




## The Dual Nature of Pesantren: Navigating the Power of Religious Leadership in Economic Transformation

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### ABSTRACT

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Community empowerment based on Islamic boarding schools (pesantren) is a crucial strategy for addressing structural poverty and unemployment in local communities. This research identifies the community business empowerment strategies implemented by Kiai Abdullah Syam and evaluates their outcomes in strengthening the economic and social well-being of the community surrounding the pesantren. This study employed a descriptive qualitative method, utilizing observation, in-depth interviews, and documentation for data collection. Data collection instruments were triangulated to ensure the validity of the findings. The primary results indicate that the People Movement and Empowering People strategies, through several phased approaches in the community empowerment process, have significantly improved the quality of life for the community. This improvement is evident through the establishment of productive economic institutions, strengthened social capital, increased household income, and the integration of religious values into work ethic. This study contributes significantly to Islamic economics and pesantren studies by offering insights for cross disciplinary research bridging education management, sociology and community development. The novelty of this study lies in its integration of modern marketing strategies with spiritual approaches and pesantren values, an area not extensively explored in empowerment literature. This research contributes to expanding contextual, community-based empowerment models that can be replicated in similar communities. In conclusion, pesantren-based empowerment strategies have proven effective in fostering economic independence and sustainably strengthening social cohesion within the community.



**Keywords:** *Economic Transformation; People Movement; The power of Religious Leadership; Pesantren Rakyat.*

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## INTRODUCTION

In the context of community development based on Islamic values, *pesantren* holds as a powerful catalyst for social and economic reform. As traditional educational institutions, *pesantren* not only preserve the teaching of Islamic traditions, but also emerged as social institutions participating in community empowerment efforts (Tamalla & Fauzi, 2021; Widayanti, 2020). In efforts to empower communities, particularly in the economic domain, the strategies employed by *pesantren* serve as a key factor that determines the success of empowerment programs.

One of the approaches that has increasingly gained attention in the context of community capacity development is the People Movement Strategy and the Empowering People Strategy. Both approaches emphasize the importance of actively mobilizing community participation (Dushkova & Ivlieva, 2024), as well as the creation of empowering grassroots learning spaces. Previous studies, such as those conducted by (Ulum & Anggaini, 2020) have shown that participatory-based strategies significantly contribute to fostering economic self-reliance among marginalized communities. However, these studies have generally focused on social organizations or non-governmental institutions, and have yet to specifically explore their implementation within the context of *pesantren rakyat*—community-based Islamic boarding schools that grow organically within rural societies.

On the other hand, community empowerment approaches also require a deep understanding of the psychological, social, and political dimensions of the empowerment process itself. As argued by (McGee & Pettit, 2019), empowerment is not merely about providing access to economic resources, but also involves transformations in self-awareness, the capacity to participate in decision-making, and liberation from oppressive structures. These three dimensions—civic competence, socio-political capacity, and participatory competence—have yet to be thoroughly analyzed in a contextualized manner within the institutional practices of *pesantren*.

Geographically, the Sumberpucung community is located between the Train Station, the District Market, Karangates tourism area, illegal lodgings and prostitution district-neighborhoods. The geographical setting of this community is very conducive environment where traditions might develop independently from religious norms and state law. The majority of the population is *abangan* Muslims (Javanese who are Muslims and practice a much more culturally-infused version than most orthodox santri) and some are santri with lower middle economic conditions. From this gap, a combination of spiritual and modern approaches was carried out by Kiai Abdullah Sam in building solidarity and a spirit of mutual cooperation to create a 'unique' cultural space called "*Pesantren Rakyat*". With the birth of this *pesantren* without walls, it is hoped that it will be able to accommodate the *abangan* and the santri on the outskirts who want to learn religion in a people's style based on empowerment, especially their economy so that they can rise, prosper and be independent. The strategy and approach are very persuasive, participatory, inclusive,

and natural. The strategies carried out by the *kiai* are all based on *pesantren* so that they have values, souls or spirits that are transcendental.

