

IMPLEMENTATION OF ISLAMIC ENTREPRENEURSHIP IN BUILDING BUSINESS VENTURES IN PESANTREN SIDOGIRI

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ABSTRACT

Economic activity in Islam (Islamic Entrepreneurship) is an integral part of the conception of the balance of life between the world and the hereafter. As a consequence of this concept, an Islamic entrepreneur will strive to earn the pleasure of Allah by not only aiming to increase wealth, but prioritising mutual benefit and benefit. In the implementative realm, islamic entrepreneurship wil prioritise the comfort of others and not harm each other in order to achieve the concept of life balance as intended by Allah SWT. This article aims to describe the application of islamic entrepreneurship in Sidogiri Islamic Boarding School by examining the values that underlie the pesantren in establishing and managing various Islamic Boarding School-owned enterpirses such as Kopontren Basmalah, Bait al-Mal Wa al-Tamwil (BMT) and Santri Mineral Water. This research uses qualitative analysis with data analysis, namely primary data and secondary data. The results of this study indicate that all Sidogiri Islamic Boarding School-owned enterprises have practised the principles of islamic entrepreneurship such as hard work in the name of Allah, providing benefits for individuals with good.

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1. INTRODUCTION

Entrepreneurship is a term that is currently often a topic of discussion and research material. This is because entrepreneurship is considered as a solution to improve the economy of a country. (Huda, 2021). Islam as a religion that regulates matters of worship and muamalah certainly also has a conception of entrepreneurship that remains based on Islamic values or Islamic entrepreneurship. Entrepreneurship comes from the English word which in Indonesian is called Entrepreneurship (Wahyu Utomo). *Islamic entrepreneurship* is usually defined as a form of activity in establishing, leading, managing, taking risks and becoming a business owner in accordance with Islamic teachings. (Makhrus & Cahyani, 2017). Entrepreneurship needs to be instilled in a person, including among students in pesantren who refer to the figure of the Prophet Muhammad SAW, who in addition to being a shepherd was also a trader (Santri 2014).

Pesantren as an institution that maintains the treasures of Islamic knowledge is required to develop its business realm in accordance with Islamic economic principles. Pesantrein Nurul Jadid, for example, is engaged in agriculture, industry, management, trade and finance (cooperatives, BMT, BPRS, Laziswaf), Pesantren Miftachussunnah is engaged in finance (cooperatives, BMT, BPRS, LAZISWAF), Pesantren Qomaruddin has a mini market business, cooperatives, agriculture and travel, and travel, Sunan Drajat Islamic Boarding School with businesses in mining, industrial processing, and trade and cooperatives, Lirboyo Islamic Boarding School in trade, Tebuireng Islamic Boarding School in finance and agriculture, Salafiyah Syafiyah Islamic Boarding School in trade, agriculture and finance (Faiza, 2023). The best pesantren that is able to establish various businesses is Sidogiri, which is located in Pasuruan Regency, East Java.

very successfully. Sidogiri Islamic Boarding School has instilled the spirit of entrepreneurship in its students, as evidenced by the business units developed in the Sidogiri Islamic Boarding School environment such as canteens, grocery stores (selling basic necessities), bookstores, household appliance stores, cosmetics, building stores, mini markets, agriculture, BMT, making sarongs and Muslim clothes managed by Sidogiri students. The business units developed are not only a medium of learning for students in the business world, but also as an income for the pesantren (Purnomo & Maulida, 2017). The

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business in Sidogiri Islamic Boarding School is a business that was born as a forum for students in the Sidogiri Islamic Boarding School so that students can learn about entrepreneurship (Pambuidi & Heindratmi, 2020).

