

## PONDOK PESANTREN ECONOMIC DEVELOPMENT MODEL: THE SYSTEMATIC LITERATURE ANALYSIS

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### **Abstract :**

This research aims to conduct a systematic literature analysis on the economic development models of Pondok Pesantren in Indonesia. Pondok Pesantren are religious and educational institutions with the potential to develop local economies and empower surrounding communities. This study employs a systematic literature analysis method to collect, review, and analyze relevant Literature on the economic development of Islamic boarding schools in Indonesia. The research involves searching for scholarly articles related to the research topic from Scopus. The collected data is then systematically analyzed to identify existing economic development models of Pondok Pesantren in Indonesia. This literature analysis provides a deeper understanding of Indonesia's economic development models, which were implemented successfully. This research contributes to identifying knowledge gaps and offers a foundation for further research on the economic development of Pondok Pesantren in Indonesia.

**Keywords:** Pesantren, Development, Economic, Model, Analysis, systematic, Literature

### **Abstrak :**

Penelitian ini bertujuan untuk melakukan analisis sistematis literatur tentang model pengembangan ekonomi pesantren di Indonesia. Pesantren merupakan institusi keagamaan dan pendidikan yang memiliki potensi dalam mengembangkan ekonomi lokal dan memberdayakan masyarakat sekitarnya. Dalam penelitian ini, metode analisis sistematis literatur digunakan untuk mengumpulkan, mengkaji, dan menganalisis literatur yang relevan mengenai pengembangan ekonomi pesantren di Indonesia. Penelitian ini melibatkan pencarian artikel-artikel ilmiah, buku, dan dokumen lainnya yang terkait dengan topik penelitian. Data yang terkumpul kemudian dianalisis secara sistematis untuk mengidentifikasi model-model pengembangan ekonomi pesantren yang ada di Indonesia. Hasil analisis literatur ini memberikan pemahaman yang lebih mendalam tentang model-model pengembangan ekonomi pesantren yang telah diterapkan dan berhasil di Indonesia. Penelitian ini memberikan kontribusi dalam mengidentifikasi kesenjangan pengetahuan dan menawarkan dasar untuk penelitian selanjutnya tentang pengembangan ekonomi pesantren di Indonesia.

**Kata Kunci:** Pondok Pesantren, Pengembangan, Ekonomi, Model, Analisis, Sistematis, Literatur

## INTRODUCTION

Pondok Pesantren, a traditional Islamic educational institution in Indonesia, plays a crucial role in shaping character and developing the potential of their students. Besides providing religious education, these schools also

possess an economic potential that can be harnessed to enhance prosperity and the social contribution of the schools within the community. Indeed, Islamic boarding schools hold a strategic position in development.

They are not solely involved in education and religious guidance; they also have the potential for economic development through independent economic ventures in agriculture, trade, household industries, and other sectors. Additionally, these schools contribute to community empowerment through skills development, leadership training, and other community activities. Equally important is their role in preserving tradition and culture. The active involvement of Islamic boarding schools has significantly contributed to society by upholding noble cultural traditions.

Considering the unpredictable nature of the current situation and the evolving and increasingly complex challenges across various fields, Islamic boarding schools need to adapt to social and economic dynamics to remain relevant and sustainable. Therefore, the economic development of these schools becomes an urgent necessity.

Efforts in economic development can help foster innovative approaches to managing the business aspects of these schools, ultimately leading to their self-sufficiency. Independent economic growth gives these schools sufficient resources and funds to improve educational facilities, develop more relevant curricula, and broaden access to quality education for students.

Furthermore, economic development can reduce the dependency of these schools on external donations and funds. With sustainable sources of income, Islamic boarding schools can achieve financial independence, strengthen their sustainability, and reduce the risks associated with uncertain external aid.

Strategic and research-based approaches are essential to optimize the economic potential of Islamic boarding schools. One approach that can be utilized is a Systematic Literature Review (SLR) aimed at analyzing and synthesizing previous research related to the economic development of these schools. This article emphasizes the importance of efforts and attention to capital and economic aspects, without neglecting non-economic factors, as an analytical framework to understand the phenomenon of economic development within Pondok Pesantren.

Furthermore, as a form of criticism towards mainstream economic development, one of the issues raised is the lack of attention in economic analysis towards institutional problems. Critiques, such as those articulated by Jan Tinbergen and Gunnar Myrdal, emphasize the necessity of developing economic development while considering institutional issues with an inductive-empirical characteristic. (Boianovsky, 2022) This approach focuses on economic capital and considers cultural characteristics and local values.

