



## **Social Enterprise: The Alternatives Financial Support For Educational Institution**

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### **ABSTRACT**

Enterprise social in the context of education is one of the innovations in maintaining the financial resources of an educational institution. In this study, social enterprise sustainability was used to realize a social enterprise-based boarding school management system, as well as supporting education improvement in Gontor Islamic Boarding School. This research method is action research to find out how the sustainability model of social enterprise implementation is carried out by Gontor. The results of the study show that enterprise social sustainability has shown success in providing benefits to the institution and society.

**Keywords:** Social Enterprise, Pesantren, Gontor, Financial Support

**JEL Classifications:** O35, G2, I23

### **1. INTRODUCTION**

Islamic boarding schools are key to developing education in Indonesia. As one of the Educational institutions, Islamic boarding schools, many things about Islam, and also giving birth-experiencing intellectuals that are not scratched by the times. One nation with technology upholds human values and technology and technology (Luth, 2010).

Islamic boarding schools as education people who can accept an important role as digging the values of civilization, practice and disseminate the values of civilization on a larger scale. According to Nasr (1987), Islamic boarding schools is the education of the traditional Islamic world, namely the world that has inherited and preserved the Islamic tradition fostered by scholars from one generation to the next without limitation in the right period in Islam.

But not many Islamic Boarding School survive in the harsh flow of globalization related to their finances. Government assistance for Islamic boarding schools is minimal. Agus Martowardojo, Governor of Bank Indonesia, in the forum “pesantren empowerment in the context of increasing economic independence” said that the state budget funds amounted to 20%, still lacking distribution for the development and improvement of Islamic Boarding School (Kusuma, 2014).

Government funding problems have resulted in many Islamic Boarding School not being able to survive. There are some who rely on funding from others, such as finding donors, but this step is still not effective. In the midst of a decline in Islamic Boarding School, Gontor, which is one of the oldest Islamic Boarding School in the archipelago, proves that, although there is no funding from the government, Gontor still exists and develops into a modern Islamic Boarding School known to the world. Gontor is one of

the Islamic Boarding Schools that stood long enough in 1926 by three brothers (read Trimurti), KH. Ahmad Sahal (1901-1977), KH. Zainuddin Fanani (1908-1967) and KH. Imam Zarkasyi (1910-1985), Gontor is one of the ten influential Islamic Boarding School in Indonesia (Dahuri and Fadlan, 2015).

The concept of funding the Gontor as a Islamic Boarding School comes from the management of waqf, namely the pesantren was represented in 1958. All management does not become the domination of the founding family but is handed over to selected people who have the skills and feasibility as stipulated in the Articles of Association and Rules of Association of the Gontor Waqf Board. Mohsin et al. (2016: 110) said that the management carried out through this formal waqf institution was recorded as the first initiative in the world of Islamic Boarding School in Indonesia. Gontor became a pilot project for the management of waqf for other Islamic Boarding School.

The management potential of waqf in supporting the sustainability of education is not only carried out by Gontor but also in education abroad. For example, the potential of endowments in the world of education in the West has also been carried out by various leading universities in the world. Cambridge, Oxford, and Harvard have started >500 years ago as supporting educational infrastructure, developing scientific and technological research, chaired professorship (scholars), scholarships and other humanitarian research (Clark, 2009: 631; Krasulia, 2014). Data on the level of universities that have the most waqf management in the world can be seen in Table 1.

This proves that waqf management can contribute to supporting the establishment of the world's leading universities. The role of waqf management is a solution in the crisis of education funding. That's how it is with Gontor, an educational institution that relies on the management of waqf to continue to exist in making international standard education institutions in the midst of globalization.

Gontor's success in building financial independence through the management of business-based waqf has not escaped the attention of various education practitioners and researchers. Masruchin

(2014) and Arifin (2015) stated that Gontor as a waqf education asset managed productively contributed significantly to the process of educational activities. Iman (2012), Fasa (2015) and Razak et al. (2016) added that the arrangement of modern waqf organizations, good administration, asset security and empowerment with an innovative business approach creates independence as well as the welfare of the surrounding community (Muzarie, 2010). Mustofa and Zamro (2014), Huda and Heykal (2010) and Bahroni (2012) also said, the success of professional waqf management in Gontor made this Islamic Boarding School institution independent, not dependent on the government and other organizations, although it remained open to all those who wanted to help.

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. Initially, the development of these business units had the purpose of covering education costs alone, but, over time, waqf assets and the number of students from Gontor grew rapidly so that waqf management needed to be optimized, so that it could be used in long-term funding by Gontor.

However, the concept of social enterprise implemented in the management of waqf assets that are business units in Gontor still has not shown sustainability in its management. Still only limited to education funding, so a sustainable social enterprise model is needed in its management. Sustainable social enterprise (Social Enterprise Sustainability) in the social enterprise context is continuity about the capacity of the organization to survive over time. In the context of social enterprise, sustainability has two sides, one side relates to whether a company can survive and survive financially from time to time, and on the other hand whether the company can survive and be able to maintain its social goals or deepen its impact over time (Burkett, 2010). This concept is needed by the Gontor boarding school to make Gontor a modern Islamic boarding school that is not eroded by the threat of globalization.

