

Social Entrepreneurship *Pesantren*-based to Support Rural Development in the Era of Covid-19 Pandemic: Case Study in District of Lebak, Banten Province, Indonesia

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Abstract: The world development targets that were designed in the framework of the Sustainable Development Goals (SDGs) in 2030 is a challenge for all global stakeholders. This article aims: 1) to identify social entrepreneurship *pesantren*-based through social capital and local wisdom of community in District of Lebak, 2) to identify the development of social entrepreneurship *pesantren*-based to support local economy in the era of pandemic Covid-19, 3) to analyze of benefits of social entrepreneurship *pesantren*-based for rural development in the era of pandemic Covid-19. The method used a qualitative method in order to obtain a comprehensive understanding of all phenomena occurring in the study. The results of this study showed that: 1) social entrepreneurship that has been developed by the *pesantren* and community focuses on social capital and local wisdom of the community. 2) The impact of Covid-19 outbreak affected the local economy, however *pesantren* as social enterprises can contribute to support economic resilience through strengthening farmer groups. 3) Benefit of social entrepreneurship *pesantren*-based has an impact for socio-economic community and accessibility dealing with economic enhancement and rural development. Furthermore, enhancing social enterprise as the local institution is needed for improving social entrepreneurship development that has contributed to the local economy.

1 INTRODUCTION

Poverty is a fundamental problem in world development, especially in Indonesia as one of developing countries. Poverty is defined as a person's inability to meet his basic needs due to inability to access or control economic resources (Nur, 2014: 55). The inequality of socio-economic development is one of the causes of poverty in Indonesia, generally in rural communities. Law No. 6/2014 concerning Village as the basic national policy to reduce poverty in rural level (Republic of Indonesia 2014) which are the important aspect of the government's policy agenda to reduce poverty and equitable development between rural and urban communities.

Law No. 6/2014 has provided opportunities for the participation of stakeholders in rural

communities, including *pesantren* as the Islamic educational institution which are mostly scattered in rural areas. The existence of *pesantren* as a strategic Islamic institution is one way to forge the rural youth generation (Budiwiranto 2009), and they also have contributed for developing the local economy because the *pesantren* source of livelihood comes from agricultural products in rural areas. Sociologically, Dhofier (2014) stated that *pesantren* not only describe the purpose of Islamic education, but also but also to strengthen human values, such as morality, spirituality, honesty of *santri* (Islamic students).

Furthermore, the existence of *pesantren* aims to foster the *santri* as a youth generation that has the personality to strengthen their mindset, attitude and real action for the improvement of socio-economic capacity. However, it is rare to find *pesantren* in rural areas that grow and develop independently

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which have the ability to develop sustainable business scale, and the opportunity for *santri* to obtain knowledge and skills according to business are limited. Thus, *Pesantren* does not yet have contributed for the improvement of *santri* capacities regarding competitiveness on the job opportunity and/or various fields of business sectors (Hudaefi et al., 2019; Muttaqin, 2016).

The Ministry of Religion Affairs of the Republic of Indonesia (2016: 179) noted that the number of Islamic boarding schools in 34 provinces was 28,961 units divided into 2 (two) categories, namely traditional (15,057 units) and modern (13,904 units). The traditional *Pesantren* are widespread in West Java (40%), Banten (22%) and Central Java (20%). Meanwhile, the modern *Pesantren* are widespread in East Java (34%), West Java (23%), and Central Java (12%). Generally, these locations of *Pesantren* are scattered in rural areas which are reflecting interactions with local communities, such as in Banten province.

Pesantren in Banten are widespread in Lebak district (31.96%) which is known as one of underdeveloped regions in Indonesia. Statistic Indonesia (2020) note that the Human Development Index (HDI) of Lebak has the lowest HDI compared to other districts in Banten, where in 2014 (62.03) and increased in 2019 (63.88). This condition was described that HDI aspects including economy, education and social services in Lebak are relatively low compared to other districts in Banten. Therefore, *Pesantren* in Lebak have the opportunity to be able to build cooperation with rural communities to enhance economic development (Buresh 2003) through social entrepreneurship to support new business models that are useful for the community.

