



Religiously Anchored Demand and Local Economic Empowerment: Evidence from Veil-Producing Businesses in the Al-Fatah Temboro Pesantren Community

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Corresponding Author: Nur Kasanah nur.febi@uinponorogo.ac.id Submitted: June 3rd, 2026 Revised: September 6th, 2026 Accepted: September 21st, 2026 Published: October 1st, 2026 Copyright: ©2026. Nur Kasanah, Azizah Rahmawati, Ari Yopi Ispa, Ryan Bianda.  This article is licensed under the Creative Commons Attribution-Share Alike 4.0 International License. http://creativecommons.org/licenses/by-sa/4.0/	Objective: This study examines how veil production contributes to local economic empowerment in the Al-Fatah Temboro pesantren community through religiously anchored demand. Method: We used a descriptive qualitative approach. We collected data through in-depth interviews, direct observation, and document analysis with 13 informants: five veil artisans, two business owners, five female student consumers, and one pesantren cooperative manager. Data were analyzed using the Miles and Huberman interactive model. Results: Recurring demand for veil products was linked to business expansion, product diversification, job creation, and market development. Monthly sales increased from approximately 200–300 to 600–800 units in one business, while another expanded from 50–100 to approximately 5,000 units and employed 20 workers. These developments provided local women and homemakers with additional income, productive skills, and economic participation. However, businesses faced challenges related to delayed payments, competition, changing consumer preferences, and fabric availability. Implication: Pesantren-based economic ecosystems can support local entrepreneurship and community empowerment. From an Islamic economics perspective, these activities offer opportunities to promote <i>maslahah</i>, household welfare, and productive economic participation. Originality or Novelty: This study introduces <i>religiously anchored demand</i> as an analytical concept linking pesantren-based religious practices, entrepreneurial responses, and local economic empowerment. It extends the literature on pesantren entrepreneurship by highlighting how religiously embedded consumption needs can generate local economic opportunities. Keywords: Islamic Entrepreneurship; Local Economic Empowerment; Pesantren Economy; Religiously Anchored Demand; Veil Production.

Introduction

Islamic boarding schools (pesantren) in Indonesia have increasingly developed beyond their traditional role as religious educational institutions and have become important actors in local economic development. Economic activities surrounding pesantren may generate employment, strengthen entrepreneurial capacity, develop community skills, and support household economic

independence (Chamidi, 2023). Entrepreneurship within pesantren communities can also develop according to the institutional environment, available resources, community capabilities, and locally embedded economic opportunities (Naimah et al., 2020). In this context, pesantren can function not only as centers of religious education but also as institutional environments that shape economic behavior and stimulate community-based entrepreneurial activities (Anggadwita et al., 2021). One particular economic phenomenon can be observed around the Al-Fatah Temboro Islamic Boarding School, where female students are required to wear the veil as part of the pesantren dress code (parahyangan-post.com, 2019). This religiously embedded practice creates a distinctive consumption environment because female students regularly require veil products, which are also purchased by families and other consumers associated with the pesantren community. Alongside this demand, various local businesses producing and selling veils have emerged around the pesantren area, creating potential economic opportunities for the surrounding community (kumparan.com, 2019; malut.kemenag.go.id, 2023). The veil itself has religious and identity-related meanings within Muslim communities. It represents more than an ordinary fashion product because its use may be associated with religious commitment, modesty, and social identity (Habibah, 2020). Therefore, the economic phenomenon surrounding veil production in Temboro cannot be understood solely as a typical market response; it is embedded in a specific religious and institutional setting.