As emphasized in many studies by Muslim economists like Chapra, this values-based development approach positions the Islamic economic development system to actualize itself from the microeconomic development perspective while preserving traditions and values such as mutual aid and other moral values, enabling individuals to benefit economically. (Chapra, 1993) From an Islamic perspective, the institutional issues-aware development approach has

also been noted by Ibn Khaldun in his book "Muqaddimah." Ibn Khaldun's view of "al-mulk," a kingdom comprising institutions, suggests that entrepreneurs must advocate for and side with the community to achieve the nation's welfare. (Chapra, 1999; Ibn Khaldun, n.d.)

Pondok Pesantren is historically associated with non-formal characteristics despite receiving significant attention from the government in 2019 with the issuance of Undang-undang Number 18 of 2019. Pondok Pesantren develops unique and distinct characteristics supported by various societal layers and networks. The figure of the kyai becomes a magnet for society, and their local adaptation capabilities enable these institutions to endure various challenges they face.

Development involving all elements of society, widely practiced by Pondok Pesantren in economic, social, cultural, political, physical structure, and value system perspectives, facilitates collective economic transformation, allowing for effective anticipation of various impediments to economic development. (Alexander, 1994; Portes, 1976)

The research by Jazil, Fahmi, Prasetya, Faizin, and Sholihuddin titled "Pesantren and the Economic Development in the Perspective of Maqashid Al-Shari'ah" explains their study on the importance of economic development at Nurul Qarnain Pesantren (PNQ) in Jember Regency, East Java Province, which is examined from the perspective of Maqashid al-Shari'ah and leads to the self-reliance of the pesantren. The study elucidates that managing PNQ's economic ventures involves the participation of pesantren alums and the local community.

The business units developed by the pesantren are described to operate in sectors such as agriculture, trade, livestock, plantations, and mining. The management and economic development undertaken by PNQ aim to achieve the pesantren's self-sufficiency. The PNQ kiai directly initiates efforts to achieve this self-sufficiency. According to him, the pesantren can develop themselves if they can be independent and sovereign. PNQ specifically understands this self-reliance by referring to economic independence. Economic development becomes a crucial factor in supporting the existence of the pesantren itself.

Furthermore, the economic development undertaken by PNQ can directly benefit the pesantren, students, alumni, and the community. Economic development from the perspective of Maqashid al-Shari'ah by the pesantren is aligned with the value of *hifdhul mal* (preservation of wealth). (Jazil et al., 2021)

Ahmad Fauzi conducts further research on the importance of pesantren economic development in his study titled "Islamic Economic Development in East Java Pesantren." The study explains that the local values of Zainul Hasan Genggong Probolinggo pesantren become core values in the economic development of the pesantren. He says internalized local values can help us realize Islamic economic behavior. The transformation of local wisdom values is believed to shape individual actions and social roles in the economic field by focusing on three basic pillars: ownership (*al-milkiyah*) in accordance with Shariah, utilization of ownership (*tasharruffi al-milkiyah*), and distribution of community wealth from an Islamic perspective. (Fauzi, 2017)

Pesantren-based local wisdom economic development can also be seen in

Riadi, Febrianto, and Saifuddin's study titled "Pesantren Economic Development Based on Local Wisdom." The study explains the economic development of pesantren in Probolinggo Regency, which is carried out together with coastal Muslim communities through community empowerment by producing processed marine products. The economic development undertaken by Nurul Jadid Probolinggo pesantren to the community uses two approaches: first, by improving the community's ability through economic development to be self-sufficient. This self-sufficiency can contribute positively to both the community and the pesantren. Second, through strengthening social structures, efforts are made to achieve economic equality and provide education through economic self-reliance values, realizing community participation, and community involvement in regional development. (Riadi et al., 2021)

Another study explaining the importance of exploring economic potential is described in Lugina's research titled "Pesantren Economic Development in West Java." The study explains that there is great potential for development, with a large number of pesantren in West Java reaching 4,328 pesantren and a total of more than 5 million students. This large number of pesantren needs to be empowered through economic potential development, utilizing the resources it has for the pesantren's self-reliance. One study conducted in this research explains the experience of Al Raisyidah Pesantren through the development of cooperative business units. (Lugina, 2018)

The research, viewed from the perspective of economic development models, can be seen in Azizah's paper on the pesantren economic development model based on local wisdom: a case study of Ponpes Sidogiri. The study takes the experience of Pondok Pesantren Sidogiri with an analysis of development that accommodates local wisdom, specifically looking at economic development in the KSPPS BMT Usaha Gabungan Terpadu (UGT) which has assets reaching 2.415 trillion rupiahs. The research conclusion explains that the opportunities for pesantren economic development are vast because pesantren are the cultural strength base that has the ability to integrate with society; thus, economic development will have economic and social impacts on pesantren. (Azizah & Fitriyani, 2018)

Looking at some theories mentioned above and with several studies explaining the importance of exploring models in pesantren economic development, a more comprehensive study is needed to map out pesantren economic development models that can be derived from the studies conducted and then processed and analyzed properly so that the mapping of pesantren economic development models can be presented effectively.

