

How to Cite:

Suhirman, G., & Aminy, M. M. (2022). The economic independence of pesantren and its impact on the development of Micro, Small, and Medium Enterprises (MSMEs). *International Journal of Health Sciences*, 6(S5), 4046–4063. <https://doi.org/10.53730/ijhs.v6nS5.10751>

The economic independence of pesantren and its impact on the development of Micro, Small, and Medium Enterprises (MSMEs)

Gatot Suhirman

Department of Islamic Banking, Faculty of Islamic Economics and Business,
Universitas Islam Negeri Mataram, Indonesia
Email: gatotsuhirman@uinmataram.ac.id

Muhammad Muhajir Aminy

Department of Islamic Banking, Faculty of Islamic Economics and Business,
Universitas Islam Negeri Mataram, Indonesia
Email: azeer.elkhawarizm@uinmataram.ac.id

Abstract---This paper examines the economic independence of *pesantren* in Lombok, West Nusa Tenggara and its impact on the development of Micro, Small, and Medium Enterprises (MSMEs) surrounding *pesantren*. For this study, a descriptive quantitative research design was employed. The results are then shown as graphs, figures, and tables to facilitate their interpretation. There are 28 selected *pesantren* locations. 11 percent of *pesantren* are traditional, while 89 percent of *pesantren* are modern. Twenty of the 200 SME samples were discovered in the vicinity of the traditional *salaf pesantren*, while 180 were discovered in the vicinity of the modern *pesantren*. In this survey, the following criteria were developed for respondents: 1) responders who reside close to a mosque. 2) respondents who are employed by SMEs in the *pesantren* environment. The areas covered by the respondents of this study include Mataram City, Central Lombok Regency, and West Lombok Regency. This study revealed that *pesantren* that manage their finances and enterprises with a modern and independent attitude had a negligible effect on the growth of surrounding SMEs. On the other hand, *pesantren* with traditional characteristics, which are open and reliant in business and financial management, have a significant impact on the business growth of SMEs in the vicinity of *pesantren*.

Keywords---*pesantren*, economic independence, development, Micro Small and Medium Enterprises (MSMEs).

Introduction

Education is a highly strategic human investment that prepares the next generation to continue human civilization in a positive way. Similar to the importance of education, Islamic teachings make it a lifelong religious obligation that every believer must fulfill. Therefore, it is not unexpected to learn from Virginia Hooker in (Karni, 2009) that the Muslim community operated their own formal education system for their children's centuries before the nation-state became the model for most modern political entities. Donations, grants, and contributions from parents and the surrounding community run the school system. Typically, it is guided by a scholar renowned for his Islamic expertise and knowledge.

In Indonesia, the Muslim-created educational system is known as *pesantren*. *Pesantren* is the oldest Islamic educational institution and one of the cultural manifestations of Indonesia. As a long-established educational institution in this country, *pesantrens* are considered as having made a significant contribution to the nation's historical development (Haedari, 2007). The establishment of *pesantrens* as educational institutions is essential. This is due to the fact that Islam is a religion of *da'wah* that is called to humanity by missionaries to lead them to salvation. Having successfully converted some individuals to Islam, the Islamist propagandists subsequently prepared cadres to continue the fight. The cadres received specialized training. They are always on the preacher's side to gather knowledge and to follow his example. *Muballigh*, who eventually became known as *kyai*, and his disciples were the cornerstones of the spread of Islam by nourishing and improving people's lives in accordance with the Islamic teachings' ideals.

There is a paradox in the public's view regarding investment in human resources through this field of education. In general, they think that if they want to develop an attitude of religiosity that is *ukhrawi*-oriented, then the choice is *pesantren*. On the other hand, if you want to achieve knowledge that seems closer and clearer in order to be able to achieve the welfare of worldly life, then the choice is schools that teach general sciences. Thus, for the development of an entrepreneurial spirit in order to create a nation that has economic independence, it is schools that teach general education that must be the choice of investment in human resources.

Pesantren is not just a religious study center, *tafaqquh fiddin*, but also has the potential for economic growth. Karni (2009) states that *pesantren* is a community in which *kyai*, students, parents of students, alumni, alumni families, and the surrounding community have a very strong relationship of mutual trust. These close links are a rare and extremely important form of social capital for an economic endeavor. In addition to the freedom of religious beliefs, the early history of *pesantren* is also a history of economic independence. They rose from the bottom through tenacity. They have a unique method for meeting the requirements of their community.

Pesantren as a subculture, has a uniqueness that has taken root and lives and develops in the midst of society in carrying out the function of education, the

function of *da'wah*, and the function of community empowerment. The function of empowerment in the socio-economic context of course is to achieve economic independence. This is an opportunity as well as a challenge for *pesantren* as mandated by Law (UU) Number 18 of 2019 concerning *pesantren*.

Through Law Number 18 of 2019 regarding the *pesantren*, the Coordinating Ministry for Economic Affairs of the Republic of Indonesia, for example, through Press Release No. HM.4.6/85/SET.M.EKON.2.3/07/2020 it is emphasized that *pesantren* are the Centers for Islamic Economic and Financial Ecosystem Development. Currently, the government continues to encourage increased Islamic financial inclusion, as part of the financial inclusion program for all Indonesians. The reason is, based on the results of a survey by the Financial Services Authority (OJK) in 2019, the level of Islamic financial inclusion in Indonesia is only around 9% and the level of Islamic financial literacy has only reached 8.93%. This fact is not considered optimal, considering that 87.18% of the total 235.5 million people in Indonesia are Muslims. Therefore, the potential to increase Islamic financial inclusion nationally is still wide open. Moreover, it is supported by the existence of 28,194 *pesantren* (www.ekon.go.id, 2022).

Suyatman (2017) remarked that a number of *pesantrens* around the archipelago have demonstrated their proficiency in posing as economic actors (Karni, 2009). Some are in West Java, including *Pesantren Fathiyah Al-Idrisiyah* Islamic in Tasikmalaya, *Pesantren Al-Ittifaq* in Bandung, *Pesantren Al-Ashriyyah* Islamic Boarding School Bogor, and *Pesantren Daarut Tauhid* Bandung. With diverse backgrounds of community conditions and students who become their students, the founders of the *pesantren* strive to realize the ideas of economic independence through cooperation among the social ties that have been established, so that welfare is achieved not only for the *pesantren* community, but also for the community.