The term "Pesantren Rakyat" is a new term that was not previously known, the activities and empowerment model of the students are based on local wisdom, and in a relatively short time it is able to change the mindset and behaviour of the students and the community's social dynamics differ markedly from standard Islamic boarding school models, rendering it particularly worthy of scholarly attention.

Therefore, this study aims to fill the existing gap in the scholarly discourse by presenting a case study of *Pesantren Rakyat Al-Amin* in Sumber Pucung, Malang Regency. This *pesantren* is recognized as a prominent example of a community-based Islamic boarding school that actively implements community empowerment approaches, particularly in fostering local economic self-sufficiency. The central research question of this study is: How are the People Movement and Empowering People strategies implemented in the context of community-based economic empowerment within the *pesantren* framework?

The urgency of this research question stems from the limited exploration of pesantren-based empowerment models within contemporary academic discourse, particularly those that integrate strategic methodologies with empirical field investigations. This study aims to enrich the discourse on community-centered empowerment by elucidating the critical role of religious institutions in advancing inclusive economic development. Central to this exploration is the recognition of local wisdom values—such as *gotong royong* (communal cooperation), *musyawarah* (deliberative consensus), the traditions of *tahlilan* and regular gatherings (*pengajian*), and traditional financial practices like *arisan* (rotating savings) and informal lending systems—as integral pillars that substantively strengthen the implementation of People Movement and Empowering People strategies within pesantren-based economic empowerment initiatives. By systematically embedding these culturally resonant values, this research underscores a model of empowerment that is not only contextually grounded but also capable of fostering sustainable socio-economic transformation.

In conclusion, this study employs a qualitative approach and focuses on providing an in-depth description of the community business empowerment strategies implemented at *Pesantren Rakyat Al-Amin*. The expected outcome is the development of an implementable model of the People Movement and Empowering People strategies within the local context of community-based pesantren, which could be replicated in other communities with similar characteristics. Thus, this paper aims to offer both theoretical and practical contributions to the advancement of community empowerment studies grounded in Islamic values and local cultural traditions.

## RESULT AND DISCUSSION

This research adopts a qualitative approach with a case study design. This approach is deemed appropriate for an in-depth examination of the implementation of the People Movement and Empowering People strategies in pesantren-based community economic empowerment. The case study method allows the researcher to understand the phenomenon within its real-life context, taking into account the unique social, cultural, and spiritual dynamics of the pesantren environment (Yin, 2015).

The subject of the research, the researcher chose people who were truly competent and in accordance with the focus of the problem, including; Kiai Abdullah Syam as the main informant, the director of pesantren. Then five entrepreneurs who were also santri, foundation administrators, several stakeholders and work partners, and several santri. They were selected purposively based on their active involvement in empowerment activities. This strategy is in line with the objectives of qualitative research to gather information from individuals who have in-depth knowledge of the phenomena being studied (Cresswell, 2012).

To minimize problems and failures in data collection, the researchers employed and applied research rules and mechanisms (Spradley, 1979). Specifically, these included: (1) consistently upholding the code of ethics regarding informant rights; (2) providing detailed explanations of the research objectives; (3) maintaining informant privacy; (4) always offering freedom and refraining from coercing data from informants; (5) informing informants of the research results to prevent miscommunication; and (6) conducting the research meticulously. Data were collected naturally using three primary techniques: in-depth interviews, participant observation, and document analysis.

The primary instrument in this study was the researcher, who served as the key instrument in data collection and interpretation (Moleong, 2018).. The interviews were conducted using an in-depth approach, which allowed for flexibility and depth in exploring informants' experiences and interpretations of the empowerment strategies being implemented. Data were analysed using the interactive model proposed by Miles et al. (2014). This analysis followed an interactive model encompassing the stages of data reduction, data display, and conclusion drawing/verification. This process was conducted simultaneously with data collection, enabling the researcher to develop a richer and more reflective understanding of the empowerment dynamics within the *pesantren*.