## RESEARCH METHOD

The research on the economic development model of Islamic boarding schools consists of several process activities, starting from planning, conducting, and reporting. The planning phase is the initial step conducted by the researcher and serves as the entry point for implementing the Systematic Literature Review (SLR). The purpose of this phase is to formulate a review of research questions referring to several elements, namely population, intervention, comparison, and outcome, abbreviated as PICO. Additionally, this phase is useful for developing

the procedures for the research review.

The next phase involves conducting technical SLR activities. This includes identifying and finding relevant literature that can guide the theory or synthesis of findings collected in the literature. The final phase of this research involves creating a report describing the research findings by documenting the literature review conducted.

First, Review the Research Question. This stage involves determining research questions that align with the topic discussed, operationally described in the following table:

Table 1. PICO Summary

No	Research Question Formulation	Target Question
1	Population	The Economic Development Conditions of Pondok Pesantren in Indonesia
2	Intervention	Application of Pondok Pesantren economic development programs
3	Comparison	Pondok Pesantren Economic Development Models and Their Differences
4	Outcome	Economic development of Pondok Pesantren and its impact on Pondok Pesantren and Society

Source: (Eriksen & Frandsen, 2018)

The research questions are outlined using a systematic literature review or SLR method:

- a. What are the economic development models of Islamic boarding schools in Indonesia?
- b. Does the implementation of economic development in Islamic boarding schools have positive benefits or impacts on the school community?
- c. Are there differences in economic development models among Islamic boarding schools in Indonesia?
- d. How do the economic development models of Islamic boarding schools impact the schools and society?

Second, the Search Process. The literature search process aims to find research sources related to the economic development model of Islamic boarding schools, which can answer the research questions set by the researcher. As an operational step, the researcher searches for literature sources from Scopus journals.

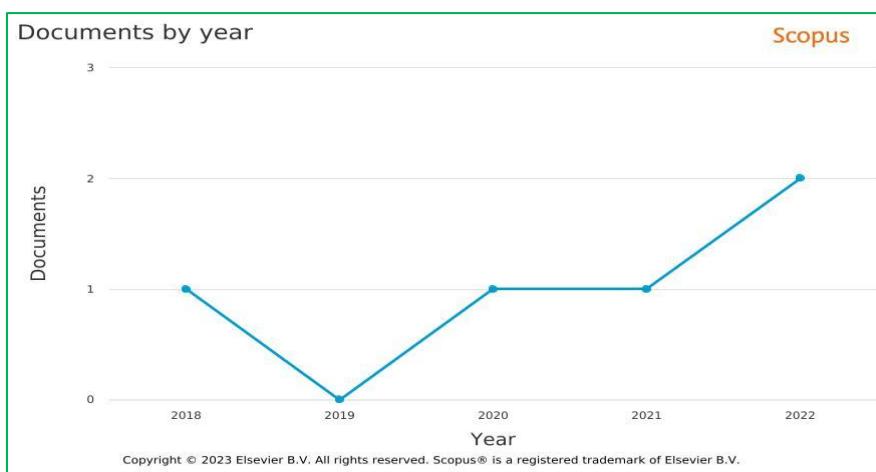
Third, Data Collection, Inclusion, and Exclusion Criteria. This phase involves collecting research data related to the research theme, which is the economic development model of Islamic boarding schools, followed by an analysis process. The data collection steps can be outlined as follows: The first step is to visit Google Scholar and Scopus websites. Then, the researcher enters keywords such as 'Pesantren, and Economic Development Model' or searches in English using keywords such as 'Pesantren, and Economic Development Models.' Each journal or article that is relevant to the theme is saved in a directory for further analysis. The inclusion and exclusion criteria involve sorting the research data found for analysis according to their relevance to the research

theme, specifically research related to the economic development model of Islamic boarding schools originating from Scopus.

Fourth, Quality Assessment, Data Analysis, and Documentation. The process involves reassessing the data selected to determine their suitability to the research theme and questions. Additionally, journals published in full and those with limited display, such as only abstracts, are evaluated differently. The next step is data analysis, where the results are used to answer the research questions. The final step is the research findings phase, which is the culmination of the entire research implementation, explaining the research results in written form, typically in a paper.

