

Development of Agribusiness with the Halal Tourism Concept to Enhance Local Economy in Rural Areas

Ilham Komarudin¹, Singgih Purnomo¹, Retna Dewi Lestari¹, Aris Prio Agus Santoso¹

¹Duta Bangsa University, Surakarta, Indonesia

ilhamkomarudin12@gmail.com

Abstract: The lack of effective integration between the agribusiness and halal tourism sectors has hindered rural economic development in Indonesia, despite the potential of combining both to improve community welfare, create jobs, and support sustainable growth. This study aims to explore the potential and strategies for developing agribusiness based on halal tourism to enhance the local economy in rural areas. A qualitative approach with descriptive-analytical and conceptual analysis is employed to examine the integration of agribusiness and halal tourism in rural economic development through literature review and theoretical analysis. The findings reveal that halal tourism integrates Islamic principles into all aspects of service and destination management, including halal food provision, prayer facilities, ethics, and social responsibility. This concept has evolved through innovative models that incorporate digital technology, behavioral theory, and a staged approach to destination development. One notable model is the Holistic Smart Syariah Tourism (HSST) Model, which combines five key elements: smart ecosystem integration, behavioral insight, staged destination development, predictive intelligence, and governance & branding synergy. The HSST approach can stimulate local economic growth, create jobs, strengthen rural identities based on Islamic values, and enhance the global competitiveness of halal products.

Keywords: Agribusiness Development, Halal Tourism, Local Economy

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A. INTRODUCTION

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Economic development in rural areas is a critical agenda in efforts to achieve equitable welfare distribution in Indonesia. The agribusiness sector plays a central role in rural economic structure, as most of the population relies on agricultural, livestock, and plantation activities. However, agribusiness development in many rural areas faces various challenges, ranging from limited market access, low product value-added, to a lack of innovation in farm management (Saptana & Efendy, 2018). To address these issues, an integrative approach combining agribusiness with other sectors, such as tourism, has emerged as a strategic solution. One innovative concept being developed is agro-tourism, which combines agricultural activities with tourism. This concept not only increases farmers' income but also creates new job opportunities for the local community (Susilowati, 2017).

In recent years, halal tourism has experienced rapid growth as awareness among Muslims regarding the principles of sharia in various aspects of life, including tourism, has increased. Halal tourism includes services that align with Islamic values, such as halal food, prayer facilities, and environments free from activities contrary to religious teachings (Battour & Ismail, 2016). This opens opportunities to integrate agribusiness with halal tourism into a

unified rural economic development program. Combining agribusiness with the halal tourism concept can create a more sustainable and competitive economic ecosystem. Local products can be promoted directly to tourists, while the rural environment can be developed into a destination that is both educational and religious. In other words, this approach not only supports economic growth but also preserves the cultural and spiritual values of the local community (Henderson, 2010).

In addition to economic potential, this approach aligns with the Sustainable Development Goals (SDGs), particularly in terms of poverty reduction, decent job creation, and environmental preservation. Agribusiness and halal tourism can complement each other in creating an innovative rural economy based on local potential that is inclusive and environmentally friendly (UNWTO, 2022). Therefore, in-depth studies are needed to assess the effectiveness and potential synergy of these two sectors in rural areas of Indonesia. Several previous studies have shown that the integration of agriculture and tourism sectors has a significant impact on improving rural community welfare. For example, a study by Mariyono (2019) found that farmers involved in agro-tourism experienced income increases of up to 30 percent. Meanwhile, the concept of halal tourism has proven to be an attraction for both domestic and international tourists seeking destinations based on religious and ethical values.

Based on the above explanation, this study aims to examine the potential and strategies for developing agribusiness based on halal tourism as an effort to enhance the local economy in rural areas. This research is essential for formulating a model for rural economic empowerment that not only relies on the primary sector but also strengthens the tertiary sector based on local wisdom and Islamic values.

B. METHOD

The research method used in this study is a qualitative approach with descriptive-analytical analysis and a conceptual approach. This approach was chosen to deeply explore the phenomenon of integration between agribusiness and halal tourism in the context of local economic development in rural areas. Data for this research was collected through a literature review. Descriptive-analytical analysis was conducted to interpret the data based on relevant theories and concepts, while the conceptual approach was used to examine the ideas and principles underlying the integration of these two sectors from the perspective of local economic development. This approach is considered appropriate as it provides reflective space for social and economic dynamics that cannot always be quantified, and it allows for the development of contextual conceptual models (Creswell, 2014; Moleong, 2017).

