

The Economic Impact of Pesantren Haul Traditions on Local MSME Income: Evidence from Gentur Cianjur, Indonesia

¹Diansyah Permana

²Luqman Al-Hakim Musthafa

³Ceceng Saepulmilah

⁴Mamat Rahmat

⁵Alfa Rohmatin

⁶Andewi Suhartini

¹⁵ Sekolah Tinggi Ilmu Tarbiyah (STIT) Al-Azami Cianjur

² Institut Muhammadiyah Darul Arqam Garut

³ Universitas Siliwangi

⁴⁶ UIN Sunan Gunung Djati Bandung

Email: diansyahpermana240@gmail.com

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Abstract

This study aims to analyze the effect of pesantren haul traditions on the income growth of local micro, small, and medium enterprises (MSMEs), with a case focus on Pesantren Gentur in Cianjur Regency, Indonesia. The haul tradition is viewed not only as a religious activity but also as a socio-economic phenomenon that has a significant impact on the surrounding community. A quantitative approach with an explanatory design was employed. Primary data were collected through surveys and interviews with 111 MSME actors around Pesantren Gentur and analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM) with SmartPLS software. The results reveal that the pesantren haul tradition has a positive and significant effect on MSME income growth, with a path coefficient of $\beta = 0.843$, T-statistic = 27.710, and $p < 0.001$. The structural model explains 71% of the variance in MSME income growth with a substantial effect size ($f^2 = 2.451$) and strong predictive relevance ($Q^2 = 0.593$). These findings confirm that pesantren haul functions not only as a spiritual event but also as a local economic driver. The implications suggest that better management of haul traditions is essential to optimize economic benefits for MSMEs without diminishing their religious values. Local governments and pesantren managers are expected to synergize in supporting infrastructure, event governance, and MSME empowerment. Future studies are recommended to expand the scope to pesantren in other regions and to integrate variables such as MSME digitalization to enrich the analysis of religious tradition-based economic development.

INTRODUCTION

Pesantren in Indonesia have long played an important role not only in the transmission of religious knowledge, but also in the social and economic dynamics of society. Pesantren activities, such as regular recitations, Islamic holidays, and haul traditions, often attract large numbers of people, which has a direct impact on local socio-economic life. This situation shows that Islamic boarding schools function not only as educational institutions, but also as centers of religious activity and drivers of the community's economy. The tradition of haul, in particular, is a clear example of how religious activities can create social mobility and economic opportunities, especially for MSMEs around Islamic boarding schools (Felicity N Ncube & Oliver Chikuta, 2020).

In line with this, international studies on religious tourism show that mass religious activities are not only spiritual in nature, but also contribute significantly to economic development. Research in various countries confirms that religious traditions such as pilgrimages,

festivals, and commemorative ceremonies create business opportunities, expand employment, and strengthen the competitiveness of local MSMEs (Budovich, 2023). Research in Romania, for example, shows that religious tourism supports sustainable development through infrastructure improvements, cultural promotion, and the creation of new business environments (Guriță & Scortescu, 2023). Furthermore, studies in the Philippines show that the public views the contribution of religious tourism to MSMEs positively, although management strategies are needed to reduce negative impacts such as traffic congestion and pollution (Palma Balaga & Salado Maravilla, 2024). In fact, studies of the Camino de Santiago pilgrimage route in Spain show that the flow of pilgrims can strengthen rural economic resilience through consistent pilgrim consumption (Andrade Suárez et al., 2025).

However, not all pesantren activities have been proven to have a significant effect on economic behavior or decisions. For example, research Rohmatin et al. (2025) regarding the influence of teacher role models on santri sarong purchasing decisions showed insignificant results. These findings show that the internal religious norms of Islamic boarding schools are not always the main determinants of economic activity; rather, rational factors such as price and product quality tend to be more dominant. This condition opens up new avenues for research, namely that although religious aspects do not influence the consumption behavior of santri, broader religious activities involving the community, such as haul, have the potential to have a significant economic impact.

Thus, although various international studies have confirmed the economic impact of religious activities, similar studies in Indonesia, especially in the context of Islamic boarding schools, are still very limited. Most studies on Islamic boarding schools focus more on social, cultural, and educational aspects, so that the economic contribution of Islamic boarding schools has received little academic attention. In fact, in some areas, Islamic boarding schools have religious traditions that attract thousands of worshipers and create local economic dynamics. One example is the Gentur Islamic Boarding School in Cianjur Regency, West Java, which is known as one of the oldest Islamic boarding schools with an annual tradition that is regularly held and attended by thousands of worshipers. This tradition not only serves as a spiritual bond but also as an economic magnet that revives local MSMEs, from culinary vendors to transportation services (Rokhadi et al., 2025).