Sidogiri can be used as a model as a pesantren that has begun to implement the pesantren preneur programme (Nikmatuil M, 2019). very successfully. Sidogiri Islamic Boarding School has instilled the spirit of entrepreneurship in its students, as evidenced by the business units developed in the Sidogiri Islamic Boarding School environment such as canteens, grocery stores (selling basic necessities), bookstores, household appliance stores, cosmetics, building stores, mini markets, agriculture, BMT, making sarongs and Muslim clothes managed by Sidogiri students. The business units developed are not only a medium of learning for students in the business world, but also as an income for the pesantren (Purnomo & Maulida, 2017). The business at the Sidogiri Islamic Boarding School is a business that was born as a forum for students at the Sidogiri Islamic Boarding School so that students can learn about entrepreneurship (Pambuidi & Heindratmi, 2020). At that time, the rapid development of businesses in the Sidogiri pesantren became a reference for other pesantren, especially in East Java, to establish similar types of businesses (Malia et al., 2020).

The success of Sidogiri Islamic Boarding School in developing its business entities has been the concern of researchers published in various journals since 2017 in this section researchers present several studies related to research on islamic entrepreneurship according to Makhrus and Putri D.C with the research title Islamicpreneurship Concept in Efforts to Encourage Islamic Business Practices in this article, researchers show that the concept of islamicpreneurship is not only an activity of mutual pursuit of maximum profit which causes the exclusion of ethical values in society and religion. But how the concept of islamic entrepreneurship encourages islamic business practices to make business ethics the foundation of all business activities. Then other researchers who also took the same material project in 2021 Nurul Huda conducted research with the title Implementation of the concept of Homo Islamicus Monzer Kahf Kahf in Entrepreneurship Kiai Mahmud Ali Zain. This research in Islamic economic activities does not prioritise satisfaction but prioritises the comfort of others and does not harm each other in order to create a balanced society in which it hopes for the pleasure of Allah SWT. Then another study that also took the same material project in 2020 was Kholis F, Khotim F and Aulia R with the title Building an entrepreneurial spirit in Santri through entrepreneurship classes. this research is also an entrepreneurial spirit in which problems related to waste from each business sector will become additional value after proper processing and also being able to process waste from each business sector that will increase income. Then in 2023 Pinky V.P and Alim M with the title Analysis of Islamic Entrepreneurship in the Digital Age the results of this study indicate that the obstacles faced when implementing Islamic entrepreneurship in the digital era are: lack of knowledge, employees doing dishonest work, and lack of professionals in employees.

Some of these researchers prove that success in the business entity developed has become a concern of many people. Some studies describe efforts to encourage the practice of Islamic entrepreneurship and some studies also describe instilling the spirit of entrepreneurship in santri. This is where this research is very important, because it focuses on a topic that does not yet exist, namely the implementation of *islamic entrepreneurship* in building business ventures in Sidogiri Islamic boarding schools, which in building their businesses the boarding school has implemented islamic entrepreneurship in each of its business units.

2. METHOD

The approach used in this study is qualitative analysis. Yin (2009) explained that the qualitative approach is an approach that uses data in the form of written or spoken sentences, knowledge events or descriptive studies about a project. This research uses case studies that are in accordance with the object of research that focuses on the implementation of Islamic entrepreneurship in business ventures developed at the Sidogiri Islamic Boarding School.

This research simply guides the implementation of *islamic entrepreneurship* in building business ventures in Sidogiri. The use of the concept of *islamic entrepreneurship* is operationally used to gain an understanding of the implementation of *islamic entrepreneurship* which is related to the equilibrium version of entrepreneurship that only focuses on obtaining profits in the economy. Pesantren Sidogiri in its award-winning business unit, is expected to be a model, especially for Islamic economic actors in particular and for economic actors in general.

Data sources in this literature research use two types of data, namely, primary data and secondary data. The primary data source is a primary source taken directly from the news of the Sidogiri website, you tube Sidogiri. While secondary data sources are articles, books and news. The data consists of devinisi slamic entrepreneurship, the basics of islamic entrepreneurship, the establishment of business entities in the Sidogiri Islamic boarding school, and the implementation of Islamic entrepreneurship.