**Table 1: Endowments management university data**

University	Endowment (Billion and Million)	Eternal Fund (Trillion)
Harvard University	\$35,9 bil	Rp477,5
Yale University	\$23,9 bil	Rp317,9
University of Texas System	\$25,4 bil	Rp337,8
Stanford University	\$21,4 bil	Rp284,6
Princeton University	\$21,0 bil	Rp279,3
University of Cambridge, UK	€5,354 mil	Rp 84,1
University of Oxford, UK	€4,284 mil	Rp 67,3
Swiss Federal Institute of Technology Zurich, Switzerland	€1,100 mil	Rp 17,3
University of Copenhagen, Denmark	€1,003 mil	Rp 15,7
University of Zurich, Switzerland	€960 mil	Rp 15,1

## 2. LITERATURE REVIEW

### 2.1. Social Enterprise

The concept of social enterprise developed >3 decades which has a dual mission of achieving financial sustainability and social goals (Doherty et al. 2014). The emergence of this social enterprise movement is caused by the existence of a weak state social program, either due to the decline or poor functioning of the state (Kerlin, 2010). Development challenges such as health, poverty, and unemployment are well-known systemic problems (Jenkis and Fries, 2012).

Various studies related to social enterprise development in overcoming problems of poverty, education, health, community development, and the environment have been carried out in various countries (Loosemore, 2016; Luke and Chu, 2013; Johnsen,

2017; Hwang et al. 2017; Rwamigabo, 2017; Grant, 2017; Mauksch, 2012; Gupta, 2015; Calleros et al., 2016; Aluko, 2015; SERIO, 2016). The concept of social enterprise is also one of the fundraising models for philanthropic institutions and educational institutions (Shulthoni et al. 2018). Arshad and Haneef (2015) stated that the collaboration of philanthropic institutions with social enterprises is the incorporation of two elements and values that both have the purpose of social virtue.

### 2.2. Social Enterprise Sustainability

The theoretical perspective on the process of social enterprise sustainability illustrates that the existence of a social company while maintaining its services, for a deeper idea that sustainability is a way of life (Okorley and Nkrumah, 2012; Bagnoli and Megali, 2009). Views on sustainability include social, economic and environmental attributes (Peredo and Mclean, 2006). Some studies have reflected on the natural context when trying to discuss what social enterprises are, thus social enterprises are determined based on their relationship with the contextual dimension. The contextual dimension contributes to its growth and sustainability; various sustainability formats are presented including entrepreneurial sustainability (Huckle, 2006); economic sustainability (Alter, 2007); social sustainability (Hood, 1991). Likewise, the literature focuses on internal triggers in sustainability in the field of inadequate social enterprises. Okorley and Nkrumah (2012) postulate that some internal drivers affect organizational sustainability (e.g., human resource management, especially leadership, and management of general funds and material resources).

In the concept of Social Enterprise Sustainability, there are things that must be implemented as Ingrid Burkett (2010) argues that impact viability and sustainability impacts must be carried out at the beginning and end of each analysis of social enterprise sustainability. Simply can be seen in the following Figure 1:

### 2.3. Waqf Management

Waqf comes from Arabic which means online or closed or stops. Kahf (2003), information that influences the actions used to develop and exclude them from certain goals. Waqf is one of the institutions engaged in the field of religion and the socio-economic system in Muslim civilization. This has been factually called to play a large role throughout the history of Islam (Arshad and Haneef et al., 2013).

Contribution in economic and socio-economic growth is one form of developing Muslim countries and waqf is the most visible form of charity in Islam (Singer, 2008). More importantly, that you are responsible for ensuring social and economic security through their

role in the sale of religion, education, shelter, health, food security, and rural-urban transformation. From its extraordinary role in supporting social, cultural, economic and religious functions (Maliah and Suad 2007).

Waqf management has an important role in its use. Karim (2010) made a study of waqf in Bangladesh to explore problems and prospects that investigate the legal perspective. In the study conducted, there was no efficient and efficient management problem for administrative changes from management in accordance with contemporary needs. Utilizing waqf to finance and build entrepreneurs with a creative environment to be used by the poor individually and collectively. The application of waqf management in Bangladesh Develops to a certain extent in the context of increasing waqf management. Ahmed (2007) explains that to alleviate poverty and increase resources through good management can integrate social development goals.

## 3. METHODOLOGY

The purpose of this paper is to see how the role of sustainable social enterprise (social enterprise sustainability) in the management of waqf in Gontor. This study uses analysis of participation action research (AR) modification or also commonly referred to as AR, which is AR that aims to explore deeply and find a model of waqf management in Gontor, so that it can become a model of waqf management and management in institutions similar Islamic education. Through the field research approach, researchers attempt directly to see the complex picture of Gontor with its values and philosophy, assess words, detailed reports from the views of respondents, and conduct studies in natural situations (Creswell, 1998: 15).

Kurt Lewin developed AR on the basis of the main concept that AR consists of four main components which also show steps, namely planning, acting, observing, and reflecting. When described in the form of visualization, the Kurt Lewin model will be illustrated in Figure 2 as follows:

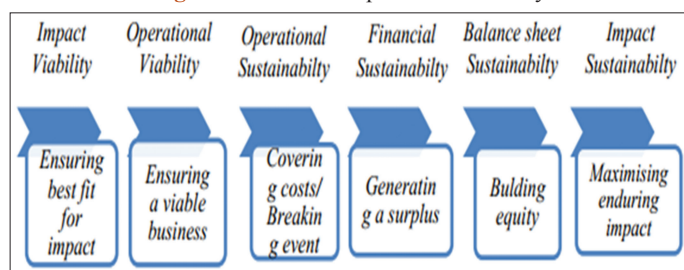
Based on the cycle above, then in the modification AR that can be seen in Figure 3 below.