Based on these conditions, this study aims to analyze the direct influence of the Gentur Islamic Boarding School tradition on increasing the income of MSMEs in Cianjur Regency. This study differs from previous studies that focused more on socio-cultural dimensions, as it specifically examines the economic impact of pesantren haul using a quantitative approach. The novelty of this study lies in the unique local context of Pesantren Gentur as an old pesantren with a large haul tradition and its focus on economic contributions that have never been empirically studied in Indonesia. Therefore, the research question posed is: does the Gentur Islamic Boarding School haul have a significant impact on increasing local MSME income? With this focus, this study is expected to expand the literature on Islamic boarding schools and religious tourism, while providing practical recommendations for the community, Islamic boarding school managers, and local governments in developing economic empowerment strategies based on religious traditions.

H1: The Gentur Islamic Boarding School haul tradition has a positive and significant effect on increasing the income of local MSMEs in Cianjur Regency.

H0: The Gentur Islamic Boarding School haul tradition has no significant effect on increasing the income of local MSMEs in Cianjur Regency.

METHODS

This study uses a quantitative design with an explanatory approach. This approach was chosen because the main objective of the study is to analyze the causal effect of the Gentur Islamic Boarding School tradition (independent variable) on the increase in local MSME income (dependent variable). The explanatory design is relevant because it provides the ability to test cause-and-effect relationships empirically and produces measurable evidence regarding the contribution of religious activities to community economic development (Rahadi, 2023; Setiabudhi et al., 2025).

The subject of this study is MSME actors operating around the Gentur Islamic Boarding School, Cianjur Regency. The research population includes all MSMEs that are actively trading during the annual haul, both in the culinary, transportation services, and general trade sectors. Through saturated sampling (census sampling), a sample of 111 MSMEs was obtained, all of which were used as research respondents. This sample size is considered adequate because it is in accordance with the basic principles of PLS-SEM, which is tolerant of small to medium sample sizes, and has met the 10 times rule as recommended in the methodology literature (Hair Jr et al., 2021; Haryono, 2016).

Data was collected through a survey method using a structured questionnaire. The questionnaire was distributed to respondents and filled out through one-on-one interviews, allowing researchers to obtain accurate and in-depth primary data. This technique was chosen because the majority of MSME actors around Islamic boarding schools are more accustomed to verbal communication, so structured interviews can minimize errors in filling out the instrument. The primary survey approach is also in line with contemporary PLS-SEM research practices that emphasize the measurement of latent variables through observable indicators in the form of Likert statements (Duryadi, 2021; Hair Jr et al., 2021).

The research instrument was developed based on indicators from the operational definition of the variables that had been formulated. The validity and reliability of the instruments were tested through outer model measurements, which included convergent validity ($AVE > 0.5$), discriminant validity ($HTMT < 0.85$), and composite reliability ($CR > 0.7$). This procedure followed methodological guidelines that are widely used in SEM-PLS-based research both in Indonesia and internationally (Hair Jr et al., 2021; Haryono, 2016; Rahadi, 2023).

Table 1. Operational Definitions Of Variables

Variable	Theory	Dimension	Indicator	Supporting Article
Pesantren Haul Tradition	<i>Event Tourism Theory</i> (Getz, 2008) – religious	1. Scale of activities 2. Congregation participation 3.	- Number of pilgrims present - Duration of the	Budovich (2023); Guriță & Scortescu

(X)	events as social and economic drivers	Duration of activities 4. Intensity of surrounding economic activities	haul - Frequency of interaction between students and the community - Commercial activities that arise during the haul	(2023); Rokhadi, Sukistanto, & Setyawati (2025)
Increase in Revenue UMKM (Y)	<i>Community Economic Development Theory</i> (Shaffer et al., 2006) – Local MSMEs grow through participation in community activities	1. Turnover/sales 2. Number of customers 3. Net profit 4. Additional job opportunities	- Increase in turnover compared to normal days - Number of buyers/services served - Percentage of profit increased - Additional workers during the haul	Ncube & Chikuta (2020); Balaga & Maravilla (2024); Suárez, García, & Leiras (2025)

