

## **SELF-RELIANCE ECONOMIC SYSTEM BASED ON WAQF AT ISLAMIC BOARDING SCHOOL DARUSSALAM GONTOR INDONESIA**

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### **Abstract**

This study aims to determine the concept of self-reliance of economics based on waqf in Pondok Modern Darussalam Gontor Indonesia and the impact of it in the development of education and financial institutions. This research is descriptive qualitative, the method of collecting data using documentation, whereas the method of data analysis using content analysis. The result of this study indicate that concept of self-reliance economic system based on waqf in Islamic Boarding School Darussalam Gontor begun from establishing of Waqf Enlargement Institution, known as YPPWPM, whose responsible is to develop, manage, and enlarge waqf asset through waqf business or social enterprise done by teachers and students under the supervision of headmaster, and the impact of waqf business towards education development is known from the cheapest tuition fees of the school and the meals for students, and also the scholarship for teachers while they study in higher education.

***Keywords:*** *Self-Reliance, Waqf, Economic System, Waqf Enlargement*

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## INTRODUCTION

Waqf as an instrument of Islamic Social Finance or known also with termed “*sadaqah jariyah*” or “*continuous sadaqah*” is created by giving away an asset that has the feature of perpetuity on a permanent basis, can be religious like establishing a mosque, building a house for the wayfarer or digging of canal or a *sadaqah* gave during his life that continues (*giving its benefits*) after his death or maybe for the society at large, including the provision of religious services, socio-economic relief to the needy segment, the poor, education, environmental, scientific, and other purposes (Ahmed, 2007). The role of waqf is to provide housing, medical facilities, mosque, stimulate economic activity, economic development, orphan welfare, and poverty (Norizan, et. al., 2018).

Waqf is a system would be the solution, which may help the state to make up this deficiency. waqf played important role in development of human capital in Islamic society in the past (Khan, 2015). There are various implementations related to the application of waqf in accordance with the conditions and their respective places (Obaidullah, 2016). The benefit of waqf in education especially already done since ottoman Egypt namely with Kuttab or Maktab would be taught the basic knowledge (Akmaliza, et. al., 2013).

In practice, productive use of waqf for education has been carried out by al-Azhar University, Cairo. The waqf assets of the institution are managed and developed in the form of productive endowments, such as; hotels and trade centers and direct endowments such as in education (scholarships) and health. Al-Azhar's Waqf has prospered Muslims both physically and mentally for about 1,000 years. In addition, Al-Azhar has built mosques and various religious institutions and developed its independence by utilizing business opportunities such as plantations, agriculture, factories, apartments, and others. Some examples of educational institutions funded by endowments, include Al-Azhar-Cairo University, Syanggit in Mauritania-North Africa, Muslim Aligarh-India University, and Santiniketan College. In Indonesia, productive waqf has been developed by Pondok Modern Darussalam Gontor-Ponorogo, and the Indonesian Islamic University (UII) -Yogyakarta. In addition to productive endowments in the education sector, further developments of productive include; (1) productive endowment based Waqf plantation, (2) productive endowment based maternity hospital, (3)

productive endowment-based insurance policy, (4) productive endowment based funeral program (Suryani & Isra, 2016).

According to Mujani, et. al., (2014), the more a waqf clearly determined the huger it's impact for a fixed period of time. This enables the charity or endowment to have an effect for a longer period of time. In line with this opinion, Ihsan, et. al., (2011) found that the more efficient management and greater transparency and accountability the more the presence of Islamically committed professionals.

Waqf has an important role in a long legal and social tradition of offering human security services in the fields of education, health, and urban utilities. But due to misappropriation, and mismanagement the glorious past of *awqaf* got somewhat tainted (Khan & Jareen, 2015). Furthermore, the waqf problems priority in Indonesia lies on the aspect of the professionalism of Nazhir and the lack of the information and regulations on waqf (Huda, et. al., 2017). Proposing solution to this problem are the transformation from of individual management to an institution one, and the solution for the regulator problems is to create the harmonious relationship among the *dakwah* institutions.