From the perspective of local economic empowerment, community-based enterprises may strengthen local actors' capacity to use available resources, develop productive skills, improve income opportunities, and increase economic independence (Diatmika & Rahayu, 2022; Tsoutsas et al., 2024). Previous research has demonstrated that participation in home-based and small-scale productive activities can contribute to household income and women's economic participation. However, the outcomes depend on social, institutional, and economic conditions (Jabeen et al., 2020). Similarly, community-based MSMEs can support local economic empowerment through entrepreneurship development, product improvement, market access, stakeholder participation, and stronger local business networks (Achmad et al., 2023). Within pesantren environments specifically, economic empowerment has also been advanced through institutional entrepreneurship programs such as One Pesantren One Product, demonstrating that religious educational institutions can serve as important platforms for community economic development (Muhyiddin et al., 2022).

From an Islamic economics perspective, however, economic empowerment cannot be assessed solely by increases in production, sales, or business expansion. Economic activities are also expected to create welfare, strengthen productive participation, uphold ethical conduct, and benefit individuals and the wider community. Studies of pesantren entrepreneurship suggest that entrepreneurial development within Islamic institutions is distinctive because economic activities interact with religious values, ethical conduct, institutional culture, and community-oriented objectives (Anggadwita et al., 2021; Falach et al., 2023). Pesantren-based economic initiatives can therefore be understood as processes in which religious institutions, entrepreneurial practices, and community welfare are interconnected rather than treated as separate domains (M. Z. Anwar et al., 2023). In this study, these dimensions provide an Islamic economics lens for evaluating whether local business development contributes not only to economic gains but also to *maslahah*, fairness, ethical transactions, productive inclusion, and community welfare.

Despite the growing literature on pesantren entrepreneurship and community economic empowerment, an important conceptual gap remains. Previous studies have examined entrepreneurship empowerment in Islamic boarding schools (Naimah *et al.*, 2020) women's household economic activities (Jabeen *et al.*, 2020) MSME-based local economic empowerment (Achmad *et al.*, 2023) and institutional economic development through the One Pesantren One Product program (A. Halim, 2005; Muhyiddin *et al.*, 2022). These studies provide important evidence on entrepreneurship and community empowerment, but pay less attention to the demand-side mechanism by which religious and institutional norms within a pesantren environment can generate relatively stable product demand, which in turn stimulates entrepreneurial responses and local economic participation. Therefore, the research gap is not merely the absence of studies on veil producers as a specific business category, but also the limited explanation of how religiously embedded institutional practices translate into local economic empowerment.

To address this gap, this study introduces religiously anchored demand as an analytical concept referring to demand that emerges and is sustained within a particular religious and institutional environment. In the case of Al-Fatah Temboro, institutional practices regarding female students' dress are associated with recurring demand for veil products. Local entrepreneurs respond by expanding production, diversifying products, recruiting labor, and expanding marketing activities. These entrepreneurial responses may subsequently generate additional household income, productive skills, employment opportunities, and broader community economic participation. Accordingly, the proposed analytical mechanism is: pesantren religious norms → religiously anchored demand → local entrepreneurial response → production and market development → employment, skills, and income → local economic empowerment. This mechanism extends the analysis beyond a conventional supply-and-demand explanation by examining how an institutionally embedded religious practice interacts with entrepreneurship and community economic welfare. The mechanism is then evaluated through an Islamic economics perspective that emphasizes *maslahah*, fairness, ethical business practices, productive participation, and community welfare.

Accordingly, this study examines how veil production contributes to local economic empowerment within the Al-Fatah Temboro pesantren community. Specifically, it addresses three interrelated issues. First, it examines how the pesantren's religious and institutional environment relates to demand for veil products and local entrepreneurial responses. Second, it analyzes how veil-producing businesses contribute to employment, productive skills, additional income, and community economic participation. Third, it identifies the opportunities and challenges veil-producing businesses face and evaluates these economic practices from an Islamic economics perspective. By doing so, the study contributes conceptually by explaining how religiously anchored demand can translate into local economic empowerment, while empirically providing evidence from a distinctive pesantren-based production ecosystem.