Data: Processed by researchers

Data analysis was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM) operated through SmartPLS software. PLS-SEM was chosen because it is flexible in terms of sample size, capable of handling non-normal data, and effective for both exploratory and predictive research models. Model evaluation included two stages, namely the measurement model (construct validity and reliability) and the structural model (path hypothesis testing, R^2 values, Q^2 values, and effect size f^2). The bootstrapping technique with 5000 resampling was used to test the significance of the relationship between variables. This procedure is in line with best practices in the PLS-SEM literature, which has been widely used both in a global context and in research in Indonesia (Duryadi, 2021; Hair Jr et al., 2021; Haryono, 2016; Setiabudhi et al., 2025).

RESULTS

1. Measurement Model (Outer Model)

To test convergent validity, outer loading values with criteria > 0.70 were used. The test results showed that all indicators in the Haul Pesantren Tradition (X) and MSME Income Improvement (Y) constructs had loading values between 0.888 and 0.931. This indicates that all indicators meet the convergent validity requirements (Hair Jr et al., 2021).

Table 2. Outer Loadings (Convergent Validity)

Indicators	Tradition of Haul Pesantren	Increase in MSME Income	Description
X1	0.888	-	Valid
X2	0.915	-	Valid
X3	0.906	-	Valid
X4	0.902	-	Valid

X5	0.904	-	Valid
X6	0.911	-	Valid
X7	0.909	-	Valid
X8	0.931	-	Valid
Y1	-	0.908	Valid
Y2	-	0.923	Valid
Y3	-	0.918	Valid
Y4	-	0.912	Valid
Y5	-	0.931	Valid
Y6	-	0.915	Valid
Y7	-	0.947	Valid
Y8	-	0.931	Valid

Data: Processed by researchers

Next, construct reliability was tested using Cronbach's Alpha, Composite Reliability (CR), and Average Variance Extracted (AVE). The criteria used were Cronbach's Alpha > 0.70, CR > 0.70, and AVE > 0.50 (Haryono, 2016). The results show that all constructs have Cronbach's Alpha values above 0.90, Composite Reliability above 0.97, and AVE above 0.82. This confirms that the constructs used are highly reliable.

Table 3. Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability (qa)	Composite Reliability (qc)	AVE	Description
Tradition of Haul Pesantren	0.970	0.970	0.974	0.825	Reliabel
Increase in MSME Income	0.975	0.975	0.979	0.853	Reliabel

Data: Processed by researchers

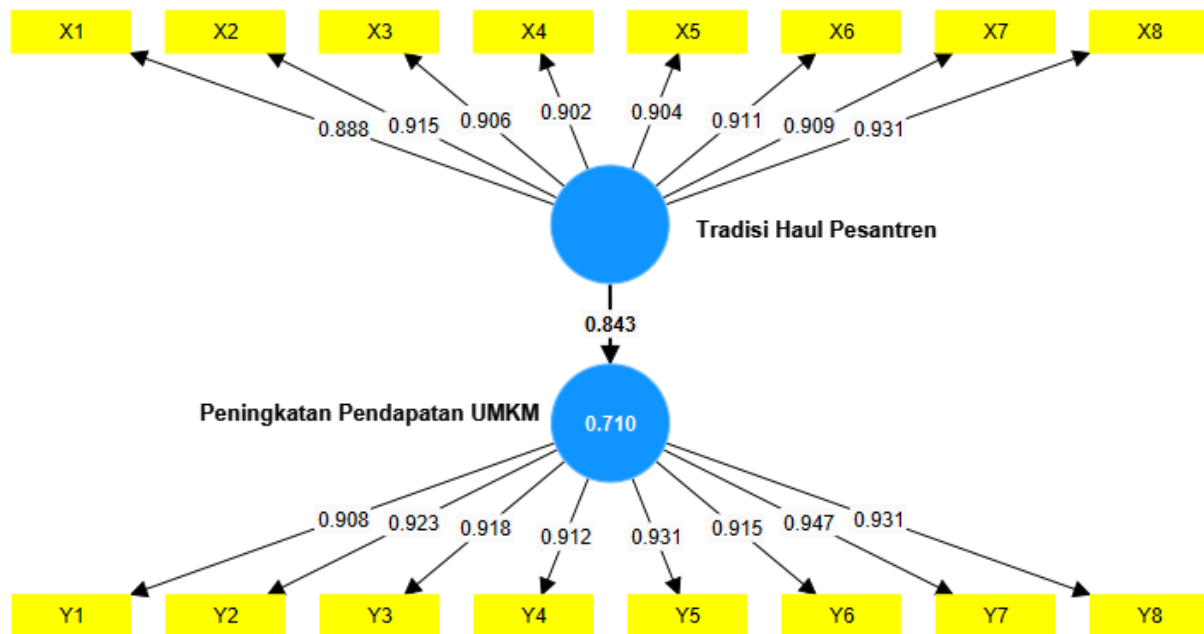
Discriminant validity was tested using the Heterotrait-Monotrait Ratio (HTMT). The HTMT value between the two constructs was 0.865, which is less than the maximum limit of 0.90, so it can be concluded that there was no discriminant problem (Hair Jr et al., 2021).