Human resources (HR) in *pesantrens* have the ability to boost and expand the local economy. This potential for human resources should be bolstered with skills such as agriculture, commerce, and workshop management, as well as an entrepreneurial spirit (Ryandono, 2018). Several *pesantrens* in Indonesia, including *Pesantren Nurul Haramain* NW in West Lombok, have already adopted this philosophy. *Pesantren Nurul Haramain* NW offers a variety of agribusiness-related trainings, including transportation technology, travel, agricultural, nurseries, cultivation, fertilization, waste processing, sorting, grading, packaging, and labeling, to its students (Juaini, 2016). In addition to the *santri* (students in *pesantren*), the *pesantren's* surrounding community is engaged in economic development. The economic empowerment strategy of *Pesantren Nurul Haramain* NW is implemented in collaboration with farmer groups and mosque prosperity council through an institution.

As the nation with the largest Muslim population in the world, Indonesia has a great deal of potential within the Islamic economy. Indonesia holds the sixth-largest position in the halal business in 2020 and the seventh-largest overall Islamic financial assets in 2019 with a total value of US\$ 99 billion. Indonesia is in a prime position to build the sharia economy, given its strategic position. Through the empowering of *pesantrens'* independence, the development of the

halal industry, cooperation in the trade of halal products, and the harmonization of global halal standards and accreditation, worldwide halal standards and accreditation can be harmonized (www.ekon.go.id, 2022). The *pesantrenpreneur* program is an endeavor to foster the economic independence of *pesantren* and to improve pupils' skills. A *santri* of the current generation must have an entrepreneurial spirit, possess certain abilities or skills required by the community, be intelligent and able to capitalize on chances, leverage networks for collaboration, and be able to use technology.

As an institution that derives from the community and is embedded in society, *pesantren* must, in addition to offering Islamic education, be an institution that empowers the community, particularly in the economic realm. *Pesantrenpreneurs* can take advantage of various existing facilities, such as marketing their products through UKM Mart, providing services such as opening a mini-petrol station, and boarding schools can also use business institutions through *pesantren* cooperative (Kopontren), which is currently being made more accessible in accordance with the Job Creation Law. The Job Creation Law is applied to absorb labor and promote the welfare of the populace, as well as to encourage structural reforms and enhance the quality of human resources.

In this context, the purpose of this article is to determine whether the economic independence of *pesantren*, as described previously, actually has an impact on the economic development of the community, particularly the community of Micro, Small, and Medium Enterprises (MSMEs) actors located in and opening businesses around *pesantrens* in Lombok, West Nusa Tenggara.

Method

This article investigates the impact of *pesantren's* economic independence on the growth of Micro, Small, and Medium Enterprises (MSMEs) in the vicinity of *pesantren* in Lombok, West Nusa Tenggara. This study employed a descriptive quantitative research method. The results are then shown in graphs, figures, and tables to help their interpretation. There have been selected 28 areas for *pesantrens*. 25 *pesantren* (89 percent) belong to modern *pesantren* and as many as 3 *pesantren* (11 percent) are classical (traditional) *pesantren*. Of the 200 SMEs samples gathered, up to 20 are located near the classical (traditional) *salaf pesantren* and up to 180 are placed near the modern *pesantren*. The sample technique employed is probability sampling with a purposive sampling approach, with the following criteria for respondents having been selected for this study: 1) residents in the vicinity of the *pesantren*. 2) respondents around the *pesantren* own or are linked with SMEs. This study includes respondents from Mataram City, Central Lombok Regency, and West Lombok Regency.

Findings

1. Demographic of respondents

1.1. Distribution of respondents' area

Figure 1 depicts the distribution of respondents' area in the Lombok region, which is representative of the region's diversity. The region covered by 28

pesantrens as survey points, with Central Lombok Regency (72 percent), West Lombok Regency (28 percent), and Mataram City in third place (1 percent).

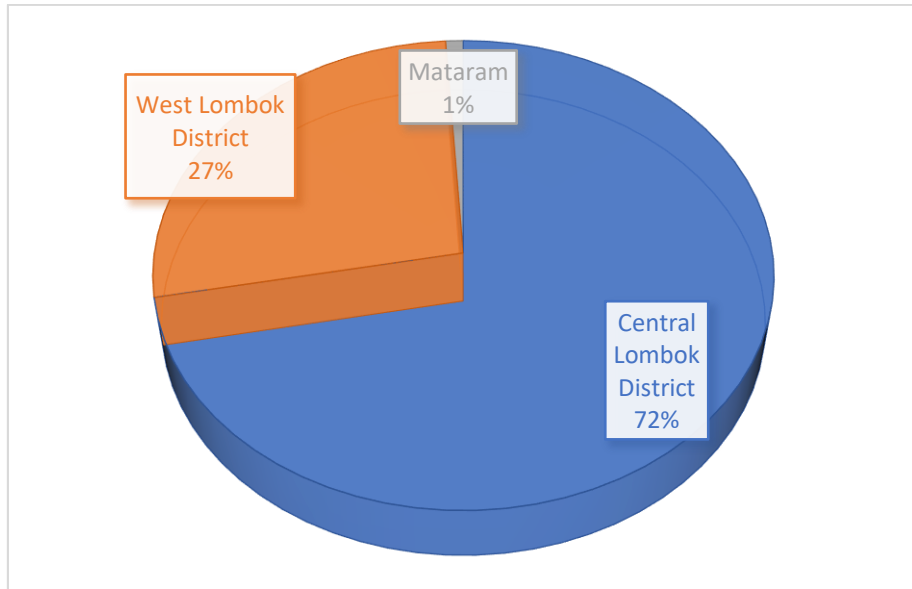


Figure 1. Distribution of respondents' area
Source: survey by the authors (2022)

1.2. *Pesantrens* and the number of respondents

The figure below demonstrates the distribution of *pesantren* names and the number of Micro, Small, and Medium Enterprises (MSMEs) respondents who were interviewed in the vicinity. *Pesantren* Al-Akhyar NW in West Lombok ranks as the *pesantren* with the highest number of respondents with 20 out of the 28 selected *pesantrens*. Several nearby SMEs share physical and emotional proximity with this *pesantren*. *Pesantren* Sayang Ibu, with 18 respondents, followed with *Pesantren* Darul Muhajirin Praya with 16 respondents, *Pesantren* Fajrul Hidayah Islamic Boarding School with 15 respondents, *Pesantren* Al-Intishar had 14 respondents, *Pesantren* Al-Mansyurati with 12 respondents, and *Pesantren* Ash-Shiddiqien NW and *Pesantren* Al-Falah each with 11 respondents, and *Pesantren* Darul Athfal with 10 respondents. The remaining can be seen as shown in the following figure.

