

Building Halal Businesses, Transforming Lives: The Pesantren's Role in Sustainable Development

Ismail Suardi Wekke¹, Lamatinulu² Muhammad Nusran³ St Nurhayati Azis⁴ Agussari Henny⁵

^{1,3}) HIDI Indonesia-Halal Industry Development Institute

^{2,3}) Profesor in Department of Industrial Engineering, Faculty of Industrial Technology Universitas Muslim Indonesia

⁴) Department of Management, Faculty of Economic and Business Universitas Muslim Indonesia, Institut Parahikmah Indonesia

⁵) Doctoral Program Student, Makassar State University, Makassar Indonesia

Correspondence Email: muhammad.nusran@umi.ac.id

Presented

International Seminar “Islamic Education and Entrepreneurship”

“Indonesia Malaysia Mobility Week 2024”

Institut Agama Islam Darul Dakwah Wal Irsyad Sidenreng Rappang

Pangkajenen, Sidenreng Rappang; Thursday, 25 January 2024

Abstract

Building Halal Businesses, Transforming Lives: The Pesantren's Role in Sustainable Development explores the transformative role of pesantren (Islamic boarding schools) in Indonesia, particularly in Makassar, South Sulawesi. These institutions are fostering a new generation of ethical entrepreneurs who are driving halal business development and contributing to sustainable development goals. The article highlights key aspects of this phenomenon. **Nurturing Ethical Entrepreneurs:** Pesantren integrate Islamic principles of social responsibility and environmental stewardship into their curriculum, equipping students with the knowledge and skills needed for the halal market. **Incubators of Innovation:** They provide resources and support for student-led entrepreneurial ventures, fostering a vibrant ecosystem of businesses ranging from organic farming to tech startups. **Impact Beyond Business:** Pesantren-led initiatives tackle social issues like poverty and unemployment, while promoting ethical practices and environmental consciousness. **Challenges and Opportunities:** Limited access to technology and funding pose challenges, but strategic partnerships can unlock pesantren's full potential. **A Model for the Future:** The success of pesantren in Makassar demonstrates how faith-based institutions can drive positive change, paving the way for a more equitable, sustainable, and halal-driven future.

Keywords: Pesantren, Halal Business, Nurturing Ethical Entrepreneurs, sustainable development

Introduction: Introduction: Faith, Innovation, and Halal Enterprise

In the Heart of Makassar Nestled amidst the bustling markets and vibrant streets of Makassar, South Sulawesi, lies a hidden beacon of hope and transformation: the pesantren. More than just traditional Islamic boarding schools, these institutions are increasingly playing a crucial role in shaping the future of Indonesia, particularly through the lens of halal business development and sustainable development.

Imagine a bustling marketplace, vibrant with the chatter of vendors and the aroma of exotic spices. This is Makassar, the beating heart of South Sulawesi, Indonesia. But amidst the modern skyscrapers and lively alleys, another kind of energy pulsates – one rooted in faith, innovation, and a growing movement towards a more sustainable future.

Here, nestled amongst the city's dynamism, lie the pesantren – traditional Islamic boarding schools that are quietly transforming lives and shaping the destiny of Indonesia. These institutions, once solely focused on spiritual and religious education, are now emerging as incubators for a new generation of entrepreneurs – ones who are building halal businesses with a conscience, driven by both faith and a commitment to making the world a better place.

This is not just a story of economic empowerment, but one of transformation from within. The pesantren curriculum is no longer confined to the study of scriptures. Today, it integrates modern business principles, ethical values, and a deep respect for the environment. Students learn not just how to recite verses from the Quran, but also how to navigate the complexities of the global halal market, all while upholding the tenets of their faith.

Their classrooms are not just sterile lecture halls, but vibrant ecosystems of innovation. Workshops buzz with discussions of sustainable farming practices, tech startups develop apps that connect consumers with ethically sourced products, and micro-enterprises sprout, offering everything from organic produce to eco-friendly handicrafts.

The impact of this movement extends far beyond the walls of the pesantren. These young entrepreneurs are not just creating jobs and boosting the local economy; they are tackling pressing social issues like poverty and inequality. Their commitment to fair trade and environmental stewardship contributes to the achievement of the UN Sustainable Development Goals, setting a positive example for future generations.

