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Economic Empowerment of Community Through Business Diversifications of The Alumni of Annuqayah Islamic Boarding School

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ABSTRACT

In the rapid development of modern times, some Islamic boarding schools have expanded their roles in the society. Islamic boarding schools do not only take the role in the development of education and religion, they also have great impact in the development process of the community empowerment (*Agent of Development*). The problems that are identified in this research are: 1. What are the business diversifications that are organized by the alumni of Annuqayah Islamic boarding school? 2. How are the model of the economic empowerment of the community which the alumni carry out through business diversifications? This research uses qualitative case-study approach to describe the business diversifications and how they are utilized by the alumni of Annuqayah in empowering the community. Observations and interviews are used to collect the data. While the theories that are used in this research are diversifications and empowerment theory to understand the patterns of the alumni in empowering the economy of the community. The result of the research shows that 1. The business diversification of the alumni of Annuqayah islamic boarding school consists of two types of diversification which are concentric diversification and conglomerate diversification. 2. The model of empowerment that the alumni apply are empowerment typology of Mentoring Partnership Development, Community Development dan Community Engagement - Mentoring Partnership Development.

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INTRODUCTION

Currently, Islamic boarding schools not only play a role in the development of education and religion, but also function in several ways, for example, Islamic religious thinkers (Center of

Excellence), as an institution that produces human resources (Human Resource) and as an institution that has the ability and strength in the process of community empowerment (Agent of Development).

If these functions are associated with the economy, education, politics and social, it will create an interesting dynamic (Halim, 2005).

In general, pesantren live from, by, and for the community. This requires the role and function of Islamic boarding schools that are in line with the situation and conditions of the community (Ikhwan, 2017). Clifford Geertz stated that pesantren are also involved in the process of social change while still emphasizing the importance of religious morality based on normative values, such as honesty, trust and social networking or it can also be called social capital (Kafid, 2014). Social capital can play a role in the process of community empowerment.

When viewed in terms of the capacity and function of Islamic boarding schools, namely as social institutions, not only function as institutions that emphasize the importance of religious values and teachings, morality and spiritual life, but can also function as mediators for the community in terms of problems or interests that occur, and can function as a practical source in life, including functioning as an agent of community development.

Law No. 18 of 2019 concerning Islamic boarding schools, article 43 is: "Islamic boarding schools carry out community empowerment functions that are oriented towards improving the welfare of Islamic boarding schools and the community". The role of pesantren in national development has also been stated in the Law, namely: "In carrying out the function of community empowerment, pesantren carry out activities in preparing human resources who are independent and have skills so that they can play an active role in development" (Law No. 18 of 2019 concerning pesantren, article 44)

Therefore, the existence of Islamic boarding schools is expected to be a driving force in the process of community economic development and empowerment. Many Islamic boarding schools have carried out the empowerment process in

various ways, both traditional and modern Islamic boarding schools. One of the Islamic boarding schools that has carried out the process of empowering the community is the Annuqayah Islamic Boarding School since 1978, namely through the Community Service Bureau (BPM-PPA).

BPM-PPA is a non-profit organization whose focus on activities is related to the process of strengthening society (civil society), either by way of mentoring, coaching or developing community-based organizations. In the coaching process, for example, the Annuqayah Islamic Boarding School carries out these activities on a group basis, for example forming several fostered groups consisting of farmers, artisans or small traders.

The steps taken by the Annuqayah Islamic boarding school are by providing education on how to innovate agricultural patterns, providing training on skills and innovation in handicraft products or even providing financing for the procurement of agricultural materials and the provision of interest-free business capital.

In the process of coaching the above groups, there are several ways of formation carried out by the Annuqayah Islamic boarding school. First, the group was formed on the basis of requests from alumni of the Annuqayah Islamic Boarding School whose economic development in the area is not good. Second, by identifying the area around the Islamic boarding school that is considered to need an intervention from the Islamic boarding school. For example, areas where people are trapped in the clutches of loan sharks.

In the process of forming the coaching group, the way to do this is to involve the alumni network of the Annuqayah Islamic boarding school through weekly recitation activities, such as tahlilan and yasinan which function as a forum for friendship as well as to absorb various aspirations of local residents in terms of institutional strengthening

and the development of community empowerment programs.

This is done because Islamic boarding schools are centers for social transformation that must be able to maintain and maintain relationships or alumni networks or the community by forming a solid social network formed from the kinship of kiai with the community of students or alumni or the community which is an attachment or emotional relationship.