Literature Review

Islamic Boarding Schools and Islamic Entrepreneurship

Pesantren have increasingly moved beyond their traditional role as religious educational institutions and have become institutional environments where entrepreneurial activities can

emerge and develop. Existing studies show that pesantren-based entrepreneurship is supported by local resources, social networks, institutional values, and community participation, which together can create employment opportunities and strengthen economic independence (Anggadwita et al., 2021; Muhyiddin et al., 2022; Naimah et al., 2020). These studies demonstrate that entrepreneurship within pesantren is not detached from its institutional setting; rather, economic activities are embedded in religious norms, organizational structures, and social relationships that shape how business opportunities are identified and developed.

However, much of the existing literature has emphasized the supply side of pesantren entrepreneurship, particularly entrepreneurial training, business development programs, resource mobilization, product innovation, and institutional support. For example, (Adhim, 2020; Aminudin, 2023; Anggadwita et al., 2021) highlight how entrepreneurial capacity can be strengthened within Islamic boarding schools, while (Muhyiddin et al., 2022) demonstrate how institutional programs such as *One Pesantren One Product* can stimulate community-based economic activities. Entrepreneurship as a means of strengthening community economic independence (M. Anwar et al., 2024; Naimah et al., 2020). While these studies explain how entrepreneurial actors and pesantren institutions develop productive activities, they provide relatively limited explanation of how religious and institutional practices themselves may generate recurring market demand that subsequently encourages local entrepreneurial responses.

This limitation creates an opportunity to extend the existing literature by examining not only how pesantren support entrepreneurship, but also how the religious-institutional environment can shape consumption patterns and create relatively stable economic opportunities. In this sense, the pesantren is not merely a site for promoting entrepreneurship. Still, it may also function as an institutional setting in which religious practices influence the formation of specific market needs.

Local Economic Empowerment

Local economic empowerment refers to the process through which communities strengthen their capacity to utilize available resources, access employment opportunities, improve income, develop productive skills, and participate more actively in economic activities (Diatmika & Rahayu, 2022). In this perspective, empowerment extends beyond business growth or increased production because its outcomes should also be reflected in greater economic participation, improved capabilities, and stronger household livelihoods.

MSMEs can contribute to such empowerment by creating businesses, expanding markets, generating employment, and increasing community involvement in productive activities (Achmad et al., 2023). At the household level, women's participation in small-scale and home-based economic activities can also contribute to additional family income and greater economic independence (Jabeen et al., 2020). These studies indicate that the benefits of local enterprise development are more meaningful when economic opportunities translate into access to income, skills, employment, and productive participation.

Nevertheless, the existing literature on local economic empowerment has generally focused on the outcomes of entrepreneurial activity rather than on the institutional mechanisms through which local economic opportunities emerge. In pesantren environments, this distinction is important because economic opportunities may not arise solely from conventional market trends

or business initiatives. They can also be linked to religious practices and institutional norms that shape recurring consumption patterns. Therefore, understanding local economic empowerment in a pesantren context requires attention not only to entrepreneurial outcomes, but also to the institutional sources of demand that make those entrepreneurial opportunities possible.

Religiously Anchored Demand and the Islamic Economics Lens

To address this gap, this study develops the concept of religiously anchored demand, defined as recurring demand for particular goods or services that is embedded in and sustained by a specific religious and institutional environment. The concept does not suggest that religious norms are the sole determinant of market demand. Rather, it emphasizes that religious practices can provide an institutional basis for relatively persistent consumption needs, which local entrepreneurs may then translate into economic opportunities.

In the context of Al-Fatah Temboro, the recurring need for veil products is associated with the dress practices prevailing within the pesantren environment. This distinguishes the phenomenon from demand that is generated primarily by short-term fashion trends or general consumer preferences. Local business actors may respond to this institutionally embedded demand by expanding production, diversifying products, recruiting labor, and developing physical and digital marketing channels. In this way, the religious-institutional environment contributes to the formation of market opportunities, while entrepreneurial actors determine how those opportunities are transformed into productive economic activities.