Data collection methods used in this study are in-depth interviews, direct observations, and documentation studies of primary and secondary data. The research interview was conducted on research informants consisting of administrators of the Gontor waqf management body, "Kiai" or Gontor leaders, YPPWPM administrators and staff of business units that manage waqf directly and assistant leaders in 18 Gontor branches. The nature of this interview is designed that the informant guides the researcher, not the other way around (Alston and Bowles, 1998). While observation and documentation study in this study to add research references. then the data that has been obtained in the validity test uses data triangulation.

## 4. RESULTS

The results of this study were obtained from the results of interviews and direct observation of the management of waqf in

Figure 1: Social enterprise sustainability



Sources: (Burkett, 2011)

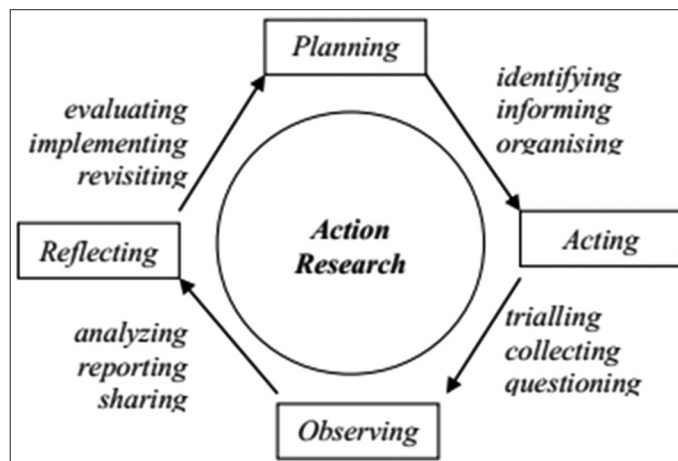
the Gontor Islamic boarding school. These results are presented in table form for further analysis. Based on the results of in-depth interviews, it was found that Gontor has a reason in applying the concept of social enterprise that is the savior of the cottage in the future financial challenges. It is known that, with the existence of this social enterprise, Gontor can be able to withstand the current financial challenges faced by educational institutions. In the process, Gontor started a business from scratch and until now there have been as many as 32 different types of businesses run by Gontor. To see a list of social enterprises, the following data are presented in Table 2.

Based on the results of field research, it is known that Gontor's income in running a social enterprise has a total income of 124 billion per year. Of course, with this business it has benefits for Islamic boarding schools, santri, and the wider community. With the existence of this social enterprise, it has a good economic impact. in accordance with what is explained by experts that social companies are widely recognized to have a positive socio-economic impact on society (Doherty, 2009; Galera and Borzaga, 2009) especially when viewed from an aggregate perspective (Diochon and Anderson, 2009). On this basis social enterprises have increasingly attracted the attention of policy makers (Blundel and Lyon, 2015) proven by the British government to focus on developing this sector in the decade or more (Mawson, 2010; Teasdale, 2012). As such, Blundel and Lyon suggest that more and more "governments around the world are examining the social potential of business as an alternative vehicle for service delivery and that these efforts must be encouraged to grow, both in numbers and on a scale to overcome various social, economic and environmental problems.

Aside from the cottage business units, Gontor also has regular funding sources that come from compulsory contributions from students and students. This compulsory contribution is specifically used for the operation of education and teaching with various activities of santri during the pesantren. Starting with education contributions or commonly called education development donations (SPP), dormitories, health, organization, meals, and publications (WARDUN, 2018. p72-74). The total number of contributions continues to increase according to the number of Gontor students

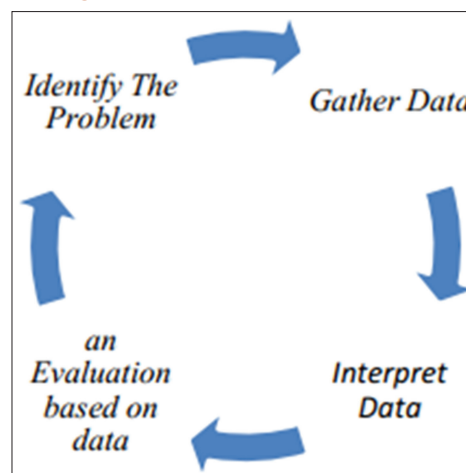
who are increasing every year. It is estimated that this mandatory contribution amount has reached 461 billion rupiahs in the last 10 years and is fully allocated according to its allocation. Clearly, we can see the increase in number in Figure 4 below:

Figure 2: Kurt lewis action research cycle



Sources: Department of Education and Training, NSW, 2007

Figure 3: Action research modification



Source: Processed by researchers

Table 2: Unit of social enterprise

No	Unit business	In Rp	No	Unit Business	In 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	Loundry	233.303.500
7	Al-Azhar telephone	1.206.540.000	23	Grocery	1.042.473.250
8	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
Total		124.317.347.900			

## 4. DISCUSSION

### 4.1. Social Companies in Education

More broadly, social companies are defined as models used by the community with social goals (Kerlin, 2010). Social socialization is a tool used to conduct business with agreed social goals. In general, this business has the characteristics of creativity and focus on the individual community's advantages. Give birth to creative endeavors that produce social, financial, service, education, employment or other benefits (Talbot, 2002).