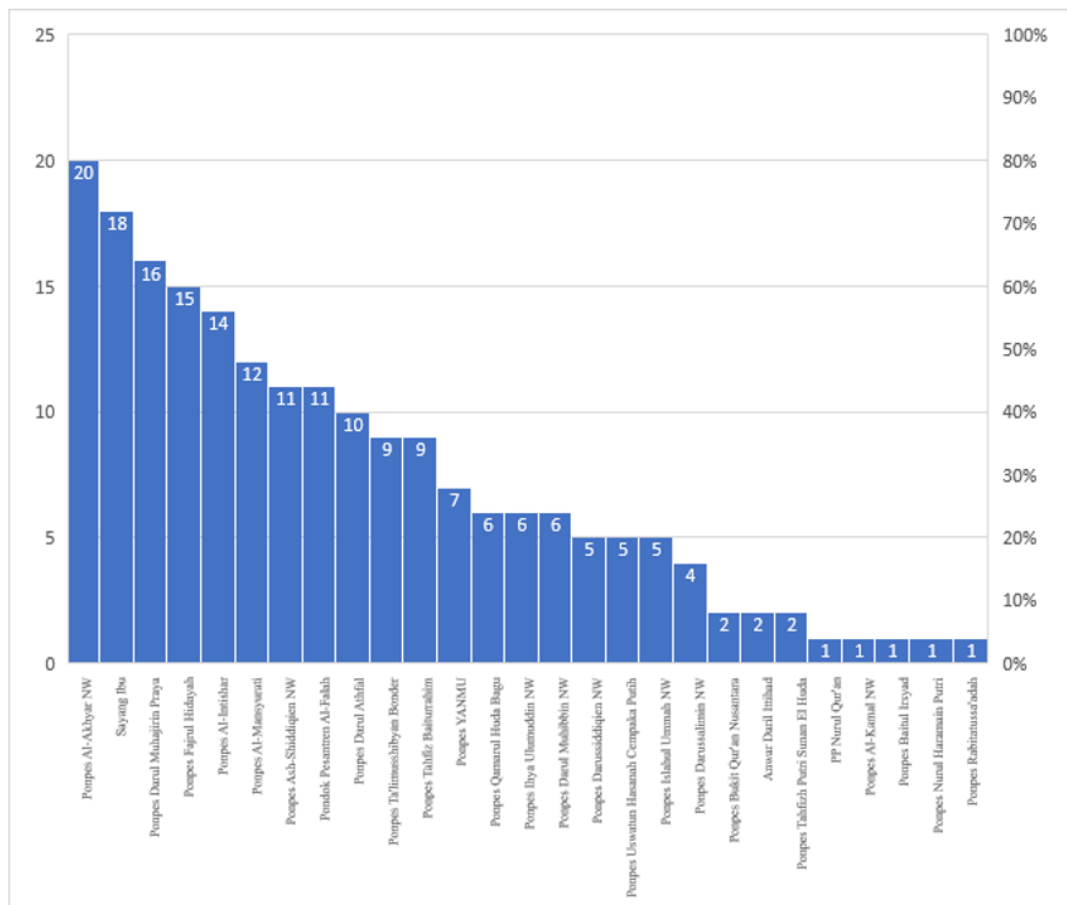


Figure 2. *Pesantrens* names and the number of respondents

Source: survey by the authors (2022)

1.3. Type of *pesantren*

From the following figure, it can be concluded that of the 28 *pesantrens*, 25 *pesantrens* (89 percent) are classified as modern *pesantren* and 3 *pesantrens* (11 percent) are classified as classical (traditional) *pesantren*. Field data also indicates that 200 SME samples were collected, including as many as 20 SMEs samples from the area around the traditional *salaf pesantren* and 180 SMEs samples from the area surrounding modern *pesantren*.

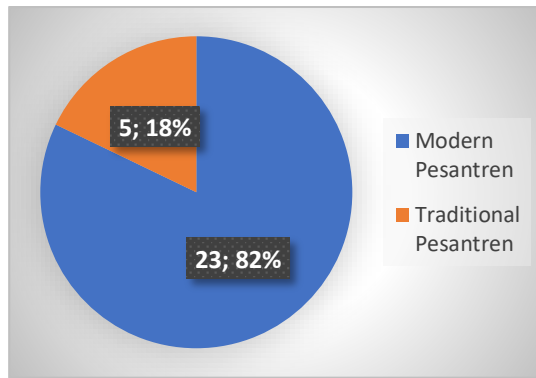


Figure 3. Type of *pesantrens*
Source: survey by the authors (2022)

2. Respondents' business conditions

2.1. Business ownership around *pesantren*

87 percent of respondents reported to be now engaged in a personal business, as indicated by the percentage in the figure below. The businesses that are currently owned were started with their own capital and perseverance, or with additional funds borrowed from the bank. Some of them claim to own a business that was passed down to them by their parents or family. 13 percent of respondents state that they do not own a business in a *pesantren* since they are only employees or permanent employees who have worked there for an extended period of time, such as photocopying and laundry enterprises.

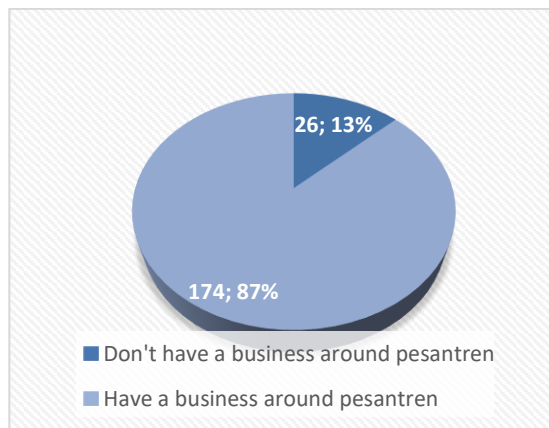


Figure 4. Business ownership around *pesantren*
Source: survey by the authors (2022)

2.2. Length of business

7 percent of respondents, based on the category of length of business surrounding the *pesantren*, have a business of less than a year. 12 percent of SMEs have been in operation for one to two years. Meanwhile, 15% of respondents have been in business for two to three years. Moreover, the majority

of respondents, 66 percent, claimed to having held a *pesantren*-related business for more than three years. This is because SMEs are in fact long-term inhabitants and permanent residents of the *pesantren* that serve as the survey locations.