To strengthen this network, the Annuqayah Islamic boarding school formed the Annuqayah Alumni Association (IAA) as a special institutional part of the Islamic boarding school that houses its alumni to remain coordinated in several Islamic boarding school activities. In its development, in addition to forming study activities, the alumni also established a business entity which was used as a forum to connect the relationship called CV. Dharma IAA.

The business entity was pioneered in 2015 in response to the need for formal legality of businesses worked on by the Annuqayah Alumni Association (IAA). Initially, this business entity was called PT. IAA Investama, but because the business entity in the form of PT. requires quite heavy requirements, so through a meeting of the IAA board of directors, it was finally decided to change the name to CV. Dharma IAA with a narrower and simpler scope of work in terms of its management.

Several forms of empowerment carried out by Annuqayah Islamic boarding school alumni through diversification of their businesses include providing job opportunities, providing assistance to local groups or youth, providing cooperation opportunities, both in terms of capital and the provision of raw materials.

Alumni of the Annuqayah Islamic Boarding School to date have reached thousands of alumni with various potentials, skills, and professions, including becoming entrepreneurs in various fields,

ranging from livestock, plantations or agriculture, services, production, trade, transportation and various other types of businesses owned and managed by Islamic boarding school alumni.

With these efforts, it is hoped that the role of Annuqayah Islamic boarding school alumni can contribute to the problems faced by the community, especially in terms of economic development and community empowerment.

From the above background, the problems that can be identified in this study include:

- a. There is a diversification of alumni businesses but on a small scale.
- b. There are several communities that live below the poverty line, so the contribution of pesantren alumni is needed to play a role in driving the community's economy.
- c. The existence of an economic forum from analumnus of the pesantren but needs better management.
- d. The business development process that is carried out has not made full use of alumni, so that the role of alumni is still not fully functional in the process of community empowerment.
- e. There is no standard empowerment model, making it difficult for alumni to move in the process of community empowerment.

In order to maintain the consistency and focus of the research, the author limits the scope of this research to the business diversification of Annuqayah alumni and the integration of the pesantren alumni network in the process of community economic empowerment through the diversification of pesantren alumni businesses.

Based on the background and identification of the problems above, the problems in this study are formulated as follows:

1. How to diversify the business managed by the alumni of the Annuqayah Islamic Boarding School?

2. What is the model of community economic empowerment carried out by Annuqayah Islamic boarding school alumni through business diversification?

The objectives of this study are:

1. Knowing the diversification of businesses managed by alumni of the Annuqayah Islamic Boarding School.

Finding a model of community economic empowerment carried out by Annuqayah Islamic boarding school alumni through business diversification.

LITERATURE REVIEW

Community empowerment, according to Ibe, is defined as an effort to prepare resources, provide opportunities, improve knowledge and expertise contained in the community and to be able to participate and influence people's lives.

Mac Ardle argues that empowerment is an effort to improve and create an active participation process that can be carried out by the community in every decision-making process.

Empowerment Methods

a. Action Research

One of the methods used in the empowerment process is Action Research or often called participatory research (Mertler, 2011). The use of Action Research is based on a belief that organizations in a society are capable of solving all their own problems.

b. Asset Based Community-driven Development (ABCD)

Asset-Based Community Development (ABCD) is another strategy that can be used in the community development process. The ABCD approach is more of a list of assets owned by the community that are considered to be able to help in the process of community empowerment (Al-Kautsari, 2019).

R.M. Brown stated: If you look for a problem, then you will find more and more tires problem. If you seek success, you will adapt more to success, and if you believe in dreams, you will embrace miracles. So our motto is to find the root cause of your success, not the root cause of a problem (Dureau, 2013).

Economic Empowerment from an Islamic Perspective

Economic development is seen as an aspect of economic growth in Islamic economics (Sukirno, 1981). Meanwhile, what is meant by economic growth is a steady increase in the correct kind of work that contributes to human well-being.

Meanwhile, in Islam, economic progress is marked by the process of eradicating poverty and ensuring ease, comfort, and decency in one's life (Hasan & Sadeq, 1987).

This perspective shows that economic development in Islam is multi-dimensional, including quantitative and qualitative dimensions, and that the goal of the development process is not only material welfare in the world, but also welfare in the hereafter. The two, according to Islam, are integrally interrelated.

There are several elements that will affect economic growth. Here are the factors:

- a. Invisible resources
- b. Human resources
- c. Entrepreneurship
- d. Innovation (technology) (Munawar Iqbal, & Abul Hasan Muhammad Sadeq, 1987).

In general, empowerment in Islam is interpreted by the words *takmin* and *istiqwa* which philosophically, semantically, means empowering and empowering someone by giving them authority and power so that they can succeed (Majma Al-Lughah Al-Arabiyah, 2004).