Other definitions used for social companies are policy and economic organizations, and also to balance managerial processes between social and commercial praise (Dacin et al., 2010; Borzaga and Defourny, 2001; Christie and Honig, 2006).

Barraket et al. (2017) argue that social entrepreneurship and social enterprises are conceptually different and practice. But the results of research in Australia show that workers do not distinguish between the two (Cameron, 2010). One effective way in the social, economic, political and cultural context in which these two organizations develop (Defourny and Nyssens, 2010). Various similar studies also discussed the concept of social enterprises that developed in America and Europe (Nicholls, 2006; Mair and Marti 2009; Steyaert and Hjorth, 2006; Kerlin, 2006).

Enterprise societies in the context of education are still relatively rare, but the level of legitimacy of education has been achieved. There is an expression that says that not everyone needs to be an entrepreneur, but all community members need to be entrepreneurs. That success does not produce more companies or even more work, it's about developing a community that has an entrepreneurial spirit.

The social enterprise concept developed so far by Gontor Islamic boarding schools is not something new for pesantren and does not have sustainability. This concept has >3 decades to raise funds and build Gontor. Even at the beginning of its founding, this concept became the founding ideal of overcoming the problem education in boarding schools. However, over time, Gontor has

the opportunity to develop a social enterprise model that is more reliable in the ongoing process.

### 4.2. Gontor's Social Enterprise Sustainability Model

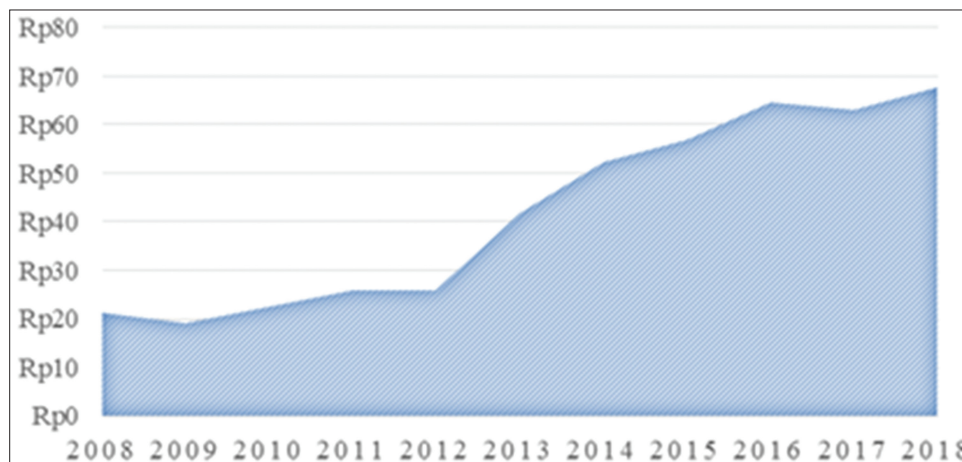
An understanding of the factors that influence the sustainability of social companies is the significance of practitioners and policy makers. Therefore, and based on previous exploratory studies (Sharir and Lerner 2006), Sharir and Lerner (2009) built a theoretical framework of "survivability" of social companies that showed long-term sustainability of social enterprises depending on their ability to obtain resources and legitimacy, creating collaboration between institutions and developing internal managerial and organizational capabilities (Sharir and Lerner 2009. p90). Similarly, others recommend that social companies should consider traditional business growth models to facilitate sustainability (Coburn and Rijdsdijk 2010; Hynes 2009) looking outside sources the power of the strategy to combine a broader perspective of growth (Teasdale, 2012), or as Hynes emphasized, achieving multiple social and economic goals from the social enterprise "requires the application of commercial or strategic intentions to grow business" (2009 p. 118).

Sustainability in the context of social enterprise is continuity about organizational capacity to survive over time. In the context of social enterprise, sustainability has two sides, one side relating to whether a company can survive and survive in a way financially from time to time, and one other side whether the company can survive and be able to maintain social goals or deepen the impact from time to time (Burkett, 2010).

Social impacts and financial sustainability in social enterprises cannot separated. Furthermore, it is important to understand that sustainability as something that can only develop after the company can stipulates that this is feasible. In other words, it can't expect the company to be sustainable until it provides evidence that the company can achieve operational impacts and results during certain period of time is good.

Next, to develop a more complex understanding about financial sustainability determined by three levels, namely operational,

**Figure 4:** Santri contributions and santriwati gontor and gontor branches year 2008 - 2018 (in billion rupiah)



Source: Processed annual report, 2018

financial and balance sheet sustainability. Once again important to reiterate that financial sustainability cannot be separated from sustainability impacts when it comes to understanding social enterprise.