Aswirna & Fahmi (2018) stated that there is relationship between self-waqf management and self-reliance and an independence of institution in managing their systems, activities and programs. According to Ardi, Yurista & Ramadhan (2020), the effective mechanisms involved in raising waqf funds, lead to the enhancement of the roles and functions of waqf institutions to build modern educational institutions today.

Previous research on this topic conducted by several research such Masruchin (2014) stated that there are three types of endowment funds: *first*, endowments of immovable property. *Second*, endowments in the form of cash (*cash waqf*) and self-endowment (Diana, 2013; Durroh, 2016). the productive waqf run by Islamic Boarding School Darussalam Gontor caused this institution easy to meet their need such establishing new building for classes and dormitory, giving a scholarship to students and teachers, creating a free workshop for developing teacher's capability, and maintaining the low-cost tuition and living cost for the students (Fasa, 2017).

On the other hand, Iman (2012) found that waqf has an important role in realizing self-reliance education in material aspects and also the non-material aspects. Furthermore, in line with Iman, another work by Fasa, Rofiqo & Oktarina (2016) states that productive waqf implemented by Islamic Boarding School Darussalam Gontor has great impact both internally and externally. Such as improving the quality of education and the welfare of community, and also educating life skills of students (Fedro, et. Al., 2019; Syamsuri, 2020). Emphasizing the result of Fasa and Fedro, Suyanto & Astuti (2020) found that the students' have an interest to become an entrepreneur which influenced by their attitudes, subjective norms, and behavioral control. By educating life skills of students, they able to undertake the real-life to improve the welfare of Ummah in the future (Bahroni, 2012).

## LITERATURE REVIEW

### *Theory of Waqf*

Literally, waqf derived from the root word "*waqafa*" which means "*habasa*" which means to hold. Thus, waqf means something that is withheld (Manzūr, n.d). *Awqaf* is the plural of *Waqf*. *Waqf* means forbidding movement, transport or exchange of something (Ali, 2009).

According to Kahf, the words "*waqf*" and "*habs*" mean to withhold something from consumption and prohibit all benefits or benefits from other parties that are targeted for waqf. In terms of endowment, it is releasing assets that are endowed from the ownership of the person who is waqf (*waqif*) after completing the procedure of endowment. In this case, the endowment is the transfer of management from the endowment to the manager (*nādzir*) in accordance with sharia, where the endowment property belongs to Allah. According to Abū Hanīfah waqf is to hold an object in order to use its benefits for good.

The objectiveness of waqf is divided into two objects are A private (*ahli*; family or *khas*; private or posterity) waqf allows the named beneficiaries (including the founder) and their descendants an income until the line of inheritance breaks when the waqf becomes public and A public (*khayri*; pious; or *ā'm*) waqf is created to serve the interests of society, e.g., awqaf for mosques, schools, scientific research, the needy, travelers, etc. Public awqaf may also be established with state funds (Hasan, 2010).

According to the Mālikī school waqf do not release the ownership of someone who has a waqf (waqif), but the existence of a waqf agreement prevents the owner of the property from giving ownership of the property to another person and is obliged to give away the benefits and may not withdraw the waqf property. Another definition expressed by Kahf, which states that a waqf is a contract that holds assets, both forever and for a certain period of time, for the benefits are taken repeatedly, the results of these assets are used for good, both general and special (Kahf, 2006).

### ***Waqf at Islamic Boarding School Darussalam Gontor***

According to Latiff et.al. (2013) 'Waqf educational institutions are considered as a platform of great social importance because Muslims are the agents of community development' (Azha et.al., 2013, p.24). The main advantage of Waqf educational institutions is as a platform that gives opportunities for Muslims to do welfare. Through Waqf it is an investment to produce ulama that will be the future community leaders. The product from the waqf educational institution had been proven not only as an individual who is excellent in academic but also a person who is highly righteousness and ethical. Most of them become important public and key figures contributing to the development of country. These key figures educate people about religious learning at surau and mosques to provide religious life awareness to public (Azha et.al., 2013).

