

PRODUCTIVE WAQF MANAGEMENT OF PONDOK MODERN DARUSSALAM GONTOR FOR EDUCATION

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Abstract: *Waqf plays a vital role in supporting socio-economic development, particularly in education. This study analyzes the management of productive waqf at Pondok Modern Darussalam Gontor and its contribution to institutional sustainability, Governance Theory, and Sustainable Development Theory. The findings indicate that Gontor has implemented a Holistic Waqf system supported by a professional governance structure involving the Waqf Board and YPPWPM. Waqf assets are developed into diverse business units that generate sustainable income to finance education, support teacher welfare, and ensure institutional continuity. This model reflects strong accountability, value-based governance, and long-term financial independence. However, replicating this model in other institutions remain challenging due to differences in leadership capacity, organizational culture and initial asset availability. This study contributes by offering an integrated theoretical perspective in analysing waqf based educational institutions which remains limited in existing literature.*

Keywords: *Gontor, Management, Productive, Waqf, Education*

Introduction

Waqf is one of the acts of worship in Islam that has social and economic impacts. As part of *ibadah maliyah ijtima'iyah* (collective financial worship), waqf has played an essential role in supporting the development of the *ummah*, especially in the field of education and social welfare. The hadith of Umar ibn Khattab, regarding the waqf of land in Khaybar became a foundational reference for the practice of waqf (Djunaidi, Mubarak, & Rofiq, 2005) and was further developed by scholars and Islamic institutions from various countries. In Indonesia, the practice of waqf is not just limited to the donation of immovable assets, but has developed into productive waqf managed professionally.

One of the Islamic educational institutions that has successfully managed waqf in a modern and advanced way is Pondok Modern Darussalam Gontor, located in Indonesia. It was founded by three brothers: KH. Ahmad Sahal, KH. Zainudin Fannanie and KH. Imam Zarkasyi on September 20, 1926. Gontor adopts Al-Azhar University in Cairo as its role model in waqf practice. The civilization and the intellectual and institutional legacy of Al-Azhar continue to endure the present day. Gontor's founders known as the *Trimurti* adopted the example waqf-based management system.

Pondok Modern Darussalam Gontor was officially endowed by *Trimurti* on October 12, 1958 (28 *Rabiul Awwal 1378* of Islamic calendar) through an official Endowed Charter. The Charter includes four core mandates stating that the Islamic Boarding School must:

1. Be governed under Islamic law and serve as a continuous Charity (*amal jariyah*)
2. Become a center of Islamic knowledge, Arabic language and general sciences
3. Build the character of the *ummah* for material and spiritual welfare and
4. Develop into a high-quality Islamic university. (Muttaqien, 2023)

Through its official managing bodies, the Waqf Board and YPPWPM (Foundation for the Maintenance and Expansion of Gontor's Waqf), Gontor has developed various productive business units such as fuel station (*SPBU*), agriculture, bottled water industries, pharmacies, bookstores, palm oil plantations and more. The profits from these units fund educational operations, teacher welfare, and student subsidies, enabling Gontor to remain financially independent without depending on government support or school fee, because of this, Gontor has been recognized as a "Waqf-based Islamic Boarding School" since its establishment, over more than a century, Gontor has inspired many other educational institutions to implement the waqf systems.

From this analysis, various scholarly perspective has emerged to examine the sustainability and independence of Gontor. Among them is Governance Theory, which evaluates accountability and the professional separation of authority between the Waqf Board and its operational business units. In Addition, Institutional Theory is employed to understand how the norms and values established by the founders contribute to a sustainable system that transcends time and generations. The last is Sustainable Development Theory is used to assess how waqf management generates long term financial and social impacts on the institution. Through the application of these theoretical frameworks, this study provides a critical academic evaluation of the systemic resilience of Gontor's waqf-based model

Literature Review

Concept Of Waqf in Islam

In Islamic waqf is defined as holding the principal asset and distributing its benefits for charitable purposes (Kahf, 2003). The foundation of waqf practice can be traced to the hadith of Umar ibn Khattab regarding land endowment in Khaybar, which later became a reference for Islamic scholars in developing waqf institutions (Hassan & Shahid, 2010).