## FINDINGS AND DISCUSSION

Following the stages outlined in the research methodology, the author conducted a keyword search on 'pesantren and economic development.' These keywords were narrowed down to three syllables, considering that when searching using the keyword 'pesantren and economic development model,' the author only obtained five results under the following conditions:



**Graph 1. Search Results for 'Pesantren and Economic Development Models**  
(Source: Scopus, 2023)

Here are the fifteen literature items outlined, along with explanations of their relevance to the theme:

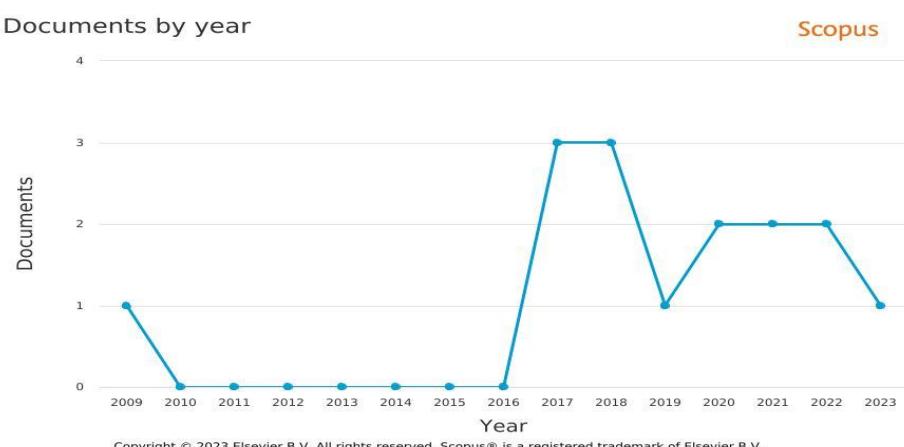
**Table: 2 Assessment of search results with the keywords Pesantren and Development Models**

No	Authors/ Year	Research Title	Relevance to Thema		Publication	
			Suitable	Not Suitable	Suitable	Not Suitable
1	(Zaki et al., 2022a)	Islamic community based business cooperation and sustainable development goals: a case of pesantren community in Indonesia/ International Jurnal of Ethics and Systems	V			V
2	(Huda & Santoso, 2022)	Implementation of Corporate Waqf Core Principles in the Development of	V			V

		Waqf in Indonesia/ Academic Journal of Interdisciplinary Studies				
3	(Aulia et al., 2021)	Environmental management model in coastal area (a case study of eco pesantren Al-Khairat Palu, Central Sulawesi)/ IOP Conference Series: Earth and Environmental Science		V	V	
4	(Muhammad, 2020)	Islamic Corporate Social Responsibility: An Exploratory Study in Islamic Microfinance Institutions/ Journal of Asian Finance, Economics and Business	V		V	
5	(Ridhwan et al., 2018)	Dynamics of Islamic Education in the Land of Bugis: Growth, Development and Typology Pesantren in Bone/ IOP Conference Series: Earth and Environmental Science		V	V	

Source: Scopus accessed on July 5, 2023

Considering the limited results found in the search using the aforementioned keywords, the author conducted a search by reducing the keywords to "pesantren and economic development." In this search, the author found fifteen research results published from 2009 to 2023. The number of publications varies each year, with the breakdown as follows: 1 publication in 2009, 3 publications each in 2017 and 2018, 1 publication in 2019, 2 publications each in 2020, 2021, and 2022, and 1 publication in 2023. These are outlined in graph 2.



## Graph 2. Search Results for 'Pesantren and Economic Development'

The following are outlined the fifteen literature items along with explanations of their relevance to the theme.

**Table : 2 Suitability of research themes**

No	Authors/ Year	Research Title/ Article/ Conference	Relevance to Thema		Publication	
			Suitable	Not Suitable	Open	Closed
1	(Wulandari & Subriadi, 2023)	The impact of the ecosystem on the digitization process of Pesantren Tebuireng's startup/ AIP Conference	V			V
2	(Zaki et al., 2022b)	Islamic community-based business cooperation and sustainable development goals: a case of pesantren community in Indonesia/ International Journal of Ethics and Systems	V			V
3	(Huda & Santoso, 2022)	Implementation of Corporate Waqf Core Principles in the Development of Waqf in Indonesia/ Academic Journal of Interdisciplinary	V		V	
4	(Anisa & Lissimia, 2021)	The impact of historic building toward regional sustainability: Case study Menara Kudus, Indonesia/ IOP Conference Series: Earth and Environmental Science	V			
5	(Aulia et al., 2021)	Environmental management model in coastal area (a case study of ecopesantren Al-Khairat Palu, Central Sulawesi)/ IOP Conference Series: Earth and Environmental Science		V	V	
6	(Iqbal & Akram, 2020)	Role of sekola Islam and pesantrens in nation building of indonesia: An analysis of the perceptions of alumni/ FWU Journal of Social		V		V
7	(Muhammad, 2020)	Islamic Corporate Social Responsibility: An Exploratory Study in Islamic Microfinance Institutions/ Journal of Asian Finance, Economics and Business	V		V	
8	(Hudaefi & Heryani, 2019)	The practice of local economic development and Maqāṣid al-Shari‘ah: Evidence from a Pesantren in West Java, Indonesia/ International Journal of Islamic and Middle Eastern Finance and Management	V			V
9	(Permana et al., 2018)	The Transformation of Gegerkalong Girang Area, Bandung City: Amid Educative and Religious Areas/ IOP Conference Series: Earth and Environmental Science	V		V	
10	(Abubakar, 2018)	Strengthening Core Values Pesantren as a Local Wisdom of Islamic Higher Education Through Ma'had Jami'ah/ IOP Conference Series: Earth and Environmental Science		V	V	
11	(Ridhwan et al., 2018)	Dynamics of Islamic Education in the Land of Bugis: Growth, Development and Typology Pesantren in Bone/ IOP		V	V	