Social entrepreneurship as stated by Hulgård (2010: 4) is the collaborative creation of a social value between people and organizations that are produced through economic activity by engaging social innovations that usually imply their socio-economic. Social entrepreneurship is designed according to 4 (four) criteria, including: civil society, innovation, social value, and economic activity. The socio-economy is an economic activity that supports the strength of the community itself (the social sector) in terms of *Pesantren* as a node of economic development for rural communities. Hence, social entrepreneurship lies in the potential for community socio-economic activities as one of the drivers of economic growth and welfare distribution.

Furthermore, collaboration in the form of business development is oriented towards social

goals and does not prioritize for earning profits, and/or profits are used for social interests. Thus, with all community backgrounds from both rich and poor peoples, they are able to work together to develop their business under the management of the *Pesantren*. Cases in Indonesia, several social institutions already engaged in social entrepreneurship activities in the form of economic enterprise development. Syafar (2012: 12) explains that the Peramu Foundation (*Mustadh'afin* Empowerment) located in Bogor Regency has conducted socio-economic empowerment activities for poor households as participants in the *Baytul Ikhtiar* Cooperative. They are assembled in business groups and conduct microfinance programs through the tanggung-renteng approach. This program is similar to the *Grameen Bank* pattern by involvement of women as program beneficiaries.

Furthermore, social entrepreneurship programs were also conducted by *Pesantren* institutions. Churiyah (2014) stated that *Pesantren* of Al-Azhar Salafiyah located in Malang Regency conducted institutional empowerment activities for its *santri* where they are required to live in the community around *Pesantren* for 2 (two) months. Furthermore, they have obtained entrepreneurial knowledge and skills, and they should be practiced in the community according to local resources. This ultimate goal of programs aimed to improve independent human beings and its benefit for the community. Thus, *santri* can become facilitators in strengthening the local economy to increase productive business with the involvement of the community. Meanwhile, *Pesantren* Al-Ittifaq in Bandung has conducted social entrepreneurship through agribusiness activities which involved their *santri* (Mujiyo et al., 2017). Therefore, social entrepreneurship development in *Pesantren* had increased in the rural community to support the local economy, and several village governments had collaborated with *Pesantren* by involvement of community to provide business assistance and various training for their economic resilience, especially in the era of COVID-19 pandemic.

The pandemic of COVID-19 has affected the world economy, especially local communities in rural areas. Task force COVID-19 of Indonesia (March 31, 2021) announced that more than 1,5 million people have confirmed COVID-19 cases, and around 40 thousand people have died of the disease. Therefore, social entrepreneurship is the one strategy to support the local economy in the pandemic Covid-19 era. By combining aspects of business and social perspectives with the

involvement of *pesantren* as a social enterprise to maintain sustainable rural development, this study is important to enrich new opportunities related to economic activities for rural communities in Lebak District of Banten Province. For these reasons, this study aimed: 1) to identify social entrepreneurship *Pesantren*-based through social capital and local wisdom of community; 2) to identify the development of social entrepreneurship *Pesantren*-based to support local economy in the era of pandemic Covid-19, and; 3) to analyze of benefits of social entrepreneurship *Pesantren*-based for rural development in the era of pandemic Covid-19.

Based on explanations above, this study focused on social entrepreneurship in supporting rural development regarding the Law No. 6/2014 concerning Villages. The biggest challenge of sustainable rural development to achieve national development and SDGs 2030 are how these policies can be implemented at field level. By analyzing and investigating the problem, this article can contribute for *Pesantren* as social enterprise and recommendations through involvement of community as well as to enforce the implementation Law No. 6/2014 nationally by focusing on social entrepreneurship. This will be beneficial not only for Indonesia, but also for the world in achieving economic recovery amid a pandemic situation.

2 METHOD

The method used in this study was a qualitative approach. This method was used in order to obtain a comprehensive understanding of all phenomena occurring in the study site. Qualitative methods used 4 (four) approaches, i.e. local wisdom identification, local economy activities, social mapping, and identification of economic opportunities for social entrepreneurship. This study is conducted by a case study due to it involves an intensive and detailed analysis (Bryman, 2008: 52). In the process of research, the researchers built interactions with *Kyai*, *pesantren* and the community to obtain relevant information. The informant who was involved i.e.: head of village, manager of *pesantren*, farmer groups, and *santri*.