## RESULT AND DISCUSSION

### Steps in the Community Business Empowerment Process

Community empowerment cannot be separated from an understanding of empowerment indicators, which encompass economic dimensions, access to well-being, and cultural and political capacities. This empowerment can be examined

through four forms of power relations as outlined in the empowerment literature: *power within*, *power to*, *power over*, and *power with* (Mardikanto & Soebianto, 2012). These four dimensions serve as a framework for assessing the social changes brought about by the *pesantren*-based empowerment strategies implemented by Kiai Abdullah Syam (see Table 1).

**Table 1. The Indicators of Empowerment**

| <b>Types of Power Relations</b> | <b>Economic Capability</b>   | <b>Capability to Access Welfare Benefits</b>   | <b>Cultural and Political Capacity</b>   |
|---------------------------------|--|--|--|
| Power Within                    | <ul style="list-style-type: none"> <li>- Positive self-evaluation of one's economic contribution.</li> <li>- Aspiration to attain equal economic opportunities.</li> <li>- Aspiration to achieve equal rights to household and community resources.</li> </ul>   | <ul style="list-style-type: none"> <li>- Self-confidence and a sense of well-being.</li> <li>- Aspiration for equitable well-being.</li> <li>- Aspiration to make decisions concerning oneself and others.</li> <li>- Aspiration to control the number of children.</li> </ul> | <ul style="list-style-type: none"> <li>- Assertive attitude and autonomy.</li> <li>- Aspiration to confront gender subordination, legal discrimination, and political exclusion.</li> <li>- Aspiration to engage in cultural, legal, and political processes.</li> </ul> |
| Power To                        | <ul style="list-style-type: none"> <li>- Access to microfinance services.</li> <li>- Access to income and productive assets.</li> <li>- Access to markets.</li> <li>- Reduction of domestic workload, including childcare responsibilities.</li> </ul>   | <ul style="list-style-type: none"> <li>- Skills.</li> <li>- Health and nutritional status.</li> <li>- Awareness of and access to reproductive health services.</li> <li>- Availability of public welfare services.</li> </ul>  | <ul style="list-style-type: none"> <li>- Mobility and access beyond the household.</li> <li>- Knowledge of legal, political, and cultural systems.</li> <li>- Ability to overcome formal barriers to legal, political, and cultural access.</li> </ul>                   |
| Power Over                      | <ul style="list-style-type: none"> <li>- Control over the use of loans and profit outcomes.</li> <li>- Control over household income and productive assets.</li> <li>- Control over the allocation of family labor.</li> <li>- Action taken to address discrimination in access to resources and markets.</li> </ul> | <ul style="list-style-type: none"> <li>- Control over household consumption.</li> <li>- Participation in family decision-making, including family planning programs.</li> <li>- Actions taken to protect against domestic and social violence.</li> </ul>                      | <ul style="list-style-type: none"> <li>- Action to transform cultural perceptions of women's capacities and rights.</li> <li>- Engagement in cultural, legal, and political processes.</li> </ul>  |
| Power With                      | <ul style="list-style-type: none"> <li>- Serving as a role model, particularly in public work.</li> <li>- Ability to provide wages to others.</li> </ul>   | <ul style="list-style-type: none"> <li>- Recognition and increased expenditure on family well-being.</li> <li>- Collective action for public welfare.</li> </ul>   | <ul style="list-style-type: none"> <li>- Strengthening of social support networks during critical moments.</li> </ul>  |

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|--|--|
| <ul style="list-style-type: none"> <li>- Collective action to confront discrimination in access to resources and markets.</li> </ul> | <ul style="list-style-type: none"> <li>- Collective action to protect individuals from unfair treatment.</li> <li>- Participation in movements against gender subordination at cultural, political, and legal levels.</li> </ul> |
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Table 1 presents the indicators of community empowerment based on four forms of power relations: *power within*, *power to*, *power over*, and *power with*. Together, these dimensions represent the stages and spectrum of the empowerment process.