Waqf serves not only as a spiritual act of worship but also as a socio-economic instrument that contributes to education, healthcare and public welfare. Therefore, waqf is categorized as *ibadah maliyah ijtima'iyah* reflecting its dual function in both religious and social dimension (Sadeq, 2002).

Productive Waqf

Productive waqf refers to the development of waqf assets into income generating activities whose returns are utilized for public benefit. Unlike traditional waqf, which is often consumptive, productive waqf emphasizes sustainability and long-term impact (Cizacka, 2000).

Another work by Fasa, Rofiqo & Oktarina (2016) state that productive endowments implemented by Pondok Modern Darussalam Gontor make many contributions both internally and externally.

Waqf In Indonesian Legal Framework

In Indonesia, waqf is regulated under Law No.41 of 2004 concerning Waqf and Government Regulation No.42 of 2006. These regulations define waqf assets as both movable and immovable properties that can generate economic and social value (Undang-Undang Republik Indonesia No.41, 2004)

Gontor As a Holistic Waqf Model

Pondok Modern Darussalam Gontor represents a unique model of waqf implementation not only physical assets but also institutional system and human resource management. This approach is often referred to as a Holistic Waqf system (Zarkasyi, 2018). Gontor's models emphasizes independence, sustainability and value-based education. Reflecting a self-reliance system supported by productive waqf (Fanani & Hakim, 2023)

While previous studies highlight the success of productive waqf Islamic institutions, most of them remain descriptive and lack theoretical integration. Few studies critically analyse governance structures, institutional sustainability and long-term impact simultaneously. Therefore, this study fills the gap by integrating Institutional Theory, Governance Theory and Sustainable Development Theory to provide a more compressive analysis.

Research Methodology

Research Design

This study employs a qualitative descriptive approach using literature-based analysis method. By analyzes secondary data from books, journal articles and institutional reports to examine the management of productive waqf at Pondok Modern Darussalam Gontor.

The data were analysed using a thematic analysis approach, where key pattern related to governance, institutional sustainability and waqf productivity were identified and interpreted through the selected theoretical frameworks.

Theoretical Framework

To strengthen the analytical foundation, this study integrates three main theories:

1. Institutional Theory
Used to understand how values, norms and traditions established by the founders shape the sustainability of the waqf system across generations.
2. Governance Theory
Applied to evaluate accountability, transparency and the separation of authority between the Waqf Board and operational business generations.
3. Sustainable Development Theory
Used to assess how productive waqf contributes to long-term financial sustainability and social impact within the educational institution.

These three frameworks are used as analytical lenses to interpret findings systematically rather than descriptively.

Data Sources and Selection Criteria

This study uses secondary data obtained from various credible sources. The Data are classified into:

1. Primary Sources
 - a. Waqf Charter of Gontor (1958)
 - b. Official Institutional report
 - c. Public Statement
2. Secondary Sources
 - a. Peer-reviewed journal articles on waqf and Islamic education
 - b. Books on waqf management and Islamic economics
 - c. Report from institutions (Badan Wakaf Indonesia)
 - d. Online publications (Gontornews, Republika, Tazakka)
3. Selection Criteria
To ensure the following inclusion criteria were applied:
 - a. Published between 2015-2025
 - b. Relevant to waqf management, Islamic education or institutional governance
 - c. Indexed or published in reputable academic or institutional platforms. A total 20-30 relevant sources were selected after screening.

Validity and Reliability

To ensure research credibility, this applies:

1. Multiple data sources (comparing multiple sources)
2. Theoretical integration (using multiple theories)
3. Transparency in data selection and analysis process

Although this study is qualitative, systematic procedures enhance its reliability and academic rigor

Research Scope and Limitation

This research focuses on:

1. Waqf management system in Gontor
2. Institutional and governance aspects
3. Educational sustainability impact

Limitations:

1. No field observation (pure literature-based)
2. Dependence on available documented data

The Professional Governance Model: Accountability and Succession

Pondok Modern Darussalam Gontor sustainability is underpinned by a robust and professional waqf structure, which ensure the perpetuity of the endowment and its objectives. From a Governance Theory perspective, this structure is managed through a clear separation of powers between two distinct bodies: the Waqf Board and the YPPWPM