The study sites were located in 2 (two) villages in Lebak District, i.e. Nurul Madany in Sipayung Village, sub-District of Cipanas and Quthrotul Falah in Sumurbandung Village, sub-District of Cikulur. This study can be categorized as cross sectional, Neuman (2003: 31) stated that in a cross-sectional study, the researcher makes observations at one

time. The rationale of choosing these locations are as follow: 1) the *pesantren* and villages represented the dynamic relation between natural resources and community in socio-cultural contexts; 2) Potentially, these *pesantren* have contribution to support rural development through social entrepreneurship; 3) currently, these *pesantren* are have many productive efforts that can be developed for small industrial sector including home industry enterprises; 4) both *pesantren* and community have potential collaboration in natural resources (agriculture, livestock, fisheries and forestry) as a source of livelihood for rural communities.

The selection of informants in this study was carried out selectively. In a qualitative study, the selected informants need to have sufficient information about the phenomena being studied so that researchers can comprehensively understand the phenomena that occur related to the social entrepreneurship aspect. As stated by Neuman (2003: 394) explains that the ideal informant has characteristics, including: 1) Informants are totally familiar with the relevant issues; 2) informants are involved in the field research; 3) informants are conducted in the research and can spend time with a researcher. Thus, the selection of informants determined in this study is that they are familiar with the local socio-cultural conditions at the study site and the people involved in social entrepreneurship development. The selected informants are those who are directly involved in the field, they work together with researchers and provide relevant information related to the development of social entrepreneurship.

Furthermore, the analysis of data is used as an inductive approach to identify various realities of development social entrepreneurship on *pesantren*, so that the analysis was clearer, more explicit. In addition, in qualitative analysis is operationally conducted in 3 (three) ways, including: 1) reduction of data, the process of reducing and deciphering of data into a complete and precise arrangement, 2) presentation of data, the effort to produce and present of data that can be detailed & described clearly, and; 3) verification and conclusions, the process of compiling information which is analyzed systematically to obtain clear conclusions. Finally, according to the characteristics of data and information on study site, the techniques of data collection i.e.: 1) interviews are the process to obtain relevant information, including: in-depth interviews and group interviews, 2) literature study has conducted to obtain secondary data, including: Village Profile, books, journal articles, and etc., and;

3) documentations are to enrich information that was obtained in interviews, such as photos.

3 RESULTS AND DISCUSSION

3.1 Social Entrepreneurship *Pesantren*-based through Social Capital Approach

The landscape in the study site is characterized by a rice field, plantation, river, and hills (mountain). The study site, in *Sumurbandung* & *Sipayung* villages possessed a wide area of natural resources but limited human resources (see Figure 1). The farming activities in the study site were also conducted following the local wisdom rules. Limited access to village economic development was also induced by the poor road infrastructure at the villages. Most of the community used paddy field products for the family's subsistence need of food, while livestock and fisheries were sold to fulfill the other living needs (house, cloth, education and health). In addition, there were two main livelihoods based on commodities in the study site: (1) family's subsistence need of food from paddy fields; and (2) commercial livelihood to generate cash from agricultural commodities, such as crops, annual plant, livestock and fisheries. However, those commodities depended on product quality and its price in the market, suddenly non-profitable for their income. Therefore, many community members in both villages have decided to leave the villages and became labor as alternative livelihood.

Generally, productivity of agricultural commodities is relatively low which was caused by lack of knowledge and skill in cultivation, pest and disease outbreaks, and low purchasing power for fertilizer. Although paddy field management ability of the community was better than other commodities, their income resulted from paddy field was relatively insufficient. Hence, in order to fulfill their needs for food, the community planted a limited number of secondary crops such as sweet potato, cassava, vegetables and paddy fields. Furthermore, the community was also raising livestock (cow, goat and chicken) to support the household economy. Some community members who have paddy fields also cultivate fish, such as *Nila* and *Mujair* in a system of *mina-padi* to support the food sovereignty.