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The picture above explains the concept of social enterprise sustainability developed by Gontor as follows:

- a. Waqif or founder of the lodge (three Musketeers) hands over all land assets along with educational facilities and infrastructure to the Gontor Waqf Board which has 15 members;
- b. The Waqf Board as the second party that accepts waqf with the Pesantren Leaders manages and develops Gontor boarding schools and has an obligation to perfect the waqf mandate,

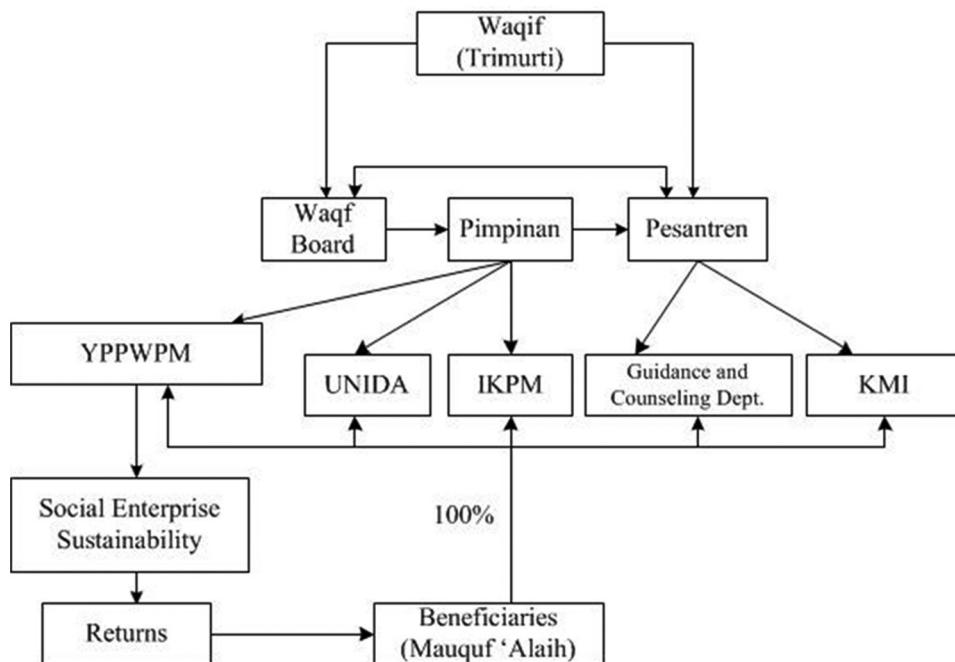
which is to develop pesantren into a quality and meaningful Islamic university;

- c. Islamic boarding school leaders form five institutions, where each institution has a different task but has the same goal, which is to help the Waqf Board and Leaders to realize the waqf mandate;
- d. UNIDA, IKPM, Guidance and Counseling Dept, and KMI role in regulating, pursuing and running the field of education from upstream to downstream;
- e. YPPWPM is an extension of the boarding school leadership tasked with managing and developing waqf. Maintenance and development of waqf in Gontor was developed in the form of plantations, agriculture, livestock, services and services, trade, and industry. The six sectors are run based on five main bases; comprehension, creation (creation), connection (connection), increased capability (capability building), education (education), and trust (trust).

First, the intended understanding is the planting of Islamic values which are summarized in the Five Souls, namely excellence, simplicity, independence, brotherhood (al-ukhuwwah al-Islamiyyah), and freedom. The value of Islamic culture that has been responded to is the value and culture of the pesantren which can give encouragement to the manager of Gontor's business unit to work professionally.

Second, creation becomes the second basis in the management and development of the Gontor business unit. Although Gontor can realize a business unit with an easy process, in its implementation the manager is demanded to be creative and think hard. Managers are required to continue to find new ideas and innovations in the development of old business units and find models for developing new business units in accordance with the nature of Islamic boarding schools. This bottom-up

Figure 5: Gontor social enterprise sustainability model



Sources: (Researcher elaboration, 2018)

system is part of the form of entrepreneurship education taught by Gontor.

Third, a connection (connection) is needed in the business world to help smooth the business being run. Products and services can be easily offered if they have extensive connections or relationships. The network built with the name “Gontor” provides convenience and a way for business managers and developers who will and will be developed. This is what is called blessing for the greatness of the name Gontor. Especially considering the number of families of Islamic boarding schools totaling more than 26,000 people, becoming a large capital and market for business development.

Fourth, increasing capability (capability building) is the ability possessed by the manager in order to carry out business activities. The capability also means the ability of each business unit to carry out their overall business strategy in accordance with planning. YPPWPM’s various efforts include the restructuring of the person in charge of each business unit. So that management changes often occur within a maximum period of 5 years. In addition, increasing capacity and capability through various training is needed for improving management and managerial systems. The impact can also hone talent, be innovative, build.

Fifth, education is the main spirit in all business activities carried out in Gontor. In accordance with its spirit, Islamic education institutions, Gontor teaches santri and their teachers with Islamic business education models. Teach how to run a business outside the pesantren in a real way. Prioritizing the benefits principle above the objectives and other business interests. So that the management cannot be separated from the regeneration system, handed down from year to year from the old manager to the new manager, in accordance with things that have been carefully considered by YPPWPM.