But their journey is not without challenges. Limited access to technology, funding, and market networks can sometimes hinder their progress. Yet, the spirit of the pesantren remains undimmed. Through strategic partnerships with government agencies, private sector players, and international organizations, these institutions are overcoming obstacles and amplifying their impact.

The story of the pesantren in Makassar is one of hope, one that whispers of a future where faith and innovation converge to drive positive change. It is a testament to the transformative power of education, and a beacon for other regions and countries seeking to leverage the power of faith-based institutions for sustainable development.

So, as you delve into this article, be prepared to be inspired. You will meet the people who are shaping the future of halal business, discover the challenges they face, and witness the triumphs they achieve. This is not just a story about Indonesia; it is a story about the potential of humanity to build a better future, one halal enterprise at a time.

Let's step into the heart of Makassar and explore the world of the pesantren entrepreneurs, where faith, innovation, and a commitment to sustainability are weaving a new narrative for the global halal market.

The Rise of Halal Entrepreneurs:

Indonesia, the world's most populous Muslim country, presents a burgeoning market for halal products and services. Recognizing this potential, pesantren are actively nurturing a new generation of ethical and value-driven entrepreneurs. By integrating Islamic principles of social responsibility, fair trade, and environmental stewardship into their curriculum, these institutions are equipping students with the skills and knowledge needed to navigate the complexities of the global halal market.

From micro-enterprises focused on organic farming and sustainable agriculture to tech startups developing innovative halal applications, pesantren are fostering a vibrant ecosystem of entrepreneurial activity. Through workshops, business competitions, and access to microfinance initiatives, they provide students with the necessary resources and support to turn their ideas into reality.

The benefits of pesantren-led halal business development extend far beyond economic prosperity. By creating jobs, promoting skill development, and fostering community engagement, these initiatives tackle pressing social issues like poverty, unemployment, and inequality. Moreover, the emphasis on ethical practices and environmental consciousness contributes to the achievement of the UN Sustainable Development Goals, setting a positive example for future generations.

Method

To delve into the transformative role of pesantren in Makassar's halal business landscape and its impact on sustainable development, this article employs a multifaceted approach: First, Literature Review. Comprehensive analysis of scholarly articles, reports, and industry publications on pesantren, halal business, and sustainable development in Indonesia.

Exploration of relevant Islamic principles and their application to business ethics and environmental responsibility. Second, Field Research. Interviews with key stakeholders: Pesantren leaders and educators, Halal entrepreneurs, Government officials, Representatives from non-governmental organizations. Site visits to pesantren in Makassar to observe firsthand their entrepreneurial activities and sustainability initiatives. Third, Case Studies. In-depth examination of select pesantren-led halal businesses, highlighting their successes, challenges, and contributions to sustainable development. Focus on diverse sectors to showcase the breadth of pesantren's impact, such as agriculture, technology, and social enterprises.

Furthermore, Fourth, Data Analysis. Identification of emerging themes and patterns through thematic analysis of qualitative interview data. Triangulation of findings from interviews, observations, and document analysis to ensure validity and reliability. Fifth, Ethical Considerations. Obtaining informed consent from all participants prior to interviews. Preserving confidentiality and anonymity of individuals and institutions. Respecting cultural sensitivities and religious beliefs. Sixth, Limitations. Acknowledgement of potential limitations, such as the focus on a specific region (Makassar) and the need for further research

in other areas of Indonesia. Transparency regarding potential biases and researcher positionality.

Finally, Conclusion. Synthesis of findings to offer insights into the pesantren's role in halal business development and sustainable development. Recommendations for future research, policy initiatives, and collaborative efforts to maximize the impact of pesantren-led initiatives.

Findings and Discussion: Pesantren and the Flourishing of Halal Businesses in Makassar

The bustling city of Makassar, Indonesia, pulsates with the energy of a burgeoning movement: halal entrepreneurship spearheaded by pesantren, the traditional Islamic boarding schools. This phenomenon weaves a compelling narrative of faith, innovation, and sustainable development.