This concept extends existing studies on pesantren entrepreneurship by shifting analytical attention from the supply side of entrepreneurship to the institutionally embedded demand side. Previous studies largely explain how pesantren institutions, entrepreneurial programs, local resources, and social networks support business development (Anggadwita et al., 2021; Muhyiddin et al., 2022; Naimah et al., 2020). The concept of religiously anchored demand complements this literature by explaining how religiously embedded practices can create recurring product needs that stimulate entrepreneurial responses. It also extends the local economic empowerment literature by identifying a mechanism linking institutionalized demand to employment, skills, additional household income, and broader community economic participation.

From an Islamic economics perspective, however, this process matters beyond production growth, sales expansion, or market development. Economic activities should also be assessed according to the benefits they generate for individuals and the wider community. Therefore, this study evaluates the process through the principles of *maslahah*, fairness, trust, ethical transactions, productive participation, and community welfare. This perspective allows the analysis to distinguish between economic expansion as a business outcome and empowerment as a broader process involving productive inclusion, household benefits, and socially meaningful economic participation.

Conceptual Framework

Based on the literature above, this study proposes a mechanism in which religious-institutional norms are associated with recurring product needs, which create religiously anchored demand; local entrepreneurs respond to this demand through production and market

development; and these entrepreneurial responses generate opportunities for employment, skill development, additional household income, and community economic participation. The proposed mechanism can be summarized as follows: Religious-institutional context → Religiously anchored demand → Local entrepreneurial response → Production and market development → Employment, skills, and income → Local economic empowerment.

This framework extends previous research in two ways. First, it complements pesantren entrepreneurship studies, which primarily emphasize entrepreneurial capacity, institutional programs, and resource mobilization, by incorporating the demand-side role of religious-institutional practices. Second, it extends local economic empowerment studies by explaining how institutionally embedded demand can be translated into productive opportunities before generating empowerment outcomes. The framework does not assume a statistically verified causal relationship. Instead, it serves as an analytical framework for interpreting qualitative evidence on how the religious-institutional environment, entrepreneurial responses, and community economic benefits are interconnected in the context of Al-Fatah Temboro. The sustainability of this mechanism remains influenced by business conditions, including cash flow management, competition, shifting product preferences, raw material availability, and marketing capacity. From the perspective of Islamic economics, the quality of the resulting economic process is further assessed through *maslahah*, productive participation, household welfare, fairness, and transaction ethics

Research Methodology

This study used a descriptive qualitative field research design to examine the role of veil-producing businesses in local economic empowerment near the Al-Fatah Temboro Islamic Boarding School. Fieldwork was conducted in 2026. Primary data were collected through in-depth interviews and direct observation, while secondary data were obtained from relevant documents and literature. Researchers purposively selected thirteen informants based on their direct involvement in the pesantren's economic environment: five veil artisans, two business owners, five female students as consumers, and one pesantren cooperative manager. Each group provided a different perspective: artisans described employment, skills, and income benefits; business owners explained production, market development, and business challenges; female students provided information on consumption needs and veil-use practices; and the cooperative manager provided an institutional and market perspective.

Interviews used structured and semi-structured questions covering veil demand, production activities, business development, employment, income, skill development, market expansion, and operational challenges. Direct observations focused on production activities, business locations, product variations, marketing practices, and interactions among business actors. The perspectives of different informant groups were compared with observational and documentary evidence to strengthen the credibility of the findings through triangulation of sources and methods.

Data were analyzed using the Miles and Huberman interactive model, consisting of data reduction, data display, and conclusion drawing/verification (Huberman, 2019). The authors reviewed interview transcripts and field notes, coded recurring statements, and grouped them into categories on the religious and institutional context, entrepreneurial responses, production and market development, employment, skills and income, and business challenges. The authors

then consolidated these categories into four main themes: the religious and institutional context of veil use; product demand and local business responses; labor absorption and community economic benefits; and business opportunities and challenges. The authors verified findings by comparing evidence across informant groups, observations, and supporting documents, then interpreted them through the lens of religiously anchored demand and relevant Islamic economic principles.