1. The Waqf Board: The Highest Authority and *Nazhir*
Its serves as the highest authority and acts as the official *Nazhir* (waqf manager) of Pondok Modern Darussalam Gontor, a role formalized upon the endowment of Islamic Boarding School by *Trimurti* in 1958. Comprised of 15 selected alumni from various regions, the Board is tasked with safeguarding the ideological and education mandates of the endowment. The primary roles of the Waqf Board are:
 - a. Oversight and Policy: Directing the development of waqf assets and evaluating the performance of the institution's leadership (Rectorate and YPPWPM) (Djunaidi et al., 2005)
 - b. Succession Planning: Crucially, the board is responsible for the regeneration of leadership for the educational institution and the *Nazhir* itself, ensuring the continuity of the Islamic Boarding School's core values and preventing the waqf from falling into individual of family ownership
2. YPPWPM: Operational Management dan Accountability
The technical and operational management of the waqf assets is carried out by the YPPWPM. This foundation manages over 30 productive business units, including fuel stations (*SPBU*), agricultural estates and bottled water industries. YPPWPM's structure ensure that waqf assets are managed professionally under Islamic ethical principles, generating sustainable profits to fund the educational system.

3. Accountability Mechanism and Separation of Powers

The professionalism of Gontor's governance model lies in its rigid accountability structure, reflecting modern corporate governance principle:

- a. Check and Balance: there is a defined separation between the Waqf Board's function (strategic policy and ideological control) and YPPWPM' function (technical operation and revenue generation). This separation mitigates conflicts of interest and ensures that business operations always serve the primary educational mandates
- b. Regular Evaluation; Management evaluations are conducted regularly through Waqf Board Meeting, Held every semester. These sessions serve as an audit forum where the operational manager report on financial performance and strategic assets development. For instance, the 95th Waqf Board Meeting in 2024 specifically addressed the centennial development plan, symbolizing intergenerational commitment.

Productive Waqf: A Sustainable Resource for Education

Pondok Modern Darussalam Gontor has survived to this day because it's a waqf Islamic Boarding School, managed with funding and a waqf system. So that the Islamic Boarding School doesn't belong to one institution, family and a waqf system. The institution operates independently without reliance on external donations, although it accepts the provision of assistance but doesn't ask for help. Even assistance of a conditional and burdensome nature to the Islamic Boarding School will be denied. Its not only on the general grant, endowments given to Pondok Modern Darussalam Gontor but put forward many burdensome and burdensome condition will be rejected.

The greatness and progress of the Islamic Boarding School today aren't due to assistance or donations but from the result of the independence of the Islamic Boarding School itself. With its many branches is inseparable from the many offers of assistance and endowments. This finding supports Sustainable Development Theory, as the waqf system ensures long-term financial resilience.

For example, land endowment from *Wakif* to Gontor that put forward detailed and burdensome requirements will not be accepted, because Pondok Modern Darussalam Gontor waqf Fuel Station (*SPBU*), managed professionally under Islamic principle (Badan Wakaf Indonesia [BWI] 2020). Revenue from this enterprise is used to:

- Providing financial support for education (ranging from subsidies to free school)
- Provides welfare support for teachers and lecturers
- Fund advanced studies of teaching cadres abroad
- Providing housing and healthcare for staff devoted to the Islamic Boarding School

Through this system, Gontor operates independently of tuition fees or external financial aid. In addition to material waqf assets, Gontor is also known for its unique concept of self-endowment (*waqf al-nafs*) an implantation of the social aspect of *Maqasid al-Shariah*.

Maqasid al-Shariah is fundamental concept in Islamic law refers to the wisdom and objectives behind the enactment of legal rulings. The primary aim of *Maqasid al-Shariah* is to achieve

maslahah (benefit or well-being) for humanity and to prevent *mafsadah* (harm or corruption) (Paryadi, 2021)

This means the full dedication of teacher and Islamic Boarding School cadres who give their lives to take care of and educate the students. They don't receive formal, but are supported with kindness and facilities funded by waqf businesses. This kind of self-endowment is not allowed in Islamic law (especially in the Maliki), but also reflect the goals of *Maqasid al-Shariah*, which are:

- Preserving religion (through *da'wah* and education)
- Preserving life and intellect (via Advance education)
- Preserving wealth and lineage (through welfare of staff devoted families)

Paryadi (2021) model is known as Holistic Waqf, as it includes not just physical assets, but also systems, values and human resources a holistic approach minor practiced among other Islamic educational institutions. However, this model may not be easily replicated in other institutions due to differences in leadership capacity and initial waqf assets.