According to Mahamood & Rahman, 2015, historical evidence proves that waqf has provided enormous benefits to educational institution and these institutions are still in existence until present day (See Hasan, R., 2019, p.3). These institutions such are; the Al-Azhar University in Egypt, which was established during the Fatimid Caliphate (1249-1260 CE), the University of Al Qarawiyyin in Fez, Morocco; the University of Al Muntasiriyah, Iraq; the University of Cordova, Spain; the King Abdulaziz University, Saudi Arabia; and Islamic University of Indonesia (Universitas Islam Indonesia) are examples of successful education institutions financed on waqf donations (Hasan, R. et.al., 2019).

According to Rahmat (2002), the modernization of Gontor's education lies in the establishment of a moral-based mental spirit, although it is not taught material about Sufism. Character education techniques use the assignment method with control and high discipline,

exemplary from the kyai, teachers, and kyai families, making this institution increasingly trusted by the community (Muhson, 2013).

Waqf has potential in economic development. Some countries have shown success in managing waqf and providing benefits to the community. Indonesia has excellent waqf potential and is able to be a solution to the problem of poverty (Fuadi, 2018)

According to Masruchin (2014), there are three types of endowment funds collected by Pondok Modern Darussalam Gontor, namely: first, endowments of immovable property in the form dry land or rice fields and buildings (property), secondly, endowments in the form of cash (cash waqf) and third, self-endowment (soul) -to serve the Pondok (Diana, 2013; Durroh, 2016). While in the management of waqf assets, it is done productively by building educational facilities and infrastructure, as well as establishing Pondok business units in the management of the *La Tansa Kopontren*.

According to Iman (2012), waqf management of Darussalam Gontor Islamic Boarding School has an important role in realizing self-reliance education in material aspects and also the non-material aspects. Materially, Waqf helped this boarding school to meet his needs, non-materially, it helped PMDG in the system management and organization. From the point of view of Islamic Boarding School Darussalam Gontor, the productivity of waqf management was not determined by the number of material rewards but by the faithfulness to the boarding values which were well understood.

In line with Iman, another work by Fasa, Rofiqo & Oktarina (2016) states that productive endowments implemented by Islamic Boarding School Darussalam Gontor make many contributions both internally and externally. Among them is improving the quality of education improving the economy of the surrounding community. In addition, it is also a place for education and life skills training for cadres of the cottage (Fedro, et. Al., 2019; Syamsuri, 2020). Related to this, research conducted by Suyanto & Astuti (2020) states that the students' short-term intention to become entrepreneurs is influenced by attitudes, subjective norms, and behavioral control variables.

The spirit of self-reliance which has been implemented by Islamic Boarding School Darussalam Gontor through various activities –including economic enterprise educational activities, aims to teach

themselves through various activities for their character and personality building to actualize the community orientation. In the future, when the students back to society they able to undertake the real-life they confidently for the sake of Allah and unity of Ummah (Bahroni, 2012).

The application of waqf in Islamic Boarding School Darussalam Gontor has fulfilled the principles in fulfilling the vision of the sustainability of educational independence (Syamsuri, et al. 2020). With regular implementation of three main functions, namely: management of legal waqf in accordance with legislation regulations, accountability of waqf governance in accordance with the objectives of the institution, and increasing the productivity of waqf assets through business units and expansion and utilization of waqf assets (Masruchin, 2014).

## **METHODOLOGY**

This study aims to determine the concept of self-reliance of economics based on waqf in Pondok Modern Darussalam Gontor Indonesia and the impact of it in the development of education and financial institutions. This type of research is qualitative-descriptive research. In this type of research, produces descriptive data in the form of written or oral words from people and observed behavior (Utsman, 2014) and also this type of research intended to solve existing problems in the present, on the other hand this research seeks to tell, analyze, and classify investigations (Surachmad, 1985: 139).