The word *takmin* in the Qur'an is repeated 18 times which is interpreted with various meanings, including in QS. Al-Kahfi verse 84 which is

interpreted as the gift of power from God is: *"Indeed, We have given him power over the earth and the way to obtain all things"* (Departemen Agama, 2005).

Also in QS. Al-An'am verse 6, *takmin* is interpreted as the provision of world blessings and livelihoods, namely: *"Do they not notice how many generations We have destroyed before them, when We have established a place on the earth, which is the steadfastness that We have never given you, and We have sent down heavy rain on them and We have made rivers flow under them, and then We destroyed them because of their own error. and We created them before they created another generation"* (Departemen Agama, 2005).

In addition, it is also included in QS. Al-Anfal verse 29 which is interpreted as ability and victory over something, namely: *"O you who believe, if you are devoted to Allah, We will give you Furqaan. And We will turn you away from your sins, and forgive you"* (Departemen Agama, 2005) and QS. Al-Mursalat verse 21 which means stable and solid somewhere (Mukhlis Rahmanto & Rozikan, 2017), namely: *"Then We put Him in a safe position (womb)"*

Social Capital

The ability of a community to work together to achieve a common goal is referred to as social capital. The concept of social capital is based on the idea that an individual will not be able to solve many problems alone. To do so, we need the collaboration and cooperation of everyone in the community who cares to solve this problem.

The concept of social capital was first introduced by Lyda Judson Hanifan, one of the educators in the United States in the early 20th century. The basic idea contained in the concept

explains that the community in the future can use its network as a very fundamental resource. In his article entitled *The Rural School Community Centre*, Hanifan said:

Capital in the sense of wealth or money, but also in the form of real capital that is considered important in social life, is referred to as social capital. According to Hanifan, good intentions, a sense of friendship, a sense of mutual sympathy, as well as social interaction and close cooperation between individuals and families that form a social group are part of social capital. Hanifan's view then gained academic legitimacy since the 1980s (Hanifan, 1916).

According to Pierre Bourdieu, social capital must be able to be studied in all its forms so that it is easier to understand the structure and function of social life. It is not enough to study capital, which is famous in economic theory, to understand the existing social structure; It is also necessary to understand the types of transactions that are considered non-economic in economic theory because they cannot directly maximize material profits.

In fact, every exchange of economic capital is accompanied by immaterial capital in the form of cultural capital and social capital. He defines social capital as "all the real and potential resources associated with the ownership of a network of institutional ties based on shared knowledge and mutual recognition" (Alfitri, 2011)

Bourdieu clearly distinguishes between economic capital, cultural capital, and social capital. The level of difficulty in changing the three modalities, according to Bourdieu, distinguishes them from each other. Economic capital, for example, is easily converted into money and can be immortalized in property rights. However, cultural capital can be translated into economic capital and institutionalized under certain conditions, such as educational requirements. Similarly, social capital

can be translated into economic capital under certain circumstances and even formalized in a bachelor's degree (Richardson, 1986).

Theoretical Foundations

1. Definition of Business Diversification

Diversification is an effort to develop a new market or product in order to increase the number of sales and profitability levels. This diversification can be done in several ways, such as adding business units, creating a variety of new products, expanding market share or even acquiring new businesses or businesses owned by competitors (Lestari, 2015).

Meanwhile, business diversification is part of the process of developing a new business, whether the business is interrelated (related business) or unrelated business with the main business of the business organization (I. A., Sari et al., 2014).

There are three reasons why an organization diversifies, namely; *First*, diversification strategies when viewed through the lens of market power theory can increase market share and reduce competition, thus having a positive impact on company performance. *Second*, diversification strategies when viewed from the perspective of resources, for example in terms of the utilization of resources owned by business organizations. This strategy is carried out when the organization's resources and capabilities are not used optimally and are only used in one line of business. *Third*, effective resource allocation allows businesses to grow and develop. However, the level of diversification in each business organization has different characteristics.

There are three types of diversification strategies, namely; concentric,

conglomerate and horizontal. Diversification strategies began to be popular from the 1960s to the 1970s. In its development, in the 1980s the popularity of the diversification strategy declined. This is because an organization experiences difficulties in managing different businesses (David, 2011).

- a. Concentric diversification is the addition of new products or services that are still related to the previous business (Rusydi Ananda & Tuen Rafida, 2016).
- b. Conglomerate diversification refers to the addition of new products or services that are not related to the previous business, either in terms of technology, products or market share (Robinson & Pearce II, 2003).
- c. Horizontal diversification is offering a new product or service to the same consumer that is not related to the previous product or service (David, 2011).

