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Economic Impact of LMI Scholarship Program on Beneficiary Family Welfare at SMP Tahfidz Ibnu Batutah

Dampak Ekonomi Program Beasiswa LMI terhadap Kesejahteraan Keluarga Penerima Manfaat di SMP Tahfidz Ibnu Batutah

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Abstrak

Studi ini mengkaji dampak ekonomi dari program beasiswa Lembaga Manajemen Infaq (LMI) terhadap kesejahteraan rumah tangga keluarga penerima manfaat di SMP Tahfidz Ibnu Batutah, sebuah sekolah menengah pertama Islam berasrama swasta di Madiun, Jawa Timur, di mana LMI telah menjadi donatur kelembagaan utama sejak sekolah tersebut didirikan. Dengan menggunakan desain studi kasus kualitatif, penelitian ini melakukan wawancara mendalam terhadap lima orang tua atau wali penerima beasiswa serta pengelola program beasiswa tersebut. Kesejahteraan keluarga dijelaskan melalui kerangka *Sustainable Livelihood Framework* (SLF), dengan pemetaan pengaruh beasiswa terhadap lima modal penghidupan (*livelihood capitals*), yaitu modal finansial, manusia, sosial, fisik, dan alam. Temuan menunjukkan bahwa program beasiswa ini secara nyata mengurangi beban biaya pendidikan rumah tangga, sehingga penerima keluarga dapat mengalihkan penghematan dana tersebut untuk kebutuhan pangan, layanan kesehatan, dan aset rumah tangga berukuran kecil. Modal manusia diperkuat melalui akses yang berkelanjutan terhadap pendidikan Islam terpadu yang berkualitas. Modal sosial terjaga berkat protokol kerahasiaan yang ketat, yang melindungi identitas penerima beasiswa dari rekan-rekan mereka, sehingga mencegah munculnya stigma di lingkungan asrama sekolah. Dampak terhadap modal fisik paling terasa pada rumah tangga dengan pendapatan terendah, di mana penerimaan beasiswa mencegah mereka terpaksa menjual aset produktif demi bertahan hidup. Pada tingkat kelembagaan, analisis *Social Return on Investment* (SROI) terhadap SMP Tahfidz Ibnu Batutah yang dilakukan Universitas Airlangga mencatat rasio imbal hasil sosial sebesar 1:6,639; dengan nilai manfaat kesejahteraan keluarga mencapai Rp 1.977.600.000 dari total investasi LMI sebesar Rp 1.740.600.000 dalam kurun waktu 2017 hingga 2024. Studi ini memberikan perluasan cakupan beasiswa serta integrasi program pelatihan ekonomi keluarga sebagai upaya pendukung.

Kata kunci: keadilan iklim, ekologi politik, masyarakat perdesaan, penghidupan berkelanjutan, ketimpangan struktural

Abstract

This study examines the economic impact of the Lembaga Manajemen Infaq (LMI) scholarship program on the household welfare of recipient families at SMP Tahfidz Ibnu Batutah, a private boarding/residential Islamic junior high school in Madiun, East Java, for which LMI has served as the primary institutional donor since the school's founding. Using a qualitative case study design, the study conducted in-depth interviews with five parents or guardians of scholarship recipients and the scholarship program administrator. Family welfare was analyzed through the Sustainable Livelihood Framework (SLF), mapping scholarship effects across five livelihood capitals such as financial, human, social, physical, and natural. Findings indicate that the scholarship program materially reduced household educational cost burdens, with recipient families reallocating savings toward food, healthcare, and small household assets. Human capital strengthened through uninterrupted access to quality integrated Islamic and formal education. Social capital was sustained by a deliberate confidentiality protocol that shields recipient identities from peers, preventing stigma within the school's residential community. Physical capital effects were most pronounced for the lowest-income households, where scholarship receipt prevented the distress sale of productive assets. At the institutional level, a Social Return on Investment (SROI) analysis of SMP Tahfidz Ibnu Batutah by Universitas Airlangga records a social return ratio of 1:6.639, with family welfare outcomes valued at Rp 1,977,600,000 from a total LMI investment of Rp 1,740,600,000 between 2017 and 2024. The study recommends scholarship coverage expansion and the integration of family economic coaching as a complementary program.

