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# Building A Sustainable Tourism Industry In Yogyakarta Through Muhammadiyah Business Ethics

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**Abstract**

Tourism growth in the Special Region of Yogyakarta during the 2020–2024 period experienced a significant increase, contributing to regional economic growth. However, these developments have also raised various social and ecological problems, such as inequality that breeds poverty, a groundwater crisis, and increased waste volume. This article aims to analyze the relevance and application of Muhammadiyah's Islamic business ethics in building a sustainable Yogyakarta tourism industry through Muhammadiyah business ethics. Using a descriptive-analytical approach based on literature studies, this study examines the principles of business ethics formulated by the *Tarjih* and *Tajdid* Council of Muhammadiyah, including *at-Tauhīd*, *amanah*, *as-Sidq* (honesty), *al-'Adl* (justice), *al-Ibāhah* (ability), *at-Ta'āwun* (cooperation), *al-maslahah* (benefit), *at-Tarādī* (willingness), and *Akhlāk al-Karīmah*. The results show that these principles can serve as a normative foundation for tourism management that is not only profit-oriented but also maintains ecological and social balance. The implementation of Muhammadiyah's business ethics in the tourism sector includes strengthening business responsibility and transparency, protecting the environment, involving local communities, providing halal and ethical tourism services, and fostering a culture of honesty and trust throughout the tourism business chain. This research emphasizes that applying Muhammadiyah's business ethics can provide a strategic framework for building inclusive, equitable, and sustainable tourism in Yogyakarta.

**Keywords**: *Muhammadiyah Business Ethics, Sustainable Tourism, Yogyakarta, Benefits, Halal Business.*

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## INTRODUCTION

The global tourism industry stands at a critical juncture in the early 21st century, confronting profound challenges that threaten its long-term viability and social legitimacy (Akamavi et al., 2023; Biancone et al., 2019; Kyrylov et al., 2020). The United Nations World Tourism Organization (UNWTO, 2021) reports that international tourist arrivals reached 1.5 billion in 2019 before the COVID-19 pandemic, with projections suggesting continued growth that could reach 1.8 billion by 2030. However, this remarkable expansion has increasingly been accompanied by mounting evidence of severe negative externalities that undermine the very foundations upon which tourism depends. The concept of sustainable tourism—defined by the UNWTO (2023) as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities"—has evolved from a niche concern to a central imperative in global tourism discourse and policy frameworks. International research consistently documents a troubling pattern:

rapid tourism growth frequently generates environmental degradation, sociocultural disruption, economic inequality, and community displacement, particularly in developing countries where regulatory frameworks and institutional capacities may be insufficient to manage tourism's complex impacts (Achmad et al., 2023; Kanjilal et al., 2025; Lu et al., 2021; Rizaldi et al., 2024).

The 2015 adoption of the United Nations Sustainable Development Goals (SDGs), particularly SDG 8 (Decent Work and Economic Growth), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), and SDGs 14 and 15 (Life Below Water and Life on Land), has further elevated sustainable tourism as a critical component of global sustainable development agendas (UNWTO, 2017). Contemporary scholarship on sustainable tourism emphasizes three interdependent dimensions—environmental sustainability (preserving natural resources and ecosystems), sociocultural sustainability (respecting local communities and cultural heritage), and economic sustainability (generating equitable economic benefits)—that must be balanced rather than pursued in isolation. Comparative international studies reveal significant variation in sustainable tourism outcomes across destinations, with research identifying governance quality, stakeholder participation, ethical business practices, and value-based frameworks as crucial determinants of whether tourism development follows sustainable or unsustainable trajectories.

Within Southeast Asian contexts specifically, the sustainability challenges of tourism development assume particular urgency and complexity. The region has experienced explosive tourism growth over the past three decades, with international arrivals to ASEAN countries increasing from 21 million in 1995 to over 142 million in 2019 (ASEAN, 2020). This growth has generated substantial economic benefits, including job creation, foreign exchange earnings, and poverty reduction in rural areas. However, it has simultaneously produced severe sustainability crises documented across multiple dimensions. Environmental impacts include over-extraction of freshwater resources in water-scarce regions, degradation of coral reefs and marine ecosystems from excessive diving and boat traffic, deforestation driven by tourism infrastructure development, and overwhelming waste generation that exceeds local management capacities. Sociocultural impacts encompass commodification of cultural practices and traditions for tourist consumption, displacement of local communities from tourism development zones, erosion of social cohesion due to rapid economic change, and cultural conflicts between tourist behaviors and local value systems.