Figure 1: *Sipayung* (above) and *Sumurbandung* (below).

Furthermore, value systems are embedded systems at both villages to protect social values relationships in the community. In the study site, local knowledge can be understood as a system that has been acknowledged, practiced and become a tradition in the community in the human life (social and economic systems) and natural resources management, where (Tresnasih 2009) stated that the purpose of agricultural ceremonies are supplicating safety, neither in farming nor social activity. Both in *Sipayung* and *Sumurbandung* villages found that mutual cooperation (*gotong royong*) still existed in the community. Generally, *gotong royong* used to help special events such as parties/celebrations, death as well as other social activities. Local knowledge can also be integrated into a form of social institution or social capital, especially at the religious institution (*pesantren*, *masque*, *majelis taklim*).

Both *Qothrotul Falah* and *Nurul Madany* have been recognized by the community around *pesantren*. Their inceptions in those villages have contributed significantly in social development, such as Islamic education, both of them also contributed significantly to providing formal education for the community, i.e.: junior and senior high school (see Figure 2). Furthermore, *pesantren* also facilitate *santri* to improve entrepreneur skills in the cooperative, such as *Koperasi Pondok Pesantren* (*Koppontren*) and agribusiness (see Figure 2). Therefore, *santri* are oriented to have a spirit of hard work, creative, and capable in managing their skills.



Figure 2: Agricultural equipment and nursery in *pesantren* of *Qothrotul Falah* (above) and *Nurul Madany* (below).

Furthermore, Both *Qothrotul Falah* and *Nurul Madany* have collaborated with farmer groups at villages in agricultural activities. This shows that *pesantren* and communities were integrated in the economic activities by strengthening their social capital. According to Syafar (2017: 5) stated that the concept of social capital as a set of values, norms, and beliefs that make the community can actively work together to achieve common goals. Socially, both *pesantren* and communities are recognized as a local tradition to maintain the natural resources and environment for their livelihood sustainability in the present and in the future.

Typically, *pesantren* and farmer groups have cooperated in the form of training and assistance. *Pesantren* has roles in responding to social and economic dynamics through community development programs in agricultural cultivation. However, *Qothrotul Falah* has a network with the local government to obtain several programs for the community, such as agricultural equipment grants. Meanwhile, *Nurul Madany* has the Agricultural Vocational High School which involves agriculture agencies in the educational processes, such as: learning, training, and comparative study with farmer groups. This condition can be referred to the phenomenon of social entrepreneurship, since the *pesantren* are shown their ability to build collaboration with other stakeholders in supporting local economy enhancement, such as agricultural extension agents. Based on the facts, social entrepreneurship *pesantren*-based at both villages are potentially conducted through collaboration approaches between *pesantren* and communities, and as Reginald et al. (2015: 343) stated to maintain the socio-economic activities, i.e. the Islamic values

(dakwah), business network, and providing social values for the community. For this reason, the role of *pesantren* in the context of social entrepreneurship can be a social enterprise which has a strategic role for farmers and other social groups in both villages.

Based on the explanation above, social entrepreneurship that has been conducted by *pesantren* used social capital approach. This approach is effective to develop mutual cooperation between *pesantren*, community, and stakeholders due to the capacity of *pesantren* to stimulate rural community participation are relatively effective. *Pesantren* has characterized by patron-client relationships, where *Kyai* (*pesantren* leader) has highly charismatic influence not only by *santri*, but also by the community, and they are believed that the existences of *Qothrotul Falah* and *Nurul Madany* in their villages can contribute for them, especially education, religious value, and social norm, Siregar et al. (2013) stated that the charisma of a *Kyai* also has supported from the people due to his faith quality and moral stability. Thus, the charisma of *Kyai* has been recognized by the community because they wish to obtain his blessings from *Kyai*.

