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From Trust to Financial Sustainability: A Social Capital Model of Pesantren Financing

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ABSTRACT

Many pesantren in Indonesia hold rich relational resources yet still struggle to turn them into a stable financing system. This study examines how an Islamic boarding school converts social capital into financial and nonfinancial resources, and how that conversion can be organized into a coherent financing model. The research used a qualitative ethnographic design carried out over three months in 2025. Informants were chosen purposively and expanded through snowball sampling until the data reached saturation, and they included the pesantren leader, the treasurer, business-unit managers, guardians, and alumni. Data came from participant observation, in-depth interviews, and documentation, then went through condensation, display, and conclusion drawing, with triangulation, member checking, and an audit trail securing trustworthiness. The findings show that financing rests on a mixed pattern in which trust, networks, and participation become student payments, infak, waqf land, volunteer labor, and business-unit revenue through bonding, bridging, and linking social capital. A digital finance system manages these resources and diversifies them across several productive units, forming a cycle that moves from social capital to resource mobilization, governance, diversification, asset formation, self-reliance, and renewed trust. The study contributes a model that treats social capital as a strategic and institutionalizable financial asset rather than the by-product of a leader's charisma. Its main implication is that pesantren can strengthen financial independence and educational continuity by deliberately building trust, widening networks, and sustaining community participation among guardians, alumni, and partners.

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INTRODUCTION

Islamic boarding schools, or pesantren, occupy a central place in Indonesia's education system, yet many of them operate on financial foundations that are far from secure. Under Law No. 18 of 2019 on Pesantren, these institutions carry a threefold mandate of education, da'wah, and community empowerment, which places them at the heart of both religious learning and local development (Republic of Indonesia, 2019; Robani et al., 2022). Because most pesantren depend heavily on student payments, irregular donations, and the personal networks of their leaders, a decline in enrollment or a delay in payment can quickly threaten daily operations (Ryandono & Widiastuti, 2018; Kasdi et al., 2019). This dependence matters because financing is not a backstage administrative chore but the condition on which teaching, student welfare, staff salaries, and community programs all rest (Supriyanto et al., 2022; Hanif et al., 2023). A pesantren that cannot fund itself steadily cannot sustain the educational mission that justifies its existence, which makes the financial question inseparable from the educational one.

Scholarship on pesantren self-reliance has grown quickly, and three themes stand out. The first treats social capital as an economic engine, showing that trust, networks, and shared norms among leaders, alumni, and communities drive the success of pesantren economic initiatives (Rofiaty, 2019; Villalonga-Olives & Kawachi, 2017). The second theme examines cooperation and enterprise, demonstrating that inter-pesantren business networks and productive ventures can align with broader development goals such as poverty reduction and quality education (Zaki et al., 2022; Robani et al., 2022; Hanif et al., 2023). A third, more recent theme connects financing to modernization, finding that halal value chains, Sharia financial inclusion, and digital tools reshape the socio-economic life of pesantren communities, much as productive waqf and crowdfunding technologies have been shown to widen resource mobilization (Qizam et al., 2025; Kasdi et al., 2019; Thaker et al., 2018). Read together, these studies establish that relational assets and economic activity matter, and that digital and market mechanisms are becoming central. What they share, however, is a tendency to isolate one lever at a time rather than to trace how the levers connect.

The gap becomes clear once these themes are set side by side. Each body of work illuminates a part of the picture, whether social capital, business cooperation, or digital financing, but none specifies the mechanism by which relational assets are actually converted into financial and nonfinancial resources across a full financing cycle (Rofiaty, 2019; Zaki et al., 2022; Supriyanto et al., 2022). Existing accounts tend to stop at showing that trust or networks correlate with performance, without explaining how trust becomes a donation, how a network becomes market access, or how participation becomes a productive asset held over time. This matters because the link between trust and giving, though consistently positive, is neither automatic nor uniform and depends heavily on organizational and sectoral conditions (Chapman et al., 2021; Alhidari et al., 2018). The novelty of the present study lies in closing that gap by developing a financing model that institutionalizes social capital, positioning trust as the basis of legitimacy, networks as the route to resources, and participation as the conversion mechanism, and embedding that sequence within governance, income diversification, and asset formation.