2. Empowerment

Empowerment can also be defined as a strategy to increase the power and authority of the poor so that they can become more influential in the environment where they live. The way that can be done is by bringing out the potential found in the community itself (build-in) (Bryant et al., 1987).

In addition, empowerment is also a process to encourage the community to be independent, in the sense that it is not just about getting the opportunity to access resources and capital (L. Sutrisno, 1999), but it is hoped that the community will be able to actualize the potential that the community has (S. Usman, 1995). According to Lowe in Rahman Mulyawan, it is defined as a process so that a person or community has autonomy, motivation and skills used in carrying out

activities to achieve common goals (Mulyawan, 2016).

In the institutional, political and socio-cultural context, empowerment can be seen from different perspectives. Sutoro views empowerment as making the community an independent subject rather than a beneficiary object that always depends on gifts from others. In addition, empowerment is also considered an effort to give power to the community to be more empowered (Sutoro, 2005).

The concept of community-centered empowerment considers community initiative and imagination as the most important development resources. Furthermore, the financial and spiritual well-being of the community is a goal to be achieved as part of the empowerment process.

There are three main concepts that are considered to be the determinants of the idea of community-centered empowerment planning. The three themes include; (1) emphasizing the importance of supporting and developing non-governmental organizations of the poor in order to meet the needs of the community, (2) fostering awareness of the importance of the traditional sector which is the main source of life for the poor, and (3) the importance of the ability of the community to manage the assistance received so that they can be more productive by using the resources they have (Thomas Korten & Jhon Carner, 1983).

The definition of community development, community-based development, and community-driven development are all included in the concept of community empowerment (driven development) (Effendy, 2006).

Previous Study

Some previous studies that can be used as a reference and comparison for this study are as follows:

1. Research by Dakir & Umiarso entitled Islamic Boarding Schools and Social Change: Optimizing Social Capital for Community Progress. The research explained that Islamic boarding schools are able to change the backwardness of the community into a better and organized society through the social capital they have. The social capital in question is such as social networking and trust.

Even the dynamics of social change carried out by Islamic boarding schools, on an empirical level, can be used as a strong basis for professional relationships. This can be achieved because pesantren is able to combine religious values with various areas of life in society based on the spirit of brotherhood and supported by the principle of trust (Dakir & Umiarso, 2017).

2. R. Lukman Fauroni's research entitled Economic Empowerment Model in the Style of Al-Ittifaq Rancabali Islamic Boarding School, Bandung Regency, in the results of his research explained that the Al-Ittifaq Islamic Boarding School in the process of community economic empowerment applies an empowerment model called integrated empowerment; In particular, the principle of Inpekbi and the strength of the network between elements are solid, which are progressive and sustainable.

Thus, every boarding school or mass organization that has the potential for economic development has the same opportunity in the process of empowering the people's economy. Islamic boarding schools must be able to obtain institutional capabilities as a condition. Pesantren must also be able to build a corporate culture that is supported by existing community

factors to achieve economic independence (Fauroni, 2011).

3. Meanwhile, the research conducted by Aziz Muslim entitled Economic Empowerment of the Poor at the Wahidiyah Foundation of Struggle, explained that the Wahidiyah Foundation in overcoming the problem of poverty is by using cooperatives as a central concept in the process of economic empowerment.

Cooperatives are used as a forum to increase solidarity between members in addition to being a medium to develop financial capital. According to him, the strong bond of members can be used to help each other in the process of community economic empowerment. With this concept, it can be proven that it turns out that the income of the Wahidiyah Foundation pilgrims has increased (Muslim, 2016).

4. In another study written by Muktirrahman, Muhtadi Ridwan, and Fauzan Zenrif entitled The Role of Social Capital of Sidogiri Islamic Boarding Schools in Developing Sharia Financial Services Cooperatives. In his research, it was mentioned that there are several ways carried out by the Sidogiri Islamic Boarding School to optimize the management of their social capital. These methods include a) Establishing social networks with the community, alumni, guardians of students and financial institutions built on the basis of trust. b) This trust can be achieved by implementing a number of initiatives, including internalizing values and emphasizing the need to achieve values. c) The value in question is Barokah and 'ibadil-Lah as-Salihin. Teaching programs, discussions, frequent recitations, and socialization at annual meetings reinforce this value. Sidogiri Islamic Boarding School also sets rules (norms) for the process of achieving grades. d) The Sidogiri Islamic Boarding School

makes written guidelines in addition to the unwritten norms that have become a tradition and culture in the Sidogiri Islamic Boarding School environment in the context of managing the norms of the Islamic boarding school.