Economic impacts include high levels of economic leakage where tourism revenues flow to international corporations rather than local communities, seasonality-driven employment instability, inflationary pressures on land and housing prices that disadvantage local residents, and unequal distribution of tourism benefits favoring elite stakeholders over vulnerable populations. These sustainability challenges are particularly acute in cultural heritage destinations where tourism pressures intersect with conservation imperatives, traditional livelihoods, and community identity.

Indonesia, as the world's largest archipelagic nation with extraordinary cultural and natural diversity, exemplifies both the opportunities and challenges of tourism-led development in Southeast Asia. Tourism constitutes a strategic sector in Indonesia's economic development agenda, contributing approximately 5.5% of GDP and employing

over 13 million people directly and indirectly (Statistics Indonesia, 2024). The Indonesian government has prioritized tourism development as articulated in the 2020-2024 National Medium-Term Development Plan and the National Tourism Development Master Plan 2010-2025, which envision tourism as a key driver for reducing poverty, promoting cultural preservation, and achieving balanced regional development (Ministry of Tourism and Creative Economy, 2021). However, Indonesia's tourism development trajectory has increasingly exposed tensions between growth imperatives and sustainability concerns. Major destinations such as Bali, Lombok, and Lake Toba have experienced severe environmental stress including water scarcity, waste management crises, ecosystem degradation, and land-use conflicts.

Sociocultural impacts include commercialization of sacred spaces and rituals, erosion of traditional governance systems (*adat*), intergenerational conflicts over development priorities, and social tensions arising from unequal distribution of tourism benefits. Recent research specifically highlights Yogyakarta as a critical case study revealing the contradictions of Indonesia's tourism development model, where exceptional cultural heritage assets and strong tourism performance coexist with alarming sustainability indicators across environmental, social, and economic dimensions.

Economic growth in Yogyakarta during 2024 continued to increase, from 4.95% in the second quarter to 5.05% in the third quarter. Among the main reasons is that Yogyakarta is one of Indonesia's primary tourism destinations. Yogyakarta's tourism sector has experienced remarkable quantitative expansion during the 2020-2024 period, recovering dramatically from the COVID-19 pandemic's devastating impacts. In 2020, there were 61,430 foreign tourists; by 2024, this number had increased to 408,402—representing a 565% increase in international arrivals. Meanwhile, local tourists totaled 1,295,212 visits in 2020 and rose rapidly to 26,595,507 in 2024—an extraordinary 1,953% surge in domestic tourism. This tourism boom has directly contributed to regional economic growth, with the accommodation and food services sector growing at 6.2% annually and creative economy sectors linked to tourism expanding at 5.8% (Yogyakarta Special Region Tourism Office, 2024).

Tourism's contribution to Yogyakarta's Gross Regional Domestic Product (GRDP) increased from 8.3% in 2020 to approximately 12.7% in 2024, making it the third-largest economic sector after manufacturing and trade. Employment in tourism and hospitality sectors grew from 187,000 in 2020 to over 312,000 in 2024, providing crucial livelihood opportunities particularly for youth and women. Foreign exchange earnings from international tourism reached USD 127 million in 2024, a significant recovery from pandemic lows. These economic indicators position Yogyakarta as one of Indonesia's most successful tourism destinations and validate official development strategies prioritizing tourism as an engine for regional prosperity.

However, this impressive tourism growth has generated severe sustainability challenges that threaten the long-term viability of Yogyakarta's tourism industry and undermine the wellbeing of local communities. Environmental degradation has reached crisis proportions across multiple indicators. Groundwater depletion and land subsidence have emerged as particularly alarming threats, with approximately 50% of Yogyakarta City and Sleman Regency experiencing critical water stress and land subsidence rates reaching 30 centimeters per year in some urban areas (Universitas Gadjah Mada Research

Center, 2023). This crisis stems from excessive groundwater extraction driven by hotel and tourism facility proliferation, inadequate surface water infrastructure, and insufficient regulatory enforcement. Waste management has become overwhelmed, with daily waste generation exceeding 300 tons during normal periods and surging dramatically during holiday seasons when tourist numbers peak. Sleman Regency alone transported approximately 6,000 tons of waste in the first quarter of 2025, straining disposal facilities and contaminating local environments (Sleman Environmental Service, 2025). Air quality deterioration from increased vehicle traffic, particularly in tourism concentration areas such as Malioboro and Prambanan, has reached unhealthy levels during peak seasons. Ecosystem degradation affects tourist attraction sites themselves, with evidence of erosion at Borobudur Temple, overcrowding-related damage at Prambanan, and environmental stress in natural tourism sites such as Gunung Kidul beaches and Kaliurang highlands.