Keywords: *climate justice, political ecology, rural community, sustainable livelihood, structural inequality*

Introduction

Islamic social finance institutions in Indonesia occupy a distinctive role in the national social protection landscape. Lembaga Amil Zakat Nasional (LAZNAS) institutions are authorized to collect and distribute zakat, infaq, sadaqah, and waqf funds on a national scale, creating institutional infrastructure for Islamic philanthropy that operates alongside, and increasingly in coordination with, the state welfare system (Widiastuti et al., 2022; Ayuniyyah et al., 2022). Among these, Lembaga Manajemen Infaq (LMI) is one of Indonesia's most established national-scale LAZNAS institutions, having managed the full ZISWAF portfolio since its founding in 1996. LMI's program reach as documented in its 2024 Impact Report spans 14 countries, 31 Indonesian provinces, and 142 regencies and cities, with cumulative fund distributions totaling Rp 498,168,623,133 across education, health, economic empowerment, humanitarian, and other social sectors (LMI, 2024). LMI's education programs have directly benefited 80,989 individuals since the institution received its LAZNAS authorization in 2016 (LMI, 2024).

SMP Tahfidz Ibnu Batutah, established in Madiun, East Java, in 2017, is a private boarding/residential Islamic junior high school operating under an independent foundation (yayasan). It is formally registered as an SMP (Sekolah Menengah Pertama) under the national education system rather than as a pesantren under Indonesia's separate Pesantren Law framework, although the school operates a full residential format and uses terms such as santri and wali santri informally for its boarding students and their parents, consistent with common usage at many Indonesian Islamic schools regardless of formal regulatory category. The school integrates Qur'anic memorization (tahfidz al-Qur'an) with the national formal junior

high school curriculum in a full residential boarding format. From the school's inception, LMI has been its primary and most consistent institutional donor, channeling financial and programmatic support across multiple LMI divisions including education and social programs. The deep institutional relationship stems in part from the foundation chairman's prior professional connection to LMI, which translated into a sustained organizational partnership that has made SMP Tahfidz Ibnu Batutah one of LMI's flagship education programs. This institutional embeddedness makes the school a case in which Islamic social finance support operates not as a one-time grant but as a long-term partnership built on shared institutional values and a common mission of community empowerment through education (Hasan et al., 2018; Arjmand, 2017).

The depth of LMI's investment in SMP Tahfidz Ibnu Batutah is quantified in the Social Return on Investment (SROI) study commissioned by LMI and conducted by Prof. Dr. Sri Herianingrum, S.E., M.Si. and a research team from Universitas Airlangga. The study finds that LMI's total investment of Rp 1,740,600,000 in the school between 2017 and 2024 generated net social outcomes valued at Rp 11,555,413,711, producing a social return ratio of 1:6.639 (Herianingrum et al., 2024; LMI, 2024). Stated plainly in which for every Rp 1 LMI invested in this school, Rp 6.639 in social value was created across alumni development, teacher welfare, parent and family outcomes, and local micro-enterprise activity. This ratio reflects LMI's role not as a passive grant-maker but as a sustained institutional partner that co-invests in a school's social outputs over multiple years.

Among the social outcomes documented in the SROI, the family welfare dimension is most directly relevant to the scholarship program. LMI funds a scholarship program for students from economically disadvantaged families enrolled at SMP Tahfidz Ibnu Batutah, administered through LMI's social and education program channels. The SROI disaggregates three parent-and-family outcomes such as family welfare improvement, valued at Rp 120,000,000; household activity effectiveness, valued at Rp 696,600,000; and positive parental perception toward children's moral development, valued at Rp 1,161,000,000, totaling Rp 1,977,600,000 (Herianingrum et al., 2024). The scholarship is a critical mechanism producing these outcomes. Students are selected through a means-tested process based on household income, number of dependents, and asset holdings. A deliberate confidentiality protocol conceals recipient identities from peers and other parents, a design intended to prevent social stigma within the school's tight-knit residential community (Roelen, 2020; Celhay et al., 2022).

Despite this quantitative SROI evidence, the lived household welfare experience of scholarship-receiving families has not been examined through a qualitative lens. SROI ratios capture aggregate social value but cannot reveal how individual families experience and navigate the economic relief generated by the scholarship, which livelihood dimensions change most, and through what household-level mechanisms (Scoones, 1998; Ellis, 2000). The Sustainable Livelihood Framework (SLF), developed by Chambers and Conway (1992) and operationalized by the UK Department for International Development (DFID, 1999), provides a systematic structure for examining welfare change across five livelihood capitals: financial, human, social, physical, and natural. Applied to the scholarship context, the SLF

allows the study to trace how fee relief connects to the broader portfolio of household assets and capabilities (Bebbington, 1999; Sen, 1999).

This study fills that qualitative gap. The primary objective is to examine, through in-depth interviews with scholarship-receiving families, how the LMI scholarship program at SMP Tahfidz Ibnu Batutah affects household welfare across the five SLF capital dimensions. The secondary objective is to assess whether the confidentiality protocol effectively prevents social stigma within the residential school community. These objectives together connect household-level lived experience to the institutional SROI data, producing an explanatory account of welfare impact that the ratio alone cannot provide.