Building on this gap, the study pursues four specific objectives. It sets out to analyze the structure and practice of financing at Pondok Pesantren Riyadlul Ulum Wadda'wah Condong, to identify the forms of trust, networks, and community participation the pesantren draws on, to explain how these relational assets are converted into financial and nonfinancial resources, and to formulate a financing model that links social capital to financial governance, income diversification, accountability, and educational continuity. These objectives extend the existing literature in a concrete way, since they move the conversation from establishing that social capital matters toward explaining how it is organized and sustained. The relevance is both scholarly and practical, offering a conceptual advance for the study of Islamic education financing and a usable framework for pesantren managers, policymakers, and Islamic philanthropic institutions.

The central argument of this study is that social capital, when institutionalized rather than left to individual charisma, functions as a strategic financial asset for a pesantren. Rather than measuring correlations, the research explores in depth how a single well-established pesantren mobilizes trust, networks, and participation and channels them through its everyday financial conduct. The focus falls on the lived mechanics of conversion, namely how a guardian's confidence becomes an infak contribution, how an alumni tie opens a market for a business unit, and how collective participation produces a waqf asset that outlasts any single donor. Because such conversion is contextual and relational rather than mechanical, understanding it calls for close observation rather than statistical distance, which is why the study adopts a qualitative ethnographic design. The following section sets out how that design was carried out in the field.

This focus carries particular urgency in the current moment. As pesantren are increasingly expected to become financially independent while still serving students who can pay very little, understanding how community-rooted resources can be organized into a durable financing system is no longer a marginal concern. The Condong case offers a setting where trust, alumni networks, guardian participation, institutional partnerships, and a digital finance system already coexist, which makes it well suited for examining how social capital becomes lasting financial capacity. By tracing that process closely, this study aims to contribute a model that other pesantren, and comparable community-based educational institutions, might adapt to strengthen their own financial resilience and educational sustainability.

RESEARCH METHOD

This study used a qualitative approach with an ethnographic design, chosen because pesantren financing cannot be separated from the values, social relationships, and institutional culture in which it is practiced (Creswell & Poth, 2018; Fetterman, 2020). An ethnographic lens suited the problem because the object of study was not only how much the pesantren collects and spends, but how trust, networks, and community participation are lived out in everyday financial conduct, which a purely documentary or survey approach would miss. The research was carried out at Pondok Pesantren Riyadlul Ulum Wadda'wah Condong in Tasikmalaya, West Java, a single-site case selected for its established reputation, its network of alumni and guardians, and its record of running its own business units, all of which made it an information-rich setting for studying how social capital is converted into financing resources.

Data were gathered through three techniques so that each source could be checked against the others. Participant observation covered financial routines, the RUWFIN digital recording system, and the operation of the business units. Semi-structured in-depth interviews were held with informants selected purposively and then expanded through snowball sampling until the accounts stopped yielding new information, the point at which the sample was treated as saturated (Hennink & Kaiser, 2022). To protect identities in a study that names its single site, each informant was assigned a role-based code rather than a personal name, and these same codes carry into the Results. The informants, their roles, and their codes are set out in Table 1. Documentation formed the third technique and included RUWFIN billing records, financial and program reports, and records of donations and waqf, which anchored the interview accounts in verifiable figures such as the itemized student billing reported later in the Results.

Table 1. Research informants, roles, and codes

No.	Informant category	Role in pesantren financing	Code
1	Pesantren leader (kiai)	Sets direction, embodies institutional trust	KP
2	Foundation officers	Institutional oversight and policy	FO
3	Treasurer	Records, allocates, and reports finances	TR
4	Business-unit managers	Run the units and generate revenue	BM1, BM2, …
5	Teachers (ustaz)	Deliver services funded by the system	UT
6	Students (santri)	Recipients of services; pay obligations	ST
7	Alumni	Provide donations and network access	AL1, AL2, …
8	Guardians (wali santri)	Pay fees; give infak, sedekah, and waqf	G1, G2, …
9	Community figures	Mobilize community support	CF
10	Donors	Provide financial and in-kind contributions	DN
11	Institutional partners	Government, finance, and philanthropic links	PT

Analysis followed the interactive model of data condensation, data display, and conclusion drawing and verification, run as a cycle rather than a single pass so that early readings could be revisited as fieldwork continued (Miles et al., 2020). Condensation reduced transcripts, field notes, and documents into coded segments organized around the study's concerns, namely financing structure, trust, networks, participation, transparency, income diversification, and financial sustainability. Display then arranged the condensed material into matrices and thematic groupings that let patterns across sources become visible, and conclusion drawing tested those patterns until they held steady across the data. Trustworthiness was addressed through source and technique triangulation, member checking with key informants, peer debriefing, and an audit trail of the analytic decisions (Nowell et al., 2017), so that the themes reported in the Results rest on convergent evidence rather than on any single account.