The research instrument in qualitative research is the researcher himself. Improved understanding of research methods is important to be done by researchers in order to maintain the validity of the data collected in order to achieve research objectives. According to Moeloeng (2014: 9), researchers as research instruments are one of the hallmarks of qualitative research. The method of data collection process is observation and documentary, which is to study documents related to the object of research, including: texts, photos, stories, artefacts and so forth (Raco, 2003: 108); (Sugiyono, 2014).

Data analysis in this research uses content data analysis (Bungin, 2003: 84); namely data analysis that begins by finding certain symbols; in this case is conducting an inventory of texts that are relevant to the research topic.

## RESULT AND DISCUSSION

### *Brief Profile of Islamic Boarding School Darussalam Gontor*

Islamic Boarding School Darussalam Gontor, can be abbreviated as Pondok Modern Gontor or is also simply called Pondok Gontor. This pondok was established on Monday, 12 Rabiul Awal 1345/20 September 1926 by three brothers, namely: KH. Ahmad Sahal (1901-1977), KH. Zainuddin Fannani (1905-1967), and KH. Imam Zarkasyi (1910-1985), these three brothers are better known as *Trimurti* (Suryanegara, 2014).

Started from elementary school known by *Tarbiyatul Athfal* in 1926, *Kulliyatul Muallimin Al-Islamiyyah* was established on December 1936 with six years program of study which equaled the senior high school program of study. Besides this systemic and curricular reform, the founders took another further step by reforming organization system. In 1958, the three founders declared that pondok Darussalam that had been operated with new system of education for about three decades was endowed to the Muslim ummah by forming a Waqf Board. The founder handed over their lands and all properties of the pondok to fifteen appointed members of Waqf Board.

One of the most important mandates in the declaration for the Waqf Board is that this institution have to be further developed into an Islamic university and supposed to be a major the useful and faithful center for Arabic and Islamic studies (Zarkasyi, 2011). By that declaration there are some consequences such as Gontor was no longer the personal property of the founders and their family. Furthermore, the school must be further developed into an Islamic university and become a major center for Arabic and Islamic studies.

The idea of establishing university was established on November 17, 1963. Its first name is Institut Pendidikan Darussalam – IPD (Darussalam Institute of Education), and then in 1996, with the introduction of a new program study in Syariah, the Institute was renamed by Institut Studi Islam Darussalam – ISID (Darussalam Institute of Islamic Studies) (Umam, 2013).

In the long age of education, in 2017 Gontor educate many students in several places or known as branches of Gontor. The recapitulation of student is below:

Tabel 1. The Number of Students and Teachers of Darussalam Gontor Islamic Boarding School

No	Boarding School	Location	Amount
1	Gontor 1	Gontor Ponorogo	4.498
2	Gontor 2	Madusari Ponorogo	1.385
3	Gontor 3	Gurah Kediri	1.595
4	Gontor For Girl 1	Mantingan Ngawi	3.930
5	Gontor For Girl 2	Mantingan Ngawi	1.184
6	Gontor For Girl 3	Karangbanyu Ngawi	2.805
7	Gontor For Girl 4	Kendari Sul Tenggara	325
8	Gontor For Girl 5	Kandangan Kediri	1.352
9	Gontor For Girl 6	Poso Sulawesi Tengah	144
10	Gontor For Girl 7	Pekan Baru Riau	893
11	Gontor 5	Kaliagung Banyuwangi	1.279
12	Gontor 6	Magelang Jawa Tengah	1.315
13	Gontor 7	Kendari Sul Tenggara	353
14	Gontor 8	Way Jepara Lampung	21
15	Gontor 9	Kalianda Lampung	635
16	Gontor 10	Darul Amin Aceh	141
17	Gontor 11	Sulit Air Padang	69
18	Gontor 12	Tanjung Jabung Timur Jambi	380
19	Gontor 13	Poso Sulawesi Tengah	190
20	Gontor 14	Siak, Riau	178
21	UNIDA Gontor	Siman	1.073
22	MBUD	Mantingan	108
<b>Total</b>			<b>23.853</b>