This growth has also exacerbated social vulnerabilities and environmental problems. The social dimensions of tourism's impacts reveal profound equity concerns that contradict tourism's stated objectives of poverty reduction and inclusive development. Bappeda Yogyakarta records show that the number of poor people has reached 445,550 out of a total population of 3,386,243—meaning 10% of people have not benefited linearly from Yogyakarta's economic progress. Bantul and Gunung Kidul are the poorest areas in Yogyakarta, even though they are among the most visited tourist destinations. This paradox—where regions receiving high tourist traffic maintain the highest poverty rates—indicates fundamental flaws in tourism's distributional mechanisms. Detailed analysis reveals that tourism benefits flow disproportionately to large-scale tourism enterprises, property developers, and external investors, while local communities face rising living costs, displacement pressures, and limited participation in high-value tourism activities. Land price inflation in tourism zones has increased 300-400% between 2015 and 2024, making housing increasingly unaffordable for local residents and forcing some communities to relocate from ancestral lands (Yogyakarta Regional Planning Agency, 2024).

Employment in tourism sectors, while numerically significant, often involves low-wage, informal, and seasonal positions with limited social protection, skill development, or career advancement opportunities. Traditional livelihoods such as agriculture, handicrafts, and small-scale trade face displacement and marginalization as tourism restructures local economies toward service-based activities controlled by external capital. Cultural commodification threatens the authenticity and social meanings of traditional practices, ceremonies, and artistic expressions that are repackaged for tourist consumption. Community consultation and participation in tourism planning and development remain limited, with decisions frequently made by government agencies and private developers without adequate attention to local knowledge, priorities, and concerns.

These multidimensional sustainability crises in Yogyakarta's tourism sector expose critical weaknesses in current governance approaches and business practices that have prioritized quantitative growth over qualitative development. Existing regulatory frameworks, while comprehensive on paper, suffer from insufficient enforcement capacity, coordination failures across government agencies, limited penalties for

violations, and susceptibility to political and economic pressures that compromise environmental and social protections.

Tourism business practices predominantly follow conventional profit-maximization models with limited internalization of environmental and social costs, weak corporate social responsibility implementation, insufficient stakeholder engagement, and minimal accountability mechanisms. The absence of robust ethical frameworks guiding tourism business conduct represents a fundamental gap: while technical regulations address specific activities (building permits, waste management, employment standards), they lack overarching value systems that could shape business culture, decision-making processes, and organizational purposes beyond financial returns. This gap is particularly significant in Indonesian contexts where cultural and religious values—including Islamic ethical principles—strongly influence social norms and could potentially provide normative foundations for sustainable business practices if systematically integrated into tourism sector governance.

A systematic review of previous research reveals important insights while highlighting significant gaps that this current study addresses. First, regarding the application of Islamic business ethics in tourism contexts, existing scholarship has explored Islamic tourism principles primarily through doctrinal analysis and conceptual frameworks, but empirical research examining how specific Islamic ethical frameworks could operationalize sustainable tourism practices in actual destinations remains limited. Studies on halal tourism have proliferated, but these predominantly focus on product/service standardization rather than comprehensive ethical business models addressing environmental and social sustainability dimensions. Second, concerning the role of religious organizations in sustainable development generally and tourism specifically, international research documents faith-based organizations' contributions to community development, environmental conservation, and social justice advocacy. However, scholarship specifically examining how Islamic organizations' ethical frameworks could inform sustainable tourism development in Muslim-majority societies remains scarce.

The urgency of this research stems from multiple converging imperatives that make the investigation of the issue both timely and critical. First, pragmatic urgency: Yogyakarta's tourism sustainability crises documented above have reached thresholds requiring immediate intervention—continued environmental degradation, social inequity, and community displacement will undermine tourism's viability while causing irreversible harm to natural and cultural assets that constitute tourism's resource base. Technical regulations and government enforcement alone have proven insufficient, necessitating exploration of complementary approaches including ethical business frameworks that could shape industry culture and practices. Second, theoretical urgency: sustainable tourism scholarship has increasingly recognized that purely technical, regulatory, or market-based approaches inadequately address the deep ethical dimensions of tourism's impacts on communities, cultures, and environments. There is growing recognition that sustainable tourism requires robust ethical foundations that can guide business decisions, prioritize stakeholder wellbeing, and balance competing interests—yet most sustainable tourism frameworks derive from Western philosophical traditions with limited attention to non-Western ethical systems. Islamic business ethics represents

a potentially rich but underutilized resource for sustainable tourism, particularly in Muslim-majority contexts like Indonesia where religious values significantly influence business culture and social norms.