*Power within* emphasizes self-awareness, self-confidence, and an individual's motivation to change and advocate for equality. *Power to* reflects the practical ability to act and access various resources—economic assets, public services, and information—that support well-being. Meanwhile, *power over* relates to individual control in decision-making, asset ownership, and the capacity to confront social, legal, and cultural barriers. Lastly, *power with* signifies collective strength, expressed through cooperation and solidarity, to challenge discrimination and advocate for shared rights and access.

The three domains of empowerment—economic, well-being, and cultural-political capacity—are articulated within each form of power, reflecting that empowerment is not merely an individual transformation, but also a collective and structural change that is sustainable over time.

Kiai Abdullah Syam initiated the empowerment process through a strategic approach grounded in a deep understanding of the community's characteristics and needs. This approach highlights the importance of local and spiritual orientation in designing sustainable programs that align with the social context of the *pesantren*. Four key steps identified in this study include: (1) Understanding the character and needs of the community; (2) Diagnosing internal problems and barriers within the community; (3) Transforming traditional mindsets into progressive ways of thinking; and (4) Enhancing human resource quality through contextual training and learning.

These steps align with the theory of planned change, introduced by Spalding & Lippitt (1958) and further elaborated by Lippitt & Westley (1992), which outlines seven stages of strategic and participatory social transformation: awareness-raising, problem identification, problem-solving, recognition of change need, trial implementation, information dissemination, and capacity strengthening. The practical application of this theory is evident in Kiai Abdullah's approach, where he not only delivers religious sermons but also acts as a facilitator for structural and cultural transformation grounded in Islamic values. Furthermore, field findings reveal that the implemented empowerment strategies are consistent with Korten's (1990) concepts of "people movement" and "empowering people," which fall under his five

generations of empowerment strategies (Korten & Sjahrir, 1998); while "people movement" emphasizes community organizing through needs identification, local resource mobilization, and collaborative development, "empowering people" focuses more on capacity building, technological mastery, and providing participatory decision-making spaces.

However, Kiai Abdullah's strategy possesses a distinctive characteristic not explicitly found in Korten's theory – the transcendental dimension. The *pesantren*-based empowerment approach emphasizes not only structural and economic aspects but also the spiritual, such as the strengthening of moral character (*akhlak*), the formation of collective consciousness grounded in Islamic values, and the cultivation of social bonds based on brotherhood (*ukhuwah*). This dimension serves as a significant differentiator between secular empowerment strategies and those rooted in the *pesantren* tradition.

The empowerment strategy employed does not solely rely on strengthening technical and economic capacities, but also introduces a narrative of transformation grounded in ethics and transcendental values. This approach cultivates agents of change who are not only materially empowered but also possess spiritual awareness and social responsibility. This aligns with the integrative-holistic approach to *pesantren*-based empowerment, as highlighted in Saputro & Sukiman (2024) study which emphasizes the synergy between spiritual, intellectual, and social dimensions in fostering community self-reliance.

On the other hand, the success of the empowerment strategy implemented by Kiai Abdullah Syam cannot be separated from the dimension of local wisdom, which serves to strengthen local cultural traditions through a bottom-up approach. Several elements of local culture functioned as strategic complementary components, including:

a. The Value of Communal Cooperation (*Gotong Royong*)

The tradition of *gotong royong* (communal cooperation) has long been practiced by Kiai Abdullah Syam together with the local community, religious leaders, and especially the *santri* (Islamic boarding school students) as part of empowerment efforts, particularly in the social, economic, educational, and agricultural sectors. Examples of collective economic development activities include the establishment of *pesantren* cooperatives, communal land management initiatives, and small and medium-sized enterprise (SME) production efforts. Over time, the tradition of *gotong royong* has become deeply rooted, as the community has experienced tangible improvements in their living conditions. Thus, it can be argued that the culture of *gotong royong* represents a concrete manifestation of a People Movement within a local framework.