Source: Secretary Department of Darussalam Gontor Islamic Boarding School, 2017

### **The Five Spirits (*Panca Jiwa*) of Islamic Boarding School Darussalam Gontor and Its Correlation Towards Self-Sufficient Economic System Based on Waqf**

The five spirits (*Panca Jiwa*) of Islamic Boarding School according to Imam Zarkasyi can be simplified as follows (1995): (1) sincerity (*al-ikhlas*), (2) simplicity (*al-basatah*), (3) self-reliance (*al-i'timad 'ala an-nafs*), (4) Islamic brotherhood (*al-ukhuwah al-Islamiyyah*), (5) freedom (*al-hurriyah*).

The spirit of sincerity means by the principle or an ethical guideline for work of every part of this institution, it is the spirit of all activities. This value is in line with the injunction of the Holy Qur'an which suggests that one should follow those who do not ask for salary and they are among the guided people.

On the other hand, the spirit of simplicity is a way of behaving that is applicable to an individual conduct in his or her daily life, it is very positive conduct towards every situation of life. This implies that one should live based on his or her basic needs and not on demand, because this spirit will cultivate strength, courage, determination, and self-control.

In addition, the spirit of self-reliance is an important spirit which is applicable for both individual and institutional matter. This means the students of Islamic Boarding School do not depend on the others, each student has to manages his activities independently, while students as a whole are given total responsibility to manage all their students' activities in the boarding system.

Self-Sufficiency. Self-help is capable of powerful weapons which included boarding school to its Islamic boarding school. Not only means that the student is able to learn and practice take care of everything himself, but Islamic boarding schools are also able to achieve so that never trust his life to help others (Suharto, 2011).

Imam Zarkasyi said the meaning of Self-reliant is the Independent of every student at Gontor Modern Darussalam Islamic Boarding School has a free self-reliant soul or other mean of independent is completely sterile from political interests and any group. This is reinforced by the popular motto of this school, "*Gontor berdiri di atas dan untuk semua golongan*" (Nata, 2005).

Self-reliance is an important spirit for individual as well as institution. All teachers, students of pondok do not depend on others. In this new system individual teachers and students manage their extramural activities independently. Moreover, they are given total responsibility to manage all their activities in the boarding system. As an education institution, the pondok itself is self-reliant. It does not depend on the help of others. People may give financial support but pondok never depends on others' financial support in developing itself.

The motto that Imam Zarkasyi always repeated was that, pondok is supported because of its progresses, and on the contrary, it is not developed because of the support of others (*pondok dibantu karena maju dan bukan maju karena dibantu*) (Umam, 2013).

*Pesantren* as an education institution is managed to be self-reliance which means it does not depend on the help of others. People may give financial or material support but pesantren develops not because of supports of others, pesantren has to rely on its own resources without having to be dependent on others for aids or assistance.

On the other hand, the spirit of Islamic brotherhood is a principle through which every student learns how to build strong friendship and empathetic solidarity towards others, and how to respect each other. Fighting, quarrel, or other types of disputes among students are regarded as a crime.

The spirit of freedom is concerned to the mental attitude in which one should be free of group fanaticism. This spirit makes *santri*<sup>1</sup> optimistic in facing the problem of life, freedom in shaping his future and selecting his way of life (Masqon, 2011).

### ***Waqf as the Basis of Self-Sufficient Economics System in Islamic Boarding School Darussalam Gontor***

Islamic boarding school, which known as pondok pesantren, has been established and has an independent economy for its operations. The pesantren is based on the wishes of the community consisting of: *kyai*, *santri* and surrounding communities including village officials. *Kyai* has the most dominant role in the development of pesantren, it is the most autonomous Islamic educational institution which cannot be intervened by outsiders except with the permission of the *kyai* who influences all pesantren activities so as to make a difference with other pesantren (Qomar, 2002).