Table 4. Discriminant Validity (HTMT)

Variable 1	Variable 2	HTMT Value	Description
Tradition of Haul Pesantren	Increase in MSME Income	0.865	Valid

Data: Processed by researchers

Figure 1. Outer Model



2. Structural Model (Inner Model)

The structural test results show that the Pesantren Haul Tradition (X) has a significant effect on the Increase in MSME Income (Y). The path coefficient (β) value is 0.843, with a T-statistic = 27.710 (>1.96) and a p-value = 0.000 (<0.05). This indicates that the hypothesis is accepted, whereby the pesantren haul tradition makes a significant positive contribution to the increase in local MSME income (Rahadi, 2023; Setiabudhi et al., 2025).

Table 5. Path Coefficients (Hypothesis Testing)

Hypothesis	Original Sample (β)	T-statistic	p-value	Decision
Pesantren Haul Tradition $\rightarrow$ Increased Income for MSMEs	0.843	27.710	0.000	Accepted

Data: Processed by researchers

In addition, the R^2 value for the dependent variable (SME Income Growth) is 0.710, indicating that the pesantren haul tradition can explain 71% of the variation in SME income growth. According to the criteria, this value falls into the strong category.

Table 6. R-Square Result

Dependent Construct	R^2	R^2 Adjusted	Description
Increased Income for MSMEs	0.710	0.708	Strong

Data: Processed by researchers

The f^2 value of 2.451 indicates a very large influence of the pesantren haul tradition on the increase in MSME income. According to the cut-off by Hair et al. (2019), $f^2 \geq 0.35$ is classified as large, so that the contribution of construct X to Y is very dominant.