Meanwhile, the role of social capital in the Sidogiri Islamic Boarding School is contained in the development process of BMT Sidogiri, among others, through its elements, such as: a) Social network capital, which plays a role in giving birth to BMT and providing human resources. (SDI) for BMT managers and BMT expansion in the form of branch distribution or distribution. capem and selection of members and customers; b) Social trust capital, which acts as a strong bond; c) Social value capital serves as a catalyst for trust, and d) social norm capital acts as a defender of values, ensuring that those values are preserved. Furthermore, the belief in these values has developed into a rule (norm), transforming the SDI in charge of BMT into a credible, trustworthy, accountable, honest, and fair person in order to maximize BMT management (Muktirrahman et al., 2018).

5. Meanwhile, in the research of Muhamad Nafik Hadi Ryandono entitled The Role of Islamic Boarding Schools in Socio-Economic Empowerment in East Java in the 20th Century, he explained the contribution of Islamic boarding schools to community empowerment. In the study, it was stated that each boarding school has different experiences in managing charitable businesses, starting from the initial process of starting up (start up), running healthy and able to expand, and there are also those who have charitable businesses whose turnover has reached trillions of rupiah, although obstacles such as Human Resources (HR) and capital problems are often encountered in the management of these charitable businesses.

Another problem is the administration of commercial charities that rely on ulama and ustadz. This is due to the fact that the administration of charitable ventures is related to the balance of educational and management activities. This situation has an effect on commercial potential that cannot be utilized to the fullest. In the pesantren environment, the nature of trust, honesty, istiqomah, and sincerity in the management of business charities are vital characteristics to see economic resilience (Ryandono, 2018).

6. Research written by Dewi Masyitha and Alvan Fathony entitled An Analysis Study of the Role of Sidogiri Islamic Boarding Schools in the Formation of Community Economic Independence Character from a Sociological Perspective. In his research, it was explained that the Sidogiri Islamic Boarding School is a comprehensive Islamic boarding school, which is a combination of traditional and modern education that uses the sorogan technique to teach the yellow book while advancing the traditional school system to higher education. Furthermore, the Sidogiri Islamic Boarding School develops an alternative education and training system for students, namely by training students and alumni in the process of economic development and economic empowerment of the community around the Islamic boarding school, which has been managed in the form of BMT, UGT, LKAF, Basmalah supermarkets, and other cooperative institutions.

It is hoped that the community around the Sidogiri Islamic Boarding School will be harmonious between individuals and society, prosperous, prosperous, fair, solidarity, and equal distribution of income and wealth due to economic development and economic empowerment in accordance with Islamic sharia. This shows that the Sidogiri Islamic

Boarding School has been able to transform the community, students, and alumni into Muslim human beings and strong human capital in the midst of the capitalist ideology that confuses the world with its failure to prosper, prosper, and fight it. poverty in society (Dewi Masyitha & Alvan Fathony, 2017).

From some of the findings of the study, the difference between the research compiled by the author and the research above lies in the research ob jek, also covers the scope of his research. Although some of the above studies discuss community empowerment or economic development, none of them discuss the role or contribution of pesantren alumni related to the community empowerment process. For this reason, the author thinks that this research has the value of novelty.

METHODOLOGY

Research methods

This type of research is field research. Field research is used to determine what events are being investigated to obtain direct information about related issues, as well as to cross-examine existing material (Arsyad, 1999), namely related to the ways carried out by Annuqayah Islamic boarding school alumni in the process of empowering the community's economy through business diversification.

When viewed in terms of the potential or possibility of research to provide information or explanation, descriptive research is always included in this study. Individuals, groups, institutions, and societies are examples of social units that descriptive research seeks to characterize (Lexy J. Moleong, 2018). Qualitative descriptive research, according to Best, is an investigation method that aims to describe and explain the current state of an object as it is (Sukardi, 2021). In addition, descriptive research

can also be described as research that explains a fact as it is" (Irawan, 1999).

This research approach uses a case study approach, which is an empirical inquiry that investigates phenomena in a real-life context (Bungin, 2007). In this study, the researcher seeks to describe in depth what are the diversification of alumni businesses and how the community empowerment process carried out by alumni of the Annuqayah Islamic Boarding School through business diversification

Qualitative research has a uniqueness, that is, a researcher is the main instrument, with other instruments functioning as a backup. The presence of researchers shows that several cases have been successfully solved. Researchers work alone or with collaborators as the primary instrument for data collection or as an important instrument. This is done because they will not be able to communicate with informants and adjust to the situation on the ground if they use non-human tools.

In this study, the researcher went directly to the research location to find out more about the interaction process carried out by alumni in terms of community economic development and empowerment. As a result, researchers must be there to obtain thorough and complete data.