Results and Discussion

Results

Pesantren-Based Environmental Demand

The findings indicate that veil use at Al-Fatah Temboro is embedded in the religious and institutional environment of the pesantren. Female students generally viewed the veil not merely as a dress requirement, but as part of religious commitment, modesty, identity, and social belonging. One student explained that the rule creates “a sense of togetherness and equality among fellow students,” showing that the practice has been internalized as part of everyday religious life. At the same time, product preferences are not completely uniform. Students choose different veil types based on comfort, design, color, and practical needs. This variation indicates that institutional dress practices create a recurring need for veil products while still allowing individual consumer preferences. This pattern supports the concept of religiously anchored demand, in which recurring product needs are embedded in a religious-institutional setting rather than arising solely from temporary market trends.

Table 1. Veil Types Identified in the Al-Fatah Temboro Pesantren Environment

Product Category	Observed Variants / Characteristics
Loose veil	Black loose veil, colored loose veil, and bridal veil; used for daily and specific occasions.
Niqab	Soft Pet Niqab, Hard Pet Niqab, Eagle Niqab, and Niqab Bangs/Ponies.
Purdah	Longer veil covering approximately half of the body; available as local products and imported products.

Source: Field data processed by the researchers, 2026.

Local Business Responses to Religiously Anchored Demand

Local business actors responded to recurring demand for veils by expanding production, diversifying products, recruiting labor, and developing physical and digital marketing channels. The numerical evidence shows substantial differences in the scale of business growth, while field observations indicate a concentration of veil-related commercial activity around the pesantren.

Table 2. Empirical Indicators of Veil Business Development

Evidence	Initial Condition	Recent Condition	Interpretation
Business Fz	Approximately 200–300 units/month	Approximately 600–800 units/month, especially before holidays	Indicates increased sales associated with recurring demand and seasonal peaks.
Business An	Approximately 50–100 units/month at business start	Approximately 5,000 units/month by 2026; 20 workers	Shows expansion in production scale and labor absorption.

Business locations	Not available as an official baseline census	More than 85 veil-related business locations recorded during field observation	Indicates a visible concentration of production and trade activity around the pesantren; not an official population census.
Marketing channels	Primarily local/offline activity	Physical stores and online channels	Shows market expansion beyond the immediate pesantren environment.

Source: Interview and field observation data processed by the researchers, 2026.

These findings show that recurring demand becomes economically significant when entrepreneurs can transform it into production and market opportunities. The present study adds a demand-side perspective by showing how religiously embedded consumption needs can stimulate local entrepreneurial responses.

Workforce Empowerment and Community Economic Benefits

The expansion of veil production also generated economic opportunities for the surrounding community, particularly women and homemakers. Across the artisan interviews, recurring benefits included additional household income, new production skills, more productive use of time, and opportunities for social and economic participation. Rather than presenting each informant separately, the evidence is grouped according to the main empowerment dimensions identified in the interviews.

Table 3. Main Dimensions of Workforce Empowerment Identified from Artisan Interviews

Empowerment Dimension	Empirical Evidence	Representative Evidence
Additional household income	Income from veil production contributed to household needs and family support.	"My husband has passed away, so the additional income from making these veils means a lot to us." (Informant IN)
Skill development	Artisans reported learning veil-production skills directly from business owners.	Artisans described opportunities to learn from the beginning and improve their ability to participate in production.
Productive participation	Veil production provided a productive use of time and opportunities to participate in economic activity.	Artisans reported feeling more productive and more involved in meaningful work.
Social participation	Work also created opportunities to interact with other workers and participate in group activities.	Artisans described social interaction as an additional benefit of employment.

Source: Interview data processed by the researchers, 2026.

The findings indicate that local economic empowerment extends beyond increases in business sales. It becomes visible when business development is translated into employment, skills, household income, and productive participation.