The integration of the whole aspects of campus activities in Gontor into one system can be meant as the Ideal Integrated Islamic Education to actualize perfect personality of Muslim ummah (Bahroni,

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<sup>1</sup> Santri is a person who understands Islamic religion that involved in learning system of *pondok pesantren* (Islamic boarding school) as a student who studies Islamic religious science from one or several *guru* or *kyai* (Darmaji, 2019)

2010). In the special aspect, Gontor with its self-reliance of economy based waqf enhance productive business with the explanation is below:

*1. The Development of Waqf Development Institution of Islamic Boarding School (Yayasan Pemeliharaan dan Perluasan Wakaf Pondok Modern (YPPWM))*

In order to safeguard this waqf property, the pondok established the Badan Wakaf Pondok Modern Gontor (Waqf Board) which had made the waqf pledge in 1951 or coincided with the quarter-century anniversary of this pondok. However, because this surrender did not yet have formal legal power, many parties doubted the validity of the pledge, so on October 12, 1958, wāqif on behalf of the founder of Pondok Modern Gontor, commonly called "Trimurti", signed the charter for the submission of the Pondok Gontor Ponorogo waqf to 15 representatives of the Ikatan Keluarga Pondok Modern (IKPM) or graduate association who is an alumni of Pondok Modern Gontor. Waqf assets at that time consisted of paddy land (1.74 Ha), dry land (16.85 ha) and 12 buildings and their equipment. Some of the endowments came from the parents of Trimurti, while the rest was obtained from the help of the people who sympathize with the Pondok for the purpose of worship and the continuation of pondok life (Tim Penulisan Riwayat Hidup dan Perjuangan K.H. Imam Zarkasyi, 1996).

Yayasan Pemeliharaan dan Perluasan Wakaf Pondok Modern (YPPWPM) is an institution engaged in fundraising, maintenance, expansion and development of Pondok Waqf. At 2013, Pondok Modern has 1025 ha of waqf land, and various productive economic efforts to support the independence of the Pondok. The Chairperson of waqf development institution is K.H. Imam Shobari, S.Ag (Gontor, 2013).

The foundation was established on March 18, 1959, a year after implementation of waqf pledge, in accordance with article 7 of the Waqf Board ART. In managing and maintaining waqf land, the foundation is assisted by supervisors who are also called *Nadzir of waqf*. The *nādzir* are from the area around the rice fields. They have responsible to the foundation and do evaluation together. Another task is to work for legal of waqf land owned by pesantren by certifying it in existing rules (Chaider & Abubakar, 2005).

Waqf lands in Gontor were developed in three forms: 1) Cultivation: the lands were cultivated by farmers and the profit was

divided using a 50:50 ratio. 2) Renting: the lands were rented out to farmers and the rental fees were paid in accordance with the growing season and total revenue earned. 3) Leasing: the land will be leased and the tenants will pay according to the total revenue earned (Abdullah Syukri Zarkasyi, 2005). Over the past three years, the waqf land was spread in 24 regions throughout Indonesia obtained through the acceptance of waqf land and the purchase of new land. While the waqf property in the form of facilities and infrastructure such as mosque buildings, dormitories, madrassas, campuses, and so on is spread throughout Gontor branches: 14 branches in Gontor for sons and 7 branches in Gontor for girls (Warta Dunia, 1439). According to Cahyo & Muqorobin (2019), Yayasan Pemeliharaan dan Perluasan Wakaf Pondok Modern (YPPWPM), Pondok Modern Darussalam Gontor Ponorogo carried out three-factor systems for the sustainable development strategy of waqf land. First, using the waqf land rental system. Second, the development of the management system. Third, the profit-sharing system with the concept of muzara'ah, this model is worth continuing to develop sustainable endowments in this institution.