Institutional Structure: Waqf Board and YPPWPM

Gontor develops leadership for the *ummah* trough by regeneration process. The history of the rise and fall of a business, especially the history of the life and death of Islamic Boarding School in Indonesia, provides lessons on the importance of regeneration. Even a well-known Islamic a School one day will become backward from day to day and even disappear by leaving only its history when the *Kyai* (leader) dies. Reflecting on this also learning from the history of the old Gontor, the effort to prepare regeneration is an obligation to able realize Pondok Modern Darussalam Gontor (Azmi et al., 2021)

The waqf system of Pondok Modern Darussalam Gontor established in 1958, has been professionally managed by the Waqf Board as the institution's highest governing body, comprised of alumni selected for their integrity and leadership. The board stressed that "No matter how small he program, it must be planned and reported (Pondok Modern Darussalam Gontor, 2024). Its roles include overseeing the Islamic Boarding School's educational operations, evaluating the leadership's performance and directing the development of waqf system.

Meanwhile Fanani and Hakim (2023), the management of waqf assets iin Gontor is conducted through institutional structures such as YPPWPM, which is responsible for developing and managing waqf-based business activities to support educational sustainability.

Social Impact of Gontor's Waqf

Based on a study conducted by Bank Indonesia Kediri, the annual circulation of money within the Gontor village community, particularly those directly connected to Pondok Modern Darussalam Gontor reaches IDR 180 million in the year (Faishal, 2014). The research indicates that while Gontor generally contributes to the economic activity of the local community, the direct impact of its waqf management doesn't significantly extend to the broader society.

The economic and social impact felt by the local community is quite significant, especially during the arrival of new students or at the beginning of each academic year, whether in the

first or second semester. This is primarily because only the student parents or guardians are allowed to shop at local store or food stalls, as students are prohibited according to the Islamic Boarding School's regulation from purchasing from nearby. The only community business that can directly serve student are horse cart (*delman*) and motorcycle taxis (*ojek*) and even these aren't used when the Islamic Boarding School's own transportation is insufficient to take students outside the campus (Susilo, A. 2016)

Based on data and literature reviews, the implementation of waqf at Gontor has brought significant social impacts, including:

1. Educational Independence: operating without external aid
2. Welfare for cadres and teacher: including housing, stipends and scholarship
3. Equal access to education: enabling student from low-income families to study affordably
4. FORBIS (Forum Bisnis) (2024) reported stronger *alumni* solidarity: as seen initiatives like the *alumni* waqf movement, which raised IDR 7.1 billion in a single night for the new BPPM building
5. National inspiration: Gontor has become a waqf-based Islamic Boarding School role model studied by many institutions in Indonesia and abroad.

Conclusion

This study demonstrates that Gontor's success isn't merely the result of waqf ownership, but of its institutionalized governance, value-based leadership and integrated sustainability framework.

Despite its success, the waqf model implemented in Gontor may face limitations in scalability. Not all Islamic educational institutions possess strong leadership, disciplined cadres or sufficient initial assets to replicate this system. Therefore, adaptation is required when applying this model in different institutional contexts. Based on the findings and discussions in the study, it can be concluded that:

Pondok Modern Darussalam Gontor is a example of Holistic Waqf, where waqf not only physical assets like land and building but also educational system, ideological values and the selfless dedication of human resources (self-endowment). This Islamic Boarding School was officially endowed in 1958 and has been professionally managed by the Waqf Board over since.

The Waqf management system at Gontor is well-structured and integrated through two main bodies: the Waqf Board and YPPWPM. Through productive business unit such as fuel stations, palm oil plantations and other industries. Gontor finances all of its educational operations and staff welfare independently.

The social impact of Gontor's productive waqf is profound: affordable or free education, sustainable teacher welfare, equitable access to educational, Gontor's Holistic Waqf model can serve as a model for developing independent, professional and sustainable Islamic education.

For Government and the national waqf, there is a need for more inclusive regulations to support non-material waqf such as self-endowment (waqf of service), so that the potential of community devotion can be legally supported.

For future researchers, this study can be expanded using field research approaches or comparative studies between Gontor's productive waqf and the of other Islamic educational institutional in Indonesia or abroad.

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