Methods

The study uses a qualitative case study design. This approach is appropriate when the research question asks how and why a social program generates welfare outcomes within a bounded institutional context, and when the case itself is information-rich and carries features that cannot be replicated across sites (Yin, 2018; Baxter & Jack, 2008). SMP Tahfidz Ibnu Batutah was selected purposively because it combines three analytically valuable features: a well-documented long-term LMI institutional partnership, an active scholarship program with a cooperative administrator, and SROI data from the LMI 2024 Impact Report that permit quantitative cross-validation of qualitative findings (Creswell & Poth, 2018).

Data collection used in-depth interviews (IDI) with six informants, five wali santri (parents or guardians of scholarship recipients) and Bu Pur, the scholarship program coordinator. Wali santri informants were recruited through the scholarship administrator using maximum-variation purposive sampling, selecting for diversity in income level, household composition, occupation, and scholarship duration. This sampling strategy ensures the welfare account captures a range of household economic circumstances rather than a single socioeconomic type (Creswell & Poth, 2018). Informant W1 (M. Haviar) participated in the initial field observation phase; W2 through W5 participated in a subsequent interview round. All five wali santri held active scholarship status during the 2023 to 2025 academic period.

Each IDI lasted 60 to 90 minutes and was conducted in Bahasa Indonesia at a location chosen by the informant, either the school meeting room or the informant's home. Interviews were audio-recorded with written informed consent. Bu Pur's interview addressed program structure, selection criteria, the confidentiality protocol, and her observations of family welfare changes over time. Wali santri interviews covered five thematic areas corresponding to the SLF capitals such as household economic conditions before the scholarship; expenditure and income reallocation after enrollment; children's educational continuity; perceived social standing within the school community; and effects on household assets. These areas served as sensitizing guides rather than rigid protocols, allowing themes to emerge inductively alongside the a priori SLF structure (Braun & Clarke, 2006).

Transcripts were analyzed through the six-phase thematic analysis procedure of Braun and Clarke (2006): data familiarization, initial coding, theme construction, theme review, theme definition, and reporting. Two member-checking rounds were

conducted: transcript summaries returned to informants for verification, and key thematic interpretations shared with Bu Pur for institutional accuracy review. The five SLF livelihood capitals organized cross-informant comparison while allowing patterns outside the framework to surface where present (Chambers & Conway, 1992; Scoones, 1998; Bebbington, 1999). Ethical provisions included written informed consent, right of withdrawal without consequence, pseudonymization of W2 through W5, and secure audio storage. No informant received any form of incentive.

Results and Discussion

The LMI Scholarship Program

Bu Pur described the LMI scholarship program at SMP Tahfidz Ibnu Batutah as a multi-stage, needs-based selection process. Families submit an application with supporting documentation covering monthly income evidence, the number of economic dependents, and a household asset declaration. A joint committee of school administration and LMI program representatives reviews applications and determines recipients, ensuring alignment between institutional criteria and the economic realities of applicant families. The scholarship covers both tuition and boarding costs in full, making it a comprehensive cost-relief instrument rather than a partial subsidy. Bu Pur emphasized that the full-coverage design reflects a deliberate LMI program philosophy, partial subsidies often leave low-income families still unable to sustain enrollment, while full coverage removes the financial barrier entirely. Edmonds and Shrestha (2019) confirm this logic empirically, demonstrating that scholarship transfer size is a critical determinant of household welfare impact, and that partial scholarships frequently fail to generate any measurable economic effect.

The confidentiality protocol is the program's most deliberate operational feature. The school never announces recipient names in any channel: not in class, not in parent meetings, and not in written communication. Bu Pur noted that this decision emerged from the administration's awareness that residential school communities are socially dense environments where information about financial status travels quickly, and that perceived welfare receipt can alter peer relationships in ways that harm the recipient child's school experience. Roelen (2020) establishes that social protection programs in low- and middle-income country settings must actively design against stigma, not assume that beneficiaries absorb its social costs silently. Celhay et al. (2022) provide complementary empirical evidence that welfare stigma diminishes significantly when program participation is unobservable to peers, which is precisely the mechanism the school operationalizes through identity concealment. The combination of LMI's financial commitment and the school's operationally sophisticated confidentiality protocol creates a scholarship system that addresses both economic and social dimensions of educational access for low-income families.