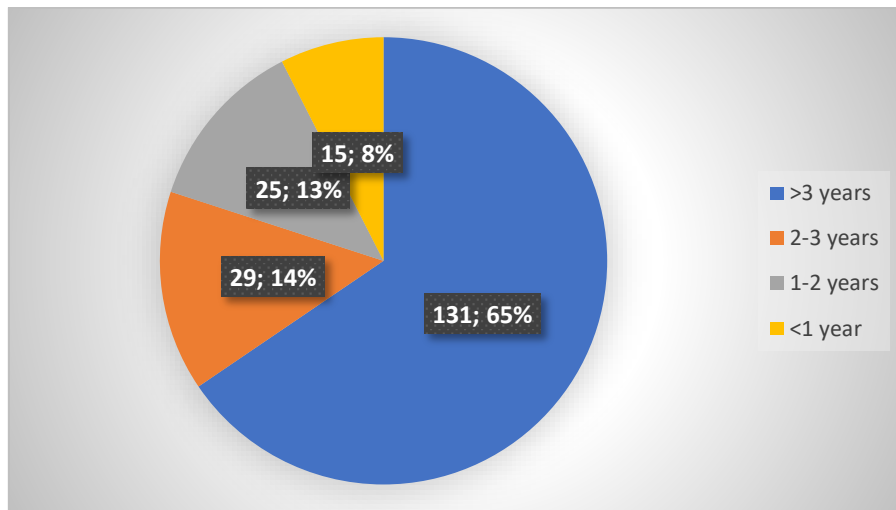


Figure 5. Length of business
Source: survey by the authors (2022)

2.3. Reason for establishing businesses around *pesantren*

Micro, Small, and Medium Enterprises (SMEs) actors choose enterprises near *pesantren* for the reasons depicted in the following figure. As many as 100 respondents (50 percent) cited proximity to their houses as the reason. In addition to the location of the business being close to their home, 61 respondents (30 percent) stated that it was also owing to the huge number of students from the closest *pesantren*. 17 respondents (8 percent) conveyed that they only opened a company near the *pesantren* due to the big number of students. Following this, 13 respondents (7 percent) cited the proximity to their houses, the large number of students, and the lack of business competition as reasons for opening a company near a *pesantren*. Three respondents (2%) acknowledged that the site is close to their residence and that there are few business competitors. 3 respondents (2%) reasoned that there were few business competitors, however 1 respondent (1%) disagreed because the individual in question had launched a business in the *pesantren* a long time ago.

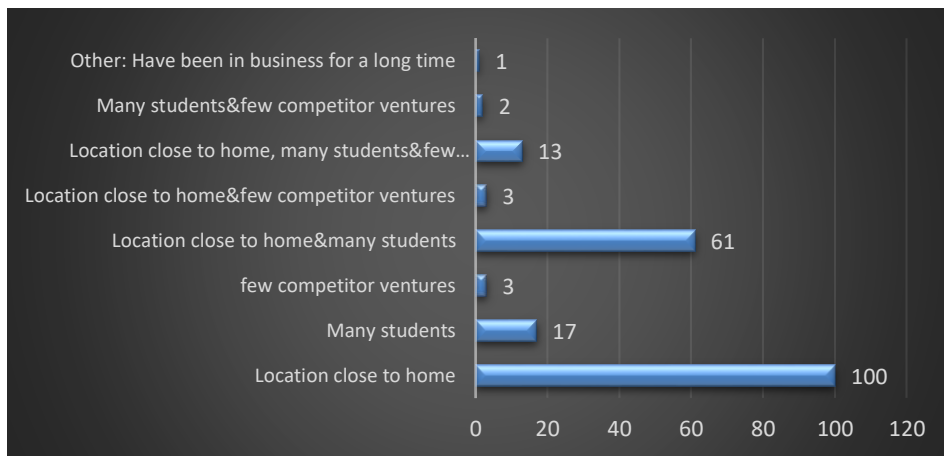


Figure 6. Reason for establishing businesses around *pesantren*
Source: survey by the authors (2022)

2.4. Distribution of MSMEs-based respondents

The provision of food and beverage accommodations dominates the business with 93 of the respondents operating in this industry. The provision of lodging and beverages comprises food booths, rice-packaged rice stalls, basic commodities, veggies, fried food sellers, etc. In addition, wholesale and retail commerce, as well as auto and motorcycle maintenance, are the second most popular types of businesses conducted by SMEs with 47 responses. This category includes wholesale enterprises, kiosks and clothing stores, as well as motorcycle and automobile repair shops. There are nine Micro, Small, and Medium Enterprises (MSMEs) engaged in traditional and semi-modern food and beverage processing, including the sale of bananas and others. Seven Micro, Small, and Medium Enterprises (MSMEs) are involved in information and communication, including stores and counters for cellphones, pulses, and energy. Similarly, seven MSMEs are involved in agriculture, forestry, and fishing. Five others are engaged in the construction industry, including building supply stores, wood/furniture merchants, breeders/fresh fish traders, and others. Three MSMEs are active in gas and electricity procurement, two in water supply and waste treatment, waste and used-goods recycling, and only one in education services. The remaining 26 MSMEs fall into various business sectors, such as salons and barbershops.

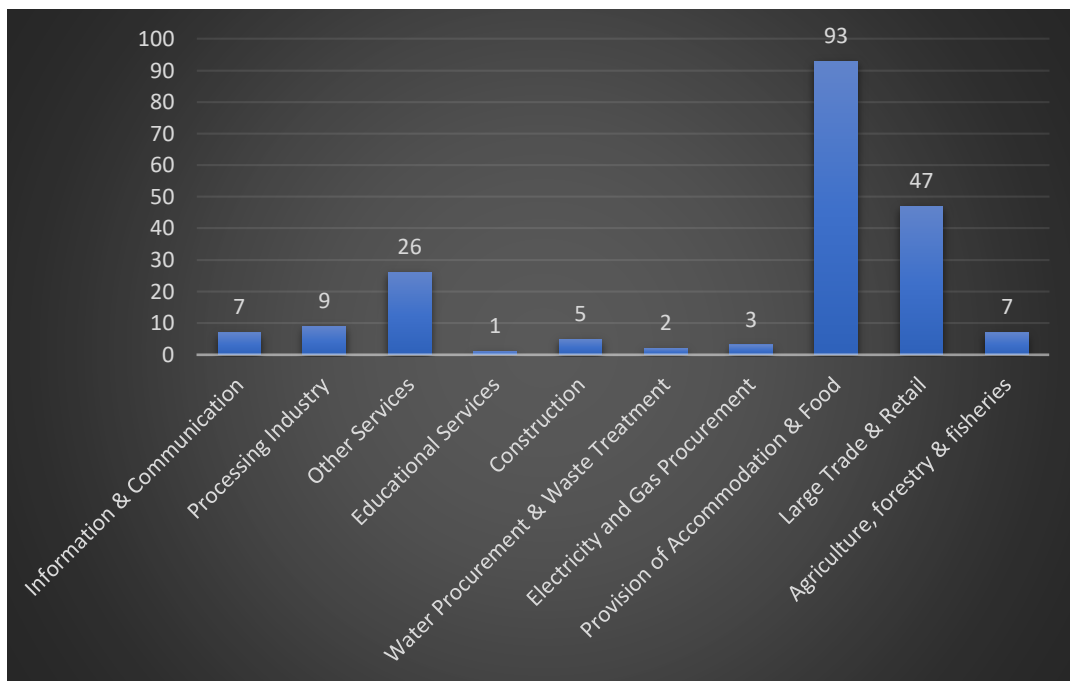


Figure 7. Distribution of MSMEs-based respondents
Source: survey by the authors (2022)