No	Authors/ Year	Research Title/ Article/ Conference	Relevance to Thema		Publication	
			Suitable	Not Suitable	Open	Closed
		Conference Series: Earth and Environmental Science				
12	(Abdullah, 2017)	Gender bias in the pesantren Literature (A case study on uqudulujain text)/ Advanced Science Letters		V		V
13	(Asror, 2017)	Transformative propagation of Islamic boarding school in response to contemporary challenges/ Pertanika Journal of Social Sciences and Humanities		V		V
14	(Suharti, 2017)	Development of bio-rights incentive scheme for participatory restoration and conservation of mangrove resources/Biodiversitas		V	V	
15	(Budiwiranto, 2009)	Pesantren and participatory development: The case of the pesantren Maslakul Huda of Kajen, Pati, Central Java/ Journal of Indonesian Islam	V		V	

Source: Scopus accessed on July 5, 2023

The evaluation of search results using the keywords 'Pesantren and Development Models' in graph 1 can be explained as follows: out of a total of five search results, three journals meet the criteria for further analysis, while the other two journals are not within the scope of pesantren economic development studies. Meanwhile, in graph II, the total search results amount to fifteen literature items. However, out of these fifteen literature items, seven are not aligned with the discussion theme. Regarding the types of Literature in both graphs one and two, there are two types: Literature derived from conference proceedings and Literature originating from journals.

Based on the analysis of the alignment of Literature with the research theme above, the author can present the quality assessment of each literature item that has undergone initial evaluation, as follows:

**Table : 3. Quality Assessment Results**

No	Authors/ Year	Quality Assessment				Results
		QA1	QA2	QA3	QA4	
1	Islamic community based business cooperation and sustainable development goals: a case of pesantren community in Indonesia/ International Jurnal of Ethics and Systems/ 2022	yes	Yes	yes	yes	Accepted
2	Implementation of Corporate Waqf Core Principles in the Development of Waqf in Indonesia/ Academic Journal of Interdisciplinary Studies	yes	yes	yes	yes	Accepted
3	Islamic Corporate Social Responsibility: An Exploratory Study in Islamic Microfinance Institutions/ Journal of	yes	yes	yes	yes	Accepted

No	Authors/ Year	Quality Assessment				Results
		QA1	QA2	QA3	QA4	
	Asian Finance, Economics and Business/2020					
4	The impact of the ecosystem on the digitization process of Pesantren Tebuireng's startup/ AIP Conference	Yes	yes	yes	yes	Accepted
5	The impact of historic building toward regional sustainability: Case study Menara Kudus, Indonesia/ IOP Conference Series: Earth and Environmental Science	Yes	yes	yes	yes	Accepted
6	The practice of local economic development and Maqāṣid al-Shari'ah: Evidence from a Pesantren in West Java, Indonesia/ International Journal of Islamic and Middle Eastern Finance and Management	Yes	yes	yes	yes	Accepted
7	The Transformation of Gegerkalong Girang Area, Bandung City: Amid Educative and Religious Areas/ IOP Conference Series: Earth and Environmental Science	Yes	yes	yes	yes	Accepted
8	Pesantren and participatory development: The case of the pesantren Maslakul Huda of Kajen, Pati, Central Java/ Journal of Indonesian Islam	Yes	yes	yes	yes	Accepted

In the table, it is explained that each theme of Literature has fulfilled and addressed the four fundamental questions underlying the research on the development of pesantren economy. However, the quality level in explaining issues related to the questions may vary. To have a clearer understanding of the eight literatures that fulfill the results, the research description can be explained with the following presentation.