RESULT AND DISCUSSION

Results

Structure of Financing and the Configuration of Pesantren Social Capital

Interviews with the pesantren leader, the treasurer, and the unit managers show that Pondok Pesantren Riyadlul Ulum Wadda'wah Condong draws its income from six streams: student education payments, foundation contributions, government assistance, community donations, alumni support, and revenue from the pesantren's own business units. Student payments form the routine core and cover teaching, care and supervision, meals, health services, student organizations, and institutional development. What stands out is that these payments are not collected as one lump charge. They are itemized by service function, which lets both families and the finance office see what each rupiah is meant for. As the treasurer explained:

> "Student payments are not collected as one general component, but are grouped based on specific service functions and pesantren development needs. Every billing component is recorded separately along with the obligation amount and its actual payment, which makes monitoring much easier and significantly improves our financial administration order." (Treasurer, TR)

Documentation from the pesantren's digital finance system confirms this itemized pattern. For the July billing cycle of the 2026/2027 academic year, a student's total obligation came to IDR 2,010,000, broken down across nine components, each recorded together with the amount owed and the amount actually paid. The full composition is presented in Table 2.

Table 2. Composition of a student's monthly financial obligation

No.	Billing component	Amount (IDR)
1	Meals	390,000
2	Pesantren monthly fee (syahriah)	300,000
3	Health fund	300,000
4	Locker rental	300,000
5	Student organization fund	200,000
6	Human resource development	150,000
7	Condong magazine and calendar	150,000
8	Compulsory savings	120,000
9	Information technology development	100,000
	Total	**2,010,000**

Source: RUWFIN student finance system documentation.

Table 2 reveals a finding that matters more than the total figure. The single largest component is not a teaching or tuition charge but meals, at IDR 390,000, and once meals, the health fund, locker rental, and compulsory savings are added together, the majority of a student's monthly obligation covers daily living and welfare rather than instruction. The pesantren monthly fee, the charge closest to conventional tuition, accounts for only about fifteen percent of the total. Two of the nine lines, information technology development and human resource development, are explicitly forward-looking rather than tied to a student's immediate consumption, which shows that a portion of routine billing is quietly set aside for institutional capacity. Read this way, the billing structure is not merely an administrative list. It encodes a financing logic in which care and welfare carry the heaviest weight, tuition is deliberately modest, and a small standing share funds the pesantren's own development. Because every line is tracked separately against its settlement, this logic is legible to families and to the finance office alike, which is what turns transparency from a claim into a routine practice.

Beyond student payments, informants described income from the foundation, the government, community donations, alumni, and the pesantren's business units. Those units include Latunsa Tailor, which produces and supplies clothing; Latunsa Bakery, which makes and markets processed food; Salam Chicken, a culinary venture; the Condong Pesantren Laundry, which serves students and the wider pesantren community; and Condongmart, which stocks daily needs for students, staff, and nearby residents. The pesantren also runs Condong Economy Development (CED) as a body for coordinating and strengthening these economic activities. A unit manager described their purpose in terms that reach past revenue:

> "These business units do not merely function as an additional source of income. They actively fulfill our internal needs, create productive economic activities, provide a practical learning space for student entrepreneurship, and strengthen the pesantren's relationship with the surrounding community." (Business-unit manager, BM1)

Observation supported this account. The units meet internal needs, generate productive economic activity, give students a place to learn entrepreneurship in practice, and keep the pesantren tied to its surrounding community. Taken together, the six income categories differ sharply in how they behave, and it is that difference, rather than the count of sources, that shapes the pesantren's financial position. Their character is summarized in Table 3.