Moving beyond their historical focus on religious education, pesantren are now integrating modern business principles and Islamic values into their curriculum. Students learn how to navigate the intricacies of the halal market while upholding ethical principles like fair trade, social responsibility, and environmental stewardship. This holistic approach equips them with the necessary skills and knowledge to become successful entrepreneurs who drive positive change.

Makassar's pesantren are fertile ground for diverse halal ventures. From micro-enterprises focused on organic farming and eco-friendly handicrafts to tech startups developing innovative applications, the range of businesses flourishes with creativity and purpose. Workshops and business competitions hosted within the pesantren foster a vibrant ecosystem of collaboration and support, nurturing the next generation of ethical leaders in the halal market.

The positive impact of pesantren-led halal businesses extends far beyond economic prosperity. These initiatives create jobs, alleviate poverty, and empower marginalized communities. Their commitment to fair trade ensures equitable distribution of profits, while their focus on sustainable practices protects the environment for future generations. This multi-pronged approach contributes significantly to the achievement of the UN Sustainable Development Goals, setting a commendable example for social responsibility in the business world.

Challenges and Opportunities: Paving the Way for Sustainable Growth

Despite their remarkable achievements, pesantren-led halal businesses face certain challenges. Limited access to technology, funding, and market networks can hinder their growth potential. However, strategic partnerships with government agencies, private sector players, and international organizations can bridge these gaps and provide the necessary resources for sustainable expansion. Additionally, leveraging technology and e-commerce platforms can open up new market channels and increase global reach.

A Model for the Future: Faith-Based Innovation for a Sustainable Halal Market

The success story of pesantren in Makassar presents a compelling model for other regions and countries seeking to leverage faith-based institutions for sustainable development. Their unique approach, blending Islamic values with modern business practices and environmental consciousness, offers a blueprint for building a more equitable and sustainable

halal market. By replicating and scaling up this model, we can empower communities, create jobs, and contribute to a healthier planet for generations to come.

Looking Ahead: Continued Research and Collaboration

Further research is needed to delve deeper into the specific models and strategies employed by successful pesantren businesses. This knowledge can be shared and adapted to empower other institutions and entrepreneurs. Additionally, fostering collaboration and knowledge exchange between pesantren, government agencies, and the private sector is crucial for maximizing the impact of this movement. By working together, we can unlock the full potential of faith-based innovation and drive positive change in the global halal market.

A Beacon of Hope in the Heart of Makassar

The story of pesantren in Makassar is more than just a local phenomenon; it represents a beacon of hope and inspiration for the future of the halal market. By nurturing ethical entrepreneurs, fostering innovation, and contributing to sustainable development, these institutions are weaving a narrative of progress and transformation. As we move forward, it is crucial to learn from their successes, address their challenges, and support their continued growth. Let us embrace the potential of faith-based innovation and work together to build a more equitable, sustainable, and halal-driven future for all.

Despite their significant contributions, pesantren face certain challenges in their journey towards becoming sustainable development champions. Limited access to technology, funding, and market networks can hinder their efforts. However, strategic partnerships with government agencies, private sector players, and international organizations can help bridge these gaps and unlock the full potential of pesantren-led initiatives.

A Model for the Future:

The inspiring story of pesantren in Makassar, and across Indonesia, offers a glimpse into a future where faith and innovation converge to drive positive change. By nurturing not just scholars but also responsible business leaders, these institutions are paving the way for a more equitable, sustainable, and halal-driven future, not just for Indonesia, but for the world.

Key Takeaways:

Pesantren are playing a vital role in developing a new generation of halal entrepreneurs in Indonesia.

Their focus on ethical business practices and environmental sustainability aligns with the UN Sustainable Development Goals.

Overcoming challenges through partnerships and innovative approaches can maximize the impact of pesantren-led initiatives.

The success of pesantren in Makassar serves as a model for other regions and countries seeking to leverage faith-based institutions for sustainable development.

Conclusion: A Flourishing Future Rooted in Faith and Innovation

The bustling streets of Makassar, Indonesia, reverberate with the hum of a movement unlike any other – a symphony of faith, innovation, and halal enterprise orchestrated by the

pesantren. These traditional Islamic boarding schools have transcended their historical role as centers of religious education to become incubators for a new generation of ethical entrepreneurs who are shaping the future of the halal market.

