is read and rechecked. This is very important to ensure that all the necessary data is ready and that no information is missed. Third, coding all the data. Coding is the process of marking the data that has been grouped.

Similar data are assigned the same code manually or on a computer. At this stage, a theme usually appears that can be used as the first step in the research findings. Fourth, using the coding process as material for making descriptions. Description is the provision of detailed information about people, places and events at one time. Researchers can generalize the code to this description. This analysis is very useful for designing detailed descriptions of case studies. So that the arranged themes can be described more clearly.

Fourth, connecting between themes. The most popular approach in this step can be to use a narrative paragraph to convey the findings of the analysis. Many researchers use pictures, tables and visuals to add to their discussion or discussion. Finally, providing interpretation and meaning about the theme. The results of the construction of theme relationships are then explained or interpreted so that the reader is able to understand them. It can also be a derived meaning from a comparison of the information collected with existing theories or literature.

Moreover, the validity test in this study was carried out by increasing persistence in each research process, triangulation, discussion with friends and member checks. Transferability was also implemented by providing clear, detailed, systematic, and reliable research reports. The reliability test is carried out with dependability with the help of reviewers to ensure that all research processes have been actually carried out and are in accordance with the reality of the field and the results of the report. The confirmability test is carried out in a way that the results of the research can be accounted for and approved by many parties. Testing can be done through a results seminar process to ensure that all research processes have been carried out according to the procedure.

### **3. RESULTS AND DISCUSSION**

Based on the analysis that has been done, the results of the research can be described as follows:

1. The philosophy of establishing a business unit at the Pondok Pesantren Bahrul Maghfiroh Malang.

There are 2 philosophies (main reasons) for the establishment of a business unit at the Pondok Pesantren Bahrul Maghfiroh Malang, namely as an education for students to be independent and as a tool to support the welfare of the pesantren (santri). As stated by the Head of the Bahrul Maghfiroh (BM) Business Unit, Pak Agus: "The reason is to educate students to be independent, practice early to learn and have entrepreneurial skills. As well as preparing students who have dual skills other than religious knowledge as a basis in Islamic boarding schools. So that later the students are ready when they enter the community."

The second reason, namely for the welfare of the pesantren or helping students who cannot afford it, we found during an interview with the Secretary of the Bahrul Maghfiroh Cinta Indonesia Foundation (YBMCI) with Pak Tio as follows:

"The business unit of the Bahrul Maghfiroh Islamic boarding school was built for the welfare of the students and for financial turnover and income for the cooperative of the Bahrul Maghfiroh Islamic boarding school which will also be useful for helping students who are really poor people and also the boarding school business unit was built to train students to become millennial students who are based and talented for or become young entrepreneurs."

2. Selection of the type of business at the Pondok Pesantren Bahrul Maghfiroh Malang.

The choice of the type of business in agriculture or cultivation, cheese products, marts and coffee at the Bahrul Maghfiroh Islamic Boarding School Malang is due to the opportunities and potentials of the Bahrul Maghfiroh Islamic Boarding School Malang which must be utilized in order to be optimal and make more benefits for the Bahrul Maghfiroh Islamic Boarding School Malang. We got these opportunities and potentials in an interview with Mr. Tio, the YBMCI Secretary, as follows:

"One of the reasons why choosing a business unit or starting a cheese business is because in Malang, there is no mozzarella cheese and the competitors are still small and have a lot of potential for culinary business players in Malang and for cheese itself, whether or not Malang is able to compete in the market. East Java and Indonesia level because we can offer cheese with good taste and quality at a lower price than factory cheese. Then the reason for building a business unit in the BM Mart or retail sector is because one of them is to meet needs which incidentally require daily needs such as soap and others so that they can cover their own needs. Second, for the general public again, we can offer products that are cheaper than other retailers and we provide complete retail items, such as basic necessities, bathroom needs, snacks, school needs, offices and so on. We memorize it which later we hope can also cover students and the community and Islamic boarding schools in need in the area around the Islamic boarding school. The third reason, because our location is strategic where many people use ATMs that can directly shop at BM mart

The reason for establishing fish farming is because for the city of Malang itself, the supply of fish, especially catfish consumption is very lacking and they still need other areas around Malang to meet the supply of catfish in the Malang market which will later supply the selling people and the restaurant itself. and while Malang is still taking from the Blitar, Kediri and Tulungagung areas to cover the needs. That is the reason for Islamic boarding schools to establish catfish farming to cover the very high market demand for catfish consumption and for our own ornamental fish to supply it in the splindit market because it is back again, in fact, it is rare for people to produce ornamental fish if there is one. it is still minimal and for the Malang

fish market itself, the discipline still requires supplements from the Blitar Tulungagung and Kediri areas which are still outside the reach of the city of Malang. That's why we took the initiative to establish fish farming to cover the Malang area and provide better quality fish.

Second, why set up a business unit in the field of orchid cultivation because we are fully experienced students and are led by a minister who is an expert in the orchid field and the orchid market itself is wide open, so when we produce the market segment, it is still open, so be one of us. using the orchid business i.e. and the orchid itself makes higher money with lower capital.”

3. Management of business units at the Bahrul Maghfiroh Islamic Boarding School, especially during the COVID-19 pandemic.