Table 3. The six income streams of Pesantren Condong and their financing characteristics

No.	Income stream	Recurrence	Type	Primary role in financing
1	Student education payments	Routine	Financial	Core operating income; predictable monthly base
2	Business-unit revenue	Recurring	Financial	Self-generated income; converts internal demand into value
3	Foundation contributions	Periodic	Financial	Institutional backing and gap-filling
4	Government assistance	Intermittent	Financial	Supplementary; dependent on external programs
5	Community donations (infak, sedekah)	Occasional	Financial and in-kind	Mobilized for specific needs such as construction
6	Alumni support	Occasional	Financial and in-kind	Network-based; widens access to resources

Table 3 makes a vulnerability and a strength visible at the same time. Only two of the six streams, student payments and business-unit revenue, are dependable enough to plan around month to month, and both originate inside the pesantren's own community. The remaining four are periodic, intermittent, or occasional, and two of them fall partly outside the pesantren's control. The important reading is that the pesantren's financial stability does not rest on the number of its income sources but on the two internal streams it can actually predict, while the external streams function as reinforcement rather than foundation. This is also where the business units earn their place: by turning recurring internal demand, for food, clothing, and daily goods, into a second predictable stream, they reduce the pesantren's exposure to the uncertainty built into government aid and donations. Diversification here is therefore less about spreading risk across many sources and more about deepening the two sources that behave reliably.

Planning follows a recognizable rhythm. Each unit identifies its needs, managers discuss them together, priorities are set, and activity plans are matched against what the pesantren can actually afford. Collected funds go to student meals and health, education and organizational activities, staff welfare, facility upkeep, information technology, human resource development, and business-unit growth. Oversight runs through transaction recording, checking of receipts and expenditure evidence, monitoring of unit performance, and coordination among the treasurer, unit managers, the foundation, and the leadership. Accountability takes the form of financial reports and program reports, though the leader was candid about where the system falls short:

"We plan our financing by identifying the specific needs of each unit, discussing them collectively, and setting priorities. While our accountability is realized through routine financial and program reports, we acknowledge that consolidating the financial reports of every business unit and formally recording non-financial contributions still need continuous strengthening." (Kiai leader, KP)

This admission is worth pausing on, because it qualifies the transparency the treasurer described earlier. Student billing is tracked line by line, yet the accounts of the business units are not yet consolidated with the pesantren's central records, and contributions given in labor, expertise, or materials leave no formal trace at all. The pesantren's financial visibility, in other words, is strongest precisely where the money is most routine and weakest where it is most relational. Read as a whole, financing at Condong rests on relationships as much as on money. Community trust underwrites the willingness to give, alumni networks and partnerships widen access to resources, and the participation of guardians and residents turns those relationships into contributions that are financial and nonfinancial alike. CED sits at a useful junction between these relationships, the running of the business units, and the governance of finance, with room to grow into a stronger link for the pesantren's self-reliance and continuity.

The Conversion of Social Capital in Financing Governance and Diversification

The data show that social capital at Condong turns into financing resources through a mutually reinforcing relationship among trust, networks, and stakeholder participation. According to the leadership and the managers, community trust grows out of the pesantren's reputation, the example set by the kiai, the consistency of its educational services, and the belief that funds are used for the students and for the institution rather than for anything else. The leader placed trust at the origin of everything that follows:

> "Public trust grows from our institutional reputation, the exemplary character of the kiai, the consistency of our educational services, and the absolute conviction that funds are strictly used for the students' benefit and the development of the pesantren. This trust is the exact foundation that drives guardians, alumni, and the community to provide their unwavering support." (Kiai leader, KP)

That trust moves guardians, alumni, residents, and partners to give in cash, through education payments, infak, donations, program support, and building contributions. It also moves them to give in kind, through volunteer labor, expertise, information, supplies, facilities, marketing reach, and access to partners. A guardian framed the in-kind giving as an extension of trust rather than a separate act:

> "We contribute beyond just the routine education payments. We provide non-financial support like voluntary labor, expertise, or facility provisions because we trust the pesantren, and we want to ensure the sustainability of the programs that directly benefit the students." (Guardian, G1)

The conversion runs along three relational tracks, and the accounts above map onto them directly. Bonding ties link the kiai, managers, teachers, students, and guardians, and they carry the routine payments and the everyday willingness to help. Bridging ties reach alumni, residents, religious organizations, customers, and business partners, and they widen the flow of information, custom, and donations. Linking ties connect the pesantren to government bodies, financial institutions, universities, and philanthropic organizations, and they open access to assistance and institutional support. How each track is mobilized, and what it yields, is set out in Table 4.