Finally, trust is a key and important component in business activities. Gontor with his big-name gained trust in the midst of society. A more difficult task is then how the business manager maintains the trust of Gontor’s name so that he can build a good business reputation with the general public. Internally, YPPWPM builds trust and fosters it with a transparent management system so that it can remind and improve one another. Creating a culture of responsibility to create a more comfortable, conducive and positive business atmosphere. As well as prioritizing the principle of deliberation to exchange opinions and thoughts so that various problems that hinder solutions can be found together.

Social enterprise is the business units formed by YPPWPM in an effort to develop and maintain Gontor’s waqf assets. All benefits generated from this business unit are used 100 percent to finance the term stipulated by Gontor in the Panca Term, namely education and teaching, regeneration, “khizanatullah” (funding), building and family welfare.

Sustainability is often an important concern in social enterprise policies. A critical debate about how to achieve sustainability is given the dynamic nature of the social enterprise. Much of the literature has a focus on defining concepts and the evolution of

social enterprises (Teasdale, 2012; Brouard and Larivet, 2010; Di Domenico et al., 2009; Williams, 2007; Dees, 1998; Kanter and Purrington, 1998). The conceptualization in sustainability is simply ensuring the existence of the organization by maintaining its services, for a deeper idea that sustainability is a way of life (Okoley and Nkrumah, 2012; Bagnoli and Megali, 2009)

In the social enterprise sustainability model there are six aspects that need to be considered first: Impact Viability, operational viability, operational sustainability, financial sustainability, balance sheet sustainability, and impact sustainability. Each of these aspects will be used in analyzing the problems that occur.

#### 4.2.1. Impact viability

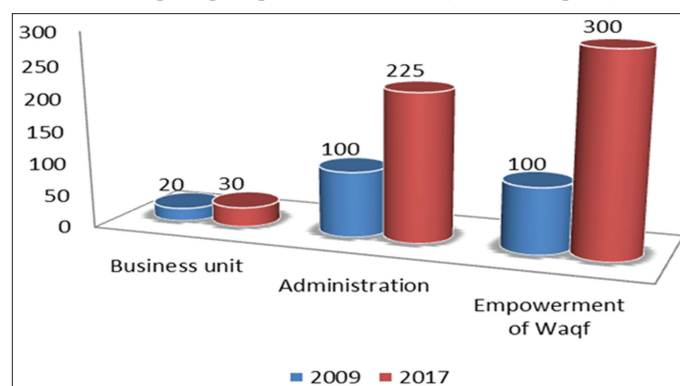
Impact viability regulates the impact that is related to the social objectives of the social enterprise. An important study is challenging the social enterprise survival to run in this case by the Gontor boarding school. Based on the results of research conducted, it was found that the social enterprise run by Gontor was initially only to meet the needs of the daily cottage and for the needs of the “santri”. But over time, the number of “santri” has increased. The increase in the number of “santri” had a positive impact on the development of business units. One that plays a role in supporting the survival of education and the development of facilities and infrastructure. Results from various aspects can be used to support the needs of the cottage and the development of new business units, can be seen in Figure 6 as follows:

The turnover of Gontor’s business units reached billions of rupiah. The amount of empowerment can also support the success and survival of the social enterprise run by Gontor. The amount of profits obtained from all resource management units is quite large. This advantage is used for construction and subsidizing the cost of education for “santri”. With the acquisition of this money, waqf can support the ongoing education in Gontor and can support the business development carried out by Gontor.

#### 4.2.2. Operational viability

Operational analysis of this viability will examine the feasible social enterprise in its implementation so that operating costs are clear and can meet operating costs. In this analysis, it will be known whether Gontor burdened goods and services appropriately

**Figure 6:** Comparison of business unit results, obligatory santri fees and stop waqf empowerment results (in billion rupiahs)



Source: Processed annual report, 2018

to cover all expenses from Gontor in running Social Enterprise and building cottage facilities and infrastructure. Based on the field research data carried out it can be seen that. Enterprise social development is running very rapidly which is built in an independent way without going through the cooperation of outside commercial institutions and its contribution is large enough to improve the welfare of the community in the fields of economics, education and health and other fields. In financing the operations of the businesses carried out by Gontor, Gontor's endowments and assets reached hundreds of billions. This value can be seen in Figure 7 about the contribution of waqf funds that can be used for spending Gontor.

Funds from this waqf are used to build facilities and infrastructure that benefit all elements of the lodge and the community. Waqf funds each year can be said to have a significant increase, so that the process of running business units by Gontor can take place well.

**4.2.3. Operational sustainability**

The operational sustainability aspect in this analysis needs to know the points that become a benchmark in knowing the sustainability of the social enterprise carried out by Gontor. Among them are about the consistency of Islamic boarding schools in bearing the operating costs and all costs associated with the business being run. Furthermore, about the ability of Islamic boarding schools in planning operational costs from time to time in meeting financial obligations from time to time. Based on the results of research obtained in the field that the operational costs from year to year are significant and the operational costs of business units of the highest Islamic boarding schools occur in 2016 of Rp. 6,578,153,978 then followed in 2018 amounting to Rp. 6,416,146,697. a significant increase every year is caused by an increase in the number of students/"santriwati" so that the needs are increasing. Annual operational costs in running Gontor business units can be seen in Figure 8.