2.5. Business sectors

According to the following figure, 68 MSMEs provide food and beverage accommodations. This is hardly surprising considering, on average, students at *pesantren* surrounding and closest to MSMEs are "free" to find and purchase their own food during school hours. This means that students and teachers who teach in *pesantren* are not covered or provided for by the management of the *pesantren* that are modern but closed and independent in their management, particularly from an economic standpoint where food and lodging are covered.

Moreover, the second greatest number is comprised of MSMEs in agriculture, forestry, and fishing with 55 respondents. Due to the fact that the *pesantren* population and the general populace want food and drink, the demand for rice, fish, and vegetables is prevalent. The forestry or timber industry, which includes wood dealers and wood or furniture artisans who meet the needs of *pesantren* and students for cupboards and bookshelves, is the leading business category of this type.

Car and motorbike repair is also one of the leading industries that can be provided, as indicated by 39 respondents. Six respondents agreed that the processing industry, the technology and communication industry, and water supply and waste processing and recycling could be developed into leading businesses. In addition, according to four respondents, the power and gas procurement business sector is the other leading sector, followed by the transportation and warehousing sector, the construction sector, and the

education services sector. The remaining nine respondents identified various business sectors as superior, including real chicken/goat farms, salons, and tailors.

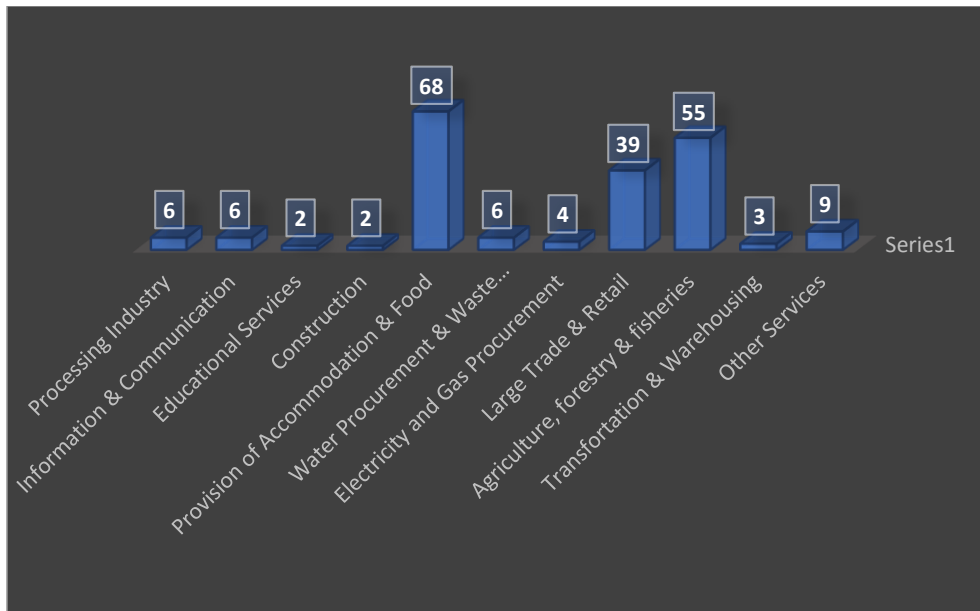


Figure 8. Business sectors
Source: survey by the authors (2022)

2.6. Satisfaction with business income

According to the following diagram, 55 percent of MSMEs (110 respondents) owners of MSMEs surrounding *pesantren* were dissatisfied with their current income. The remaining 90 respondents (45%) indicated that they are satisfied with the income their businesses generate.

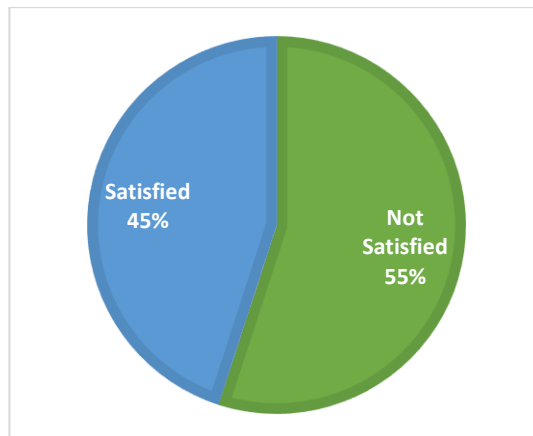


Figure 9. Satisfaction with business income
Source: survey by the authors (2022)

2.7. The influence of *pesantren* on MSMEs

58 percent of respondents indicated that *pesantren* had a significant impact on their business, as indicated by the following percentage. When Covid-19 strikes and schools, including formal schools at *pesantren*, the MSMEs surrounding *pesantren* will be the first to be badly impacted. Photocopying and office stationery, food kiosks, packaged rice stalls, and small motorbike repair businesses are among the most affected MSMEs. In addition, the food stall business sector, the credit counter business sector, and others are also affected by the establishment of *pesantren*, like rice sellers, gasoline sellers, repair shops, and tire patches. 24 percent of respondents fell into this category. In addition, enterprises such as furniture and wood artisans, table makers, bookshelves, and student cupboards are significantly affected, as stated by the responses of 10 percent of respondents. The remaining 4 percent of MSMEs in the vicinity of the *pesantren* are either unaffected or relatively unaffected, such as automobile sales and repairs, etc.