b. The Tradition of Deliberative Consensus (*Musyawarah*) and The Existence of Non-Formal Community Institutions In Sumberpucung

In addition to *gotong royong*, Kiai Abdullah Syam was also deeply rooted in the tradition of *musyawarah* (deliberative consensus), which he conducted with community leaders, religious figures, and local office holders in efforts to make strategic decisions related to societal change. The involvement of key figures and informal social structures (such as neighborhood associations and respected elders) in the collective decision-making process was crucial for ensuring the acceptance and legitimacy of the empowerment programs initiated by Kiai Abdullah Syam. This approach served to align the Empowering People strategy with the established and trusted social systems within the community.

c. The Tradition of *Tahlilan* and Regular Religious Study Gatherings (*Pengajian*)

As a prominent figure and young *Kiai* of Nahdlatul Ulama, it is unsurprising that Kiai Abdullah Syam was deeply engaged in the tradition of *tahlilan* and regular religious study gatherings (*pengajian*), both within his own pesantren and when attending invitations from external communities. During these gatherings, he consistently promoted his community empowerment initiatives, offering various programs and fostering collaborations with both government-owned and private enterprises. Consequently, the traditions he cultivated served as important social spaces for the internalization of Islamic economic values, the dissemination of Islamic financial literacy, and the strengthening of social networks among community members. This practice effectively established an informal learning space aligned with the concept of a "bottom-up learning environment."

d. Traditional Rotating Savings and Credit Systems (*Arisan* and Informal Lending Practices)

The community of Sumberpucung has long established several organizations and small groups, both religious in nature (such as *majlis ta'lim*, *tahlilan*, *istighotsah*, and others) and agricultural associations. Within these groups, members commonly engage in *arisan* (rotating savings and credit schemes) and informal lending activities to support their working capital needs. Additionally, the pesantren operates a cooperative, albeit still managed in a relatively simple manner. Through various initiatives led by Kiai Abdullah Syam in collaboration with local community leaders – particularly by facilitating partnerships to access business capital – multiple community enterprises emerged, each aligned with the respective skills and sectors of the residents.

Furthermore, the formation of a cooperative structure helped to consolidate and support these community businesses. These efforts have significantly contributed to the improvement of the community's welfare. Group-based economic empowerment initiatives such as these offer a concrete application of community economic empowerment strategies, facilitating a smoother transition for society

from a consumptive to a productive economy through approaches that are both familiar and culturally resonant.

The various forms of local wisdom described above have greatly accelerated community empowerment efforts, as local culture plays a highly strategic role in strengthening the effectiveness of *pesantren*-based empowerment strategies, ultimately leading to the realization of a more prosperous society. In the following section, several empowerment indicators will be outlined to further clarify the desired conditions of the empowered community.



Figure 1: Local Culture Functioned as Strategic Complements

This conceptual model figure highlights the dual nature of *pesantren* as institutions that simultaneously embody religious leadership and economic transformation. Religious leaders within *pesantren* hold spiritual authority and are key drivers in invigorating local community economic activities. The integration of local cultural traditions – such as the value of communal cooperation (*gotong royong*), the practice of deliberative consensus (*musyawarah*), the tradition of *tahlilan*, and the rotating savings and credit systems – serves as a strategic complements that reinforce both the religious and economic functions of *pesantren*.

Therefore, the model reveals that *pesantren* is a complex system that leverages religious authority and community-rooted cultural traditions to promote economic development. This approach goes beyond viewing *pesantren* as mere religious schools by demonstrating how the strategic fusion of local culture supports sustainable community resilience and financial self-reliance. Ultimately, the dual nature of *pesantren* positions them as pivotal hubs that connect religion, culture, and economic innovation within social transformation processes.