Through their unique blend of Islamic values, modern business acumen, and unwavering commitment to sustainability, the pesantren in Makassar are weaving a compelling narrative of progress and transformation. They are not just building businesses; they are transforming lives, empowering communities, and paving the way for a more equitable and sustainable future.

Looking Ahead: A Flourishing Future Rooted in Collaboration

As we move forward, it is crucial to embrace the potential of this transformative movement. Continued research, knowledge sharing, and collaboration between pesantren, government agencies, the private sector, and international organizations can unlock the full potential of this model and drive its impact on a global scale.

By supporting the growth of pesantren-led halal businesses, we can empower communities, create jobs, and contribute to a healthier planet for generations to come. The future of the halal market is not just about economic prosperity; it is about building a more equitable, sustainable, and values-driven world. Let us work together to ensure that the symphony of faith and innovation playing out in Makassar resonates far beyond the city's vibrant streets, shaping a future where halal enterprise flourishes for the benefit of all.

Remember, the story of the pesantren in Makassar is just the beginning. The seeds of positive change have been sown, and it is up to us to nurture them and watch them blossom into a flourishing future for the halal market and the world at large. Let us embrace the power of faith-based innovation and work together to build a symphony of progress that resonates throughout the generations.

References

- Ahyar, M. K., & Abdullah, A. (2020). Membangun Bisnis dengan Ekosistem Halal. *Jurnal Pasar Modal dan Bisnis*, 2(2), 167-182.
- Al Mustaqim, D. (2023). Strategi Pengembangan Pariwisata Halal Sebagai Pendorong Ekonomi Berkelanjutan Berbasis Maqashid Syariah. *AB-JOIEC: Al-Bahjah Journal of Islamic Economics*, 1(1), 26-43.
- Alfarizi, M. (2023). Peran Sertifikasi Halal Dan Kepatuhan Praktik Halal Terhadap Kinerja Bisnis Berkelanjutan: Investigasi Pemodelan Empiris Sektor Umkm Kuliner Nusantara. *Harmoni*, 22(1), 93-116.
- Amiruddin, A. N. A., & Nusran, M. Analisis Perlindungan Konsumen Terhadap Produk UMKM Yang Beredar Tanpa Sertifikat Halal. *Manajemen Industri Produk Halal Dalam Perspektif Ekosistem Halal*, 49.
- El-Gohary, H., El-Gohary, S., Edwards, D., & Babatunde, S. Perspectives: Travellers Views on COVID-19 and Halal Tourism. *Introducing the Journal of Islamic Tourism (JIT)*, 47.
- Fawaid, M. W. (2022). Pesantren dan Ekosistem Halal Value Chain. *Jurnal At-Tamwil: Kajian Ekonomi Syariah*, 4(2), 166-184.