Table 1. Informant Profile Summary

Code	Gender	Age	Occupation	Monthly Income (Rp)	Dependents	Role	Duration
W1	M	40	Small business owner	~2,500,000	3 children	Wali Santri	1.5 yrs
W2	F	42	Market trader (vegetables)	~1,200,000-1,500,000	2 children	Wali Santri	2 yrs
W3	M	45	Factory worker (garment)	~2,800,000	3 children + elderly parent	Wali Santri	1.5 yrs
W4	F	38	Housewife; husband: ojek driver	HH: ~1,800,000-2,500,000	2 children	Wali Santri	2.5 yrs
W5	M	50	Daily wage laborer	~800,000 - 1,200,000	2 children	Wali Santri	1 yr
AM	F	n/a	Scholarship coordinator	—	—	Admin	n/a

Note: W1 = M. Haviar (real name, consented). W2–W5 pseudonymized. HH = Household. Income = self-reported monthly estimates at time of interview.

Financial Capital

Across all five wali santri accounts, the most immediate welfare effect was relief from educational cost pressure. Sending a child to a full residential Islamic boarding school in East Java entails tuition, boarding, meals, and uniform costs that, taken together, impose acute strain on low-income household budgets in a country where private secondary schooling costs have outpaced income growth for the lower quintiles (Stern & Smith, 2016; Moon et al., 2025). Before receiving the LMI scholarship, each informant described the same structural constraint, household income too tight to cover both basic consumption and school payment without compromising one of them.

W2, a widowed market trader earning between Rp 1.2 and 1.5 million per month, had been borrowing from neighbors each month to meet tuition deadlines before the scholarship, creating a short-term informal debt cycle that consumed a portion of each subsequent month's income in repayment. After enrollment, that cycle stopped. She redirected the money previously absorbed by borrowing-and-repaying toward food, protein-rich items such as fish and eggs appeared more frequently in the household's daily meals. This mirrors the financial capital dimension of the SLF, where Scoones (1998) and DFID (1999) define financial capital as the income flows, savings, and credit access available to a household. Full-fee scholarship receipt functions as a positive financial capital shock that raises effective disposable income without requiring any change in earning capacity.

W3, a factory worker supporting three children and an elderly parent on Rp 2.8 million monthly, estimated that school costs had previously consumed 28 to 32 percent

of his household income. The scholarship freed that share, which he redistributed across three uses such as improved daily meals, partial medical treatment for his mother's hypertension, and a monthly savings deposit of Rp 100,000 to 150,000. Moser's (1998) asset vulnerability framework predicts exactly this reallocation pattern: when external transfers reduce consumption-smoothing pressure, low-income households invest the available margin in health maintenance and precautionary savings rather than durable goods, prioritizing resilience over accumulation.

W4, a housewife whose husband drives an ojek and earns between Rp 1.8 and 2.5 million monthly with irregular variability, produced the most striking financial capital trajectory. Two and a half years into the scholarship, she had started a home-based food production business generating an additional Rp 500,000 per month. This case demonstrates what Bebbington (1999) describes as a capitals-to-capabilities dynamic such as financial capital relief, when sustained at sufficient scale, enables household actors to mobilize latent entrepreneurial human capital that chronic financial anxiety previously suppressed. For W4, the LMI scholarship was not merely a cost transfer. It was the precondition for economic diversification. Edmonds and Shrestha (2019) establish that low-value transfers generate no measurable household welfare effect and that full-cost coverage is the threshold at which educational transfers begin to affect broader household economic behavior, a finding that validates LMI's full-fee design.

W5, a daily wage laborer with irregular income between Rp 800,000 and 1.2 million per month, described the starkest counterfactual, without the scholarship, he would have sold his motorcycle to cover school costs within one year. The motorcycle is his only means of reaching casual labor sites. Selling it would have damaged his earning capacity and set off a compounding welfare decline. The scholarship removed that risk. W1 (M. Haviar), whose small business generates approximately Rp 2.5 million monthly, reported a different but equally real effect, he no longer spent mental energy each month calculating whether the school fee was coverable. This freed cognitive bandwidth for his business operations. Yumna et al. (2024) and Ainulyaqin et al. (2023) both document this stress-relief dimension in Islamic social finance beneficiary programs, noting that reduced financial anxiety constitutes genuine household welfare improvement that income-based metrics do not measure.

Human Capital

Human capital in the SLF refers to the skills, knowledge, health, and labor capacity available to household members (Chambers & Conway, 1992; DFID, 1999; Ellis, 2000). The scholarship's primary human capital effect at SMP Tahfidz Ibnu Batutah is educational continuity, as it keeps children enrolled in a school that delivers both Qur'anic memorization and a nationally recognized formal junior high curriculum. Without the scholarship, all five informants stated they had seriously considered withdrawing their child or transferring to a cheaper school within one to two academic years. Such withdrawal would have interrupted both the tahfidz progression and the formal education path, generating irreversible human capital losses at a critical developmental stage.