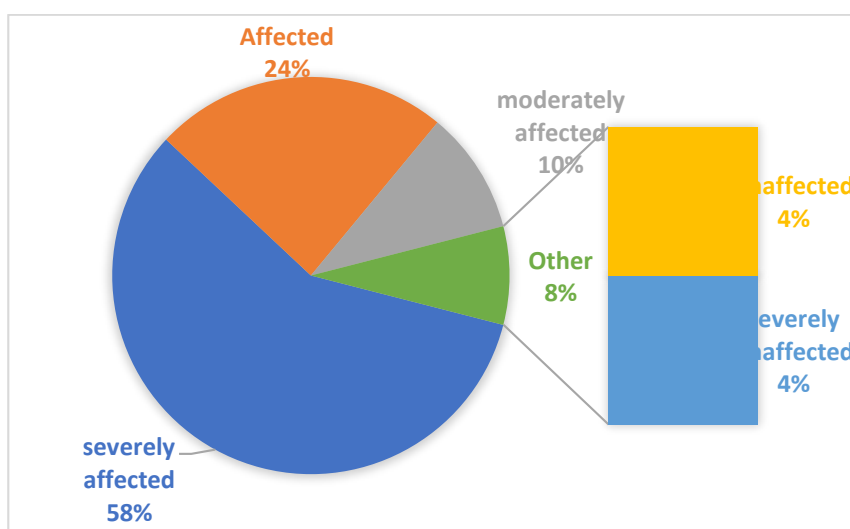


Figure 10. The influence of *pesantren* on MSMEs

Source: survey by the authors (2022)

2.8. The influence of communities needs on MSMEs in *pesantren* environment

The influence of *pesantren* on the needs of the community is generally dominated by the businesses of basic food stalls, and buying and selling phone credits as a business that, in addition to expecting *pesantren* as its main segment, also targets the general public, as indicated by the responses of 61 percent of the respondents. Respondents who indicated that the demands of regular people had a 25% impact on their business came next. 9 percent of respondents indicated that the demands of the community are sufficient to affect the business's viability. The remaining 4% of businesses were unaffected, and 1% reported that the requirements of the local population had no impact on their operations.

Based on the results of the image description regarding the influence of *pesantren* and the needs of the population on the respondent's business, it was determined that more than sixty percent of the sample of MSMEs owners around the *pesantren* believed that the existence of *pesantren* and the needs of the surrounding population had a significant impact on the existence of their businesses. This indicates that the effect of the surrounding people is larger than that of the *pesantren*. This may be due to the fact that many modern *pesantren* seek to be closed to the outside of *pesantren*, therefore there is very little interaction between students and the proprietors of adjacent MSMEs. In addition, field data revealed that a number of modern *pesantren* that are exclusive, closed, and autonomously handle their *pesantren* company management have no substantial impact on the surrounding MSME enterprises. Male and female MSMEs owners in the area of *Pesantren Nurul Haramain* experienced this. If the *pesantren* is open, allowing adjacent MSMEs to sell and operate businesses such as making and renting rooms to students staying near the *pesantren*, then the existence of the *pesantren* has a significant impact on the businesses of the surrounding MSMEs. *Pesantren* which are traditional *salaf pesantren* and do not have formal schools, such as *Pesantren Tahfidz Sunan El-Huda* in Mantang, Central Lombok for both male and female students, only have a 'yellow book' recitation program and focus on themselves in the *al-Qur'an* memorization program, is also closed and manages the *pesantren* independently. The existence of *Pesantren Sunan El-Huda* did not have a significant impact on the nearby MSMEs, such as food stands, photocopying shops, and laundromats.

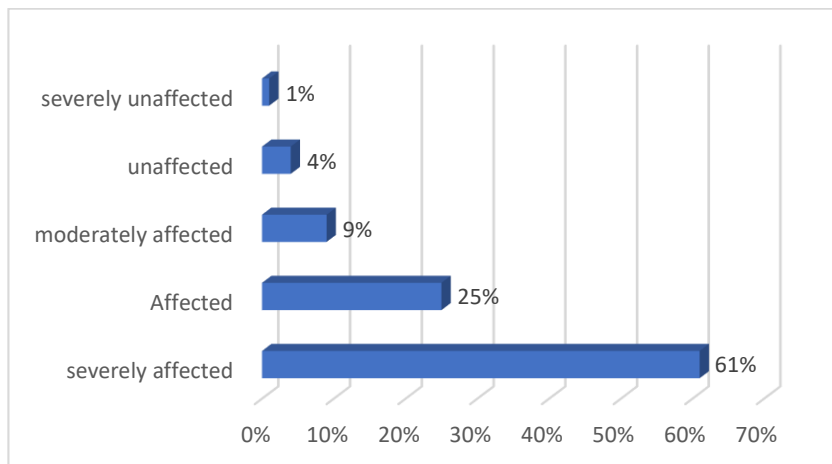


Figure 11. The influence of communities needs on MSMEs in pesantren environment
Source: survey by the authors (2022)

2.9. Challenges in developing business

The majority of the 158 MSMEs in the vicinity of *pesantren* acknowledged that access to capital posed the greatest challenge in establishing their businesses. Access to raw materials and marketing tactics, as well as a shortage of finance, are the remaining obstacles to their business growth.

In addition, a number of respondents indicated that they relied on the financial support of family or friends to address existing business development obstacles. This amount is slightly greater than the number of respondents who indicated they had requested money from Islamic banks. That is, a number of respondents claim to be customers of Islamic banks, particularly Bank Syariah Indonesia (BSI), where the majority of them are former Bank Syariah Mandiri and BNI Syariah customers. However, the majority of respondents opted for a loan at a conventional bank as the quickest solution to business problems, particularly limited access to capital. In fact, this number is substantially lower than the proportion of respondents who said they are customers of informal financial institutions such as Bank Mekar or “Bank Jongkok” or “Bank Rontok”. Some of the questioned MSMEs stated that they were more entangled in Bank Mekar's loans because they were influenced by the loans' lenient terms, which required simply an ID card and family card for fast disbursement of funds. Bank Mekar targets ultra-micro enterprises in the community, particularly those near *pesantrens*, using a joint responsibility method where a group of 10 members is chaired by one person as an officer who collects interest installments determined at the beginning of each week for at least one year. more. The chairman, who is monitored and assigned by Bank Mekar staff, typically collects installments every weekday morning, afternoon, or evening, even while sitting in a squatting position, until Bank Mekar becomes more widely known as “Bank Jongkok”.