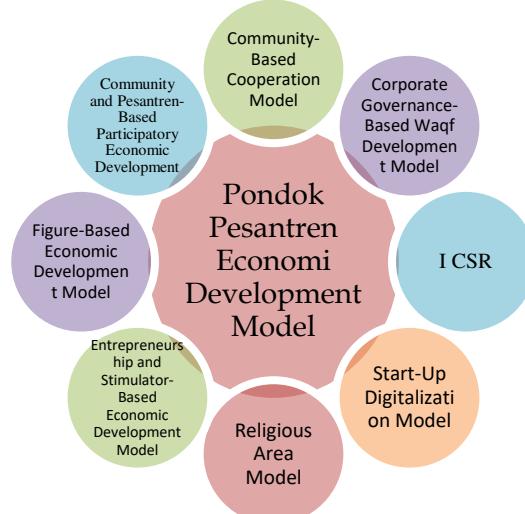
**Table 4. Description of Research and Pondok Pesantren Economic Development Models**

No	Research Title And Year	Description of Research	Economic Development Model
1	Islamic community based business cooperation and sustainable development goals: a case of pesantren community in Indonesia/ International Jurnal of Ethics and Systems/ 2022	This study reveals a community-based business cooperation model among pesantren entrepreneurs. The research results indicate that pesantren business cooperation in Indonesia is linked to Sustainable Development Goals (SDGs). This cooperation model is expected to contribute to SDGs achievement efforts, covering: No Poverty, Quality Education, and Partnership to Achieve Goals	Community-Based Cooperation Model
2	Implementation of Corporate Waqf Core Principles in the Development of Waqf in Indonesia/ Academic Journal of Interdisciplinary Studies	This research reveals the Corporate Waqf Core Principles (CWCP) model. Pesantren Tebuireng, on the other hand, understands the implementation of CWCP within the framework of endowment management and productive endowment by conceptualizing endowment asset productivity through corporate and institutional management.	Corporate Governance-Based Waqf Development Model

No	Research Title And Year	Description of Research	Economic Development Model
		Both endowment management methods ensure that endowment management within a corporate institutional framework is more productive and yields long-term results and benefits. The development of this endowment model in Indonesia can accelerate community economic development.	
3	Islamic Corporate Social Responsibility: An Exploratory Study in Islamic Microfinance Institutions/ Journal of Asian Finance, Economics and Business/2020	This study explains the successful implementation of i-CSR in Islamic microfinance institutions based on pesantren due to mutual passion (convergence) with conventional CSR typology. This convergence in two aspects, first, managerial behavior focused on protecting the institution's stakeholders, second, creating sustainable institution values through effective and efficient business activities. The orientation is the creation of social roles based on justice and sustainable development. Convergence mainly in economic, legal, ethical, and philanthropic responsibility dimensions. Islamic values have enriched i-CSR implementation as a form of practicing Islamic teachings and evidence of human devotion to God.	I-CSR Based Development Model
4	The impact of the ecosystem on the digitization process of Pesantren Tebuireng's startup/ AIP Conference	This study is related to the creative economic development model in the form of digitalization of startups. This research identifies ecosystem elements that influence the development of startup digitalization in Tebuireng. There are ten steps in developing startup digitalization at Tebuireng, the most important of which is sowan. The process is followed by seeking financial sources, building businesses, marketing, obtaining orders, shopping, producing, selling-getting complaints-technology development, business development, and conflict resolution.	Start-Up Digitalization Model
5	The impact of historic building toward regional sustainability: Case study Menara Kudus, Indonesia/ IOP Conference Series: Earth and Environmental Science	According to the authors, this study can help pesantren to develop their economy for pesantren in Religious Tourism Areas. The study explains that there is a significant influence between historic buildings and area sustainability, especially in economic aspects. The crowded pilgrims and tourists visiting the Menara Kudus area make economic activities in the surrounding area grow rapidly. Similarly, with the presence of students from outside the Kudus area around Menara Kudus. The presence of the Mosque, Tomb, and Menara Kudus	Religious Area Model

