Boarding School Business Strategy and Its Impact on Independence Guided by Bank Indonesia West Sulawesi

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Abstract. This study aims to analyze and describe the business development strategy of pesantren and its impact on the pesantren's independence, assisted by the West Sulawesi Province Bank Indonesia Representative Office. A quantitative approach was used, measuring the sustainability of pesantren businesses through three elements: human resources, comprising pesantren administrators, students, and surrounding residents, using observation, interviews, and evaluations. Data analysis was conducted using linear regression, correlation tests, and the determination coefficient to assess the relationship between objectives, benefits, and resources on the sustainability of pesantren business independence. The study results indicate that pesantren business development positively impacts pesantren independence in terms of resources and financial stability. Additionally, a psychological effect on the pesantren environment is observed among the surrounding community. However, the development of independence also negatively affects local residents' autonomy, as some residents grow dependent on pesantren products and become less motivated to pursue their own businesses. This study suggests enhancing the pesantren's human resource knowledge, particularly eco-green knowledge, to utilize and process surrounding resources through land cultivation, natural resource management, and marketing of the pesantren's products.

Keywords: Pesantren Development, Business Independence, Sustainability, Eco-Green Knowledge

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1 Introduction

Indonesia *Sharia Economic Festival* was first held by Bank Indonesia in Surabaya on 3-9 November 2014, with hope of making Indonesia the Global Sharia Economic Development Center and the City of Surabaya the National Sharia Economic Development Center. Activities attended by representatives’ authority member state monetary Organization Islamic Cooperation (OIC) and followed by international institutions, governments, state institutions, governments regions, banking, experts / academics, sharia associations / institutions, practitioners, educational institutions in particular Cottage Islamic Boarding School and the general public. The series activity includes national and international seminars, National Discussion on Empowerment of Islamic Boarding School Institutions, Sharia Economic Expo and MoU with BI Ministry of Religion regarding Empowerment of Islamic Boarding School Institutions.

The implementation of ISEF in 2014 was the basis for the cooperation in the formation of the Business Economics Association Islamic Boarding School (HEBITREN). It started from Bank Indonesia support since the holding of the Indonesia Sharia Economic Festival (ISEF) event in 2014 in Surabaya, at the momentum of the 110 Pondok seminar Islamic Boarding School elected on November 12, 2019 coinciding with the 6th ISEF was held at the Jakarta Convention Center (JCC). At this event, 110 Pondok The Islamic boarding schools present to declare initiation formation business the parent (business holding) of the Islamic boarding school which will shelter all over activity economy and business Islamic boarding school.

HEBITREN is a receptacle strengthening independence Islamic boarding school aimed at for push acceleration strengthening economy from the business units in the cottage Islamic boarding school. Formed on August 7, 2020 with 110 cottages Islamic boarding school that became members who join in HEBITREN.

HEBITREN itself is an organization independent and non-participant, which was formed For push acceleration strengthening the economy Islamic boarding schools . Led by a The General Chairperson is accompanied by 5 (five) chairpersons and one The General Secretary and 5 (five) Deputy General Secretaries and one General Treasurer and 5 (five) Deputy General Treasurers. Management HEBITREN organization has a period for 3 (three) years.

As one of the instrument alternatives in frame equalization welfare, industry Islamic finance and economics have transformed to be one of booster growth Indonesian economy. As a country with amount population Muslim the largest in the world, Indonesia is known to the world as a 'giant sleep' which saves potential and opportunities big as player main in world economy especially in the sector Islamic economics and finance. Seeing potential big say, Bank Indonesia as the central bank makes an effort to make a real contribution in development Islamic economics and finance in Indonesia, including through organization Indonesia Sharia Economic Festival (ISEF) activities since 2014.

With the formation of HEBITREN, the community expected can know forms activity economy and take advantage of sharia products in Indonesia. In general special It is also expected that activities This can open opportunity existence cooperation between Indonesia and other OIC member countries in development economics and finance sharia based.