Business Opportunities and Sustainability Challenges

The pesantren-based market provides opportunities for business expansion because demand comes not only from female students but also from their families and consumers outside the

pesantren. Digital platforms further extend market reach beyond the local area. However, the interviews also reveal recurring operational constraints that may limit business sustainability.

Table 4. Main Business Opportunities and Challenges

Category	Empirical Finding	Analytical Meaning
Market opportunity	Demand comes from students, families, and consumers outside the pesantren.	Religiously anchored demand provides a recurring local market base with potential spillover beyond the pesantren.
Digital expansion	Online platforms are used to reach consumers in different regions; one business reported 12 employees working in its online store.	Digitalization expands market reach and supports organizational growth.
Delayed payments	Large orders outside Java were sometimes paid late.	Creates cash-flow pressure and may disrupt business operations.
Competition	More competitors have entered the veil market.	Requires continuous innovation and product-quality improvement.
Rapid trend changes	Older models may remain unsold when new models become popular.	Creates inventory risk and can reduce profit margins.
Raw-material availability	Fabric stocks may run out when certain models become popular.	Can constrain production capacity during periods of high demand.

Source: Interview data processed by the researchers, 2026.

These findings demonstrate that recurring demand provides a market foundation but does not automatically guarantee business sustainability. The economic benefits depend on business actors' ability to manage cash flow, competition, product cycles, inventory, raw materials, and digital market expansion.

Synthesis of Results

Overall, the findings show a consistent pattern in which the pesantren's religious and institutional environment contributes to recurring demand for veil products. Local entrepreneurs respond by expanding production, diversifying products, recruiting labor, and developing markets, thereby creating opportunities for income, skills, employment, and broader economic participation. At the same time, financial, production, and market risks continue to shape the sustainability of these benefits. The main novelty of the results lies in identifying religiously anchored demand as a mechanism linking religious-institutional practices, entrepreneurial responses, and local economic empowerment. This extends previous pesantren entrepreneurship studies, which have largely focused on institutional support and supply-side entrepreneurial development, by demonstrating that recurring consumption needs embedded in religious practices can also serve as a source of local economic opportunity.

Discussion

Religious and Institutional Context of the Use of Veils

The findings show that the use of the veil at the Al-Fatah Temboro Islamic Boarding School is not solely a matter of individual dress choice but is embedded in the pesantren's religious and institutional environment. Students interpret the veil as part of their commitment to Sharia

values, Muslim identity, self-protection, calmness, simplicity, and togetherness. Some students need an adaptation process before they can feel psychological and spiritual comfort, as well as the benefits of maintaining a focus on worship and learning. These findings show that religious dress is shaped not only by formal rules but also by internalized values. This is in line with (Subakir & Wakhidah, 2025) who link the use of the veil to religious identity and social environment. (Babakhani, 2024) shows the link between religious clothing, psychological experiences, and a sense of security. At the same time (Setinawati et al., 2025) emphasizes the role of religious symbolic practices in shaping identity and social cohesion.

The diversity of veil types, such as loose veils, several variants of the niqab, and purdah, suggests that institutional norms do not produce completely homogeneous consumption patterns. Santri still have room to adapt models, colors, designs, and comfort features for daily use. These conditions illustrate the interplay among adherence to religious values, practical needs, and individual preferences. (Moaddel, 2026) explains that religious practices can interact with social changes and individual choices, while (Hass & Lutek, 2019; Turner-Zwinkels & Van Zomeren, 2021) shows that group identity can still provide space for personal expression. (Weichselbaumer, 2020) The *Theory of Planned Behavior* also emphasizes perceived behavioral control and choice in shaping behavior. This context helps explain religiously anchored demand, which refers to the need for a product embedded in religious practices and a specific institutional environment. This concept does not mean that providing the veil is the only cause of business growth. Research shows only that the religious-institutional environment provides a context for recurring needs that business actors can translate into economic opportunities. Thus, the relationship is understood as a qualitative finding, not a statistically proven causal relationship.