The SROI study quantifies the human capital outcomes at the alumni level such as formal education continuation is valued at Rp 10,803,300,000, soft-skill development

at Rp 1,315,800,000, moral and spiritual development at Rp 1,548,000,000, and access to preferred senior high schools at Rp 331,200,000 (Herianingrum et al., 2024; LMI, 2024). These alumni outcomes are contingent on scholarship-supported retention. A student who withdraws due to fee non-payment contributes none of these values to the SROI calculation. The scholarship is therefore the upstream enabling condition for the downstream SROI human capital categories. Suryadarma and Yamauchi (2022), analyzing Indonesia's Bidikmisi program, confirm that sustained scholarship coverage, rather than one-time grants, generates significantly better long-run academic and labor market outcomes, which is precisely what LMI's multi-year scholarship model provides.

Several informants also reported secondary human capital effects at the adult level. Before the scholarship, W4 devoted significant mental effort to calculating whether her husband's irregular income would cover the month's school payment. Post-scholarship, that cognitive load disappeared, and she redirected the released capacity toward her home business. Sen (1999) frames this type of capability expansion, the freedom to pursue productive activities freed from chronic financial preoccupation, as a central dimension of development that consumption-based welfare metrics consistently undercount. Nussbaum (2003) similarly identifies practical reason and material security as fundamental human capabilities whose deprivation welfare programs must address directly, not just alleviate temporarily. The LMI scholarship, by removing a recurrent financial pressure point, enables a form of capability expansion at the parent level that operates in parallel with the child's educational development.

Social Capital

Social capital in the SLF refers to the social resources, networks, trust relationships, and institutional memberships that households draw on to pursue livelihood strategies (Scoones, 1998; Bebbington, 1999). The LMI scholarship affects social capital through two distinct channels at SMP Tahfidz Ibnu Batutah, the institutional networks that school enrollment makes accessible, and the confidentiality protocol that prevents social downgrading within the residential school community.

On the first channel, enrollment in the school connects students and families to a network of teachers (ustadz and ustadzah), alumni, and LMI-affiliated community members. Bu Pur observed that several scholarship-recipient parents had formed informal mutual-support relationships through contact at school events, sharing information about employment, health facilities, and community programs. Haneef et al. (2015) document an analogous network effect in Islamic microfinance programs in Bangladesh, where institutional community membership created social capital access for previously isolated households. Supriyanto et al. (2025) observe the same pattern in Pesantren Sunan Drajat, where school membership generates social ties that extend beyond the schooling period and function as ongoing livelihood resources for alumni families.

On the second channel, the confidentiality protocol actively protects recipient families' social position within a community where daily residential proximity makes social status continuously visible. All five wali santri stated that they did not know whether any other parent was also a scholarship recipient. This mutual ignorance is

the intended outcome of the anonymization design. Celhay et al. (2022) establish that welfare stigma is most severe when participation is peer-observable, and that concealment significantly reduces stigmatization even in high-participation-rate programs. Roelen (2020) argues that in dense residential settings, where social hierarchies are continuously produced through daily interaction, visible welfare receipt damages relational ties that are themselves livelihood assets. The school's confidentiality protocol protects exactly those ties.

W2 and W4 raised the issue of their children's social dignity unprompted. Both reported that their children had never appeared to receive differential treatment from peers and had built friendships on what they described as an equal social footing with schoolmates from higher-income families. This outcome is not incidental. It is the product of an institutional design decision that integrates stigma theory into daily program operation. Atan and Johari (2017) identify stigma prevention as a critically underaddressed dimension of Islamic social finance program design in Southeast Asia, and Habib et al. (2023) argue that ZISWAF institutions must systematically embed dignity-preserving mechanisms into assistance programs rather than treating them as administrative afterthoughts.

Physical Capital

Physical capital in the SLF encompasses productive assets and household infrastructure such as tools, vehicles, durable goods, and residential quality (Chambers & Conway, 1992; DFID, 1999). For the two lowest-income informants, the scholarship's most significant physical capital effect was preventive, as it stopped the distress liquidation of income-generating assets that would otherwise have occurred to cover educational fees.