The novelty and original contribution of this research reside in several innovative dimensions that distinguish it from existing scholarship. First, theoretical innovation: this study integrates sustainable tourism theory with Islamic business ethics specifically through Muhammadiyah's systematically articulated ethical framework, creating a novel conceptual synthesis. While sustainable tourism scholarship has engaged with various ethical perspectives (utilitarian, deontological, virtue ethics, care ethics), and while Islamic business ethics has been applied to various economic sectors (banking, finance, management), the specific integration of Muhammadiyah business ethics—with its distinctive formulation by the *Tarjih* and *Tajdid* Council—as a normative framework for sustainable tourism represents an original theoretical contribution. This integration addresses a significant gap in sustainable tourism theory by introducing a non-Western, faith-based ethical system that offers distinctive principles (*Tauhīd*, *maslahah*, *ta'awun*, etc.) potentially capable of addressing sustainability challenges in culturally appropriate ways. Second, methodological innovation: this research employs a descriptive-analytical approach based on systematic literature review that synthesizes theoretical texts (Muhammadiyah's formal articulations of business ethics principles), empirical data (Yogyakarta tourism statistics and sustainability indicators), and Islamic philosophical sources (Qur'an, Hadith, classical and contemporary Islamic scholarship) to construct a comprehensive analytical framework. This methodological approach—examining how abstract ethical principles could be operationalized in specific sectoral contexts through systematic analysis of principle-practice linkages—offers a model for applied ethics research in development contexts.

This research specifically aims to systematically analyze the relevance and potential application of Muhammadiyah's Islamic business ethics framework in addressing sustainable tourism challenges in Yogyakarta through three interrelated objectives. First, to comprehensively examine the nine ethical principles articulated by Muhammadiyah's *Tarjih* and *Tajdid* Council—*at-Tauhīd* (monotheism), *al-Amānah* (trust), *as-Sidq* (honesty), *al-'Adl* (justice), *al-Ibāhah* (permissibility), *at-Ta'āwun* (cooperation), *al-Maslahah* (public benefit), *at-Tarādī* (mutual consent), and *Akhlāk al-Karīmah* (noble character)—explicating their theological foundations, ethical meanings, and normative implications for business conduct. Second, to systematically analyze Yogyakarta's tourism sustainability challenges across environmental, social, and economic dimensions, documenting specific problems and their underlying causes related to business practices, governance frameworks, and value systems.

The theoretical benefits of this research include enriching sustainable tourism scholarship with non-Western ethical perspectives, advancing understanding of how faith-based value systems can inform sectoral governance, and contributing to Islamic economics literature through applied analysis of ethical principles in contemporary contexts. Practical benefits include providing tourism businesses with actionable ethical guidance, offering policymakers a value-based framework for sustainable tourism regulation, and equipping civil society organizations with normative standards for holding tourism stakeholders accountable. Academic benefits include establishing

foundations for future empirical research examining actual implementation of Islamic business ethics in tourism contexts, comparative studies across different ethical traditions, and longitudinal assessment of how value-based approaches affect tourism sustainability outcomes over time.

## RESEARCH METHOD

The author employed qualitative research methods through library research to collect literature data. The approach entailed descriptive analysis of the gathered data. This research involved compiling information from books, websites, journals, and relevant articles on the research theme (Kartono, 1996). It relied on secondary data from documents such as reports, archives, books, and scholarly journals pertinent to the research focus (Sugiyono, 2017). The process also included exploring, summarizing, and critiquing prior studies to build a theoretical framework and identify research gaps (Creswell, 2014).

## RESULTS AND DISCUSSION

### Business Ethics

Ethics is a normative science because it is a value or foundation in determining whether an act should or should not be done and allowed or prohibited to be done by an individual. If it is associated with an organization, then ethics is a basic value that is agreed to be a common reference for things that must be done or prohibited in running an organizational movement. Ethics in language or etymology comes from the Greek language in the singular form called ethos which has a diversity of meanings, namely ordinary, habitat, pasture, and enclosure. Ethics is also called character, way of thinking, attitudes, habits, feelings, disposition, customs, and morals. In addition, Lorens Bagus in the Dictionary of Philosophy, the word means customs, disposition, habits, and ways of life (Bagus, 1996). K. Bartens in Ethics, customs, disposition and habits. Meanwhile, terminology or ethical terms are norms or values that are embraced by an individual or group in regulating their various actions. In addition, ethics is a science that studies the good and bad of a human act or in line with the human mind. Louis Poljam in Ethics: Discovering Right and Wrong, dephysicalizes ethics with a rational attempt to determine correct moral principles (Poljam, 2006). K. Bartens in Ethics, defines it as the science of what is good and bad, of human moral obligations.