Based on the background behind the above, research This will focus on implementing independence strategies business Islamic boarding schools and effectiveness the formation of HEBITREN against independence Islamic boarding schools fostered by the Representative Office of Bank Indonesia, West Sulawesi Province. In this case This will see independence business Islamic boarding school outline However every related methods with business will see complete and detailed. Evaluation to each method will make it easier analysis to what is felt not enough right, and in the end can take step for reach an objective from an independent business Islamic boarding school.

2 Literature Review

The concept of sustainability in business development is well-explained by Elkington in Cannibals with Forks: The Triple Bottom Line of 21st Century Business [1]. This foundational work introduces the "triple bottom line" (TBL) approach, emphasizing the need for businesses to balance social, environmental, and economic goals. Elkington outlines seven key “sustainability revolutions” that businesses must adopt, including shifts in market dynamics, values, transparency, and life-cycle technology. Additionally, he provides case studies of companies successfully integrating TBL principles, showcasing the practical applications of these concepts.

Further research into sustainable entrepreneurship underscores its relevance to business development within educational settings, as institutions increasingly seek long-term, sustainable impacts [2].

The role of business development in educational institutions is explored through the lens of sustainable development goals (SDGs), with studies highlighting the intersection between business practices and the sustainability challenges faced by educational institutions [3]. This includes ethical and social responsibilities in business, as well as their alignment with sustainable strategies in education.

The independence and sustainability of boarding schools specifically are discussed in The Idea of a University, which provides historical insights into the development of autonomous educational models [4]. Financial independence for private institutions, including boarding schools, is examined through case studies that propose sustainable business models as pathways to achieving self-sufficiency [5]. Research also addresses innovative business models within educational institutions that support financial independence while fostering sustainable growth [6]. Furthermore, the influence of stakeholders—such as financial institutions like Bank Indonesia—on sustainability practices within educational settings highlights the importance of external partnerships in these efforts [6].

A case study on Bank Indonesia’s role in institutional development further illustrates the support given to boarding schools in West Sulawesi [6]. Through its economic empowerment programs, Bank Indonesia demonstrates the impact of sustainable financial assistance on local institutions [7].

Finally, the 2030 Agenda for Sustainable Development by the United Nations provides a global framework for sustainability, with particular relevance to education-focused SDGs that align with the objectives of independent educational institutions [8]. Complementary insights from Education for Sustainable Development: An Expert Review of Processes and Learning show how educational institutions can embed sustainability into their operations, thus fostering both environmental stewardship and economic independence [9].

3 Method

Research uses a qualitative approach aiming to dig into the views and experiences of individuals, understand complex problems, and identify the meanings behind reality. Researchers focus on the realities or events that take place in the field. In qualitative studies, the methodology involves procedures such as interviews, observations, and document analysis, producing data in descriptive forms from individuals' sayings, writings, views, experiences, and behaviors. Case studies are an effective way to conduct empirical investigations of specific phenomena in real-life contexts [10]. Qualitative research emphasizes data in the form of words or images rather than numbers, and it focuses more on the processes of products or outcomes [11].

The study will be conducted at the HEBITREN Islamic boarding school members under the auspices of the Bank Indonesia Representative Office of West Sulawesi Province, located in Mamuju Regency. Research is planned for July 2024. The type of data used is primary data, which is obtained from first-hand sources, such as interview results or questionnaires completed by participants [12]. In this research, primary data will be collected directly from the Islamic boarding schools through interviews and data requests.

Secondary data refers to information other than what the author obtains directly through interviews and observations at the Islamic boarding school. The secondary data used will include books and relevant literature related to this study [13]. Data will be collected using techniques such as observations, interviews, documentaries, and literature reviews [14].