W5's account is the clearest case. His motorcycle, the asset he identified as most likely to be sold first under financial pressure, was simultaneously the tool through which he reached day-labor sites. Losing it would have damaged his earning capacity and triggered a compounding welfare decline across subsequent income periods. The scholarship removed that risk by covering the full cost that would otherwise have forced the sale. Hallegatte (2014) classifies transfers of this type as economic resilience interventions: they preserve the productive asset base that low-income households need to sustain livelihood capacity and recover from income shocks. Do and Nguyen (2023) show that in Southeast Asian household contexts, transfers preventing productive asset disposal carry long-term livelihood impacts well beyond their face value, because distress asset liquidation compounds welfare loss across multiple subsequent periods.

W3 reported a more additive physical capital effect, with the monthly budget margin the scholarship created, he completed two home repairs deferred for over a year, patching a leaking roof section and replacing a broken gas stove. Both expenditures improved residential quality and reduced the family's exposure to dampness-related health risks. Natural capital showed no documented change across any of the five informants, none reported effects on land access, water supply, or natural resource-based livelihoods as a consequence of the scholarship, which aligns with the informants' predominantly urban and peri-urban occupational profiles.

SROI Analysis of SMP Tahfidz Ibnu Batutah

The household-level qualitative findings above gain quantitative grounding from the SROI analysis of SMP Tahfidz Ibnu Batutah conducted by Universitas Airlangga. The SROI methodology applies a discounted present-value calculation to gross social outcomes across five stakeholder groups, school alumni, school management and staff, parents and guardians, local MSMEs in the school's vicinity, and the broader community and LMI's institutional reputation. Gross outcomes across all groups total Rp 17,732,900,000. After applying a 20 percent deadweight factor (accounting for outcomes that would have occurred without LMI's involvement), a 5 percent attribution adjustment (accounting for other contributing factors), and a 5 percent displacement factor, and discounting at a rate of 5.75 percent, the net present value reaches Rp 11,555,413,711 against LMI's total investment of Rp 1,740,600,000, producing the SROI ratio of 1:6.639 (Herianingrum et al., 2024; LMI, 2024).

The parent and family welfare category carries the most direct relevance to this study's research question. Three components constitute this category which are direct family welfare improvement (Rp 120,000,000), reflecting economic relief experienced by families; enhanced household activity effectiveness (Rp 696,600,000), capturing time and cognitive reallocation enabled by reduced fee anxiety; and positive parental perception of children's moral and spiritual development (Rp 1,161,000,000), reflecting the non-material welfare dimension of the educational program (Herianingrum et al., 2024). Together, these three components total Rp 1,977,600,000 in family welfare outcomes, a figure that on its own exceeds LMI's total investment in the school, confirming that family-level welfare effects alone fully justify the program's cost from a social value perspective.

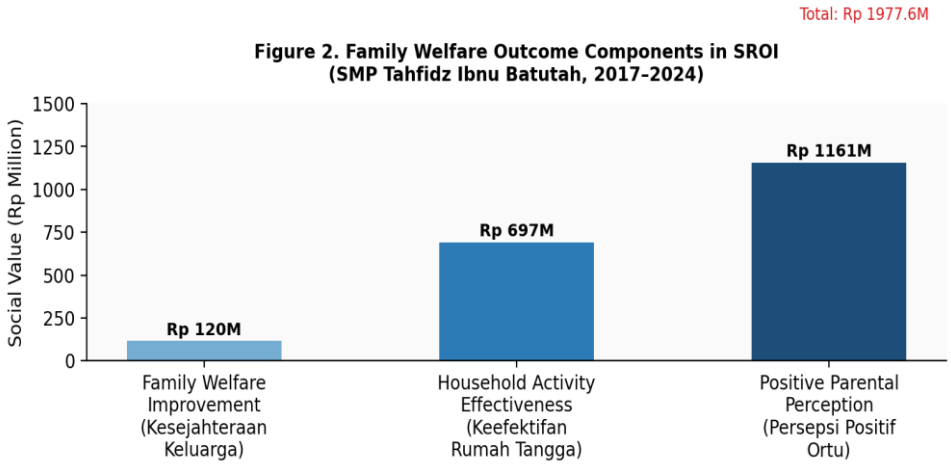

Figure 2. Family Welfare Outcome Components in SMP IB SROI (Rp), 2017–2024
Source: Herianingrum et al., 2024; LMI, 2024

The convergence between the SROI data and the qualitative interview findings is substantively meaningful, not merely correlational. The financial capital relief that all five wali santri described maps directly onto the "direct family welfare improvement" SROI component. The cognitive and time reallocation reported by W4 and W1, where mental effort previously devoted to fee calculations shifted toward productive activities, maps onto "household activity effectiveness." The dignity and

moral development dimension raised by W2 and W4 regarding their children's school experience maps onto "positive parental perception." The qualitative interviews thus provide the household-level mechanisms that explain how each SROI value is generated, while the SROI provides the aggregate social valuation that scales the qualitative findings to an institutional level of analysis.