Ethics in the context of research is an effort to conduct systematic study, investigation, and research on human behavior. One of them is human behavior in the business world. The definition of business is understood as activities, activities, and efforts to make a profit by providing products and services needed in economic activities. Islam encourages all businesspeople to behave in accordance with ethics in their business activities. Obligation to comply and comply with the business code of conduct. This is due to the impulse of faith (Tauhīd), morality (Akhlak), social responsibility, the business environment, self-evaluation, and fear in the law. Meanwhile, Islamic business ethics is an ethics that is based on very strong ethical norms from Islamic literature, namely the Qur'an and the prophetic tradition in Islam, and is considered to have compatibility as well as a broad concept of business (Qadri, 2020).

Business ethics in scientific studies in general is about right and wrong, good and bad, detrimental and profitable decisions that are decisions in the transactions of a business organization. Business solutions using ethics may not be the only solution available. Business ethics is the process of learning to think, argue and do it as practicable as possible while being able to recognize various potential ethical problems. In this way, businesspeople can evaluate their skills, assumptions, and opinions related to the problem before acting. Laura Nash defines business ethics as "the study of personal morals to be implemented into the actions and goals of a commercial organization. It is not to separate moral standards, but as a study so that business can solve various problems. This is what was formulated as the definition of business ethics by Joseph W. Weiss as a professor at Bentley University (Weiss, 2009).

In the contemporary era, ethical theories in general or business ethics can be found and understood listed in the academic works of ethicists. Among them is K. Bartens. In the past, business was only oriented towards satisfaction. However, the dynamics of this concept seem to have changed. The dynamic thing is necessary because satisfaction becomes difficult in size. At the same time, humans are inclined to never-ending satisfaction in searching. The next economic goal was born which is called utilis with the meaning of "benefit". Usefulness in its development requires a wide range of benefits. Because it is not called a benefit if only a few people feel it. The benefits should be felt by many people. This is what is referred to as utilitarianism, which is listed as the first theory by K. Bartens. In fact, utilitarianism is a concept whose benefits are not only limited to the people of his time, but this theory is also related to future generations. Whatever is carried out from business, if this theory is associated then the whole business must benefit everyone and various future generations. This explains that sustainable development is the moral responsibility of every businessperson.

Laura Hartman and Joe Desjardins are of the view that utilitarianism is an ethical foundation that makes decisions based on consequences. The consequences are considered whether what is done will have an impact on the good and the better. Starting from maintaining human honor, happiness, dignity, integrity, and freedom. Utilitarianism became a moral philosophy in social life, including economics and business in it. Joseph W. Weiss explained that Utilitarianism as a concept and ethics was introduced by Jeremy Bentham (1748-1832) and John Stuart Mill (1806-1873). Both have similar views that utilitarianism is a concept based on the good or bad consequences obtained in the future (Hartman & Desjardins, 2008; Weiss, 2009).

Leonard J. Brooks and Paul Dunn in Business & Professional Ethics categorize utilitarianism in Teleology. In the English philosophical tradition, John Locke (1632-1704), Jeremy Bentham (1748-1832), James Mill (1773-1836), and J.H. Stuart Mill (1806-1873) viewed ethics as based on Teleology. Based on an etymological perspective, Teleology comes from the Greek telos, which means end, consequence, outcome; so Teleological theories are those that study behavioral ethics in terms of the consequences or consequences of ethical decisions. Teleology is suitable for businesspeople who focus on the implications of the business without considering the value or correctness of a business (Brooks & Dunn, 2011).

Hartman and Desjardins explain that the next theory is Deontology. Deontology became the foundation of the next business ethics. Deontology is an ethics based on the

values held. Because the decision must be based on principles, not just results or consequences. In other words, a good goal is not about legalizing all means. So how can principles be implemented as values that defeat various consequences. Deontological comes from the Greek word deon, which means "the obligation to reject all that is bad and to accept what is good." This concept comes from the obligation to do good. Thus K. Bertens commented on it. Meanwhile, Joseph W. Weiss is of the view that Immanuel Kant (1724-1804) as a German philosopher introduced the concept of Deontology based on the principle of Universalism. This means that this concept is based on universally accepted principles or values. Some of the universal values are justice, truth, equality, honesty, and caring. This ethic is based on values that are embraced and not based on consequences. The good or bad consequences depend on the principles adhered to, not on the outcome (Hartman & Desjardins, 2008; Weiss, 2009).

Everyone has the right to achieve his or her personal goals if he or she does not commit actions that violate practical imperatives. This is called the Kantian principle (Kantiant Principle). Treating others as the goal is acknowledging that all are part of society as a moral community. If every individual wants to be treated well, then so do others. If it is impossible in business to be run on its own, then ethical things must be carried out in business activities (Kant, 1964 as cited in Brooks & Dunn, 2011; Brooks & Dunn, 2011).