Figure 2. Inner Model

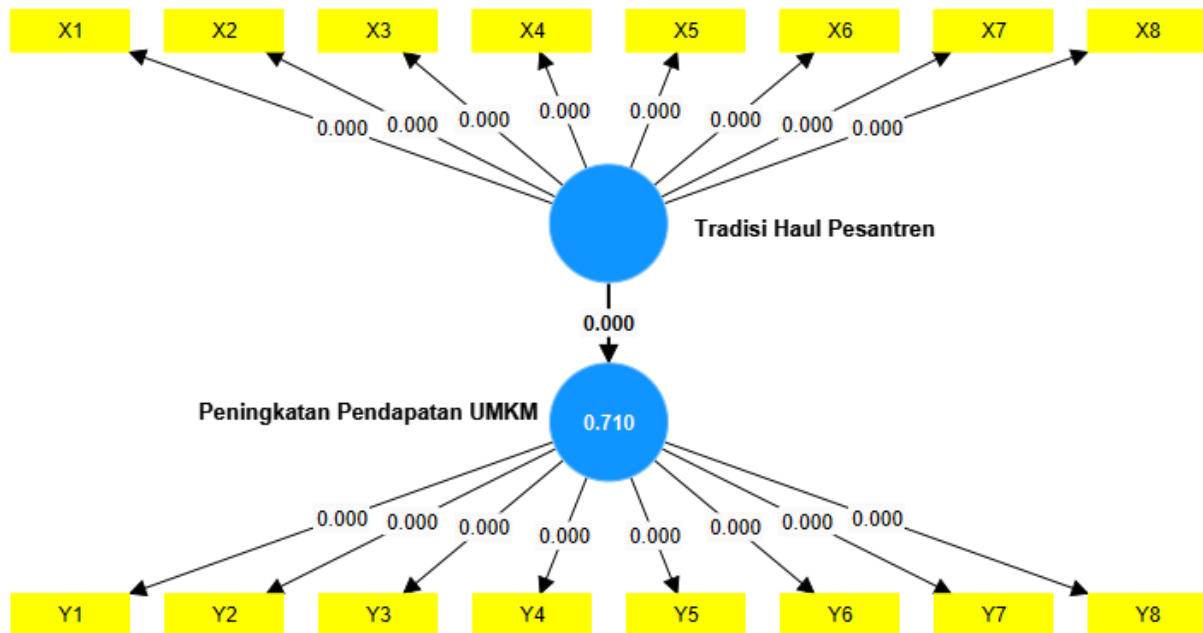


Table 7. Effect Size (f^2)

Relationship	f^2	Description
Pesantren Haul Tradition → Increased Income for MSMEs	2.451	Very large

Data: Processed by researchers

The Q^2 predictive relevance result also shows a value of 0.593, which indicates that the model has excellent predictive capabilities (Duryadi, 2021).

Table 8. Predictive Relevance (Q^2)

Dependent Construct	Q^2	Description
Increased Income for MSMEs	0.593	Predictive relevance high

Data: Processed by researchers

3. Model Visualization

To reinforce understanding of the research results, the structural model is visualized in two forms, namely the outer model and the inner model. This visualization serves to complement the test results table by providing a comprehensive overview of the indicators and the relationships between constructs.

3.1 Outer Model

The outer model describes the relationship between latent constructs and their indicators. In this study, the Pesantren Haul Tradition construct was formed by eight indicators (X1–X8), while the MSME Income Increase construct was formed by eight indicators (Y1–Y8). The results of the convergent validity test show that all indicators have an outer loading value > 0.70 , so it can be concluded that they are valid in reflecting their respective constructs.

In addition, the composite reliability (CR) values for both constructs are greater than 0.70, and the Average Variance Extracted (AVE) values are above 0.50. This indicates that the constructs have good internal reliability and are able to explain more than 50% of the indicator variance. Thus, the outer model of this study can be said to meet the validity and reliability requirements (Hair Jr et al., 2021; Haryono, 2016).

3.2 Inner Model

The inner model represents the relationship between latent constructs. In this study, the influence of the Pesantren Haul Tradition construct on the increase in MSME income was tested. The test results show that the path coefficient is $\beta = 0.843$, with a T-statistic value of 27.710 ($p < 0.001$). This indicates a positive and significant influence of the pesantren haul tradition on the increase in MSME income. In addition, the R^2 value = 0.710 shows that 71.0% of the variability in MSME income growth can be explained by the pesantren haul tradition, while the remaining 29.0% is influenced by other factors outside the model. Based on the criteria of Chin (1998) and Hair et al. (2021), the R^2 value falls into the substantial category, indicating that this structural model has a very strong explanatory power.

3.3 Visualization Interpretation

The visualization of the outer and inner models not only confirms that the indicators are valid in measuring the constructs, but also shows that the relationships between the constructs are in line with the proposed hypotheses. Overall, this model provides empirical evidence that the pesantren haul tradition has a significant contribution in encouraging an increase in local MSME income, both directly through economic turnover and indirectly through the strengthening of the community business ecosystem.

DISCUSSION

4.1 Pesantren Haul Tradition and Local Economic Implications

The results of the study show that the pesantren haul tradition has a positive and significant effect on increasing the income of local MSMEs ($\beta = 0.843$; $T = 27.710$; $p < 0.001$). These findings confirm that large-scale religious activities, such as the haul, not only have a spiritual impact but are also capable of creating substantial economic turnover around the pesantren. In the context of the Gentur Cianjur Islamic Boarding School, thousands of pilgrims who attend each year become a potential market for micro, small, and medium enterprises, ranging from the culinary sector, transportation, to accommodation providers. This supports the argument that Islamic boarding schools are not only religious educational institutions but also centers for driving the local economy through their religious activities (Assa'idi, 2021).

4.2 Consistency with Religious Tourism Literature

These findings are consistent with previous studies on religious tourism that emphasize the role of mass religious activities in boosting community economic activity. For example, Ncube and Chikuta (2020) assert that religious travel and religious festivals can increase community economic mobility through the creation of new business opportunities. Similarly, Budovich's (2023) research reveals that spiritual-based tourism not only strengthens religious identity but also expands the competitiveness of local MSMEs. In the context of this study, the Gentur Islamic Boarding School haul is a concrete example of the integration of religious practices with community-based economic empowerment.