C. RESULTS AND DISCUSSION

Halal Tourism is a form of travel designed to meet the needs of Muslim tourists based on Islamic principles. This concept includes providing halal food, prayer facilities, an alcohol-free environment, and services that support Islamic values, such as gender separation in certain public spaces. According to Battour and Ismail (2016), the main components of halal tourism include halal food, prayer facilities, an alcohol-free atmosphere, and gender-segregated facilities to ensure comfort and privacy for Muslim visitors. Furthermore, Zamani-Farahani

and Henderson (2010) emphasize that halal tourism not only focuses on the practical aspects of tourism services but also reflects values of ethics, justice, and social responsibility as outlined in Islamic teachings. Therefore, developing halal destinations requires a holistic integration of tourism services and Sharia principles, from management to promotion and governance. Several recent models in halal tourism have been developed in recent years:

1. Smart Halal Destination Ecosystem Model

This model emphasizes the integration of digital technology in managing halal tourism destinations, including mobile applications, Sharia-compliant payment systems, and big data utilization to enhance the Muslim tourist experience (Sutono et al., 2021).

2. Theory of Planned Behavior (TPB) - Muslim Tourist Behavior Model

This model integrates factors like attitudes, subjective norms, and perceived behavioral control to understand the intentions and behavior of Muslim tourists when selecting halal destinations, helping in designing more effective marketing strategies (Salleh et al., 2022).

3. Staged Halal Tourism Destination Development Model

This model classifies halal tourism destinations into four stages: Conventional Tourism, Muslim-Friendly Tourism, Religious Muslim Tourism, and Full Halal Tourism. This approach facilitates the gradual development of destinations based on infrastructure readiness and market needs (Rusli et al., 2019).

4. Machine Learning-Based Halal Tourism Demand Prediction Model

This model uses machine learning algorithms to predict the demand for halal tourism and the financial performance of businesses in this sector by analyzing social media data and online search trends, aiding strategic planning and decision-making (Sulong et al., 2023).

5. Tourist Satisfaction Model through Governance and Branding

This model investigates how destination governance and halal tourism branding influence tourist satisfaction. Research shows that good governance positively impacts tourist satisfaction, while branding does not always have a significant effect (Haryanto et al., 2024).

Based on these models, the researcher proposes a new model called the Holistic Smart Syariah Tourism (HSST) Model, a conceptual model integrating five key elements in the development of modern halal tourism:

1. Smart Ecosystem Integration

Utilizing smart technologies such as halal tourism apps, big data, and Sharia-compliant payment systems to enhance the tourist experience.

2. Behavioral Insight

Using the Theory of Planned Behavior to understand Muslim tourists' intentions and preferences in designing service and marketing strategies.

3. Staged Destination Development

Categorizing destinations into stages (e.g., Muslim-friendly, fully halal) to simplify the development process based on local infrastructure and cultural readiness.

4. Predictive Intelligence

Utilizing machine learning and big data analysis to predict demand for halal tourism and trends in tourist behavior based on real-time data (e.g., social media, search engines).

5. Governance & Branding Synergy

Aligning destination governance with authentic branding strategies that reflect Islamic values to improve satisfaction and loyalty among tourists.

The integration of agribusiness with the concept of halal tourism offers an innovative approach that can strengthen the local economy, especially in rural areas with potential natural resources and Islamic culture. Through the implementation of the Holistic Smart Syariah Tourism (HSST) Model, collaboration between agriculture, livestock, and tourism sectors can be realized in the form of a strategic synergy that not only improves the welfare of local communities but also promotes Islamic values in creative and sustainable economic practices. Building upon this concept, the researcher aims to develop agribusiness potential and strategies with halal tourism concepts to improve the local economy in rural areas as follows:

1. Smart Ecosystem Integration

Digital technology serves as the foundation for managing halal agribusiness connected to Sharia tourism destinations. Rural tourism can build:

- a. Halal agritourism apps providing information on halal agricultural products, educational farm tours (e.g., harvesting together, learning Sharia-compliant farming), and Sharia homestay reservations.
- b. Halal e-commerce platforms facilitating the sale of local products such as halal-certified vegetables, fruits, honey, milk, and livestock products.
- c. Sharia digital payment systems (e.g., halal QRIS or fintech) for transactions between tourists and visitors.