Next is the theory of rights (including obligations). K. Bertens writes in his work that the theory of rights is part of the theory of deontology. This theory is based on the good and bad behavior of a person. Rights and Obligations become a unit that cannot be separated like two sides of a currency. The obligation that is inherent in the matter of goodness is also the right of others. So Joseph W. Weis described it with Rights: based on morality and law. These rights are based on a variety of collective authorities. It can be understood that what is referred to as a right in its concept is a collectively agreed morality. While legal or legal is a right limited by a certain legal system and jurisdiction. Respecting the dignity of every human being is one of the most important ethical principles. This is what one of the 18th-century German philosophers Immanuel Kant said. Some things to do according to Kant. First, everyone must act in accordance with the principles of universally accepted rules. This is called the "Categorical Imperative". Second, treat everyone based on what they are aiming for, not just a tool to achieve our personal goals. So based on this principle, we will treat others as the same subjects as we do (Bertens, 2013; Weiss, 2009).

"What should he/she do?" is an inappropriate question when it comes to personal morals. The question should be replaced with "what kind of person should he/she do?". This is called virtue theory which views a person based on attitude or morality. So this theory is not based on whether a particular act is just, or honest, or generous. Rather, "is the person fair, honest, generous, or so on? Thus K. Bartens explained the theory of virtue. Then Hartman and Desjardins reinforce that Ethics of Virtue is how a person makes decisions based on his character and integrity. This ethics is a tradition in philosophical ethics that describes character for a much better human life. Meanwhile, Joseph W. Weiss affirms that theory/ethics has been raised by Plato and Aristotle which have also been known to Chinese and Greek philosophers. Virtue ethics is inversely proportional to

consequence-based deantology and utilitarianism (Hartman & Desjardins, 2008; Bertens, 2013; Hartman & Desjardins, 2008).

Apart from some of the theories or ethics mentioned above as the main ethics or theories of the orientalists, some of them add ethics or other theories as the foundation for doing business. Hartman and Desjardins added the ethics of Social Justice. American philosopher John Rawls explained that justice is built on the principle of equality and original position. The principle of equality is the foundation because all human beings are created equal in rights and obligations. While the original position is to explain that in upholding justice, one must be at the "0" point first to see everything more honestly and fairly. After this process is passed, then everyone tries to be present in the agreements of justice in togetherness (Hartman & Desjardins, 2008).

The English philosopher David Hume (1711-1776) argued that justice was necessary because of two things: not all people had the same capacity and the scarcity of resources. As the British social construct was built based on prioritizing individual interests. However, because not all have personal capacity, cooperation is needed to fulfill collective needs. Limited resources, the fact that some people seek personal gain and sometimes harm others, there is a need for a mechanism for the distribution of resources and various burdens fairly and equitably. Justice is the solution to these various problems (Weiss, 2009).

Justice is divided into two aspects of justice. First, Procedural Justice. Procedural justice is justice that is based on how justice is distributed. The determinant of this justice is a fair and transparent procedure. This shows that everyone must be treated fairly and equally before the law and that all rules are in favor of all groups. Second, distributive justice. This justice is justice that is based on equal treatment based on its proportions. Something that is not equal does not have to be treated the same, but is treated differently according to its relevant proportions. This is what is called justice according to its proportions. On the contrary, violating proportionality is an injustice. This is what Aristotle (322-384 BC) explained (Brooks & Dunn, 2011).

Likewise with Joseph W. Weiss who included the ethics of justice in his work entitled Business Ethics. Weiss emphasized that the values of justice must be upheld in its procedures, compensation, and distribution. The principle of justice is upheld based on the principle of equality and equality. Moral authority determines right or wrong whether the opportunity for justice can be felt by all. Weiss also listed her views on justice based on the theory of John Rawls (1971) as also quoted by Hartman and Desjardins above (Weiss, 2009).

Leonard J Brooks and Paul Dunn listed the Ethics of Virtue as something to be expected. Virtue is the character of the soul that is shown by doing it spontaneously or succulently. Virtue is not called virtue if what is done requires various considerations in doing it. A person is said to have glory when virtue is done consistently and becomes a habit. In addition, to become a habit, it takes knowledge for a person about good and bad. It takes education to introduce to all circles so that virtue can be understood and carried out continuously. This is the theory of Virtue ethics inspired by Aristotle (322-384 BC) (Brooks & Dunn, 2011).

Weiss also added other ethics in doing business. First, the ethics of "The Common Good". This ethics was also believed by Plato and Aristotle to be used as a communal

reference. This ethic is defined as "An accumulation of social conditions of life that allow collectively and individually to easily gain access to meet needs". Second, "Ethical Relativism". This ethics states that there are no standards or rules that can be used to guide or evaluate the morality of a single activity. This argument is based on the fact that humans have morals in justifying what they do. Only the person himself can judge whether what is done is based on morality or not. This is called relativism or can also be called naïve relativism (Weiss, 2009).