For data processing, this research will employ a descriptive qualitative method, collecting data in the form of pictures, words, and not numbers. Data analysis in qualitative studies involves organizing the data into sequences, patterns, categories, and basic descriptions. One analytical tool that will be used is the SWOT method (Strengths, Weaknesses, Opportunities, Threats). SWOT analysis is a systematic assessment used in management that helps in creating well-thought-out plans to achieve both short-term and long-term objectives [15]. It is an assessment for identifying situational outcomes, categorizing conditions as strengths, weaknesses, opportunities, or threats. Additionally, SWOT analysis compares the company's internal environment with external conditions [16].

4 Result & Discussion

Based on results research that the author do with using online interview and observation techniques field , then obtained results that short Islamic boarding school fostered by Bank Indonesia which is incorporated in Business Economics Association The Islamic boarding school (HEBITREN) runs his business with sufficient strategy and practice Good although there is Islamic boarding schools that have not fully succeed in managed business as planning based on results search, some Islamic boarding school the operate business cooperatives, catfish farming, milkfish and shrimp ponds , wallet farming, management garden palm oil, rice field management, livestock goat and cow, contents repeat gallon until with working the rice fields.
Here are some results the interview that has been done by the author:

- There is inhibiting factors development positive from cooperative the namely debt students in the canteen and cooperative Still there is alumni students who are still own notes debt, even until with inhabitant around who use service cottage Islamic boarding school for provide working capital For to work on gardens and farms. Factors inhibitor development business Islamic boarding school moment This Because a number of matters namely:

  1. Lack of implementation evaluation between core management of each cottage Islamic boarding school;
  2. Uncollectible receivables can billed again to alumni students;
  3. Islamic Boarding School operate his efforts Still with condition limited human resources available so that there is position in administrator Islamic boarding school which is run by 1 person;
  4. Reduced capital due to impact receivables and the decrease donors;
  5. There is a number of Islamic boarding schools that still exist limited knowledge about management business in the environment Islamic boarding school
  6. There are administrators who are still very young even Still undergo education for to obtain title bachelor

- As for the factors positive according to results observation, in development business Islamic boarding school each pondok Islamic boarding school, HEBITREN administrators who are members in owners, supervisors and managers cottages Islamic boarding school always do evaluation to development business Islamic boarding school that is run including the impact to sustainability cottage Islamic boarding school. Apart from that in this regard, HEBITREN management also discussed the progress of management business Islamic boarding school that is run as well as plan work and strategies that will run for increase business Islamic boarding school. Positive things other namely:

  1. Cottage Islamic boarding school operate business based on sharia principles through business trade;
  2. Management lands that are still available as much as possible Possible

3. Exploring Cooperation with company around the cottage area Islamic boarding school especially in matter Cooperation capitalization includes For management clean water and drinking water business, more trade big , farm cow as well as farm chicken egg laying .

After do observation and interview so writer serve a number of type efforts made by the pondok Islamic boarding school as the following:

No.	Type of business	Development
1.	Cooperative	positive
2.	Livestock (cows, chickens) broiler / laying fish, goat, catfish, milkfish/ shrimp, wallet)	positive
3.	Plantations (palm oil, chocolate, corn, chili, vegetables and vegetables hydroponics.	positive
4.	Mountain water management for drinking water and providing clean water	positive
5.	Skills (sewing and making) feed livestock, cooking and hydroponic management	positive

● Development independence economy Islamic boarding school is a development strategy in the sharia economy in Indonesia to realize inclusive growth. Bank Indonesia has included the role Islamic Boarding School in one of the pillars of print blue development Islamic economics and finance, namely strengthening sharia economy through improvement programs institutions, one of which is through independence economy Islamic boarding school.

Development program independence Islamic boarding school expected can push Islamic boarding school as mover main in ecosystem chain halal value. In addition to things mentioned above, the pondok the institute also does matter best in managing cottage Islamic boarding schools namely synergizing and collaborating with local MSMEs who receive the benefits that can be obtained used for benefits and improvements the capabilities / competencies of the human resources owned.

Based on results, interview researchers and all the parties that has help implement interviews in matter These are the core administrators of HEBITREN and consultants from Bank Indonesia.

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