Furthermore, despite the *pesantren*'s roles at the community are relatively well in both villages, the services it conducts are socially integrated with the common goal. Abu-Saifan (2012: 24) noted that the ultimate goals of social entrepreneurs are to create economic wealth, and directly serve their mission to deliver social value, and the priority is to fulfill their social mission. In *Sumurbandung*, farmer groups and *pesantren* are worked together in field rice which was assisted by facilitators from *pesantren*. They are also involved with the local government for training activities, such as the agriculture agencies & local army. They have conducted training for farmers groups, neither cultivation nor cooperative managerial training. Cooperative farmers have been built by them to manage their commodity in the market, such as price. Furthermore, the involvement of farmer groups and *pesantren* are needed to ensure social entrepreneurship originates from the social capital of the community.

3.2 Social Entrepreneurship Development *Pesantren*-based to Support Local Economy

Pesantren and the community have initiated the realization of social entrepreneurship based on local resources at both villages, neither *Sumurbandung*

nor *Sipayung*. In the group interviews session at the villages of *Sumurbandung*, the farmer groups are well-responded to participate in the collaboration program with *Qothrotul Falah* for local economy enhancement. They believe that these *pesantren* have a role and function as Islamic education as well as economic institutions that have given the impact for rural areas due to both *pesantren* have grown and developed together with the surrounding community. Therefore, the existence of *pesantren* can be argued that they have a high level of integrity with the surrounding community, as well as being a social norm for community life.

Furthermore, *Nurul Madany* sees that community empowerment surrounding *pesantren* as a collaboration of efforts to meet the need, especially education and local economy. In these cases, *pesantren* organize empowerment programs with the community in various fields based on basic needs to attain their goals, the basic needs are mainly dealing with economic and social problems. Social entrepreneurship at *Sipayung* village needs cooperation between *ustadz*, *santri* and farmers, as Wibowo et al. (2015: 15) explain that at least three interrelated terms will be found, i.e. social entrepreneurship, social entrepreneur, and social enterprise. *Santri* has been provided with entrepreneurial training by the *pesantren* to prepare capacity enhancement in business skill. As stated by an informant that *in improving the quality of santri, Nurul Madany has organized training for students in the fields of livestock, agriculture, sewing, and home industry to make various snacks from simple ingredients that can be obtained from the surrounding environment, this program collaborated with alumni (MMU, 20 July 2020)*.

They are not only obtained knowledge in the training, but also several motivations to be able to develop their skills. The results of their skills are convection products (bags, shoes, clothes, t-shirts). These products were exhibited and marketed around Lebak district. In this context, *Nurul Madany's* perspective of empowerment is directly related to capacity building for his *santri* in the business skill improvement. Furthermore, *Qothrotul Falah* has improved the quality of his *santri* by developing various economic efforts. *Ustadz* have significant roles to facilitate *santri* in the improvement of business skills. They have *Koppontren* that *santri* are given opportunities to manage the business units, such as: herbal medicine, groceries, office stationery, bike shop, etc. *Santri* are also given activities by *pesantren* to manage the *pesantren's*

farms, such as: livestock, nursery, crops, and field rice.

Furthermore, both *Qothrotul Falah* and *Nurul Madany* have conducted entrepreneurship and cultivation of agriculture training for the community, such as: farmer groups and women organizations. Based on the group interviews in *Sumurbandung*, all training on entrepreneurship for women has benefited and essential and to improve household income. They are assessed that social entrepreneurship by *Qothrotul Falah* is needed for the community by conducting training including training on entrepreneurship (81%), lending business capital (10%), and improving women organization (9%) to support their small business activities that have already existed. However, both *pesantren* are also identified empowerment activities that have been formulated and designed with sustainable assistance and evaluation.

Meanwhile, *Nurul Madany* has conducted training on cultivation of paddy for farmer groups which are beneficial for their activities. They are assessed that the development of the paddy would have a positive impact for their prosperity. They have believed that *pesantren* were built and developed with the community, and can work together due to *pesantren* as an integral part of society. The informants stated that social entrepreneurship was the alternative business for the local economy, and the farmers could cultivate other crops to support social entrepreneurship, especially fruits crops. Many informants stated: the primary solution for their alternative livelihood might be raising livestock such as: cows and goats when the other commodity has declined. Livestock is also an important source of secondary income and a source of protein for many farm households.