3. RESULT AND DISCUSSION

Definition of Islamic Entrepreneurship

During the 7th century Hijri when Islam was born, people did not refer to entrepreneurs. In the modern context of use, entrepreneurship is defined as the actions of people who innovate in the context of entrepreneurship that fulfils the needs of existing customers and the needs of value-added markets (Syuhri, 2022). However, there are many definitions of entrepreneurship.

Pinchot defines entrepreneurship as one of the abilities to unite existing talents or opportunities, while entrepreneurs are people who have the courage to take risks, creatively use their potential in developing their production, never give up and are also able to deal with the right opportunities (Warti'ah, 2021). Almost the same definition is expressed by Syamsudin Suryana, namely a person who has the characteristics of confidence, takes the right risks, is firm in leading and creative in order to foster innovation, and is orientated towards the future (Ratang & Urip, 2021). Richard Cantillon argues that entrepreneurship is a source of profit in the economy. Entrepreneurship is a way to capitalise on the gap between the price of production and the price of sale and also capitalise on the advantages to earn greater profits. That is why entrepreneurs must develop the economy independently and not only have the ability to develop businesses and seek opportunities, creating social networks that can be optimised to develop the economy, both within the community and between countries (Puspita, 2022).

Islam strictly regulates the activities of its people in muamalah maliyah based on justice, help, and honesty, and tawhidullah. Islam views economic activity positively, the more humans are involved in economic activity, the better it is as long as there is nothing counterproductive in its goals and processes with islamic teachings. Islam is a religion that provides guidance on all aspects of life, both human relations with God and relations between fellow human beings (Ridwan, 2023). Economics in Islam is closely related to Islamic akhlaq or ethical business behaviour wrapped in sharia values that emphasise halal and haram whose main sources are the Qur'an and Hadith (Darwanto, 2022). Islam views entrepreneurship as something that is an integral part of human life. Because with the spirit of entrepreneurship owned by humans, they will be able to do their best and will benefit others and the surrounding environment (M.Soim, 2016).

Based on the definition that has been put forward by several opinions about entrepreneurship, it can be concluded that entrepreneurship is a person's ability to produce something new through creative thinking and innovative actions, so as to create business opportunities that are utilized by themselves and others. While Islamic entrepreneurship is a principle and attitude that must be applied in business ventures aimed at worship and tawakkal to achieve happiness in the world and hereafter. This is what distinguishes entrepreneurship in islamic economics and secular economics.

Basics of Islamic Entrepreneurship

The value framework in islamic entrepreneurship contains several complementary elements, including the halal concept, efficient concept, noble values, honesty, prosperity, knowledge and concern for society and the environment (Supriyanto, 2022a). Islamic values of entrepreneurialism are values that emphasize the Oneness of Allah SWT, believing that He is the Almighty Allah, and He is the Allah from whom everything is asked, no one can accompany Him, Islamic values are a form of faith in Allah SWT (Reipton A.Ui & Deisi I, 2023). Islamic values must be instilled in someone as early as possible, so that they get used to it and it will become a good habit in the future. Islamic values include several directions, namely, relating to Allah, humans and nature (Zahroh, 2020).

Islamic economics is based on 3 main foundations that are implemented in economic activities, namely monotheism, sharia and morals. Sharia practices and morals are a reflection of monotheism (Darwanto, 2022). Regarding knowledge of islamic entrepreneurialism, entrepreneurs have several responses which show that Muslim entrepreneurs actually know the principles and foundations of Islamic entrepreneurialism as well as things that are permitted in doing business. Principles and attitudes that must be applied by businesses aimed at worship, trust, competing healthily and including Allah in their activities (Rahmawati & Ridlwan, 2022). The peak manifestation of a series of Islamic economic activities is the realization of the wishes of the Islamic maqahid itself. Where the result of the goal of

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maqashid sharia is achieving prosperity and happiness in this world and the hereafter which is a reflection of good and noble human obedience (hayyah thayyibah). In essence, the direction of the goal of human civilization is to achieve prosperity in life, even though the meaning of prosperity itself is still a problem for which no solution has yet been found, the meaning of prosperity still dominates in the direction of achieving prosperity over the material fulfillment of the world alone (Ardiyanti, 2022).