Third, Immoral, Immoral, and Moral Management. Immoral Treatment is closely related to actions that are far from morality or unethical approaches such as employees committing fraud that do not get legal consequences, offering salary increases and facilities beyond the company's capabilities, and several other things. Meanwhile, Amoral is a business action carried out by all business parties that do not consider the consequences of the action. Then finally, conducting moral management places values fairly on shareholders, employees, customers, and all other stakeholders (Weiss, 2009).

Fourth, Four Social Responsibility Roles. This ethic is based on the responsibility of four elements. The first is responsibility for productivity, the second is responsibility for progressivity, the third is responsibility for society and the environment, and finally responsibility for ethical idealism. These four are the main things as well as the unity that cannot be separated (Weiss, 2009).

Some of the works of business ethics observers also mention the things mentioned above, such as Hendi Prihanto in his work entitled "Business and Professional Ethics: A Quest" which lists Teleological theories: Egoism, Utilitarianism, Deontological theory, Rights theory, and Virtue Theory. Irfan Fahmi in his work entitled "Business Ethics: Theories, Cases, and Solutions" lists Ethical Theories and Business Development such as Deontological, Telelogical, Human Rights, Virtues, and Relatives (Prihanto, 2018; Fahmi, 2015).

**Islamic Business Ethics**

If ethics is based on thought, in Islam the thought of individuals or groups cannot be separated from the theological aspect. Because the source of thought and law for Islam is based on two main foundations, namely the Qur'an and as-Sunnah. In Islam, ethics and ethics are often also called morals. Imam Al-Ghazali, in the book Ihya 'Ulumuddin emphasized the importance of Tawheed as a foundation or ethics in doing business. In terms of Tauhīd, Al-Ghazali emphasized the importance of righteous intentions in doing business or doing business. Second, the correct understanding that the legal business is Fardhu Kifayah, paying attention to the afterlife, having a character that is not too ambitious, staying away from subhat matters, always deliberating to uphold justice and Ihsan in business.

Ibn Taymiyyah who is known as Shaykhul Islam also shared his thoughts on business ethics in his works Majmoo' Fatawa and al-Hisbah. In Majmoo' Fataawa Shaykh al-Islam emphasizes the importance of tsaman al-Mitsl or a corresponding price. This price is not a price that is holy but fair. Second, equal profits. An equivalent profit is a reasonably earned profit that does not damage the market situation. If these goods are urgently needed, Shaykhul Islam also does not emphasize the application of excessive costs that have an impact on high prices. Third, the importance of market mechanisms. Price increases are not always caused by someone's cheating. It could be that the increase

is purely due to the scarcity of a commodity or such a high demand with a limited number of goods or services. The whole law or mechanism of the market if it occurs naturally is something commonplace. This is Ibn Taymiyyah's view on the increase in prices in the market. Fifth, price regulation, Fair price is a price that is set based on a clear reference. If price instability is found, then the power can intervene to regulate it. Sixth, the importance of implementing monetary policy on money as a medium of exchange to assess the price of a good. Seventh, the importance of collaboration between all parties in business. Eighth, the state plays a role in giving birth to economic policies for stability that bring benefits to all people. Meanwhile, in another book, al-Hisbah, Shaykh Islam emphasizes the importance of perfection of scales, avoiding fraud/fraud in doing business, avoiding illegal business contracts, imperfections of the market, and avoiding hoarding or Ikhtikar (Islahi as cited in Fasiha, 2017; Ibn Taymiyah, 1974).

Ibn Kholdun in his book entitled Muqaddimah also pays important attention to personal business. Business norms can be found in articles Nine, ten, eleven, twelve, thirteen, fourteen, and fifteen. Ibn Kholdun emphasized that in doing business it is forbidden to hoard, people who do business are people with character (honest, fair, courageous, and strong mentality), avoid bad Mukayasah (tricks/engineering), the importance of price stability, no trade monopoly, maintaining price stability, and maintaining honor (Ibn Kholdun, 2020).

Umer Chapra, a business expert in the contemporary era, also emphasized the importance of ethics in doing business. In addition to matters that are so detailed in the technical aspects of doing business, Chapra emphasized that the importance of business must be based on the universal values of Imam Syatibi in the form of safeguarding five things. Starting from the preservation of the soul, the preservation of religion, the preservation of thought, the preservation of property, to the preservation of offspring. In addition, Chapra also emphasized that business must be based on Tauhīd, Khilāfah, al-'Adalah (Chapra, 2000).