Table 4. Conversion of social capital into financing resources at Pesantren Condong

Social capital type	Actors involved	Resources mobilized
Bonding	Kiai, managers, teachers, students, guardians	Education payments, infak, sedekah, voluntary labor, participation in construction
Bridging	Alumni, residents, religious organizations, customers, business partners	Donations, market demand for the units, information, marketing reach, cooperation
Linking	Government, financial institutions, universities, philanthropic bodies	Assistance programs, institutional support, access to wider resources

Table 4 clarifies what the interviews only imply, that the three types of social capital are not interchangeable but carry different kinds of resources. Bonding ties are the only track that produces the pesantren's predictable, recurring income, since routine payments and hands-on participation come from the inner community of the kiai, guardians, and students. Bridging and linking ties, by contrast, rarely generate steady cash; what they supply is reach, custom, information, and access, resources that are valuable precisely because they cannot be manufactured internally. The practical implication is that the closest relationships underwrite day-to-day survival, while the more distant ones underwrite growth and resilience. This is why the value of social capital here cannot be measured by funds alone. Much of what the networks deliver, a wider market for Condongmart, an alumnus opening a door to a partner, a government program reaching the pesantren, lowers operating costs or widens access rather than appearing as a line of income, and it would be invisible to any accounting that counted only money.

On diversification, the interviews, observation, and documents agree that financing does not lean on any single source. Routine student income recorded in RUWFIN covers meals, the monthly fee, the health fund, the organization fund, locker rental, compulsory savings, information technology, human resource development, and the magazine and calendar. Around this sit foundation contributions, government assistance, community donations, alumni support, and business-unit revenue. The units carry a double function, earning income and supplying internal needs at once: Latunsa Tailor provides clothing, Latunsa Bakery and Salam Chicken provide food, the Condong Pesantren Laundry handles washing, and Condongmart stocks daily necessities. Part of what would otherwise leave the pesantren as expenditure is turned back into productive circulation that adds value to the institution. A unit manager described this mechanism plainly:

> "Our units serve a dual function as both a source of income and a provider of internal needs. Because Latunsa Tailor provides our clothing and Condongmart supplies daily necessities, internal demands do not entirely turn into cash outflows. Instead, they are converted into a productive economic cycle for the institution." (Business-unit manager, BM2)

This dual function is the most consequential finding of the theme, because it changes what a business unit is for. In an ordinary nonprofit, feeding and clothing a resident community is pure cost. At Condong, a share of that same demand is recaptured as revenue, so the pesantren earns from an obligation it would otherwise only pay for. The converted resources then enter the ordinary machinery of finance: planning, recording, allocation, oversight, and accountability. Observation confirmed that RUWFIN lets the pesantren record each student obligation separately and follow its settlement. Transparency comes through sharing the billing detail and its purpose, while accountability rests on documented receipts, expenditure evidence, program reports, and coordination among the treasurer, unit managers, the foundation, and the leadership. Financial control works through divided authority, budget prioritization, transaction verification, and performance monitoring. What still needs work is the consolidation of the pesantren's accounts with all of its units, the recording of nonfinancial contributions, and regular reporting to stakeholders. Across these findings a cycle takes shape, running from trust, networks, and participation, through resource mobilization, into governance and diversification, on to program continuity, and back to a renewed round of trust.

A Social Capital-Based Financing Model

The study yields a Social Capital-Based Pesantren Financing Model that places trust, networks, and participation at the base of resource mobilization at Condong. Trust grows from the kiai's example, the pesantren's reputation, the value of amanah, consistent educational service, and the community's confidence in the pesantren's programs. That trust strengthens bonding ties among the caregivers, managers, teachers, students, and guardians; bridging ties with alumni, residents, religious organizations, customers, and business partners; and linking ties with government, universities, philanthropic bodies, financial institutions, and enterprise.