The main goal of islamic entrepreneurship is *maslahah* and *falah*, which consists of components such as benefits and blessings. Benefits themselves are the fulfillment of worldly physical, psychological and material needs, while blessings are the fulfillment of worldly spiritual needs, namely the reward and blessing of Allah SWT. The application of Islamic values in islamic entrepreneurship such as prosperity which produces *falah* (prosperity) and happiness both in this world and in the afterlife (Ridwan, 2023). This is different from conventional economic experts whose aim is to try to solve all problems that arise without any considerations related to divinity and the hereafter but rather prioritizes human convenience and pleasure in the world (Putra, 2022). Islamic entrepreneurship is an entrepreneurial activity that applies islamic values in producing goods or services that do not conflict with sharia.

First, islamic entrepreneurship is considered as *jihad fi sabilillah* (hard work to do something good in the name of Allah). Second, entrepreneurship is considered a good deed because what they do in entrepreneurship generates income for individuals, provides job opportunities for the community, reduces poverty, where poverty is a social problem. Third, entrepreneurship can also improve the economy of society. By implementing the virtues of entrepreneurship, creativity will foster harmonious relationships between individuals and help maintain a good relationship between individuals and their God. Fourth, improve the quality of life, so that life is more comfortable and strengthen the social position of the state, religion and nation. Fifth, help develop *Khairun Ummah* (the best productive society and progressive progress) (Ratna Wijayanti, 2018).

Islamic entrepreneurship values have other elements that complement them, including the *halal* concept, efficient concept, noble values, honesty, prosperity, knowledge, and concern for society and the environment. Islamic entrepreneurship that is developed cannot be separated from the foundation of monotheism which consists of the concepts of belief, knowledge and behavior and pious efforts (Supriyanto, 2022b). Islam is a guideline and teaching for human life, both religious activities and *muamalah*, which includes entrepreneurship. The aim of Islamic rules regarding entrepreneurship is none other than to obtain prosperity and safety in this world and the hereafter. In Islamic entrepreneurship, ethics and business are not contradictory but a complementary unity, because business being a worldly symbol can be meant as a symbol of the afterlife, namely with the aim of all activities carried out with the intention of worship by hoping for blessings and pleasure from Allah SWT. Therefore, business will run in accordance with Islamic rules and principles with ethics and morals based on the afterlife (Anwar, 2022).

Islam has several basic principles in economic activities, namely: First, the Principle of Monotheism: monotheism is the main principle in Islamic worldview. This concept necessitates the oneness of God and everything that comes from Him. (Darwanto, 2022). Second, *Maslahah*: According to Wahban Zuhail *Maslahah* is the welfare of the world and the hereafter (Darwanto, 2022). Third, Justice: Allah created everything, and one of His characteristics is justice. He does not differentiate between His creatures in an tyrannical manner, as caliphs on earth, humans as caliphs on earth must maintain God's laws and ensure that the use of all resources is directed towards human welfare so that all can benefit (Darwanto, 2022).

Establishment of Business Entity at Sidogiri Islamic Boarding School

The Sidogiri Islamic Boarding School Cooperative was founded by KH. Sa'doellah Nawawie (Person in Charge and Chairman of the Sidogiri Ponpes Management) since 1961 who pioneered the establishment of cooperatives as a forum for students to be independent in entrepreneurship and also as a service for students at the Sidogiri Islamic Boarding School (Taufiqulhakim & Hendratmi, 2019). At that time the practical laboratory was only in the form of a shop and a grocery store, thanks to the savings of the management, the profit obtained from opening a shop was developed with another business, namely establishing a grocery store that sold basic necessities and household needs. Initially only limited to the *pesantren* environment, then Sidogiri Islamic Boarding School established bookstores, building shops in a number of markets in Pasuruan. Now the businesses run by *Kopontren* Sidogiri are very diverse as mentioned (Nadir, 2017).