4.3 Contribution to Sustainable Economic Development

Furthermore, this study supports the view of Guriță & Scortescu, (2023) which shows that religious tourism can encourage sustainable development in areas with economic limitations. The presence of pilgrims encourages improvements in transportation infrastructure, roads, and the provision of public facilities around Islamic boarding schools. This positive impact is also in line with the findings of Palma Balaga & Salado Maravilla, (2024) in the Philippines, where mass religious activities have been shown to strengthen small business growth and the preservation of

local traditions. Thus, the haul tradition at the Gentur Islamic boarding school is not only a spiritual ritual, but also an instrument of sustainable socio-economic development.

4.4 Comparison with Global Studies

The results of this study are also in line with the bibliometric study by Rautela et al. (2025), which highlights the growing trend of religious tourism in the context of Islamic culture as a means of strengthening spiritual values and economic development. On a global scale, research by Andrade Suárez et al., (2025) on the Camino de Santiago pilgrimage route in Spain shows that pilgrimage activities can serve as a laboratory for sustainable development for local communities. This similarity indicates that the haul phenomenon at the Gentur Islamic boarding school has characteristics equivalent to international religious tourism practices, making it relevant to be viewed as a model for local economic development based on religious traditions.

4.5 Academic and Practical Implications

Academically, this study reinforces the literature on the relationship between religious practices and community-based economic development. The SEM-PLS model used proves a strong causal relationship, whereby the pesantren haul tradition explains 71% of the variation in MSME income growth. This adds to the empirical evidence that religious practices can be analyzed using modern quantitative approaches to reveal real economic impacts.

These findings also contrast with the research by Rohmatin et al. (2025), which shows that the example set by teachers as a subjective norm does not significantly influence students' purchasing decisions. This difference confirms that the influence of Islamic boarding schools on economic activity is not uniform but depends on the context. Internally, price rationality and product quality are more dominant, while externally, in aspects such as haul, the religious dimension is the main driver of community economic mobility.

In practical terms, the results of this study provide input for policymakers and pesantren administrators to optimize haul activities as drivers of the local economy, for example through the provision of more structured business spaces, parking management, and the empowerment of pesantren-based MSMEs. Thus, pesantren can continue to maintain their spiritual traditions while also becoming important actors in regional economic development.

Overall, the results of this study show that the pesantren haul tradition, particularly at the Gentur Cianjur Pesantren, has a dual function: as a spiritual practice and as a driver of the local economy. The results of statistical tests using SEM-PLS show a significant and strong influence, which is consistent with global literature on religious tourism. The discussion also confirms that religious traditions can be a means of sustainable development for the community. Thus, this study emphasizes the importance of examining Islamic boarding schools not only in terms of education and religion, but also as strategic local economic actors.

CONCLUSION

Based on the research results, it can be concluded that the pesantren haul tradition has a positive and significant influence on increasing the income of local MSMEs around the Gentur Cianjur Pesantren. The structural model shows that the haul tradition variable is able to explain 71% of the variation in MSME income growth, with a very large effect. These results confirm that annual religious activities not only serve as a spiritual means but also as an economic driver that has a direct impact on the surrounding community.

Theoretically, this study contributes to the literature on religious tourism and community-based economics by adding empirical evidence from the context of Islamic boarding schools in

Indonesia. Practically, this study emphasizes the importance of synergy between Islamic boarding school administrators, MSMEs, and local governments to optimize the economic benefits of the haul tradition without reducing its inherent spiritual value.

However, this study has limitations in terms of sample size, as it only involved 111 MSME actors around the Gentur Islamic boarding school. Therefore, these results cannot be generalized to other Islamic boarding schools in Indonesia.

Based on the results and limitations of the study, several recommendations can be made. First, for pesantren administrators, more structured management of haul activities is needed to provide a more equitable business space for MSMEs, for example through the arrangement of bazaar locations, parking management, and promotion of local products. Second, local governments are expected to provide regulatory support and infrastructure facilities so that the positive economic impact of haul can be maximized in a sustainable manner. Third, for future research, it is recommended to expand the sample by involving Islamic boarding schools in other regions, as well as adding other variables such as the role of MSME digitalization or community social support, in order to enrich the analysis and provide a more comprehensive picture.

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