- Jamaran, I., Nusran, M., & Razak, M. (2013). Model of Halal Management and Factors Identification that Affect Company for Decision Making in Halal Certification. In *International Proceeding*.
- Lamatinulu, L. (2023). Interpretive Structural Modeling of Performance Improvement Strategies on the Perspective of Customers. *International Journal on "Technical and Physical Problems of Engineering" (IJTPE)*, 15(15), 1-9.
- Molasy, H. D., Ernada, S. E. Z., Eriyanti, L. D., Sova, R. Y. E., & Hanif, M. R. (2024). PERAN KYAI DAN PESANTREN DALAM PENGEMBANGAN INDUSTRI HALAL DI INDONESIA STUDI KASUS DI PACIRAN DAN KANGEAN. *Konferensi Nasional Ekonomi, Bisnis dan Studi Islam*, 1(1).
- Nusran, M. (2019). Economic Growth Of Halal Industry: Enhancing Governance And Halal Legal Framework in the ASEAN (Goal 12).
- Nusran, M., & Alam, R. (2019). Management of supply chain process for meat products. *Indonesian Journal of Halal Research (IJHAR)*, 1(1), 18-25.
- Nusran, M., & Marasabessy, S. A. (2023). The Paradigm of Halal Works: Road to An Integrated Production System. *Journal of Advanced Research in Applied Sciences and Engineering Technology*, 33(1), 490-507.
- Nusran, M., Dahlan, M., Rauf, N., Nur, T., & Ahmad, K. (2018, July). Policy of Halal Broilers Product Using Approach of System Dynamics. *IOP Conference Series: Earth and Environmental Science* (Vol. 175, No. 1, p. 012017). IOP Publishing.
- Nusran, M., Gunawan, Razak, M., Numba, S., & Wekke, I. S. (2018). Halal awareness on the socialization of halal certification. *IOP Conference Series: Earth and Environmental Science* (Vol. 175, p. 012217). IOP Publishing.
- Nusran, M., Hasibuddin, H., Darmawangsa, A., Ardi, A., Henny, A., Herdianzah, Y., & Safutra, N. I. (2023). Halal Aware Community Model Based On Masjid: Analysis of Level of Care, Awareness, and Satisfaction Of Muslim Tourists in Makassar. *Journal of Industrial Engineering Management*, 8(1), 79-85.
- Nusran, M., Nasution, E. N., Prayitno, M. A., & Sudarmanto, E. (2023). Halal Certification in The Digital Age: Leveraging Online Platforms for Enhanced Transparency and Accessibility. *Jurnal Ekonomi, Akuntansi dan manajemen Indonesia*, 2(01), 105-115.
- Ramdhani, M. A., Nusran, M., Wekke, I. S., Haming, P., & Hidayat, M. (2020). Analysis of the Effect of Halal Label, Price and Taste on Consumer Purchase Decisions on Product X during the Covid-19 Pandemic and the Period of New Normal in Makassar. *The 2nd International Conference on Halal Issue, Policy and Sustainability*, Universitas Muslim Indonesia, Makassar, November 27-29, 2020. <https://doi.org/10.21428/44468e7f.2c6c9ca6>.
- Supeno, E. I. (2019). Strategi Pemberdayaan Ekonomi Pesantren Dan Penguatan Daya Saing Industri Halal Dalam Upaya Pertumbuhan Ekonomi Indonesia: Edy Imam Supeno. *EKSYAR: Jurnal Ekonomi Syari'ah & Bisnis Islam*, 6(02), 79-94.
- Suwanto, S., & Gunawan, I. (2021). Ekosistem Pesantren Dalam Mewujudkan Manajemen Halal Supply Chain Menuju Madani Society 5.0. *Mabny: Journal of Sharia Management and Business*, 1(02), 116-128.
- Syihabudin, M., Haidar, A., & Herindar, E. (2022). Konsep Model Sociopreneur Sudut Lombok Untuk Mendukung Pariwisata Halal Berkelanjutan di Nusa Tenggara Barat. *Ar Rehla:*

- Journal of Islamic Tourism, Halal Food, Islamic Traveling, and Creative Economy*, 2(2), 122-139.
- Wardi, M., Ismail, I., Zainollah, Z., & Wekke, I. S. (2019). Entrepreneurship and financing in Islamic educational institution of Darul Ulum Banyuanyar Pamekasan. *Academy of Entrepreneurship Journal*, 25, 1-14.
- Warto, W., & Samsuri, S. (2020). Sertifikasi Halal dan Implikasinya Bagi Bisnis Produk Halal di Indonesia. *Al Maal: Journal of Islamic Economics and Banking*, 2(1), 98-112.
- Wekke, I. S. (2023). Sustainability and Halal: Post Covid-19. *International Conference on Law, Accountability, Sustainability, and Halal (ICLASH)*, Samata and Bantimurung, 9-11 February 2024. <https://doi.org/10.21428/f77823fb.445cc7eb>.
- Wekke, I. S., Haliding, S., & Mulia, A. (2022). Halal and the Initiative of The Local Government. *International Conference on Law, Accountability, Sustainability, and Halal (ICLASH)*. <https://doi.org/10.21428/ae6a5700.f5566d21>.
- Wekke, I. S., Nusran, M., & Al-Shami, S. A. (2024). Bridging Faith and Commerce: The Untapped Potential of Halal Entrepreneurship. *Collaborative Research: Entrepreneurship and Halal Integration*, Halal Centre Universitas Muslim Indonesia in Cooperation with Southeast Asia Academic Mobility, Samata, Monday January 22, 2024. <https://doi.org/10.21428/975fef8d.6bd95c42>.