Kopontren Sidogiri through its subsidiary PT. Sidogiri Mitra Utama has successfully developed the *Toko Basmalah* brand which now has more than 190 branches in Indonesia. *Toko Basmalah* became a

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competitor store of indomart and Alfamart in East Java. Toko Basmalah not only serves the needs of students but also meets the needs of the wider community (Ashari, 2023). The Basmalah Islamic Boarding School Cooperative has a good business strategy to solve the community's huge and complex economic problems, one of which is to build a sharia business through the Basmalah store, which is a convenience store that adheres to Islamic business values.

Corporate Sidogiri has three interconnected companies in its business, delivering its goods to the Basmalah store. PT. Mandiri Utama is a manufacturing company that produces basic needs of Basmalah stores and is the main supplier of kopontren. PT. Pandu Utama also has relationships in the field of human resources, where all employees up to the level of Sidogiri Corporate supervision are products of the Sidogiri Excelent Center Islamic Boarding School. PT. Pandu Utama also handles human resources at the Basmalah store level. Products made by these two companies are directly sent to PT. Sidogiri Mitra Utama, which sells Basmalah store products. PT. Sidogiri Mandiri Utama also makes Sidogiri kopontren with a private label. PT. Sidogiri Mandiri Utama makes products such as drinking water in student bottles (AMDK), Muslim clothing, songkok, sarongs, Sidogiri rice and others. With its mission to make a pilot for Islamic Boarding School Cooperatives, Sidogiri copontren also applies by providing training to undeveloped sharia cooperatives to use the Basmalah brand. In other words, Kopontren Sidogiri provides a system for how to manage this cooperative business so that it can develop. In collaboration with Kopontren Sidogiri, 212 Mart branch has used the business management system used by Basmalah stores. The application of such business training solely provides benefits (Pambudi & Hendratmi, 2020).

BMT (baitul maal wat tamwil), consists of two terms, namely baitul mal and baitul mamwil. Baitul mal is more directed towards efforts to collect and distribute non-profit funds, such as zakat, infak and sadaqah. Meanwhile, Baitul Tamwil is an effort to collect and distribute commercial funds. BMT stands for Integrated Independent Business Entity, which is a microfinance institution (LKM) that operates based on sharia principles. This institution was established with the aim of facilitating the needs of the community who are not reached by sharia bank services and sharia BPR syariah (Sultoni, 2022). This BMT was initiated by KH's concerns. Nawawi Thoyib (Alm). He was worried about the many loan sharking practices in Sidogiri Village, so he sent some people to replace community debts with interest-free loans and thank God the program lasted for 4 (four) years. The founders of the Cooperative encouraged by Ustad H. Mahmud Ali Zain and several Asatidz Madrasah at that time, had the desire to realize the wishes of Alm KH. Nawawi Thoyib in order to immediately realize an institution that is neatly arranged and well listed. On September 4, 1997, BMT MMU Pasuruan was changed to Koperasi Serba Usaha with Cooperative Legal Entity No.608/BH/KWK.13/IX/97 (Himami, n.d 2020). BMT Sidogiri is the largest BMT in East Java, and the Islamic Financial Services Cooperative (KJKS) is ranked third in the "top 100 Cooperatives in Indonesia" published by opportunity magazine in 2012, BMT Sidogiri has more than 240 branches in ten provinces of Indonesia. BMT Sidogiri has been operating since 2000 and until now, its assets have reached 20 trillion. (Arifin, 2023).