2. Behavioral Insight

This approach is essential to understanding the needs and desires of Muslim tourists in halal agribusiness experiences. Strategies include:

- a. Surveying visitor preferences regarding halal agricultural products.
- b. Developing educational tourism programs like "Halal Farming Tours" or "Learning Sharia-Compliant Farming."
- c. Training local communities on Muslim-friendly services, including providing prayer spaces, halal food, and cleanliness according to Islamic guidelines.

3. Staged Destination Development

The development of halal agribusiness as part of tourism destinations can be carried out in stages based on local community readiness and infrastructure:

- a. Stage 1 (Muslim-friendly): Selling halal agribusiness products with prayer facilities.
- b. Stage 2 (Religious Muslim): Educational tourism activities focusing on Sharia-compliant agriculture, livestock, and fisheries.

- c. Stage 3 (Full Halal Destination): Full integration of halal agribusiness, Sharia accommodations, religious activities, and local economic empowerment.

4. Predictive Intelligence

Using machine learning and big data analysis, the potential of halal agribusiness markets can be predicted based on trends in Muslim tourists:

- a. Analyzing search trends on social media and search engines related to agribusiness tourism (e.g., "halal fruit-picking tours," "Muslim-friendly organic villages").
- b. Predicting demand for halal-certified agricultural products to determine village flagship commodities.
- c. Identifying strategic moments (e.g., Islamic holidays) for promoting local agribusiness products.

5. Governance & Branding Synergy

The success of halal agribusiness in tourism relies on village governance and branding strategies:

- a. Establishing Halal Village-Owned Enterprises (BUMDes) to professionally manage halal agribusiness tourism according to Sharia principles.
- b. Developing Sharia-compliant Standard Operating Procedures (SOPs) for every agribusiness line (from production to distribution to promotion).
- c. Branding the village as a "Halal Agribusiness Village" or "Sharia Tourism Village" with strong Islamic logos and narratives promoting values of justice, sustainability, and blessings in every product.

Implementing halal agribusiness through the Holistic Smart Syariah Tourism (HSST) Model can significantly impact the local economy. One of the main effects is increasing the income of farmers and MSME players through direct sales to tourists visiting halal destinations. Additionally, this model opens new job opportunities in sectors such as agriculture, tourism, culinary, and Sharia-based services. Strengthening village independence is also a result of optimizing local potential inclusively and based on empowering Islamic values. Furthermore, implementing halal standards in products and services can enhance the competitiveness of local products by meeting the preferences of global tourists seeking unique and halal-compliant destinations.

D. CONCLUSIONS AND SUGGESTIONS

Halal tourism integrates Sharia principles into all aspects of service and destination management, including halal food, prayer facilities, and ethical practices. Over time, this concept has evolved with innovative models, such as the Holistic Smart Syariah Tourism Model (HSST Model), which combines five elements: smart ecosystem integration, behavioral insight, staged destination development, predictive intelligence, and governance & branding synergy. This model meets the needs of modern Muslim tourists and serves as a strategic foundation for agribusiness-based halal tourism in rural areas. By integrating agriculture with

Sharia tourism, the HSST Model can stimulate local economic growth, create jobs, strengthen village identities based on Islamic values, and boost the global competitiveness of halal products. Thus, this approach is not only economically beneficial but also strategically important for creating an inclusive, sustainable tourism ecosystem aligned with Islamic values.

In light of the findings, it is recommended that local governments, businesses, and stakeholders adopt the HSST Model in planning halal tourism destinations based on agribusiness. Strengthening cross-sector collaboration through Sharia-based training, digital infrastructure, and supportive regulations is essential. Incentives for MSMEs and local farmers in the halal certification process and product development should be prioritized. Village governments are also encouraged to establish Sharia-based BUMDes to professionally manage local potential. With these steps, agribusiness-based halal tourism can enhance rural welfare and reinforce Indonesia's position as a top global halal tourism destination.

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