The location of the research taken by the researcher is Sumenep district, Jember and Bali. The reason why the researcher chose the 3 locations is because many alumni of the Annuqayah Islamic Boarding School have established and run various kinds of businesses. Several locations where Annuqayah Islamic Boarding School alumni are distributed can illustrate the form of diversification and community empowerment through the Islamic boarding school alumni network.

In this study, primary data and secondary data are used as sources of information.

a. Primary data sources

Research data sources taken directly from the original source are referred to as primary data sources (not through media intermediaries). The primary data source in this study is information received and collected directly from informants consisting of alumni of the Annuqayah Islamic Boarding School, people who feel directly from the empowerment process carried out by alumni and several elements of the management of the Annuqayah Alumni Association (IAA).

The selection of informants was carried out in this study using snowball sampling. In the process of searching for data, the researcher used a key informant to obtain some data on alumni who have a business, namely Mr. Nur Hasan Zaifullah who is one of the senior alumni of Annuqayah. In addition, the researcher also involved several other alumni to complete some data on alumni who have businesses.

b. Secondary Sources

Secondary data sources are data sources whose research is collected through media intermediaries not directly from the source (obtained and recorded by other parties) (Marzuki, 1991). Secondary data for this study were collected from supporting books as well as observational data relevant to the research topic. One of the secondary sources used by the researcher is the work of Jhon A. Pearce II and Richard B. Robinson, Jr., Micahel A. Hitt, R. Duane Ireland, and Robert E. Hoskisson, Kristianto, Coleman and several other books and journals. All of these data can be used to describe the interaction process carried out by alumni in terms of community economic development and empowerment through business diversification developed by alumni.

According to Creswell, data collection in case study research is obtained through several types of information sources such as observation, interviews and documentation (Marzuki, 1991). The observation made in this study is by directly examining the empowerment process carried out by alumni of the Annuqayah Islamic Boarding School through business diversification and other data that is appropriate or relevant to the research topic (Sugiono, 2013).

Meanwhile, the purpose of the interviews conducted in this study is to find out in-depth matters related to the diversification of alumni businesses and the community empowerment process carried out by Annuqayah alumni obtained from alumni who have businesses, communities involved in business activities and IAA administrators. In this study, unstructured interviews are used using open-ended questions as stated by Stenberg (Sugiyono, 2017).

The researcher also uses documentation in the data collection process. The documents in question are data and information in the form of books, archives, documents, management reports containing alumni business profiles, management structures, employee data, forms and types of business activities and financial statements (Sugiyono, 2015), as well as data obtained from employees and the community involved in the empowerment process.

Qualitative data that is generally scattered and stacked can be simplified and retrieved in a simpler way through these activities. The researcher uses an inductive method to analyze data that is considered complete and perfect in the form of transcripts of interviews and observations, as well as images, photographs, subject diary, and so on (Hadi, 1986).

After data collection and analysis, this method is used to carry out the process of drawing conclusions, which is followed by a theoretical

dialogue. After these questions are answered, the next step is to have a conversation between the findings and theories presented in the literature review section, so that the literature review section is just an ornament.

After conducting a theoretical dialogue so that the findings are not considered biased, the next step is the confirmability or triangulation of the findings, namely conveying the research findings to the interviewed informants so that the research findings can be accounted for, either scientifically, academically or to the community. In addition to triangulating the findings, in this analysis, a comparative analysis between alumni business diversification in the process of implementing economic empowerment for the community is also used.

RESULT AND DISCUSSION

Annuqayah Islamic Boarding School, as an educational institution, not only provides theoretical education but also empowers the community through the Annuqayah Islamic Boarding School Community Service Bureau (BPM-PPA) which has been operating since 1978. K.H.A. Basith AS., Kiai Tsabit Khazin, Drs. Kiai Syafi'i Anshori and Drs. Nur Hidayat established BPPM-PPA in 1978 (BPMPPA, n.d.).

The Annuqayah Islamic Boarding School Community Service Bureau (BPM-PPA), is a non-profit and non-governmental organization (NGO) that works to strengthen the community (civil society) through mentoring, coaching, and capacity building through community-based organizations that are structurally under the auspices of the Annuqayah Islamic Boarding School.

In implementing its program, BPM-PPA prioritizes the aspirations and needs of the community in accordance with the problems that occur, by paying attention to the applicable laws, institutions, norms, and cultural values that appear in each region. The fostered group formed by BPM-

PPA is based on the request of the community through the Alumni of the Annuqayah Islamic Boarding School who want their area to develop economically.