In the group interviews at both villages the community has participated in the *pesantren's* programs, neither cultivation assistance nor entrepreneurial skills. The communities expect that social entrepreneurship will provide more permanent activities to the people surrounding the *pesantren* due to their occupation as a majority as farmers and farm workers. Reindrawati (2017: 221) stated that a social entrepreneurship approach that emphasizes entrepreneurial creativity, drive and talent for solutions to social, local economy and environmental problems, and also provide employment opportunities for the community. The majority of occupations of the community in *Sumurbandung* and *Sipayung* are farmers (62% and 41%), and there are also 43 percent farm workers in

Sipayung, civil servants and small entrepreneurs at both villages as shown in Figure 3 below.

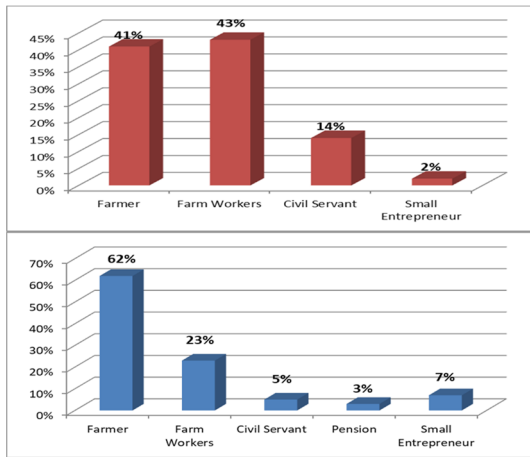


Figure 3: Occupation of community in *Sipayung* (above) and *Sumurbandung* (below).

The community hopes that the social entrepreneurship model can serve as a business center for local people, and provide expansion of jobs for the community. For further plans, *pesantren* as social enterprise can create social entrepreneurs through business centers aimed to develop innovations for the community. Therefore, the *pesantren* can be an enterprise activities center to support local economy development by conducting capacity building activities to increase farmers' insights, creating new business, and managing their farm. For this reason, the *pesantren* and community should work together to achieve symbiosis mutualism (see Table 1), to get better understanding, and to improve the local economy, such as income generating for the community.

Table 1: Social Entrepreneurship Aspects between *Qothrotul Falah* and *Nurul Madany*.

Aspects	Social Enterprise	
	<i>Qothrotul Falah</i>	<i>Nurul Madany</i>
Social value	Providing services to farmers groups in agricultural cultivation.	Assisting farmer groups within integrated agriculture programs.
Innovation	Building a farmer economy by strengthening of agribusiness units that engaged with local community.	
Business model	1. Community empowerment which includes training and facilitation.	

	<ol style="list-style-type: none"> 2. Providing microfinance services within cooperative institutions. 3. Building agribusiness centers in strengthening marketing products. 	
Transformation	Releasing dependence on funding from donor agencies to ensure sustainability.	Independent institutions through entrepreneurial activities pesantren-based.
Outcome	<ol style="list-style-type: none"> 1. Increasing socio-economic. 2. Improving sustainable community. 3. Farmers' social cohesion. 	<ol style="list-style-type: none"> 1. Overcoming the poverty problems. 2. Improving farmer groups' capacities. 3. Social cohesion.

Source: Researcher, 2020 (data was processed)

Social entrepreneurship which has been conducted that is developed by *pesantren* and communities, both *pesantren* can realize social work specially in alleviating poverty. Innovations and ideas that are obtained by community and *pesantren* are to address opportunities for social change in their villages. Therefore, the entrepreneurial approach taken by those *pesantren* in the form of social business is a form of economic independence to support its social activities. Profits obtained from entrepreneurial activities are developed and redistributed to society, especially at risk groups (vulnerable people or poor people) through activities that have a social or positive impact, so that social entrepreneurship which are conducted by *pesantren* and community are plays an important role in the form of a breakthrough in poverty reduction efforts.