Maximizing digital marketing and direct marketing is a strategy to anticipate the weakening of the economy during the pandemic at the Bahrul Maghfiroh Islamic Boarding School, Malang. We got this in an interview with Pak Agus, Head of Bahrul Maghfiroh's business unit:

"During the Covid pandemic, it was not only one business unit that was affected and affected by the Covid pandemic, but there were some who really wanted to do business that was abandoned because of that their production decreased and so on. Our strategy as managers during the pandemic is to put extra pressure in the marketing field, both digital marketing and door to door."

4. The results/impact of the establishment of a business unit at the Pondok Pesantren Bahrul Maghfiroh Malang.

The result of the business unit at the Bahrul Maghfiroh Islamic Boarding School is the realization of the vision and mission of the Bahrul Maghfiroh Islamic Boarding School in Malang, namely to become a boarding school that has good facilities at a low cost. We got this in an interview with Mr. Agus as the head of Bahrul Maghfiroh's business unit:

“The realization of a modern cottage with the best quality, the best facilities and the first low cost in Indonesia from the people for the community. In accordance with the ideals of caregivers, namely Prof. Bisri who continued the struggle of the first caretaker of Pondok, namely Alm. Gus Lukman Al-karim, namely helping the underprivileged to learn about Islam and the world of entrepreneurship."

This statement was confirmed by Mr. Tio's statement as Secretary of the Bahrul Maghfiroh Cinta Indonesia Foundation, along with an interview with Mr. Tio. study in a boarding school."

More than that, the discussion in this study can be described as follows, developing the people's economy with the embryo of a boarding school business unit requires many strategies to run smoothly. One of them is by understanding and determining the philosophy of the establishment of the business unit itself. The existence of a business unit in this boarding school is to educate students to have entrepreneurial skills which will later make them independent to enter the community. Next, support the welfare of the pesantren so that all components of the pesantren can prosper and prosper, so that they can bring benefits to the surrounding community. Furthermore, the business unit is intended to provide welfare for students, meaning to provide convenience for those who want to study at Islamic boarding schools but have financial constraints. These things are in accordance with the opinions of Al Idrus (2019), Syamsuri (2020), Sutikno (2020). Pesantren should indeed be a driving force for the running of the sharia economy, because apart from the many experts in it, it is also an embryo for educating its students to become reliable economic drivers.

Then, the type of business chosen by the pesantren will greatly determine the running of the business process. The Bahrul Maghfiroh Islamic Boarding School chose businesses that had been run, such as coffee, orchids, retail, and cheese because they had conducted market research before starting their business. This is in line with NS (2017) and Saleh (2014) who say that pesantren has the potential to develop business units in the field of agribusiness and types of modern retail businesses. Based on our observations, we state that the market potential for local santri is very large, considering that there are many mukim and congregational students, especially local residents. In addition, providing cheap products to the community, especially around the boarding school, because when compared to similar businesses outside the pesantren, the selling price of the production of this pesantren business unit is much cheaper. Especially in the midst of Covid conditions like this, providing cheap products will really bring happiness to the community.

Furthermore, the existence of Covid-19 which has not yet disappeared affects the process of managing business units here. For this matter, we only get a little data that explains the digital marketing and direct selling processes that are carried out systematically and programmed. In general, the business or business unit at this pesantren is initiated by the Kyai or caregiver, so that program design and professional management have been running and being improved. This fact contradicts the findings of Basri (2017) which says that if a business unit is initiated by a caregiver, does not involve the community, it will be less developed. At this Islamic boarding school the management has been arranged in a professional manner so that it can generate many benefits for the pesantren and the community according to the findings of Zaenuddin (2018).

Finally, the business unit must be results-oriented. The business unit here is not only profit-oriented. The target or expected result of the development of this business unit is to prepare good and representative facilities for students who study. So that many are able to reach quality education, especially those who are less well off financially. What's more, the results can help the people's economic development, especially facing Covid-19 by providing affordable and cheap products, so that local residents in particular will feel the benefits of this business unit. In addition, the strengthening of the sharia economy will also be formed along with public trust in the business units developed by the Azizah (2020) and Rasyid (2020) Islamic boarding schools.

#### **4. CONCLUSION**

Business units do play an important role in developing the people's economy which was pioneered by Islamic boarding schools with various steps that have been taken. Based on the results of the research description, it can be concluded that first there are 2 philosophies (main reasons) for the establishment of a business unit at Pondok Pesantren Bahrul Maghfiroh Malang, namely as an education for students to be independent and as a tool to support the welfare of the pesantren (santri). Second, the choice of type of business in agriculture or cultivation, cheese products, marts and coffee at the Bahrul Maghfiroh Islamic Boarding School Malang is due to the opportunities and potentials of the Bahrul Maghfiroh Islamic Boarding School Malang which must be utilized in order to be optimal and make more benefits for the Bahrul Maghfiroh Islamic Boarding School. Poor. Third, maximizing digital marketing and direct marketing is a strategy to anticipate the weakening of the economy during the pandemic at the Bahrul Maghfiroh Islamic Boarding School, Malang. Finally, the result of the business unit at the Bahrul Maghfiroh Islamic Boarding School is the realization of the vision and mission of the Bahrul Maghfiroh Islamic Boarding School in Malang, which is to become a boarding school that has good facilities at a low cost.

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