The conversion of social capital appears in concrete form. Social funds for building the mosque were raised from the infak and sedekah of guardians and residents, and a guardian donated land as waqf, a long-term asset for the pesantren. One guardian recounted both kinds of giving in a single breath:

> "When the pesantren needed to build the mosque, the funds were purely mobilized from the infaq and sedekah of guardians and the community. Even beyond money, some guardians provided waqf of land because they want their contribution to become a long-term asset for religious education." (Guardian, G2)

This account matters because it shows social capital producing something that routine income never could. Participation of this kind does more than raise liquid funds; it builds a permanent facility and converts a private asset, land, into an endowment the pesantren will hold for generations. A donation of land is not a larger donation of money. It is a different category of resource, one that enlarges the institution's asset base rather than its cash flow, and it appears only where trust has matured into a willingness to give something irreversible.

The mobilized resources are then managed through participatory planning, fundraising, priority-based allocation, digital recording, oversight, and accountability. The pesantren has adopted a digital finance system through RUWFIN to record student obligations and payments in detail, across meals, the monthly fee, the health fund, the organization fund, locker rental, compulsory savings, information technology, human resource development, and the magazine and calendar. This receipt base widens through foundation contributions, government assistance, community infak and sedekah, alumni support, waqf assets, and business-unit revenue. Productive diversification runs through Latunsa Tailor, Latunsa Bakery, Salam Chicken, the Condong Pesantren Laundry, and Condongmart, with CED coordinating and developing the economic activity. The treasurer was precise about both the reach of the system and its present limit:

> "The digital system greatly supports transparency because the obligation components are clearly visible, improving our recording accuracy and easing payment monitoring. Moving forward, however, the system needs further development so it can integrate the pesantren's overall financial reports, the mosque construction social funds, waqf assets, and the performance of all business units into one unified database." (Treasurer, TR)

The treasurer's remark locates the exact seam in the model. RUWFIN has digitized the one flow that was already the most orderly, student billing, while the flows that are harder to track, social funds, waqf, and unit performance, remain outside it. The digital system, as it stands, strengthens the pesantren where it was already strong and has not yet reached the places where visibility is most needed. Closing that gap is the difference between a billing tool and a genuine institutional finance system. Taken together, the findings form a chain of relationships that is best seen as a whole, presented in Figure 1: social capital leads to the mobilization of financial and nonfinancial resources, which feeds digital financial governance, which enables income diversification, which builds assets, which produces financial self-reliance, which sustains the education program, and which in turn renews the trust the cycle began with.

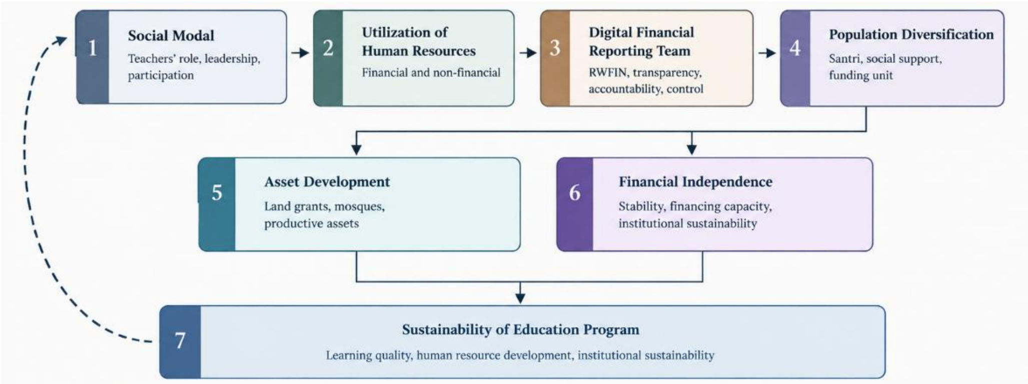

Figure 1. Social Capital-Based Pesantren Financing Model.

Financial resources in this chain include student payments, foundation contributions, government assistance, business-unit revenue, and infak and sedekah. Nonfinancial resources include waqf land, labor, expertise, information, promotion, and access to partners. Self-reliance shows in the pesantren's ability to fund operations, develop facilities, build the mosque, hold educational services steady, and lean less on outside help that cannot be counted on. Continuity shows in unbroken student services, facility upkeep, stronger human resource capacity, information technology development, and the growth of the business units. The decisive feature of the model is that the relationship is cyclical rather than linear. A transparent finance system, accountability for the mosque fund, protection of waqf assets, and benefits the community can feel all work to renew trust, widen the networks, and lift participation in the round that follows, so that the outputs of one cycle become the social capital that funds the next.

