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Entrepreneurship Ecosystem: A Necessary Approach to Develop Santripreneurship

by Ahmad Cholis Hamzah and Ubaidillah Zuhdi

The purposes of this study are to identify the economic potential of the pesantren, the ecosystem that supports it, and the role of local government and universities in supporting its possessed potential. The study applies qualitative approach to achieve these purposes. The results show that pesantren has a huge potential not only in terms of its number of institution and Santri or students but also its strong moral based on Islamic values. These huge potencies can be a trigger to empower its economic potential. However, the potencies will not be maximized without the supports from the members of entrepreneurship ecosystem such as government and universities.

Introduction

Economic developments in many countries especially in developing countries have been focusing on the role of government and private sectors. However, in a majority Muslim country like Indonesia

particularly in East Java province, the role of pesantren or Islamic boarding schools should be taken into consideration in the equation. There have been significant developments of the pesantren in the country that these Islamic boarding schools do not

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merely concentrate on providing Islamic teachings and general knowledge to their students. They also have commitment to develop entrepreneurship within their boundary because it actually in line with Islamic teachings.

This paper applies qualitative approach to gain the understanding of underlying reasons, opinions, and motivations especially about pesantren. In order to obtain qualitative data, this study uses common methods, namely focus group discussions, individual interviews, and participation/observations.

Additionally, the paper seeks the understanding of problem from the perspectives of local population involved, and to seek cultural information about the values,

opinions, behaviors, and social contexts of particular population in Indonesia.

Pesantren: An Overview

Nahdlatul Ulama (NU) is the largest Muslim organization in Indonesia. The organization was established in 1926 in Surabaya, a second largest city in Indonesia by handful of Muslim clerics (known as “Kiai” in Javanese). NU or “the awakening of Ulama” claims to have 40-60 million followers in the country, and spreads the moderation teaching of Islam.

“Pesantren” itself refers to a school that offering education on Islamic subjects while the word “pondok” derives from the travellers’ inn in the Middle East (“Funduq” in Arabic). The combination of these two words (“pondok pesantren”)

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generally means the Islamic boarding school where students or “Santri” stay, led by Kyai (Barton 2002), and receive Islamic teachings from Kyai. Based on data from East Java NU, the number of pondok pesantren that affiliates with NU in East Java is approximately 7.000 ranging from very traditional to modern pesantrens. These pesantrens are scattered around the province. The number of Santri in each pesantren also ranges from dozens through more than 10.000. There is an interwoven connection between Kyai, pesantren, and Santri. The connection has been becoming a strong characteristic of NU. Obviously, Kyai-pesantren-Santri is an inseparable connection.

Entrepreneurship within Pesantren

Pesantren provides education on Islamic subjects such as philosophy,

tarich or history of Islam, Arabic, fiqh or Islamic jurisprudence, moral, reciting Quran, the understanding of Islamic school of thoughts, and Hadith or the words and deeds of Prophet Muhammad. Nowadays, pesantren also teaches general knowledge that is in line with the national education curriculum such as mathematics, English, and physics. Pesantren is also known as a center of education that teaches its Santri to be an independent person. This fact leads to a phenomenon that pesantren is also focusing on building an independent economic movement, namely entrepreneurship. It is widely known that some pesantrens have their own economic and business entities such as cooperative units, gas stations, culinary industry, and so forth.

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Actually, entrepreneurship is not a new thing for pesantren as it is a part way of life in Islam based on Quran and Hadith. In addition, NU since in the outset of its establishment has been concentrating on empowering economic potentials of its members too. Many of its Kyais are also a local businessmen. The government of Indonesia through Ministry of Industry plans to increase the number of entrepreneurs to help reinforce its economic structure in the face of the fourth industrial revolution or industry 4.0. The Islamic boarding school is also expected to give contributions in this plan through its Santris. One of the strengths of Santris at the pesantren is that they are obedient students, especially to Kyais, with willingness to learn.

The Ecosystem of Entrepreneurship

One can argue that the economic potential of NU, pesantren, and Santri could not be materialized if the ecosystem of entrepreneurship does not support it. Technical assistances from other parties is a must and such assistances could cover areas such as market information, pricing strategy, branding, and simple financial report. Obviously, pesantren could not work alone because it is facing fierce competitions in this modern day. Entrepreneurs in Indonesia, in general, need many assistances because they are still lack of necessary guidance. For example, Asia Pacific Foundation of Canada (2018) explains that there is a general lack of international experience, which the number is 2%, among survey respondents in Indonesia

regardless of age and gender. This shows that they are not well connected to international knowledge networks.

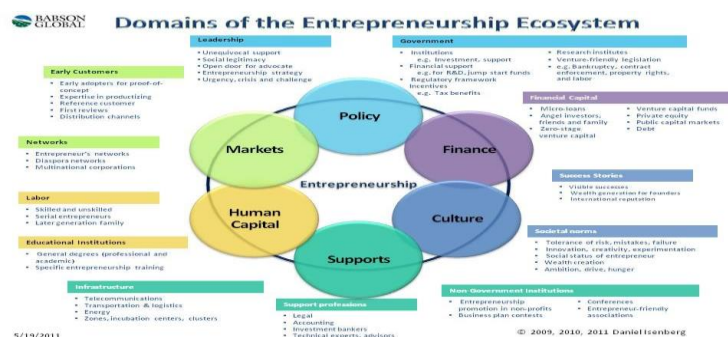
Above-mentioned condition describes that a conducive and motivating environment is needed if pesantren wants to develop its entrepreneurial climate. Based on the information in figure 1, university and government play an important role in developing entrepreneurship within pesantren. A university, such as University of Nahdlatul Ulama Surabaya (UNUSA, a university owned by NU), could provide

specific training on business to Santri while government with its authority could produce policies that are in favor of local business entities.

One Pesantren One Product

East Java government as one of the key players in the entrepreneurship ecosystem has been aware of a huge economic potential of pesantren for a long time. It designs a policy that supports pesantren, namely “one pesantren one product” (for simplifying, the word “OPOP” is used in describing the policy in the rest of the paper).

Figure 1 Domains of the Entrepreneurship Ecosystem (Isenberg 2011)



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Actually, the policy deliberately is similar to that of one village one product (OVOP) in 1970's that was invented by a Japanese former governor of Oita Prefecture, Hiramatsu, who used his previous working experience at Japanese Ministry of Economy, Trade, and Industry (METI) to solve the Oita's serious rural economic decline problem. The essence of OVOP can be seen in the value addition to local products to make higher incomes for local people, as well as in changing local environments to attract local residents and tourists (Claymore and Jaiborisudhi 2011).

The Role of University

A university has an important role in supporting pesantren too. More specifically, a university can optimize the economic potential of pesantren

by establishing a center of business incubation where the Santris can learn technical aspects of business including business strategies needed. UNUSA can do the action. The university can also extend its assistance by identifying the prospective products and services that pesantren has been focusing on. Besides, it can extend its expertise by teaching and training Santris the important entrepreneurial issues such as letter of credit, banking procedures, packaging, and branding.

Conclusions

Pesantren or Islamic boarding school has a huge potential not only in terms of its number of institution and Santri but also its strong moral based on Islamic values. These huge potencies can be a trigger to empower its economic potential. However, the

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