3.3 Social Entrepreneurship Benefits in Rural Development

Based on explanations above, both *Qothrotul Falah* and *Nurul Madany* have carried out social entrepreneurship activities that are developed and integrated with social capital and local wisdom owned by the community around the *pesantren*. Development of *pesantren*-based social entrepreneurship which focuses on community is assistance activities and facilitation of farmer groups. For this reason, as social entrepreneurs,

pesantren develop their social entrepreneurship to uphold social capital in maintaining the sustainability of their present and future livelihoods, as Kelley et al. (2011: 18) noted that entrepreneurs “create needs” but business people or social entrepreneurs “satisfy needs”. Thus, the development of social entrepreneurship in the two villages cannot be separated from the social capital of the community which has a socio-economic impact on the region.

Social entrepreneurship that has been developed based on *pesantren* and the community is a sustainable effort that promotes the active role of local residents to manage it in a better direction. This can be seen from the fact that the community has the knowledge and skills in managing the local economy and social capital which is the potential and opportunity and equitable economic development, especially for poor communities, it is a significant driver of change through social innovation. *Pesantren* have created sustainable social impact by providing the target groups with beneficial services and products. Thus, the entrepreneurial approach taken in the form of a social business is a form of economic independence to support social activities in their village. Therefore, community involvement roles are an important aspect in managing and preserving the developed social entrepreneurship patterns.

Qothrotul Falah and *Nurul Madany* have conducted social entrepreneurship providing services to farmers in order to improve their economy through mentoring activities and the formation of organizations that focus on sustainable agricultural development. With the existence of *pesantren* in the villages that rely on local and national strengths, the community has begun to be open and professional in its management to achieve effective and efficient goals. Therefore, *pesantren*-based social entrepreneurship requires collaboration with various stakeholders to achieve effective targets. Therefore, *pesantren* can be transformed into an independent institution by implementing entrepreneurial values with the community.

One of the challenges faced by *pesantren* related to social entrepreneurship management in accordance with local resource development is the level of competence and skills, as well as business competition in facing industry 4.0, such as e-commerce, Kurniawati et al. (2020) stated that e-commerce opportunities to influences satisfaction and provides the best services. The management of social entrepreneurship in encouraging sustainable rural development in the spirit of local wisdom

values will create increased business opportunities, because it is managed by the community and *pesantren* who have business skills and knowledge to empower the community. So that the development of social entrepreneurship will be manifested in the quality management of social enterprise and reliability of human resources.

The community's challenge in the future is the limited collaboration with stakeholders in supporting its activities. Local stakeholders consist of individuals and institutional groups located in the village, such as the village government. For this reason, if the *pesantren* and the community want to have the expected target, it is very important to build cooperation with various parties, including: 1) the government plays a role in encouraging access to services through rural development programs based on Islamic boarding schools, 2) Village-owned enterprises (Badan Usaha Milik Desa) as a forum increasing regional economic development (Sumarni et al., 2020) through various collaborative institutions with various parties, 3) Regional stakeholders are local governments consisting of Banten Province, Lebak Regency, related local government agencies, universities, and non-governmental organizations. (NGOs) such as Dompot Dhuafa, 4) National stakeholders are the Ministry of Villages, Development of Disadvantaged Areas, and Transmigration, the Ministry of Home Affairs, the Ministry of National Development Planning or the National Development Planning Agency (BAPPENAS).

Interaction between stakeholders is a mutually beneficial symbiotic relationship, especially at the local level. Individual and local stakeholders carry out several activities and communication intensively. The benefits of existing collaboration in developing social entrepreneurship by *pesantren* and community in villages have had a wide impact. *Pesantren* has become a potential social enterprise in facilitating target groups, such as farmer groups, *santri*, *ustadz* to implement their business. In addition, this pattern is an effort by *pesantren* to help the community, especially in facing the pandemic of COVID-19 outbreak that can threaten nation development to resolve poverty alleviation.

Nowadays, the world is addressing the aftermath of COVID-19 outbreak, the World Economic Forum (2020: 8) stated that the pandemic has resulted many marginalized communities in the worldwide, and approximately 100 million people could slip into extreme poverty due to the impact of the health and economic effects of this crisis. Social entrepreneurship is needed as a responsibility for the

world crisis, the existence of *Qothrotul Falah* and *Nurul Madany* in social entrepreneurship practices can become partners for the government in economic development in responding to the pandemic to overcome poverty can be realized. Therefore, *pesantren* as social entrepreneurs need strength support from stakeholders to play a role in serving or working with the community.