Discussion

The financing structure at Pondok Pesantren Riyadlul Ulum Wadda'wah Condong follows a mixed pattern that combines student payments, foundation contributions, government assistance, community infak and sedekah, alumni support, waqf land, and business-unit revenue. On the surface this resembles the revenue diversification that the nonprofit finance literature has long recommended, where multiple income streams cushion an organization against the collapse of any single one (Hung & Hager, 2019; Searing, 2018). The finding at Condong qualifies that recommendation rather than simply confirming it. What stabilizes this pesantren is not the count of its income streams but the reliability of the two that originate inside its own community, namely student payments and business-unit revenue, while the external streams behave as reinforcement. This reading aligns with the caution that diversification's value depends on the stability, cost, and risk profile of each source, not on the number of sources alone (Chikoto-Schultz & Neely, 2016; Hung & Hager, 2019). The contribution here is empirical precision: in a resource-constrained faith-based school, diversification works by deepening internally controlled income, not by multiplying dependence on aid that cannot be predicted.

The conversion of trust, networks, and participation into financing resources is where this study diverges most clearly from the existing pesantren scholarship. Prior work has examined the pieces of pesantren self-reliance in isolation, treating social entrepreneurship, business units, productive waqf, and digital fundraising as separate routes to sustainability (Robani et al., 2022; Hanif et al., 2023; Kasdi et al., 2019; Thaker et al., 2018). Studies of Islamic solidarity economy and of the Sidogiri financial institutions, for instance, show that religious values and entrepreneurial culture can build an economic ecosystem, but they stop short of specifying how relational assets become financial ones (Robani et al., 2022; Supriyanto et al., 2022). The Condong case supplies that missing mechanism. Trust drives willingness to give, networks connect the pesantren to those who hold resources, and participation converts the relationship into a contribution, whether cash or labor or land. This mechanism maps onto the general claim that social capital raises productivity through better financing access and stronger stakeholder relations (Boudreaux et al., 2022), but it extends that claim into a domain, pesantren financing, where it had not previously been traced step by step.

Reading the conversion through the bonding, bridging, and linking distinction sharpens a point that undifferentiated accounts of social capital tend to miss. The three types are not interchangeable, and they carry different kinds of resources. Bonding ties among the kiai, guardians, and students produce the predictable recurring income, while bridging and linking ties supply reach, information, and institutional access that rarely appear as cash yet lower costs and widen options (Claridge, 2018; Muringani et al., 2021). This matters for how social capital should be valued in nonprofit settings. An accounting that counts only donated money would register the bonding contribution and miss most of what bridging and linking deliver, which is precisely the nonfinancial resource base, waqf land, volunteer expertise, and market demand for Condongmart, that the pesantren itself does not yet formally record. Compared with the regional-growth literature, which treats bridging capital mainly as a driver of economic expansion (Muringani et al., 2021), the pesantren case shows bridging and linking operating as a resilience buffer rather than a growth engine, a distinction that the faith-based, community-embedded setting makes visible.

The digital dimension of the model, built around RUWFIN, both confirms and complicates the optimism of the digitalization literature. That literature holds that digital tools strengthen transparency and accountability only when they are matched by data quality, consistent procedures, and organizational change in leadership and workflow, not merely by installing software (Agostino et al., 2022; Gong & Ribiere, 2021; Hanelt et al., 2021). Condong bears this out in an unexpected way. RUWFIN has digitized the flow that was already the most orderly, student billing, while the flows that are hardest to track, social funds, waqf assets, and unit performance, remain outside the system. Digital governance here has reinforced existing strength rather than closing the visibility gaps where accountability is most fragile. In contrast to accounts that present digital transformation as a broadly leveling force, this finding suggests that without deliberate integration, digitalization can entrench the asymmetry between well-documented routine income and poorly documented relational income. Real transparency for this pesantren depends less on the technology it has adopted than on the consolidation it has not yet undertaken.