## Evaluation Procedures for the Implementation of Empowerment Strategies

The community empowerment strategy implemented by Kiai Abdullah Syam was grounded not only in program execution but also in systematic evaluation to ensure the achievement of the intended objectives. The evaluation procedure included formulating evaluation goals, developing key research questions, selecting appropriate data collection methods and techniques, and establishing an implementation team that actively involved community participation. In addition, activity scheduling, logistical management, budget allocation, and reporting and follow-up mechanisms constituted integral components of the evaluation process. The evaluation was conducted periodically, emphasizing community feedback as a critical indicator of program success. Referring to the perspective of Arikunto (2019), program evaluation is a systematic process of determining the effectiveness of an activity based on predetermined criteria.

This evaluation encompassed three main stages: observation, the application of standards, and conclusion drawing. Its purpose was not only to assess the effectiveness and efficiency of the program but also to analyze its quality, utility, and the supporting or hindering factors affecting implementation. In *pesantren*-based empowerment, evaluation served a dual function – as a tool for structural assessment and spiritual reflection. The participatory approach and Islamic values served as distinctive features in assessing the comprehensive impact of the program on community life. This integrative perspective ensured that evaluation captured material outcomes and reflected the spiritual, social, and cultural dimensions of empowerment.

### **Marketing Procedures in Community Empowerment Programs Led by Kiai Abdullah Syam**

The community economic empowerment strategy implemented by Kiai Abdullah Syam extends beyond mere training and business development; it is followed by strategic efforts to market the products generated by the community. This demonstrates a continuity between training, production, and distribution within the *pesantren*-based empowerment framework, ensuring that the process is holistic, sustainable, and economically impactful.

In the context of marketing strategy, Kiai Abdullah Syam applies a series of structured and contextually grounded procedures that align with the social realities of the communities surrounding the *pesantren*. The procedural stages undertaken include: identifying market needs, temporal demand analysis, and a nuanced examination of consumer segments, their purchasing power and conducting competitor analysis. This approach reflects a strong capacity to adapt marketing strategies to community-based social segmentation, ensuring relevance and effectiveness within the local context (Philip et al., 2016).

The strategy implemented aligns with the 5P principles of marketing: *Probe* (market needs research), *Product* (development of relevant products), *Price* (pricing

based on local purchasing power), *Promotion* (product introduction and awareness), and **Place** (effective product distribution). This structured and community-sensitive approach ensures that the empowerment process not only fosters production capabilities but also builds sustainable market linkages (Lamb et al., 2021). This orientation not only enhances the competitiveness of pesantren-produced goods at the local level but also strengthens the social legitimacy of the pesantren as an agent of economic transformation within the community.

The modern marketing principles applied by Kiai Abdullah also encompass *target market strategy*, *market positioning*, and *a comprehensive marketing mix strategy* that includes product, price, place, and promotion. These strategies demonstrate a sophisticated understanding of market dynamics and reflect the pesantren's ability to integrate contemporary business practices with community-based values and local wisdom (Kotler et al., 2021). Together, these three components form a crucial framework for managing how products resulting from empowerment initiatives are accepted and consumed by the wider community.

In practice, this approach integrates mass marketing, addressing broad community needs, with market segmentation, tailoring products to local consumer characteristics, thereby ensuring widespread accessibility and contextual relevance (Arnett, 2024). Segmentation considers demographic factors (e.g., age, occupation, education) and local socio-economic conditions, optimizing product development and marketing strategies to align with target consumer preferences. Furthermore, this strategy transcends purely commercial motives by emphasizing spiritual values inherent in *pesantren* culture, such as *maslahah* (benefit for the greater good) and *ukhuwah* (solidarity) (Saputro & Sukiman, 2024). This integration of ethical and spiritual principles establishes a values-based marketing model, ensuring economic activities promote material well-being and moral responsibility within the broader framework of community empowerment.