The establishment of the Baitul Maal Wal Tamwil (BMT) MMU (Madrasah Miftahul Ulum) savings and loan unit. The following year established the BMT Unit Teacher Task (UGT). BMT is a financial institution that serves savings and loans and financing with the Islamic financial system. Based on the establishment document, BMT was initiated in 1994 from a capital of Rp.9,000,000, (nine million rupiah). BMT MMU and BMT UGT experienced rapid growth both in Pasuruan City, Pasuruan Regency and in East Java (Sudjatmoko, 2022). The public's interest in becoming BMT customers is based on the belief that saving at BMT Sidogiri is part of worship and worship ends with rewards that bring happiness in the world and the hereafter in Islamic economic terms called falah. BMT Sidogiri is looking for maishah to provide for the family, save to maintain stability and reserve funds. Borrow money to maintain business funding, and become a means of complete worship. Islam encourages religious believers who are diligent in working, productive, respecting time, and humans are instructed to work well according to their roles (Imron, 2022).

Santri Mineral Water which since 2007 has collaborated with a drinking water factory in Probolinggo. In 2008, when the Santri drinking water brand became popular in the market, Kopontren collaborated with ivenstor to establish a factory in Rembang, Pasuruan Regency. However, the cooperation did not go smoothly until the partnership broke up. According to Plant Manager Guntur Saichur, the total production is 64,860 liters per day or 7 thousand cartons. The factory employs 40 employees, most of whom are alumni of Sidogiri Islamic Boarding School, the factory area still has a student culture. Thunder saw some employees wearing sarongs and flip-flops when working. In February 2011 successfully obtained ISO 9001:2008 and SNI quality management system certificates. In addition,

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water quality is monitored and tested in Sucofindo's accredited laboratories (opop Jatim, 2020). Santri Drinking Water is served in a variety including 250 milliliter (ml) glasses, 600 ml bottles and 1,500 ml bottles. while the Giriway brand is served in 200 ml packaging. "cheaper price" (Widiyanto, 2018).

With the Santri Mineral Water factory, some people who initially did not have jobs, some people were able to take advantage of the existence of the factory. Residents who open stalls around the factory and can provide more than 100 portions of lunch every day, they say that they are lucky because the factory is so they can increase their income from opening the stall business (Sudjatmoko, 2022).

The independent business pioneered and developed by the Sidogiri Islamic Boarding School is oriented entirely for the benefit of the pesantren and the students, through entrepreneurial activities which are expected to become Islamic Boarding Schools that are rahmatan lil alamin and consistent in terms of education, agents of change and provide positive things for the students. Services KH. Sa'doellah Nawawie in building an independent business which was then demolished to the pesantren and taken care of by its students so that it developed rapidly as it is today. All businesses run by pesantren are oriented to the development of Sidogiri Islamic Boarding School in various aspects (Muihamad Masruir, 2022).

There are several backgrounds underlying the formation of business units in the Sidogiri Islamic boarding school. First, an entrepreneurship unit was formed so that the Sidogiri Islamic boarding school was independent in economic terms. Second, a business unit was formed to empower students so that when they enter the community in the future, students can not only recite but also be independent in terms of economy without depending on others. With the business units formed, it is hoped that the pesantren will have sufficient funds to finance operations without expecting donors and the creation of financial stability in the Sidogiri Islamic boarding school (Lami', 2022). The development in the economic sector carried out by the Sidogiri Islamic Boarding School aims to encourage the independence of the pesantren. In addition, students are not only smart in reciting, but have an entrepreneurial spirit in the economic field. The economic independence of pesantren is essentially part of applying Islamic religious teachings taught by pesantren (Dziyauil Lami' 2019).