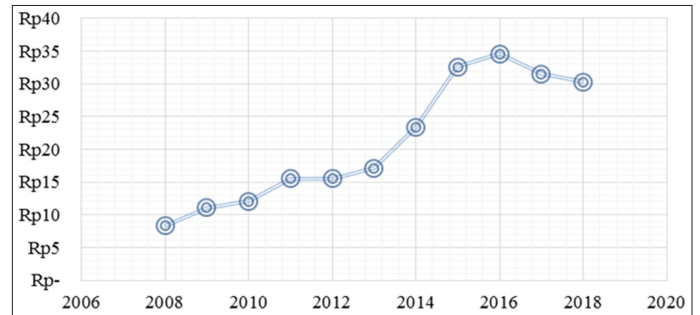
**4.2.4. Financial sustainability**

In the study of Financial sustainability, there are several aspects that are considered in realizing sustainable social enterprise, namely about the surplus generated in running these business units so that they can be used to meet the needs of sustainable growth and development. In addition, it reviews having adequate plans and projections in place that will help Gontor's financial future. And a study of how to use Gontor's resources efficiently and effectively.

Based on the results of field research conducted, it was found that the benefits obtained from the social enterprise are quite a lot so that it can be used for the needs of the cottage and support education. This result can be seen in Figure 9.

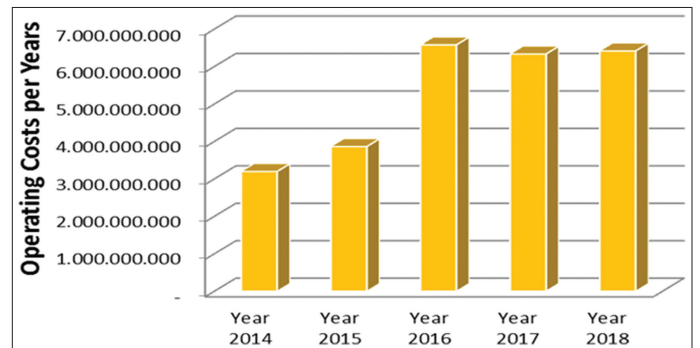
There are so many benefits that are created when these business units run smoothly. In addition to being used in meeting the needs of huts, cottage families and "santri-santriwati", this advantage is also used in development that can help the community, one of which is based on recognition from the people around the Gontor area to help establish educational institutions in the community,

**Figure 7:** Gontor waqf fund fee for 2008-2018



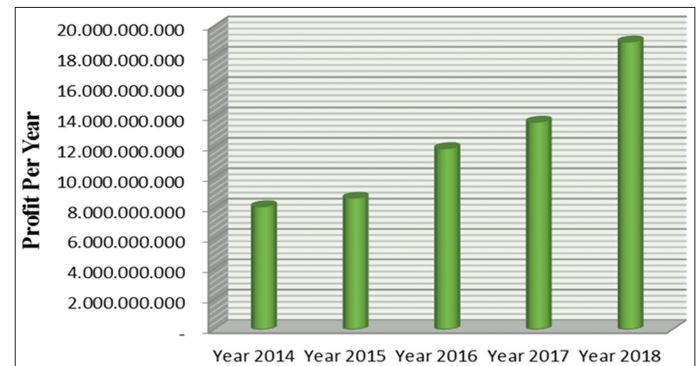
Source: Processed annual report, 2018

**Figure 8:** Operating cost



Source: Processed annual report, 2018.

**Figure 9:** Recapitulation of gontor's business unit



Source: Processed annual report, 2018

build a place worship and creating an environment that has adequate facilities such as health centers and others.

With Gontor's finances which can be said to be very large and numerous, in the future, Gontor has the opportunity to establish financial sharia institutions, or establish cooperation with Islamic banks as well as national companies to invest in shares as one of the patterns of empowering their waqf. This is because the Shari'ah financial institutions are very strategic because they can function as waqf empowerment institutions and at the same time as an institution for the economic empowerment of the ummah which facilitates non-religious capital for the small number of small traders in the community. This action is one of the right steps in Gontor's future financial plan and the empowerment of resources that are in accordance with the objectives of financial sustainability.



4.2.5. Balance sheet sustainability

An important study that needs to be considered in developing the balance sheet sustainability aspects is about how Gontor overcomes the financial storm or changes in the current Gontor transformation and about building business assets over time. And finally, the role of Gontor’s savings in continuing activities that have been going on for a long time if Gontor loses its main source of income.

Based on the results of research obtained in the field that in overcoming the financial storm faced by Gontor can be done by exploring the sources of endowments to reach endowments of money and services then empowered through productive business units that are intentionally built to develop these waqf assets. The further development of waqf is largely determined by the internal dynamics of the cottage as an Islamic education institution that is able to respond to the challenges of modernity, especially in the field of development of waqf money. By exploring these sources of income Gontor’s endowments developed rapidly. Earnings obtained from this money waqf can be seen in Figure 10.

In his journey, Gontor has also prepared a resource if at any time lost a source of income, namely by relying on savings held. Gontor Savings from 2014 to 2018 can be seen in Figure 11.

Based on the graph above, Gontor’s savings per year reached the highest Figure of 10 billion in 2015. While in other years it was above 7 billion. Of course these figures indicate that long-term savings can rely on these savings which lasted until 2018. This savings account aims to meet the needs of the cottage when in an urgent situation.