No	Research Title And Year	Description of Research	Economic Development Model
		management institution and Kudus Cultural Heritage Team make this area well-organized, thus supporting area sustainability.	
6	The practice of local economic development and Maqāṣid al-Shari‘ah: Evidence from a Pesantren in West Java, Indonesia/ International Journal of Islamic and Middle Eastern Finance and Management	This study describes the role of pesantren in alleviating poverty in rural areas, and its discussion is linked to local economic development theory and Maqāṣid al-Shari‘a. Pesantren uses an economic development model with entrepreneurs and stimulators in empowering local economies and underprivileged communities. The fundamental concept of local economic development is in line with Maqāṣid al-Shari‘a, so evidence from sample pesantren also represents its role in actualizing development.	Entrepreneurship and Stimulator-Based Economic Development Model
7	The Transformation of Gegerkalong Girang Area, Bandung City: Amid Educative and Religious Areas/ IOP Conference Series: Earth and Environmental Science	This economic development model is based on figures. The study results show that the economic development and welfare development approach initiated by Aa Gym as the founder of Pesantren DT has a significant impact there. This change is seen in the function and facade of the building. The functions and facades of buildings that were originally residential functions have turned into commercial functions. Thus, it affects the architecture and the environment. There are two functions of the area, namely (1) educational areas, and religious areas; (2) student dormitories and student dormitories. Both functions complement and strengthen each other in enhancing economic activities, pesantren activities, trade, and education.	Figure-Based Economic Development Model
8	Pesantren and participatory development: The case of the pesantren Maslakul Huda of Kajen, Pati, Central Java/ Journal of Indonesian Islam	This research reveals economic development using a participatory model. participatory development at Maslakul Huda pesantren has led to the creation of true participation where the local community can identify their own problems and potentials, and create alternative solutions. The role of the kyai in this pesantren is merely to provide Islamic justification for accepting participatory development, and the implementation of the program is in the hands of senior students and village facilitators. participatory actions and the formation of self-help groups as community forums allow them to express their own perspectives on their issues without the interference of the kyai. This participatory model is also utilized by the pesantren for its economic development	Community and Pesantren-Based Participatory Economic Development Model

Based on the research-based table above, eight pesantren economic development models used in Indonesia are explained according to the presented Literature, namely (1) community-based pesantren economic development model, (2) Corporate Governance-Based Waqf Development Model, (3) I-CSR Based Development Model, (4) Start-Up Digitalization Model, (5) Religious Area Model, (6) Entrepreneurship and Stimulator-Based Economic Development Model, (7) Figure-Based Economic Development Model, (8) Community and Pesantren-Based Participatory Economic Development Model.



Graph 2. Pondok Pesantren Economi Development Model

Economic development is understood as a comprehensive process where efforts are made to improve an order aimed at enabling it to develop independently. Economic development from the perspective of pesantren can be understood as a process aimed at creating advanced, self-sufficient, and prosperous pesantren. This development goal can be achieved if pesantren have a progressive outlook, possess a vision of self-reliance, and are dedicated to achieving their goals while also being able to collaborate both internally through their economic bases and externally with communities or other parties.(Nasdian, 2014)

### 1. Model and Benefits of Pesantren Economic Development

Referring to Jack Rothman, there are three models related to the economic development of a community. First, locality development focuses on helping pesantren develop their potentials to achieve progress in the economic field. Second, social planning assists pesantren in addressing social issues that hinder economic development. The third model, social action, helps pesantren focus on alleviating social problems caused by discriminatory practices that hinder institutional progress.(Rothman, 2007) Based on this theoretical perspective, when referring to the LSR analysis results, they can be categorized as follows:

**Table: 4. Community Economic Development**

No	Model of Development	Type of Model
1	<i>locality development</i>	Waqf Based Corporations Digitalization Startups Religious Tourism Entrepreneurship and Simulation

2	<i>social planning</i>	Community Cooperation Community and Pesantren Participation Figure-Based
3	<i>social action</i>	I CSR

Source: Adapted from LSR and Theory results

One interesting aspect of this mapping is the emergence of waqf-based corporations applied within pesantren institutions. Although the study does not elaborate on how the concept of waqf-based corporations is operationalized at Pondok Pesantren Tebu Ireng Jombang, it can be understood that pesantren, as waqf institutions in this perspective, serve as both creators and managers of waqf assets and distributors of waqf benefits. Through this definition, pesantren can directly engage in all three aspects of waqf asset formation, management, and distribution to designated recipients based on waqf arguments.(Huda & Santoso, 2022)

Pesantren with waqf status are not uncommon, even in modern contexts like Pondok Modern Gontor and Pondok Pesantren Wali Songo Ngabar, which are also endowed to the Muslim community. However, the concept of stewardship is practiced and integrated into these pesantren, and the management of both economic and non-economic aspects is conducted prudently and responsibly by the administrators. Each business unit within such pesantren typologies benefits not only the pesantren itself but also the surrounding community.

Furthermore, entrepreneurial implementation, the strengthening of digital startup initiatives, and the utilization of religious tourism strategies for economic development are part of locally-based economic development. Local economic development can stimulate economic growth by supporting and providing opportunities for unit entities, whether within pesantren or the broader community, thereby increasing income and creating job opportunities within the community. This can also foster cooperation among local economic actors, such as local producers, traders, and service providers, ultimately leading to sustainable economic growth.