In addition, the formation of BPM-PPA fostered groups also has a special program in the formation of groups in areas that need assistance so that people are not trapped in a culture of debt and structural poverty. In order for the sustainability of the BPM-PPA program to run as expected, an organization was formed that was used as a place for alumni.

The organization was named the Annuqayah Alumni Association (IAN) which was established on 21 Muharram 1416 H to coincide with June 20, 1995. At that time, the Annuqayah Alumni Association was led by Kiai Kurdi, the caretaker of the Annuqayah Islamic Boarding School in the Kusuma Bangsa area, one of the areas in the Annuqayah Islamic Boarding School. The organization only lasted ± 10 years.

This is because there are various problems, ranging from lack of communication to limited funds in the implementation of important activities of the organization. From time to time, IAN has been transformed several times, from birth to death and reborn in the present with a newer format and condition and renamed IAA (Alumni Association Annuqayah).

"IAN has transformed several times, from birth to death and rebirth, until finally in 2013 it was agreed to reshape the Central IAA with a management structure consisting of the Da'wah and Education Division, network strengthening, business and entrepreneurship development and legal advocacy (Ikatan Alumni Annuqayah, 1995).

The birth of IAA at this time began with a gathering of around five to ten alumni who gathered at the Dream Land Sumenep Hotel, one of them, Mr. Syamsul Arifin, Mr. Aziz, Mr. Razaq and several other alumni." In order to make the

contribution that has been made by pesantren alumni in community life more concrete, finally the Annuqayah Alumni Association established a business unit called CV Dharma IAA.

One of the goals of the establishment of CV. The Dharma of IAA is a form of alumni independence, this is as conveyed by K. Ainul Yaqin as the chairman of the Annuqayah foundation:

"CV. Dharma IAA was established, one of which is to be able to pay for the activities of the alumni themselves so that when they hold events, they are not used to asking for donations" (A. Yaqin, personal communication, June 28, 2022).

In addition, CV. Dharma IAA also functions as a medium of empowerment for the community and a form of self-actualization that Islamic boarding school alumni can also be involved in the empowerment process. This is in line with KH's statement. Abd. A'la, one of Annuqayah's caregivers:

"How can alumni be involved in the empowerment process if they don't have a business. The elders of Annuqayah at the time of pioneering the Islamic boarding school for their own hard work. It shows that Islamic boarding schools or alumni who want to be involved in the empowerment process, must have an effort" (Abd. A'la, personal communication, June 28, 2022).

Business Diversification of Islamic Boarding School Alumni

Business Diversification of Islamic Boarding School Alumni is divided into 4 business fields, namely the Production sector, the Trade Sector, the Livestock Sector and Services.

Empowerment Model Carried out by Alumni

1. Establish Good Communication and Relationships
2. Sharing Experience, Information and Expertise
3. Providing Assistance to a Community

The results of this study show that;

Based on the results of the discussion and analysis that has been explained earlier, several conclusions can be drawn as follows:

1. Business diversification carried out by Annuqayah alumni consists of two types of diversification, namely concentric and conglomerate. Of the 12 respondents interviewed, 8 alumni businesses including concentric diversification and 6 other alumni businesses are conglomerate diversification.
2. The typology of community economic empowerment carried out by alumni through

business diversification includes several aspects, namely 2 alumni using the empowerment typology by means of Mentoring Partnership Development, 7 other alumni, using the Community Development typology and 3 other alumni, carrying out empowerment through the typology of Community Engagement - Mentoring Partnership Development.

All forms of approaches or typologies of empowerment carried out by Annuqayah Islamic Boarding School alumni aim to improve welfare, both for fellow alumni and for the community.

Table 1
Concentric business diversification

No	Alumni Name	Business Address	Main Business Type	Other Related Businesses
1.	Nur Hasan Zaifullah	Pragaan	Brown Sugar Production	Siwalan Extract
2.	Ach. Khalish	Larangan	Digital Printing	Plastic Glass Screen Printing
3.	H.Taufiqurrahman	Guluk-Guluk	Material Trading	Opened 2 branches of the building shop
4.	H.Taufiqurrahman	Guluk-Guluk	Laying Hen Farming	Broiler Farming
5.	M. Fayyad Zainal Abidin	Ambunten	Bridal Makeup	Wedding Organizer
6.	Nurul Huda	Bluto	Video Shooting	Photography YoutubeTV
7.	Muhammad Izzi	Guluk-Guluk	Pentol Mercon	Cake and Rice Catering
8.	Atiqurrahman	Pamekasan	T-shirt Convection Production	T-shirt screen printing