Table 2. SLF Livelihood Capital Analysis Across Informants

Capital	W1	W2	W3	W4	W5	Net Change	Primary Mechanism
Financial	↑ Reduced fee anxiety	↑↑ Debt cycle ended	↑↑ ~30% budget freed	↑↑ Micro-enterprise started	↑↑ Asset sale averted	Positive (all 5)	Full-fee coverage raises net disposable income; informal debt cycle ceases; savings margin created
Human	↑ Schooling maintained	↑ Schooling continued	↑ No withdrawal risk	↑ Schooling + adult capacity	↑ Dropout prevented	Positive (all 5)	Educational continuity in integrated tahfidz + formal school; cognitive relief frees adult capacity
Social	→ Stable	↑ School network access	→ Stable	↑ Business contacts	↑ Parent support group	Positive (3 of 5)	Institutional network access; anonymity protocol preserves social dignity and peer standing
Physical	→ No change	→ No change	↑ Home repairs done	→ No change	↑Motor - cycle preserved	Positive (2 of 5)	Distress asset liquidation prevented; small home improvements completed with freed budget margin
Natural	→	→	→	→	→	No change (all)	No documented effect on land, water, or natural resource access across any informant

Note: ↑ = improvement; → = no change. Assessments are qualitative, based on informant accounts. W1–W5 follow Table 1 code, **Source: author's data processing**

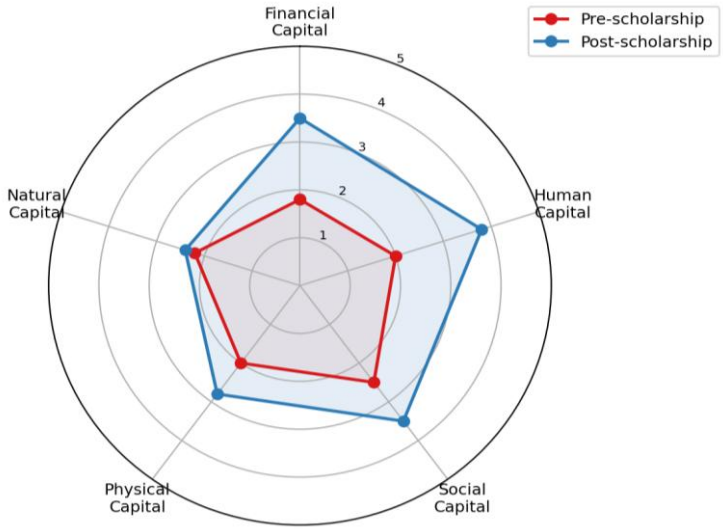

Figure 3. Illustrative SLF Capital Change: Pre- and Post-Scholarship (Qualitative Assessment, Scale 1–5), Source: author's data processing

LMI Institutional Partnership as a Multi-Capital Welfare Instrument

Table 2 reveals that the scholarship's welfare impact spans multiple capital dimensions rather than concentrating in a single category. Financial relief is universal

and immediate, but downstream effects on human, social, and in some cases physical capital emerge over time and vary by household circumstance. This multi-capital cascade is consistent with the SLF's core claim that livelihood capitals are interdependent, a gain in one capital unlocks gains in others when the initiating transfer reaches a sufficient size and duration (Scoones, 1998; Bebbington, 1999). The W4 case is the clearest demonstration, where financial capital relief enabled micro-enterprise formation and new business contacts in a trajectory spanning 2.5 years. Ainulyaqin et al. (2023) document a similar multi-capital pattern in welfare programs at Pesantren Assyifa Subang, and Yumna et al. (2024) confirm in a larger empirical study of LMI-affiliated cash programs that sustained institutional transfers improve financial and human capital dimensions of beneficiary welfare simultaneously.

The institutional architecture of LMI's partnership with SMP Tahfidz Ibnu Batutah differs from a standard grant-funding relationship in ways that matter analytically. LMI is not a one-time donor. It has provided continuous, multi-program support to the school since 2017, has commissioned an independent SROI study of the school's social impact, and treats the school as a flagship education partner. This sustained institutional commitment creates a form of organizational co-investment that conventional grant relationships do not generate. Habib et al. (2023) argue that ZISWAF institutions achieve superior welfare outcomes when they maintain long-term program relationships with beneficiary institutions rather than cycling through short-term disbursements, because sustained engagement enables program refinement, quality monitoring, and adaptive adjustment over time. LMI's eight-year partnership with SMP Tahfidz Ibnu Batutah exemplifies this model.