Tabel 2. The Expansion of Gontor Waqf Land Year 2016-2018

No	Year	Large M <sup>2</sup>
1	2016	11.081.968
2	2017	12.620.269
3	2018	12.643.712

Source: Cahyo & Muqorobin, (2019)

#### *The Development Business Units in Gontor based on Waqf*

One of the five spirits of Darussalam Gontor Islamic Boarding School is self-sufficient on the economy. In this regard, the institution does not depend on the government financial support or any other donations in actualizing its educational program. To support the process of education and instruction, the institution carries out some units of economy, organized by the teachers and the students under direct supervision of the head master of Gontor, which then it is called as the movement of a protected economic enterprise, to meet the need of Gontor welfare and waqf empowerment. Gontor is entirely private, no regular supports from government nor from other institutions. That is why the Gontor makes every possible means to do with the fund, no stone would be left unturned in exploring financial sources.

According to Huda (2013), the typical strategy for raising Waqf Funds in Gontor is as follows: first, proving Gontor's progress so that the wakifs will help by donating their assets to the Pondok. Second, the development of innovative waqf assets. Third, Periodic reporting in the framework of management accountability every year in the form of the World News journal (Warta Dunia or WARDUN). Fourth, supervision is carried out on an ongoing basis based on the prevailing organizational hierarchy, lower institutions are supervised higher.

Many kinds of effort have been made by Gontor to cover these needs, and some of the attempts are as follows; rice mill, printing, shops, material for building shop, book store, photo copy shop, Family Welfare Cooperation, chemists, drug store, ice factory, grocery store, transportation, canteen, inn, chicken butcher, bakery, beverage, sport shop, convection, magazine, palm oil garden, rice field, clove farming, husbandry, etc. All of these works are carried out by students and teachers while the revenue will be spent to cover the needs of the institution and some of it is distributed for teachers and students' welfare (Bahroni, 2016). According to Nugraha (2018), Gontor La-Tansa's cooperatives sector run the business activities with implementing business ethics according to the Qur'an and Sunna values, it is can be seen from the height application of business ethics in each business sector at La-Tansa Gontor.

Gontor develops and manages endowments by using the concept of social enterprise by having a goal in solving social problems, especially education. Gontor has undergone the concept of social enterprise for three decades in gathering and building independence. Business units run in various forms with the aim of being productive steps in an effort to develop economic resources as a support for the smoothness of education and teaching. Gontor started a business from scratch and until now there have been as many as 32 different types of business units run by Gontor.

Table 3. Business Units based on Waqf in Darussalam Islamic Boarding School Gontor

No	Name of Unit business	In IDR (Rp.)	No	Name of Unit Business	In IDR (Rp.)
1	Printing	12.764.597.063	17	Bakery	1.514.020.100
2	Book Store	12.544.965.417	18	Pharmacy	1.899.587.100

3	Mantingan DC	17.515.221.000	19	Mineral water	2.094.132.934
4	Sport Store	10.163.278.298	20	Gambia telephone	493.282.900
5	Confectionary	3.631.733.900	21	Roya	4.347.238.909
6	Building materials	20.521.212.500	22	Loungery	233.303.500
7	Al-Azhar Telephone	1.206.540.000	23	Grocery	1.042.473.250
8	Rice Procces Center (Selep)	9.735.926.882	24	Latansa Distributor Center	4.124.585.000
9	Latansa Transportation	2.243.245.000	25	Restaurant	1.295.039.000
10	Sudan Telephone	664.657.750	26	Chicken slaughter	1.592.778.500
11	Guesthouse IKPM	462.935.000	27	Chicken noodle	235.209.764
12	Azhar Canteen	1.703.236.700	28	La-Tansa tea	235.541.000
13	Guesthouse	711.591.443	29	Ice cream	277.177.600
14	Asia fotocopy	1.070.349.000	30	Computer center	321.443.912
15	UKK	8.059.056.103	31	TPS	140.301.000
16	KUK Palen	1.612.988.375	32	Catfish	58.232.000
<b>Total</b>					<b>124.317.347.900</b>

Source: Daniar, Iswati & Zarkasyi (2019)

This business mainly uses *mudharabah* contract at which certain parts earning business activity will be employed for educational purposes such as providing facilities and supporting its educational operation. Then, another part of earning will be used to develop business activity itself (Razak, et. al, 2016).