Table 2
Deverification of conglomerate businesses

No	Alumni Name	Business Address	First Type of Business	Other Businesses
1.	Nur Hasan Zaifullah	Pragaan	Production of Brown Sugar and Siwalan Extract	Laying Hen Farm
2.	Ach. Khalish	Larangan	Digital Printing	Plastic Glass Screen Printing
3.	H.Taufiqurrahman	Guluk-Guluk	Material Trading	Laying hen farm Broiler farms
4.	H. Damanhuri	Lenteng	Color Home Accessories Store	Chek Point Shoe Shop
5.	Junaidi	Larangan	HP Counter	Snow Wash
6.	CV. Dharma IAA	Sumenep	Café Kanca Kona Kopi	Minimarket, Transportation, Digital Printing

Theoretical Implications

1. This study results in the conclusion that Annuqayah alumni have diversified their businesses in each of their sectors. Of the 12 alumni who were used as respondents, it was

shown that the business diversification carried out included two types of diversification, namely 6 concentric diversification businesses and 8 alumni businesses that were included in the type of conglomerate business diversification.

This is in line with the theory put forward by Rusydi Ananda and Tuen Rafida who stated that concentric diversification is the addition of new products or services that are still related to the previous business. Likewise, Micahel A. Hitt, R. Duane Ireland, and Robert E. Hoskisson in their book *Strategic Management: Competitiveness and Globalization* mention concentric diversification when an entrepreneur plans to add a related new product in order to increase sales.

Meanwhile, the application of conglomerate diversification carried out by Annuqayah alumni is in line with the theory put forward by Pearce and Robinson who said that one of the reasons for using conglomerate diversification strategies is when a company has financial and managerial resources to compete with new industries.

2. Business diversification run by Annuqayah Islamic Boarding School alumni has been proven to empower the community, both through direct economic empowerment such as the provision of jobs, investment opportunities and other empowerment. The typology of empowerment carried out by Annuqayah alumni is in accordance with the social capital theory put forward by Coleman. According to him, there are three pillars of social capital that are important to do, namely: first, mutual trust in the social environment. The second pillar is the smooth flow of information throughout the social structure. And the third pillar is a set of rules that must be followed with clear and effective consequences. The findings of the study show that Annuqayah alumni through the diversification of their businesses have carried out these three pillars.

The typology of empowerment carried out by Annuqayah alumni is in accordance with the theory put forward by Kristianto about the importance of

providing jobs. Through the diversification of businesses run by 12 alumni, it has been proven that it can provide jobs for fellow alumni or other communities as many as 169 people who can be employed.

CONCLUSION AND RECOMMENDATION

Research Limitations

Based on the results of research related to the diversification of the business of Annuqayah Islamic boarding school alumni that have been carried out, of the many alumni of the Annuqayah Islamic boarding school that have been scattered, only 12 respondents have succeeded in using it as a source of data and within the scope of Madura by referring to the length of business, turnover and form of empowerment carried out. Another limitation is, in this study, the variables and indicators of community economic empowerment that the researcher uses are still very few.

This is due to the difficulty of accessing data about alumni who have businesses due to the large number of alumni who are scattered. Especially for alumni who live outside Madura, researchers have not explored further data related to empowerment carried out through business diversification. In addition, there are limitations in reference sources related to the theory of business diversification.

Of the three types of existing business diversification, researchers have not found a type of alumni business diversification in the form of Horizontal. The diversification of alumni businesses currently only includes the diversification of Concentric and Conglomerate.

Research Recommendations

The results of research on community economic empowerment through business diversification can be considered for Islamic boarding school alumni, the general public and can be used by Islamic boarding schools as a pilot to

further improve the pattern of economic education in the Islamic boarding school environment.

1. Community economic empowerment through business diversification carried out by alumni should be able to include more opportunities to further prosper the community such as providing training on how to start a business, providing network access to financiers and others, not only limited to providing jobs, mentoring and investment opportunities.
2. From the diversification carried out, both concentric and conglomerate, there has been no indirect empowerment given to the community or alumni, for example the distribution of social funds/business zakat issued and given to the poor and the poor.

3. Businesses run by alumni are actually also included in the type of horizontal business diversification, but consumers who shop on several businesses owned by alumni cannot be recorded properly due to the weak data base owned by alumni. For this reason, it is necessary to have data on permanent consumers who always shop in every business owned by alumni.
4. The typology of empowerment carried out needs to be reconsidered about the sustainability of the business that has been carried out by alumni, both in terms of development and from the production capacity owned.

Pesantren should also participate in making the diversification of alumni businesses into the curriculum of the pesantren so that students who will graduate can immediately start a business and help in the process of empowering the community.

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