The business units illustrate a hybrid logic that the social-enterprise literature describes but that takes a distinctive form here. Hybrid organizations are expected to blend commercial activity with social mission and to hold the two in balance (Doherty & Kittipanya-Ngam, 2021; Saebi et al., 2019; Bacq & Lumpkin, 2021). At Condong the balance runs through a mechanism the general literature under-specifies, which is the recapture of internal demand. Because the pesantren must feed, clothe, and supply a resident community regardless, its units convert an unavoidable cost into revenue while also serving as a training ground for student entrepreneurship. Compared with pesantren studies that frame business units mainly as vehicles for community empowerment or student skill-building (Ansori et al., 2023; Hanif et al., 2023), the Condong evidence foregrounds a financing function that those accounts leave in the background: the unit as a cost-to-revenue converter that stabilizes the internally controlled income identified earlier. The social mission and the commercial return are not in tension here so much as fused, since the same activity that trains a santri also finances the institution that trains him.

Taken together, these findings support a contribution that the prior literature has not offered, which is a model that institutionalizes social capital inside the full financing cycle of a pesantren rather than studying its fragments. Where earlier work isolated entrepreneurship, waqf, or fundraising technology, this study connects trust as the basis of legitimacy, networks as the route to resources, and participation as the conversion mechanism, and it embeds that sequence in governance, diversification, asset formation, self-reliance, and educational continuity that feed back into renewed trust. This integrated cycle, which sets the present model apart from the fragmented approaches of earlier research, is presented in Figure 2. The practical weight of the model is that financial sustainability becomes the precondition for the continuity of the pesantren's educational program, since unbroken services, facility upkeep, and human-resource development all rest on the institution's capacity to fund itself. The theoretical weight is that social capital, often treated as a soft or background asset, is shown here to be a strategic and institutionalizable resource in Islamic education financing, one that can be planned for, converted deliberately, and renewed cycle after cycle rather than left to the charisma of a single leader.

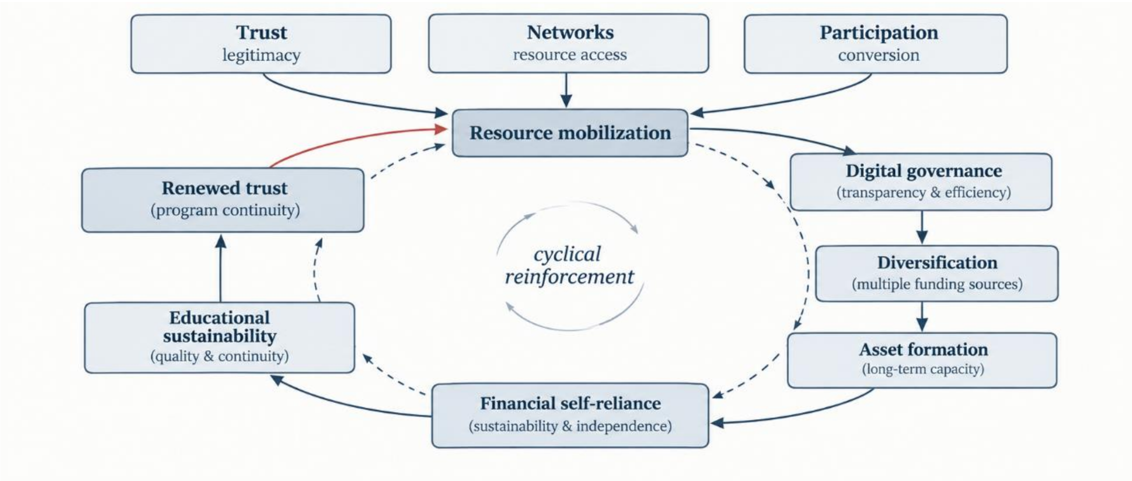

Figure 2. The integrated social capital-based financing cycle of Pesantren Condong.

CONCLUSION

This study set out to analyze the financing structure of the pesantren, to identify the forms of trust, networks, and participation it draws on, to explain how these are converted into resources, and to formulate a social capital-based financing model, and it met those aims by tracing a cycle that runs from trust and networks and participation through mobilization, digital governance, diversification, and asset formation back to renewed trust. Several limits temper these findings. The study rests on a single pesantren observed over roughly three months, so its account is deep rather than broad, and it does not measure the proportion of each income source, the monetary value of nonfinancial contributions, the profitability of the business units, or the degree of financial independence over time. Future work could test the model across pesantren of different sizes and traditions, adopt comparative or longitudinal designs, and develop measurable indicators for the conversion of social capital, so that what this study describes qualitatively can later be weighed and compared with precision.

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