### **Outcomes of Strategy Implementation in Community-Based Economic Empowerment**

Based on field findings, the implementation of the empowerment strategy by Kiai Abdullah Syam has shown tangible impacts across various aspects of life in the communities surrounding the *pesantren*. The transformative approach applied has successfully lifted the community from conditions of marginalization toward a more dignified and productive way of life.

#### **a. Improving Well-being and Elevating Multidimensional Development**

The empowerment strategy implemented has contributed to the advancement of community development, both physically (through economic infrastructure) and mentally (through individual capacity and self-confidence). The approach is holistic, addressing not only economic aspects but also spiritual, social, and

educational dimensions. This aligns with (Ife & Tesoriero, 2006) which emphasizes that community empowerment is a process of enabling individuals to take control of their lives by enhancing their capacities and access to resources.

b. Eliminating Inequities in Access to Development Opportunities

The inclusive strategy implemented by Kiai Abdullah Syam has opened up equal access to various social, educational, and economic services, particularly for marginalized groups. This approach creates broad participatory spaces without discriminating based on ethnic background, social status, or educational level. This affirms Sunstein (1999) assertion that social justice can only be achieved when every individual has substantive freedom to access opportunities for a decent life.

c. Ensuring Access to Essential Needs for Individuals and Communities

Empowerment efforts are directed toward fulfilling the basic needs of individuals, families, and community groups, including food, clothing, education, and housing. This concept aligns with Maslow's hierarchy of needs (Maslow, 1954; Vero & Puka, 2017) which emphasizes the importance of balancing economic development with social well-being.

d. Strengthening Human Capital and Social Capital

The implementation of the empowerment strategy also fosters the growth of human capital—comprising knowledge, skills, and attitudes—as well as social capital, which includes social networks, trust, and community solidarity. The integration of these two forms of capital is a crucial prerequisite for building resilient and competitive communities (Putnam, 2000). Strong social capital enhances social cohesion, while human capital supports community productivity and innovation.

e. Developing Multiple Revenue Sources

One of the most tangible indicators of success is the increasing number of community members who possess more than one source of income. This diversification has been achieved through entrepreneurship training, business mentoring, and the creation of a conducive local business ecosystem. These efforts have proven effective in reducing unemployment and increasing household income, as emphasized in the study by Chambers & Conway (1992) about *livelihood strategies* in sustainable development.

f. The Emergence of Community-Based Productive Economic Institutions

As a result of the empowerment process, several community-based economic institutions have emerged, such as cooperatives, joint business groups (*Kelompok Usaha Bersama* or KUBE), and independent pesantren production units. These institutions have become the backbone of the local economy and serve as platforms for communities to manage and develop their enterprises in a sustainable manner (Yunus & Weber, 2010). These institutions also strengthen the long-term sustainability of empowerment outcomes by providing structured

support systems, fostering collective ownership, and ensuring continuity of economic activities beyond the initial intervention phase.

g. The Growth of Tolerance and Social Collaboration

The empowerment strategy has also led to an increased spirit of tolerance and cross-cultural collaboration. Communities have become more open to diversity and capable of building collective solidarity. This forms the foundation for a harmonious *civil society*, as articulated by Fukuyama (2001), who asserts that social trust and civic norms are essential prerequisites for the emergence of a peaceful and sustainable social order.