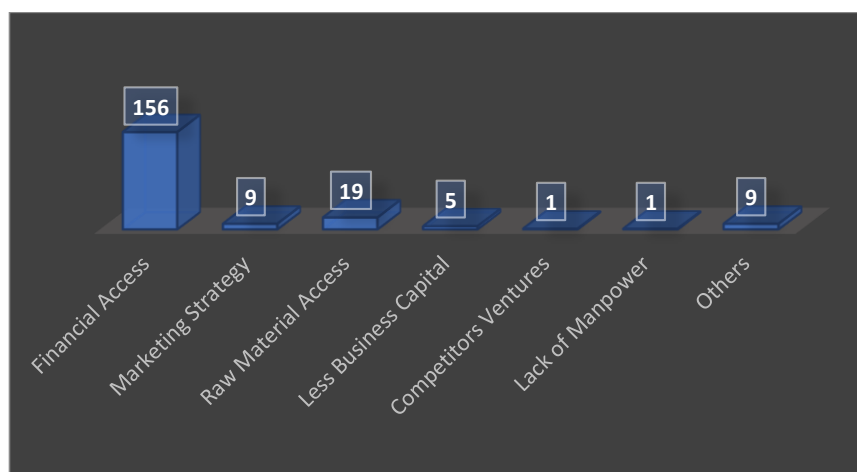


Figure 12. Challenges in developing business
Source: survey by the authors (2022)

2.10. How MSMEs respond to challenges

MSMEs use a variety of approaches to address each business difficulty, including the following: 61 percent of SMEs seek finance support from friends and family. In addition to requesting friends and family for assistance, some MSMEs, for instance, borrow money from Bank Mekar or “Bank Jongkok”, as described in the preceding section. There are nine MSMEs in this category. In addition to asking friends and family for assistance, one SME also borrows cash from the cooperative. As many as four of them, in addition to seeking assistance from

family or friends, also obtain loans from Islamic banks. In addition to seeking assistance from family and friends, the remaining 9 SMEs also seek loans from conventional banks.

Furthermore, 32 MSMEs financing requests have been sent to Islamic banks. Similarly, 49 MSMEs requested loans from conventional banks in order to overcome their business obstacles. In addition to requesting for loans from conventional banks, three MSMEs also borrow venture capital funds from Bank Mekar. Moreover, there is one MSME that, in addition to seeking for a loan from a normal bank, simultaneously borrows venture capital funds from a cooperative.

9 MSMEs employ personal capital, 12 SMEs borrow funds by depending on loan support from Bank Mekar, 3 MSMEs migrate to online selling enterprises, and 7 MSMEs sell assets, such as gardens and garden items, to enhance and build their business capital.

Table 1. How MSMEs respond to the obstacles

How to solve the problems	Total
Asking for help:	61
- Asking for help from family, friends, and Bank Mekar	9
- Asking for help from family, friends, and cooperatives	1
- Asking for help from family, friends, and Islamic banks	4
- Asking for help from family, friends, and conventional banks	9
Applying for financing from Islamic banks	32
Applying for loan from conventional banks	49
- Applying for loan from conventional banks and Bank Mekar	3
- Applying for loan from conventional banks and cooperatives	1
Others	
- Personal capital	9
- Borrowing fund from Bank Mekar	12
- Online selling	3
- Selling assets	7
Total	200

Source: survey by the authors (2022)

3. Programs of MSMEs

3.1. Business assistance needs

The majority of respondents responded that they required MSMEs business assistance or an incubator program, as depicted in the following figure. This is reflected from 92 percent of all respondents. The remaining 8 percent of respondents responded that they do not require business support, as some MSMEs operate enterprises that do not require assistance, such as brick and tile trading.

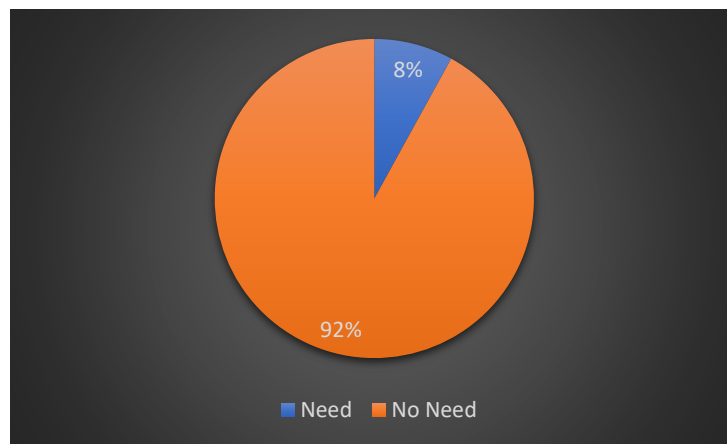


Figure 13. Business assistance needs
Source: survey by the authors (2022)

3.2. Interest on joining MSMEs Center

If there is an MSMEs Center in the pesantren ecosystem, 95 percent of the MSMEs in the area are eager to participate. The remaining 5% are not yet prepared to join.

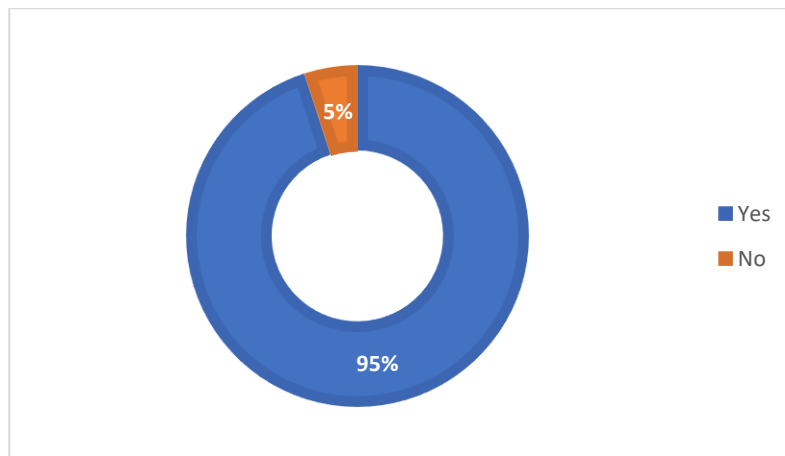


Figure 14. Interest on joining MSMEs Center
Source: survey by the authors (2022)

3.3. Benefit of MSMEs Center

The majority of respondents indicated that the MSMEs Center's existence would be extremely impactful and advantageous for their business. Several respondents then claimed that the presence of the MSMEs Center would be advantageous to the growth of their business. Very few respondents claimed that the existence of the MSMEs Center was not advantageous to the development of their business, while a small number of respondents stated that the establishment of the MSMEs

Center was highly beneficial. None of the respondents, however, said that the MSMEs Center was not very useful if it was housed in a *pesantren*.