Finally, those stakeholders and *pesantren* should create activities that provide the poor with beneficial services and products to improve business opportunities. They can design a sustainable model for building an inclusive economy for many years in facing the pandemic COVID-19 consist: 1) develop essential products and services in the agribusiness development during pandemic, 2) maintaining social security which are collaborated with local government, 3) innovating to overcome environmental and social challenges, 4) conducting and advocating for a SDGs, calling for a green economy, 5) empower and create strategy with communities around *pesantren* so that they can develop their own challenges and its solutions.

4 CONCLUSIONS

Social entrepreneurship *pesantren*-based has been conducted by *Qothrotul Falah* and *Nurul Madany* as the development efforts through participatory approaches with local people surrounding *pesantren*. Social entrepreneurship plays an important role in the form of a breakthrough in poverty reduction efforts. Manifestations of *pesantren* and community have described that entrepreneurship is an economic lever for society to improve the economy and increase income, especially in facing the Pandemic COVID-19. In addition, social entrepreneurship encourages local economic development, although still within a limited reach due to several challenges. However, in the long term the poverty alleviation agenda in Lebak district can be realized if *pesantren* and local community are always collaborating in the framework of social enterprise. Therefore, innovative ideas and creative innovations can combine in their business concepts and take advantage of entrepreneurial opportunities to solve local problems.

Furthermore, the creation of several activities that have been conducted by *pesantren* and community, especially farmer groups in Sumurbandung and Sipayung villages, can enable them to identify their own potentials, problems, and together proposing alternative solutions. This means

that social entrepreneurship was conducted depending on social cohesiveness, the concept of social capital as the groundwork of their activities. The members, such as *ustadz*, *santri*, farmer groups, and women organizations that they have a more equal relationship, and are able to make cooperation with the *Kyai* in conducting their activities. The role of *Kyai* is an important in both *pesantren* to ensure that the facilitation of social entrepreneurship can conduct as their planned. *Pesantren* as actors of social entrepreneurship play a role in encouraging community economic improvement in order to help the community surrounding *pesantren*. Community empowerment is an important value as in the concept of social entrepreneurship development *pesantren*-based, social value creation is the main goal by combining it with innovative activities.

Social entrepreneurship that has been conducted by *Qothrotul Falah* and *Nurul Madany* are developed and integrated with social capital and local wisdom which is owned by the community around the *pesantren*. Socially, both *pesantren* and communities are recognized as a local tradition to maintain the natural resources and environment for their livelihood sustainability in the present and in the future in responding to social and economic dynamics through community development programs. *Qothrotul Falah* has a network with the local government to obtain several programs for the community, such as agricultural equipment grants. Meanwhile, *Nurul Madany* has the Agricultural Vocational High School which involves agriculture agencies in the educational processes, such as: learning, training, and comparative study with farmer groups.

Furthermore, implementation of social entrepreneurship is needed as a responsibility for the world crisis, especially the pandemic of COVID-19 outbreak. Both *Pesantren* have become a potential for social enterprise in facilitating target groups, such as farmer groups, *santri*, *ustadz* to implement their business. The existence of *Qothrotul Falah* and *Nurul Madany* in social entrepreneurship practices can contribute for local economy and become partners for the government in economic development, 1) providing services to farmers to improve agriculture by focusing on facilitation and trainings, 2) assisting farmers in trainings and cultivation of field rice, livestock, and fisheries, 3) building household economy through the establishment of agribusiness unit that engaged in community as well as education and trainings. Those activities are aimed to increase socio-economic through community empowerment.

Social entrepreneurship *pesantren*-based is beneficially has contributed for target groups. They have obtained entrepreneurial knowledge and skills, and they should be practiced in the community according to local resources. Those programs are aimed to improve independent human beings and benefit them. However, collaboration actions are needed between stakeholders and *pesantren* for creating activities to provide business opportunities, especially poor households surrounding *pesantren*. In addition, they can design a sustainable model for building an inclusive economy for many years facing the pandemic COVID-19, such as: inclusive and green economy.

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