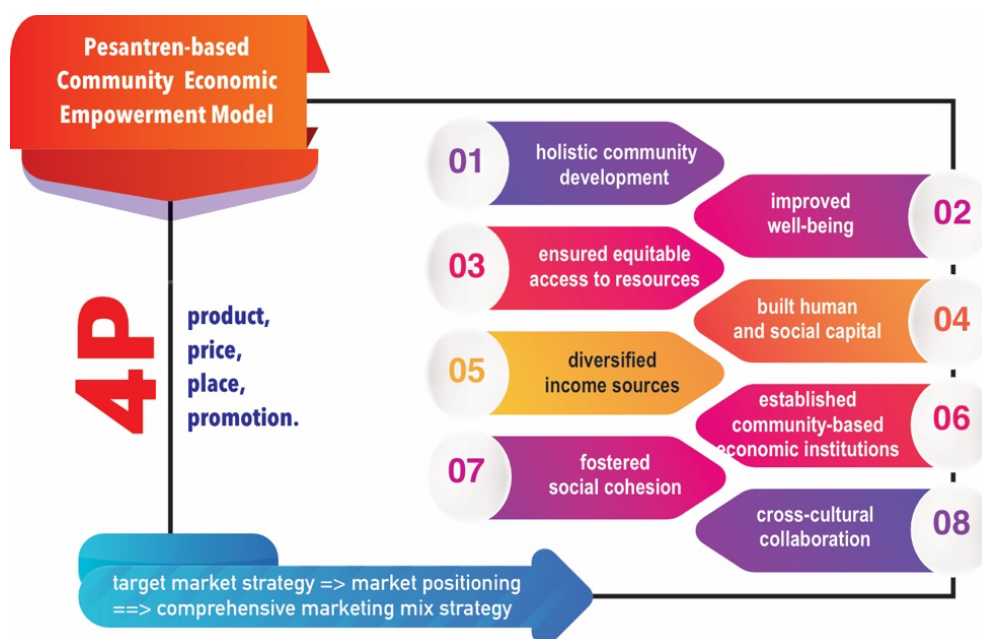


Figure 2: Pesantren Based Community Economic Empowerment Model

Figure 2 illustrates the "Pesantren-based Community Economic Empowerment Model," which integrates a 4P marketing mix strategy (product, price, place, promotion) to holistically develop community economic resilience rooted in pesantren (Islamic boarding school) institutions. The model emphasizes eight strategic outcomes: holistic community development, improved well-being, equitable resource access, building human and social capital, diversified income sources, establishment of community-based economic institutions, fostering social cohesion, and cross-cultural collaboration. Ultimately, it proposes a comprehensive approach uniting social, economic, and cultural dimensions to empower communities sustainably. The strategy successfully enhanced holistic community development, improved well-being, ensured equitable access to resources, built human and social capital, diversified income sources, established community-based economic institutions, and fostered social cohesion and cross-cultural collaboration.

Despite the notable achievements, several inherent challenges, obstacles, and weaknesses, stemming from both internal and external sources, were encountered. Among these, there remained a small societal group that opposed change, having found contentment and advantage in the inherited status quo. The limited capital available to small entrepreneurs significantly prolonged the community's business empowerment process, as it necessitated the identification of partners capable of securing business capital. Additionally, sustained effort was required throughout the community empowerment process, particularly in fostering harmonious relationships with policymakers at both the local village level and higher governmental tiers to secure legal protection for the undertaken enterprises. Finally, ongoing market competition demanded more intensive strategic marketing endeavours.

## CONCLUSION

Kiai Abdullah Syam's community economic empowerment strategies demonstrated significant effectiveness in improving the quality of life for surrounding communities. Employing an integrative, collaborative, and Islamic-values-based approach, these initiatives addressed not only economic aspects but also the social, spiritual, and cultural dimensions. Research findings indicated successful outcomes, including enhanced holistic community well-being, equitable resource access, human and social capital formation, economic diversification, the establishment of community-based productive institutions, and fostered tolerance. The Kiai functioned as a catalyst for multi-dimensional empowerment – spanning educational, spiritual, social, and economic spheres – aiming to foster independent and prosperous societies aligned with national development objectives. Theoretically, these findings emphasize the critical synergy among cultural, structural, and spiritual approaches in community empowerment, underscoring the pivotal role of legitimate local leaders in mobilizing potential for sustainable transformation. This study therefore offers a significant contribution to developing a replicable pesantren-based community empowerment model for similar social contexts in Indonesia.

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