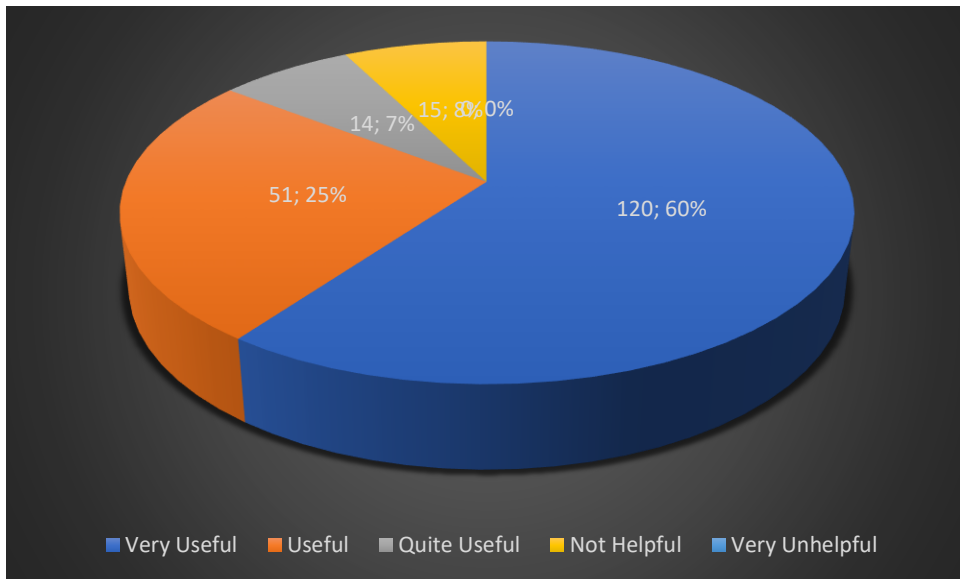


Figure 15. Benefit of MSMEs Center
Source: survey by the authors (2022)

Conclusion

On the basis of the findings, the following study conclusions can be drawn: on average, West Nusa Tenggara MSMEs near *pesantrens* are familiar with Islamic banking. This is due to the fact that the majority of Lombok's population is Muslim. The majority of surveyed MSMEs are mostly engaged in the hotel and food service industries. This sector is the most competitive one available. It is also known that the majority of MSMEs in the vicinity of Islamic boarding schools seek business support and want to request for financing from Islamic banks, particularly if their offices are in the *pesantren* environment or nearby. In addition, it was discovered that *pesantren* have a modern character and are typically exclusive (closed) and independent in handling their finances and business management has little effect on the growth of MSMEs in the vicinity of *pesantren*. On the other hand, *pesantren* with traditional and open qualities have a substantial effect on the growth of MSMEs in the vicinity of *pesantren*. MSMEs participants sincerely hope that the MSMEs Center in the *pesantren* environment will continue to operate in order to promote quicker and more rapid access to funding, mentoring, and supervision. In partnership with the regional government of West Nusa Tenggara and other stakeholders, a unique program is required to improve Islamic finance knowledge and inclusion in order to provide help and socialization about *pesantren*-based financial institutions.

References

1. Departemen Agama, R. I. (2003). Pola pengembangan pondok pesantren. *Jakarta: Ditjen Kelembagaan Agama Islam*. (In Indonesian)
2. Dhofier, Z. (1982). *Tradisi pesantren: Studi tentang pandangan hidup kyai*. LP3ES. (In Indonesian)
3. Fahrurrozi, F. (2015). Budaya pesantren di pulau Seribu Masjid, Lombok. *KARSA: Journal of Social and Islamic Culture*, 23(2), 325-346. (In Indonesian)
4. Indonesian-Netherlands Cooperation in Islamic Studies. (1994). *Dinamika sistem pendidikan pesantren: suatu kajian tentang unsur dan nilai sistem pendidikan pesantren* (Vol. 20). INIS. (In Indonesian)
5. Karni, A. S. (2009). *Etos studi kaum santri: wajah baru pendidikan Islam*. PT Mizan Publika. (In Indonesian)
6. Madjid, N. (1997). *Bilik-bilik pesantren: sebuah potret perjalanan*. Paramadina. (In Indonesian)
7. Muttaqin, R. (2016). Kemandirian dan pemberdayaan ekonomi berbasis pesantren (studi atas peran Pondok Pesantren Al-ittifaq Kecamatan Rancabali Kabupaten Bandung terhadap kemandirian ekonomi santri dan pemberdayaan ekonomi masyarakat sekitarnya). *JESI (Jurnal Ekonomi Syariah Indonesia)*, 1(2), 65-94. (In Indonesian)
8. Nurseto, T. (2010). Pendidikan berbasis entrepreneur. *Jurnal Pendidikan Akuntansi Indonesia*, 8(2). (In Indonesian)
9. Pababbari, M. (2008). Katup Pengaman Sosial: Kajian Sosiologis Tarekat Qadiriyyah Di Polmas Sulawesi Barat. *Jurnal Sosio-Religia*, 7(3), 617-640. (In Indonesian)
10. Salam, S. (1992). *Lombok pulau perawan: sejarah dan masa depannya*. Kuning Mas. (In Indonesian)
11. Kustina, K.T., Dewi, G.A.A.O., Prena, G.D., Suryasa, W. (2019). Branchless banking, third-party funds, and profitability evidence reference to banking sector in indonesia. *Journal of Advanced Research in Dynamical and Control Systems*, 11(2), 290-299.
12. Siswanto, S., Armanu, T., Setiawan, M., & Nimran, U. (2013). Entrepreneurial Motivation in Pondok Pesantren. *Internatonal Journal Of Business and Behavioral Sciences (IJBBS)*, 3(2), 42-54.
13. Siswoyo, B. B. (2009). Pengembangan jiwa kewirausahaan di kalangan dosen dan mahasiswa. *Jurnal ekonomi bisnis*, 14(2), 114-123. (In Indonesian)
14. Sudarmiatin, S. (2009). Entrepreneurship dan Metode Pembelajarannya di Sekolah Menengah Kejuruan (SMK). *Jurnal Ekonomi Bisnis*, 14(2). (In Indonesian)
15. Suyatman, U. (2017). Pesantren Dan Kemandirian Ekonomi Kaum Santri (Kasus Pondok Pesantren Fathiyah Al-Idrisiyah Tasikmalaya). *Al-Tsaqafa: Jurnal Ilmiah Peradaban Islam*, 14(2), 303-314. (In Indonesian)
16. Thomas, W., Scarborough, N. M., & Wilson, D. (2008). *Essentials of entrepreneurship and small business management*. New Jersey: Pearson Education inc.
17. www.ekon.go.id. (In Indonesian)
18. Yasmadi. (2002). *Modernisasi Pesantren: Kritik Nurcholis Majid Terhadap Pendidikan Islam Tradisional*. Jakarta: Ciputat Press. (In Indonesian)