Local-based economic approaches, including entrepreneurial strengthening, need to consider supporting ecosystems such as financial actors, culture influencers, support organizations, educators and developers of human capital, corporations, and policymakers.(Neumeyer et al., 2019) Local economic development theory is closely related to community engagement. Each community faces different challenges and opportunities. To find economic development models suitable for pesantren, an approach that aligns with the characteristics and conditions of each pesantren's economic development aspect is necessary. The research framework for economic development models also utilizes economic theory instruments based on economic capital and institutional economic development theories.

The economic development of pesantren is part of community empowerment, as the economic development undertaken can contribute not only to pesantren but also to the wider community. Hence, there is a demand from the community for pesantren to prepare skilled human resources to actively

participate in development efforts.

As for the second modeling, community collaboration and community participation are closely related to community empowerment issues. Pesantren-built community collaborations are closely tied to network strengthening. Maintaining relationships within social exchanges is more important than transactions. The primary goal of these relationships is to maintain reputation through recognition within networks or groups. The exchange process is conducted to optimize relationship benefits.

The concept of participation rules in exchanges dictates that if a transaction specifically promotes a strong relationship and expands recognition, the transaction may proceed. However, if the transaction fails to promote a strong relationship, two options can be considered: (1) finding alternative transactions that will provide benefits, or (2) maintaining the transaction by reducing relational costs. The decision depends on the process of finding alternative transactions and relative relational costs.(Lin, 2001)

Furthermore, the type of ICSR model conducted as part of social action can be understood as corporate or institutional steps to benefit the community and support community empowerment processes. These activities are grounded in religious values to fulfill religious obligations. The concept of "doing good" in Islamic economics involves social responsibility towards the community. Economic actors, both individuals and companies, are encouraged to consider the social and environmental impacts of their economic activities. They are urged to invest in projects beneficial to society.(Muhammed, 2007)

## 2. Factors Contributing to Differences in Pesantren Economic Development Models

Differences in pesantren economic development models in each region or location can be caused by several factors, including: First, the local context, which encompasses unique geographical, demographic, economic, and cultural conditions, can affect pesantren economic development models. For instance, pesantren in agrarian areas may focus on developing the agricultural or livestock sectors, while those in urban areas may be more involved in service industries or creative industries.

Second, the focus and expertise of pesantren. Each pesantren has different focuses and expertise. Some focus more on formal education, while others focus on religious teaching and religious activities. These focus areas and expertise can influence pesantren economic development models. For example, pesantren specializing in arts and crafts may develop related businesses based on their teachings.(Muhammed, 2007)

Third, the availability of resources. Differences in available resources, both financial and physical, can also lead to differences in pesantren economic development models. Some pesantren may have sufficient resources to develop large and complex economic ventures, while others may be limited in resources and must rely on simpler economic activities.(Linda Holbeche, 2009)

Fourth, leadership and pesantren vision-related factors. Differences in leadership and pesantren vision also play a significant role in economic development model variations. Progressive and innovative leadership can drive

the development of more advanced and diverse economic ventures. Meanwhile, pesantren with a strong and clear vision of the role of pesantren economics in society will encourage the development of economic models that align with that vision. Fifth, external factors such as government regulations, market conditions, and economic policies can also influence pesantren economic development models. Policies that support and facilitate pesantren economic development can encourage variations in development models. On the other hand, obstacles or constraints faced by pesantren in developing economic ventures can limit the choice of development models.

## CONCLUSION

Research on economic development models using a systematic literature review approach utilized Scopus as the primary data source. The data excavation resulted in eight literatures corresponding to the research theme, outlining eight models: (1) community cooperation-based pesantren economic development model, (2) waqf governance-based corporate pesantren economic development model, (3) I-CSR-based pesantren economic development model, (4) Digitalization Start Up-based pesantren economic development model, (5) Religious Tourism-based pesantren economic development model, (6) Entrepreneurship-based pesantren economic development model using simulators, (7) Figure-based pesantren economic development model, and (8) Community and pesantren-based participation pesantren economic development model.

The author analyzed these eight models by categorizing them into three main models: locality development, comprising (1) waqf governance-based corporate pesantren economic development model, (2) Religious Tourism-based pesantren economic development model, (3) Entrepreneurship-based pesantren economic development model using simulators, and (4) Digitalization Start Up-based pesantren economic development model. Additionally, under the social planning model, it was found that there are two models: (1) community cooperation-based pesantren economic development model, and (2) Community and pesantren-based participation pesantren economic development model. The last category is social action, namely, the pesantren economic development model utilizing I CSR.

These pesantren economic development models have significant benefits for both the pesantren and the community. Furthermore, these models may differ due to various factors such as locality, focus, and different pesantren expertise, the availability of human resources, different leadership and organizational visions, and finally, external factors.

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