Implementation of Islamic Entrepreneurship

Kopontren Basmalah is one of the Islamic retail stores that consistently applies the way of doing business according to Islamic teachings (Arsj, 2021). Kopontren Sidogiri formed the Toko Basmalah brand infrastructure with the motto of being a good and halal shopping place (Izzuddin, 2022). With the existence of Kopontren Sidogiri as one of the minimarkets that implement Islamic entrepreneurship, it will make competition tight with the emergence of other minimarkets that carry halal products (Puspitasari, 2019). Basmalah stores sell quality products as promised, and provide fast and precise service quality (Robustin, 2021). Kopontren Sidogiri is used as one of the media to identify that he is "sholeh" socially. Kopontren Basmalah combines the Islamic label with various Islamic cultures, and the sharia branding on Kopontren Basmalah is an easy target for people who are hungry for social recognition that they are "sholeh" the community will carry out all their transactions at Kopontren Basmalah (Baharun & Niswa, 2019).

Toko Basmalah or Kopontren Sidogiri is not the same as Indomaret and Alfamart in principle, which distinguishes Toko Basmalah from other modern stores, namely; First, part of Toko Basmalah capital comes from community dues and the community can join and become members so that Toko Basmalah can be owned by many people with a cooperation system. Second, Toko Basmalah accepts merchandise commodities from the public with easy procedures and low registration fees. Third, Basmalah Stores use different pricing strategies for customers who want to buy and resell at retail prices. Fourth, halal and good selling commodities. This is what distinguishes Basmalah Store from other modern stores (Anas, 2021).

Baitul Maal Wat Tamwil (BMT) is a sharia microfinance organization that joins Baitul Maal and Baitul Tamwil and functions as an amil zakat, infaq and alms responsible for receiving it and giving it to those entitled to receive it in accordance with its mandate (Camelia & Ridlwan, 2018). BMT UGT Sidogiri has several types of products, namely; First, Sharia General Savings using wadiah yad addlamanah or mudharabah muthlawah contracts. Both time deposits. Third Financing, on Mudharabah, Murabahah, Musharakah and Qirad (Pratama, 2011).

The saving activities can be carried out in savings products BMT UGT Sidogiri Savings and Loans Cooperative is a sharia savings and loan cooperative that uses a mudharabah contract on the savings products offered (Zidni & Fitanto, 2022). BMT UGT Sidogiri has its own benefits for the surrounding community, namely helping traders not to depend on retenir and avoid usury (Oktafia, 2021). BMT UGT

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Sidogiri as a financing institution can run well. Although the financing needs of the community are widening, this financial institution, remains a solution that can be reckoned with. In addition to functioning as an institution to improve the standard of living and economy of micro communities, in a large scope, BMT UGT Sidogiri is also able to support the national economic resilience system (Syafi'i, 2020).

The use of social funds aims to reduce the difficulties experienced by underprivileged people so that there is no social jealousy between the rich and poor, because the institution is a means of empowerment and community service. The purpose of this program is none other than to empower the community through education, health, economy, and environment (Munir & Muhammad, 2022). Therefore, the renovation or renovation of houses that are considered uninhabitable is part of the Qoryah Toyyibah program. Qoryah Toyyibah immediately renovated 24 houses deemed ineligible in 2014, and 25 million was given to each house (Huda, 2021).

Bottled Drinking Water (AMDK) brand "santri" is a superior product from PT. Sidogiri Mandiri Utama (Ashari, 2023). Every employee performs ablution and prays before starting work because mineral water is treated preferentially and is well guarded and dozens of workers line up to take ablution every morning. Then, they were guided by the factory leadership and they went into the production department of the factory and prayed together. HRD Manager Mustain Mahdlori said, "Once a week do mental movements or istighosah." It is not surprising that alumni of Sidogiri Islamic Boarding School really like the drinking water of students. A customer said that the students' drinking water successfully cured various diseases (Opopjatim, 2020).