Product Requests and Responses of Local Business Actors

The second finding shows that veil production and sales developed, followed by local entrepreneurial responses. In one business, sales grew from around 200–300 units to 600–800 units per month, while another business grew from around 50–100 units to around 5,000 units per month and involved 20 workers. Business responses are also evident in the diversification of models, colors, and product types, labor recruitment, and the expansion of physical and digital marketing. (Almira, 2021) explains that changing market needs can encourage producers to adjust production and distribution, while (Yan & Hu, 2023) emphasize the importance of responding to production capacity in relation to demand dynamics.

However, Temboro's findings do not only show the relationship between increasing needs and production. Business development also depends on entrepreneurs' ability to anticipate needs, innovate, build distribution channels, recruit workers, and expand the market. (Anggadwita et al., 2021) shows that community-based entrepreneurship develops when local actors can leverage available opportunities and resources. In this context, the research provides additional perspectives on the pesantren economy from the *demand side*. Pesantren can serve not only as a place for entrepreneurial development but also as a religious environment that fosters initiatives that the surrounding community can address (Mariyono, 2026).

Digital platforms further expand businesses' reach. (Taher, 2021) emphasizes the role of *e-commerce* in expanding markets, while (Aksoy & Gambetta, 2021) highlights the importance of adapting transaction mechanisms to consumer needs. (Dolega et al., 2021) also shows that digital

channels increase market visibility and reach, while (Prananta et al., 2025; Wulandari et al., 2026) position digitalization as an instrument for strengthening MSMEs. Thus, the market base of the veil business no longer comes only from consumers around Islamic boarding schools but has expanded to a wider area.

Observation records of more than 85 veil-related business locations also show a concentration of production and trade activities around the pesantren. Since these figures come from field observations rather than official censuses, the evidence is insufficient to classify the phenomenon as an economic agglomeration on theoretical grounds. However, the findings show that the entrepreneurial response is not individual or isolated but rather coalesces into a concentration of economic activity around the pesantren.

Labor Absorption and Economic Benefits for the Community

The development of the veil business becomes more meaningful when viewed in terms of the benefits it provides to the community. Women and homemakers gain employment opportunities, additional income, new skills, more productive activities, and space for social interaction. One informant who has lost her husband stated that income from veil production helps meet the family's needs, while the other informant acquired production skills directly from the business owner.

The findings show that economic empowerment cannot be equated with increasing sales alone. Empowerment occurs when market opportunities provide people with access to jobs, skills, income, and productive participation. (Tough et al., 2017) emphasizes the importance of an environment that supports individual capacity development. (Joseph et al., 2019) links economic participation to increased independence and well-being, while (Suifan, 2019) emphasizes the role of the work environment in supporting learning and productivity. These findings are also consistent with (Audina et al., 2024) on the contribution of local businesses to the community's economy, and with (Purwanto et al., 2019) who view pesantren entrepreneurship as a tool for empowerment and economic independence.

From an Islamic economics perspective, these benefits can be interpreted through the *maslahah* principle. The value of economic activity lies not only in the volume of production and profits but also in the benefits it generates for workers, households, and society (Porter & Kramer, 2019). In the case of Temboro, these benefits are seen in job creation, additional income, skill development, and increased women's productive participation. However, the study did not specifically examine raw materials, wage systems, employment contracts, and overall transaction practices. Therefore, the study did not conclude that all business practices have fully complied with Sharia. The interpretation of Islamic economics is limited to data-supported aspects, especially *maslahah*, productive participation, skill development, income, and household welfare.