Besides having business in SME, PMGD also utilizes waqf land to be rented to the farmers by using *ijarah* and *musharakah* contract in which the renting price and the profit sharing will be determined by the degree of land's fertility and the contribution level in the contract respectively (Hilmiyah, et. al., 2013).

### ***The Contribution of Unit Business Based on Waqf toward Self-Reliance System in the Education Development and Finance of Gontor***

The land of waqf and waqf assets in Darussalam Gontor Islamic Boarding School become an important role in the development of Education and also in its economy of the institution. The productive assets of waqf, caused to decrease in the number of tuition fees of students, while they receive many knowledge and skills from the Islamic Boarding School. On the other hand, teachers receive “an ethical incentive” (Ihsan) from the return of the invested capital of productive waqf from the business units run by the institution.

As the pioneer of Islamic education in Indonesia, pesantren used waqf as the financial foundation. The pesantren impact has not only been applied in education, but also involves social, economic, religious, and culture. In this situation, pesantren became a very prospective object for productive waqf development. Moreover, the role of integration of Islamic social and commercial finance in pesantren that is useful in the development of human and intellectual capital (Winarsih, Masrifah & Umam, 2019).

The development of Waqf in Modern Pesantren of Gontor is done through ‘effort charity’ and education. ‘Effort Charity’ is done by people who dedicate their lives to the pesantren. The strategy used by Modern Pesantren of Gontor Waqf Board today is how to maximize the role of waqf in improving the quality of education. The data about productive waqf management used to support the education in Modern Pesantren of Gontor shows that in 2009 productive waqf has contributed Rp. 19,294,847,446.- or 35% of the total income of the Pesantren of Rp. 54,597,611,550.-. Meanwhile, the total expense of the pesantren is Rp. 41,471,507,353.-, which means that there is more than 13 billion rupiah surplus. Moreover, waqf business can maximize the teaching process, building construction, regeneration, khizanatullah or funding and welfare for the Pondok family, pesantren infrastructure, and provide funding for underprivileged santri (Kasdi, 2019).

Based on the three forms above, the profits from waqf land rental and leasing have provided substantial returns to the pesantren. For example, in 2003, the rent has contributed to 428 million IDR, while the land lease amounted to 78.7 million rupiahs. Meanwhile, in 2004, the rental profit has amounted to 350 million IDR, while 78 million rupiahs were obtained through leasing. Apart from that, waqf

lands have also been used to plant cloves. In 1983, lands that are located in Jombok and Pule have produced a total of 1000 kg of cloves with a value of 7,700 IDR/kg. It should be noted that waqf lands developed for agricultural purposes have provided good returns to PMDSG, supporting the costs related to teaching and learning (Saidon, et. al, 2019).

According to meals, students at Gontor pay only Rp. 320.000 monthly or it same with Rp. 10.666/ day or Rp. 3.555/ meal (meal consists of rice, dish, vegetable, and mineral drinking) (Gontor, <https://www.gontor.ac.id>, 2020), this price of food before is lower than the cheapest meal in Ponorogo, East Java Indonesia like Pecel Ponorogo in average price is Rp. 5.000 (meal consists of rice and vegetable only) (Kumparan, 2018). By illustration before, waqf business has a huge contribution to provide meals of students in Gontor to a basic need of students fulfilled perfectly.

## **CONCLUSIONS**

From discussion above, can be found that the concept of self-reliance economic system based on waqf in Islamic Boarding School Darussalam Gontor begun from establishing of Waqf Enlargement Institution, known as YPPWPM, whose responsible is to develop, manage, and enlarge waqf asset through waqf business or social enterprise done by teachers and students under the supervision of headmaster, and the impact of waqf business towards education development is known from the cheapest tuition fees of the school and the meals for students, and also the scholarship for teachers while they study in higher education.

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