In sharia principles, achieving *falah* is the main goal of entrepreneurial activities. To achieve this goal, the operations carried out must certainly follow sharia principles such as avoiding *riba* and *gharar*. In the business pioneered by the Sidogiri Islamic Boarding School, it is necessary to be selective in choosing payment methods and banking systems to remain in accordance with sharia. Then, to avoid *gharar*, sellers and buyers must ascertain the subject and price of the sale, determine its characteristics, quality and quantity. If it has been spared from *riba* and *gharar*, a business can achieve its goal of maximizing *falah* (Syuhri, 2022). Sidogiri Islamic Boarding School is a religious spirit, which is to avoid and abandon *riba* and *gharar*, this intention to leave *riba* and *gharar* raises the spirit to establish non-usury financial institutions (Sudjatmoko, 2022).

Islamic entrepreneurship should be seen as a moral obligation to perform actions in accordance with the fundamental teachings of Islam. The main purpose of Islamic entrepreneurship is not only as a link to prosperity and financial well-being, but can also be by running the business venture itself, as long as the means are not legal from the point of view of Islamic principles (Ridlwani, 2022). The implementation of Islam in entrepreneurship is very important to instill spiritual values in building a business. Currently, many companies are switching to using spiritual values or guidelines in doing business, such as *halal* food and *shari'ah*. In today's business world, it is necessary to have the concept of business ethics clearly formulated. In the Qur'an it has been explained about good business ethics, ranging from unity, balance, free will, accountability to the production process in making a good good or service and good distribution in Islam. After that, in the end, it gets numerical benefits and afterlife-oriented profits (Suharto, 2022). In implementing islamic entrepreneurship, the Sidogiri Islamic Boarding School in its business units cannot be separated from norms, as special ethics or applied ethics which have principles in implementing islamic entrepreneurship. All business unit activities in Sidogiri are carried out with full honesty, responsibility, compete healthily, are friendly and care about customers, exactly according to islamic entrepreneurship concepts (Lestari, 2022).

Sidogiri Pasuruan Islamic Boarding School is an Islamic boarding school that implements islamic entrepreneurship through the formation of entrepreneurial institutions within its business units, such as Kopontren Sidogiri, Basmalah, Buletin Sidogiri, and Pustaka Sidogiri, and external owned institutions such as BMT UGT Sidogiri, BMT Maslahah, BPPS UMMU Sidogiri, and Agro Cooperative Sidogiri. which was founded by the Sidogiri Islamic Boarding School civil society by implementing the motto *khidmatan lil ma'at wa khidmatan lil ummat* with the mission of wanting to contribute to realizing *baladun thoyyibatun wa rabbun ghafur* through the development of *qoryah thoyyibah* which has targets such as education, economics and social (Faiza, 2023).

4. CONCLUSION

The success and development of the business entity started by the Sidogiri Islamic Boarding School is extraordinary. So that various awards have been won as proof of recognition by the government, mass

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organizations and society for the results that have been achieved in the economic sector by implementing *islamic entrepreneurship* in each business entity. The names BMT UGT Sidogiri, Basmalah Cooperative and Santri Mineral Water are increasingly mushrooming and gaining a place in the hearts of the people, especially people who prioritize halal transactions. The success achieved by this business entity is certainly not solely to gain profit or profit but to achieve happiness in this world and the hereafter (falah). Several programs oriented towards improving the quality of life of the community were also launched. The determination to apply sharia principles in every transaction activity and the implementation of empowerment programs has made the Sidogiri Islamic Boarding School meet the principles of rationality, balance, ownership of goods and Islamic economic ethics. Then the Sidogiri Islamic Boarding School also has the belief in implementing God's law, and the belief in making efforts as a virtue. These achievements are clear evidence that the Sidogiri Islamic Boarding School is increasingly strengthening itself to be a role model for other Islamic Boarding Schools, especially for entrepreneurial Islamic Boarding Schools. Researchers can provide several recommendations, including the following: Cultivating entrepreneurship, it is important to strengthen the culture of entrepreneurship in pesantren by referring to Islamic teachings as a foothold and keywords. The application of Islamic economic principles, in building business ventures, pesantren need to ensure that the principles of Islamic economics are upheld, such as justice, blessings and sustainability

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