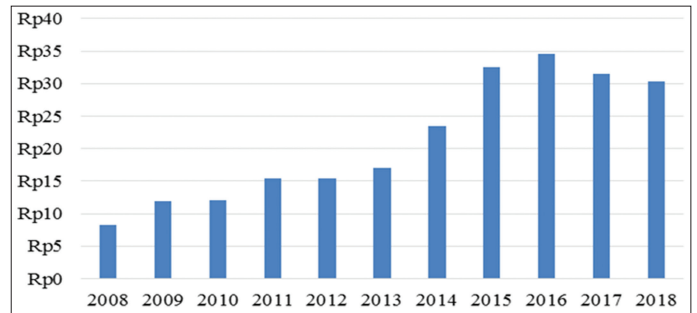
4.2.6. Impact sustainability

In the study of the impact of Sustainability, the things that are of concern are about the social impacts of the activities carried out by Gontor and how Gontor maintains and relies on these impacts from time to time and to measure and analyze the extent to which these social impacts benefit all elements of society involved.

Based on the research conducted in the field that the social impact felt by the community is able to change the paradigm of the people who used to be happy with mystical things now far more religious. Starting from this paradigm shift, the social life of the community is more harmonious and not often or rarely occur conflicts that can break their kinship. In addition, the Gontor Islamic boarding school in the view of the community is one of the advantages they have in their area so they have a paradigm for sending their children to the pesantren. With the pride of the community about the existence of this Islamic boarding school, Gontor holds firmly on the people’s trust in its existence in creating da’wah cadres that can be useful for society, nation, and state. So far the social impact given by Gontor to the community is quite successful and trusted by the community so that the development and development of Gontor are quite rapid. Seen in the development allocation fund, can be seen in Figure 12.

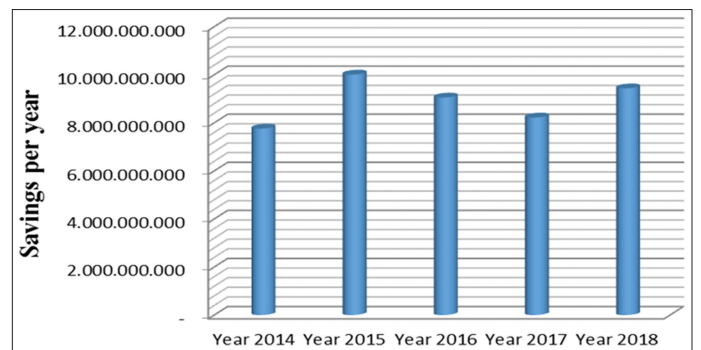
In the past 10 years, Gontor’s total development funds reached 391 billion rupiahs. The biggest expenditure is used to add infrastructure

Figure 10: Amount of cash waqf acquisition from santri and students in 2008-2010 (in billion rupiah)



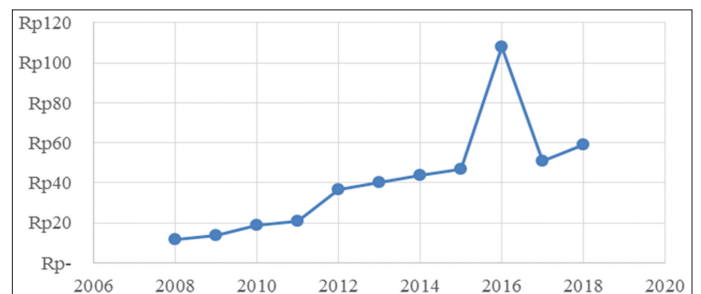
Sources: Financial report processed, 2018

Figure 11: Savings per years



Sources: Financial report processed, 2018

Figure 12: Infrastructure development fund allocation for 2008-2018 (in billion rupiah)



Source: Processed financial report, 2018

related to the hut and the construction of infrastructure in the community so that the impact of the existence of social enterprise in Gontor contributes a role in building education and society.

The application of the sustainable social enterprise at Gontor is still not maximized. Based on the results of the research revealed above, the results show that the social impact in the community is still not clearly visible in its structure and functions and its impact on Gontor itself. Although the implementation has been going well. Talking about education, Gontor’s classmates, which are classified as modern Islamic boarding schools, are still not able to provide free tuition fees for the nation’s children, without paying a penny. Although the contributions from the Santrinya are not too expensive. The hope is, with the existence of enterprise sustainability social can provide free education for the nation’s children so that it contributes to eradicating the poverty chain

through education. In addition, the evaluation of the enterprise sustainability social model is still weak in its management model and still does not show how the process in managing business units is one of the strengths for Gontor to survive in the current era of globalization.

## 5. CONCLUSION

Gontor has developed a social enterprise concept for >3 decades to raise funds and build Gontor's independence. The concept of Social enterprise sustainability is one of the concepts that is very important for large organizations such as Gontor. With the implementation of this concept, Gontor will be able to develop sustainably in managing education. The existence of this sustainability social enterprise has a positive impact in supporting the needs of Islamic boarding schools and providing benefits to the wider community both in the fields of education, social and health. The ability of Gontor to survive in the complicated era of globalization today makes Gontor a modern boarding school that has very many assets. However, in the implementation of social enterprise sustainability, a strategy and readiness in managing its sustainability is needed to be able to provide unlimited benefits to the community and to keep the existence not eroded by the Age.

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