The confidentiality protocol deserves specific analytical attention as an institutional innovation, not merely an administrative convenience. Bu Pur's description of the protocol reveals that it was a conscious response to the social dynamics of a residential school community, where economic differentiation among students would be continuously visible without active concealment. The school's capacity to design and implement this protocol reflects the operational sophistication that comes from sustained LMI institutional support which schools with unstable or short-term donor relationships rarely have the administrative bandwidth to maintain confidentiality systems with this level of operational discipline. Ridwan (2012) argues, in the context of waqf management, that institutional capacity, not funding size alone, determines program welfare outcomes. The same principle applies here that the scholarship's social capital protection effect depends as much on the school's management quality as on LMI's financial contribution.

Transfer size remains the boundary condition for the financial and physical capital effects documented here. Edmonds and Shrestha (2019) show that low-value transfers generate no measurable household welfare effect. LMI's full-fee coverage model, covering both tuition and boarding, consistently exceeds the welfare effect threshold for the lowest-income informants (W2 and W5), generates moderate effects for mid-income informants (W3), and produces stress-relief effects at all income levels (W1). This income-conditioned heterogeneity suggests a practical implication for scholarship expansion, priority should go to households in the Rp 800,000 to 1.5 million monthly income bracket, where educational fee-to-income ratios are highest and distress asset liquidation risk is most acute.

This study has two limitations that future research should address. Self-reported income and expenditure data carry known social desirability bias risks in institutional settings where informants may perceive their scholarship status as contingent on positive responses (Creswell & Poth, 2018). Member-checking mitigates but does not eliminate this risk. The single-case design is appropriate for the study's exploratory objectives but limits the generalizability of findings to other LMI-supported schools or other institutional donor-school partnerships (Yin, 2018; Baxter & Jack, 2008). Future research should apply a longitudinal design, include a comparison school without sustained institutional donor support, and deploy quantitative welfare measurement tools such as the CIBEST model (Beik & Arsyianti, 2016) alongside the qualitative SLF analysis to provide stronger causal attribution.

Two practical recommendations emerge directly from the evidence. Expanding scholarship coverage to a larger proportion of enrolled students would extend the full-fee coverage model to more households in the lowest income bracket, where educational cost ratios are highest and the welfare cascade most pronounced. Integrating structured family economic coaching alongside scholarship disbursement would systematize the livelihood diversification trajectory that W4 achieved independently. Bakhtiyar and Hakim (2026) document superior welfare outcomes in combined scholarship-plus-economic-coaching programs compared to standalone educational subsidies. Ayuniyyah et al. (2022) make a complementary recommendation for Indonesian ZISWAF institutions, layering economic empowerment activities onto social transfers to maximize the human capital and livelihood diversification effects that this study identifies at the household level.

Conclusion

The LMI scholarship program at SMP Tahfidz Ibnu Batutah generates verifiable welfare improvements across multiple livelihood capital dimensions for the five recipient families studied. Financial capital relief is the immediate and universal effect, all informants reduced their educational expenditure burden and redistributed savings toward food, health, and household maintenance. Human capital strengthened through uninterrupted enrollment in an institution delivering combined Qur'anic memorization and formal national curriculum. Social capital was protected by a confidentiality protocol that prevents welfare stigma within the residential school community, preserving the peer standing and social dignity of recipient children. Physical capital effects were most significant for the two lowest-income informants, where scholarship receipt prevented the distress sale of productive assets and, in one case, enabled modest home improvement. Natural capital showed no documented change.

These qualitative findings align directly with the SROI data for SMP Tahfidz Ibnu Batutah that a social return ratio of 1:6.639, with family welfare outcomes of Rp 1,977,600,000 exceeding LMI's total investment of Rp 1,740,600,000 over the 2017 to 2024 period. The qualitative interviews reveal the household-level mechanisms through which the three SROI family welfare components are generated, providing explanatory depth that the aggregate ratio cannot supply on its own. Taken together, the two data sources confirm that LMI's sustained institutional partnership with SMP

Tahfidz Ibnu Batutah produces welfare outcomes that extend far beyond the direct educational transaction.

The study recommends two institutional responses. Expanding scholarship coverage prioritizes households in the lowest income bracket, where educational cost burdens are proportionally highest and multi-capital welfare effects most pronounced. Integrating family economic coaching alongside scholarship disbursement would convert the scholarship from a cost-relief instrument into a platform for sustained household livelihood improvement, building on the trajectory already evident in the W4 case. Future research should track recipient families longitudinally, include a comparative site, and apply quantitative welfare indices to strengthen impact attribution and inform program scaling decisions.

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