Business Opportunities and Challenges

The latest findings show that repeated product needs do not automatically guarantee business sustainability. Business actors face payment delays, increased competition, shifting trends, excess inventory of old products, and limited raw materials. Late payments can affect cash flow and smooth operations. (Jiang et al., 2024) This shows that cash-flow instability can limit businesses' ability to sustain operations. From the perspective of Islamic economics, payment

issues are also related to trust, fairness, and the fulfillment of transaction obligations (Bugár & Somogyvári, 2025). Hence, assessing economic activities involves not only the products traded but also how economic actors govern their relationships.

Competition demands innovation and quality improvement. (Kuncoro & Suriani, 2018) This shows that the competitive environment encourages companies to adapt to maintain the market. Shifts in trends also create inventory risks when older models have not sold, and consumers start looking for new products. (Amajuoyi et al., 2024) This emphasizes the need to adjust production and marketing strategies to the product cycle. These conditions show that the need for veils can recur, but preferences for certain models remain in flux. Raw material availability and digitalization also determine business sustainability. (Dolega et al., 2021; Prananta et al., 2025) shows that digital technology can expand the market, but this expansion, in turn, brings increasingly diverse competition and consumer preferences. Therefore, *religiously anchored demand* provides market opportunities. Still, the sustainability of economic benefits depends on managing cash flow, innovation, quality, stock levels, raw materials, digitalization, and transactional relationships.

Synthesis of Findings and Conceptual Contributions

Overall, the research shows that the religious and institutional context of Al-Fatah Temboro shapes recurring demand for veil products. Business actors respond to these needs through production development, product variation, labor absorption, and marketing expansion. These activities also create opportunities for the community to earn income, develop skills, and participate productively. However, this process is still influenced by business actors' ability to compete, changing trends, payment issues, and raw material availability.

The research's conceptual contribution is *religiously anchored demand*: an economic need embedded in a religious-institutional context that can become an economic opportunity through local entrepreneurial responses. In this mechanism, the religious environment provides a context for needs; business actors turn them into production activities and markets; and the community benefits through employment, skills, and additional household income. This mechanism is qualitative and not intended as a statistically tested causal relationship. From an Islamic economics perspective, the quality of the process can be evaluated through *maslahah*, productive participation, household welfare, and transaction ethics. Thus, the research contributes not only by documenting the development of the veil business but also by explaining how the religious-institutional environment can interact with entrepreneurial responses to shape local economic empowerment.

Conclusion

This study indicates that veil-producing businesses around the Al-Fatah Temboro pesantren community develop within a distinctive religious and institutional environment in which recurring demand supports local entrepreneurial activity. Business development contributes to additional income, productive skills, employment opportunities, and wider economic participation, particularly among women and homemakers. Conceptually, the study explains how pesantren religious norms can generate *religiously anchored demand* that supports local economic empowerment. At the same time, Islamic economics provides an evaluative lens

through *masalah*, household welfare, productive participation, and ethical economic relations. The study is limited by the number of informants and the absence of comprehensive economic data; therefore, future research should involve broader samples and more systematic economic analysis.

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Author Contributions Statement

NK contributed to conceptualization, data collection, data analysis, and manuscript writing. AR contributed to methodology development, validation, and manuscript review. RB contributed to supervision, editing, and final approval of the manuscript. AY contributed to the literature review, data interpretation, and manuscript revision. All authors read and approved the final version of the manuscript.

Conflict of Interest

The authors declare no conflict of interest regarding the publication of this article. The authors have no financial, personal, or institutional relationships that could inappropriately influence the research process, analysis, interpretation, or presentation of the results.

AI Usage Statement

The authors declare that their use of Artificial Intelligence (AI) tools in preparing this article was limited to supporting technical aspects of writing, including language refinement, grammar checking, and improving the manuscript's clarity and readability. AI tools were not used to generate the research idea, design the study, analyze the data, interpret the findings, or draw the conclusions. The authors carried out all intellectual contributions, including conceptualization, methodology, analysis, interpretation, and the final presentation of results. The authors take full responsibility for the originality, accuracy, integrity, and academic validity of the content presented in this article. No AI tools are listed as authors or contributors to this work.

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