Meanwhile, Shaykh Yusuf Al-Qaradhawi emphasized that doing business must be based on divine norms, based on ethics or morals, characterized by humanity, wasath (middle). M. Quraish Shihab added in his book "Business of the Afterlife" about the importance of Honesty, Promise Fulfillment, Place, Flexibility, and Hospitality. Rafiik Issa Beekun in Islamic Business Ethics, emphasizes the importance of applying the values of Oneness, Balance, Free Will, Responsibility, Virtue, and sufficient knowledge about halal-halal and haram in doing business (Al-Qaradhawi, 2018; Shihab, 2011).

**Muhammadiyah Business Ethics**

Muhammadiyah, as an Islamic movement founded by KH. Ahmad Dahlan on November 18, 1912 AD or 8 Zulhijjah 1330 H to respond to various developments as well as social changes in society. This is an effort to answer the challenges of the times due to underdevelopment in religion or Islam. Because of its backwardness, Islam in the archipelago at that time was considered by the Colonials as a mystical religion that would not be possible to achieve progress or even threaten colonization. The inequality that had been maintained by the Colonials made the Muslims of that time move away from what Islam meant to be a religion that pushed for progress. The inequality between not

understanding Islam, mixing with mystical culture, results in ignorance and poverty. This was maintained by the colonial side to carry out continuous colonization.

The establishment of Muhammadiyah cannot be separated from the subjective factors of its founder. KH. Ahmad Dahlan is a kyai who is very inclusive in reading and socializing. He views the various social phenomena of Muslim underdevelopment resulting in anxiety as well as rising to re-read the works of past scholars and trying to give birth to various new ijtihad to answer the complex social reality of Islam. Of course, because Kyai Dahlan is a scholar as well as a scholar, he responded to this problem by using scriptural morals or ethics based on the holy book (Al-Qur'an). Starting from performing tafsir and practicing Surah Al-Ma'un, Al-'Ashr to Ali Imran 104 and 110 which inspired him to make the Muhammadiyah Movement a structured organization. In addition to Kyai Dahlan reading some of the verses above, K.H. Ahmad Dahlan also read the works of the thoughts of scholars such as Jamaludin al-Afgani (1838-1897), Muhammad Abduh (1849-1905), and Muhammad Rasyid Ridha (1865-1935). (Tridayatna et al., 2024).

Meanwhile, the objective factors for the birth of Muhammadiyah are divided into two parts, namely internal factors and external factors. The first internal factor is related to the internal condition of Islam which is still infected with various diseases that deviate from the essence of Islam. Starting from superstition, *Bid'ah*, superstition, and shirk. Second, Muslims are divided into three groups, namely *Santri*, *Priyayi*, and *Abangan*. Third, the education system is weak because it does not adopt teaching and lessons that bring progress. Meanwhile, external factors consist of colonial colonialism and the Islamic world renewal movement. Starting from the Middle East, namely Saudi Arabia, Egypt, and several other regions.

As a movement with a long life, Muhammadiyah continues to develop its organizational movement. His work to date has surpassed the dream of its founder. In order to move large organizations with increasingly complex challenges, Muhammadiyah needs to detail its movement with the involvement of members and leaders. This is what led Muhammadiyah to have various leadership assistance units in the form of Assemblies and Institutions, one of which is the *Tarjih* and *Tajdid* Councils. Through the Assembly, Muhammadiyah contributes its collective thinking on ethics in doing business. For Muhammadiyah, Ethics is a set of business norms based on aqidah, Sharia, and Morals which are sourced from the Qur'an and Sunnah Maqbulah. Doing business for Muhammadiyah must be based on the norms or ethics of *At-Tauhīd*, *Al-Amanah*, *As-Sidq* (honesty), *Al-'Adalah* (justice), *Al-Ibahah* (ability), *At-Ta'awun* (cooperation), Al-Maslahah Jalbul Masalih wa Dar'ul Mafasid (Attracting benefits and rejecting fascism), *At-Taradi* (mutual willing/agreeing), and *Al-Akhlaq al-Karimah* (politeness). In addition, for Muhammadiyah business has value and benchmarks, starting from there should be no *gharar* (speculation), there should be no *jahalah* (disguise) and it should be done transparently, there should be no *maisir* (gambling), there should be no tyranny (oppression), there should not contain elements of usury, there should be no ad-darar (harmful or detrimental elements), there should be no fraud and fraud, there should be no consequences of *ta'asuf* (abuse of rights) in the short or long term, There must be no monopoly and conglomerate, business objects are not haram, and they must not neglect

and waste their property (Tarjih and Tajdid Council of Muhammadiyah Central Executive, 2018)..

**Implementation**

First, *Tauhīd* or Unity. This ethics emphasizes that all tourism business activities must be directed to the path of obtaining the pleasure of Allah SWT. Everything that damages the relationship between humans and humans, God, and the environment is essentially destroying itself. Why, because we are a unity or unity that cannot be separated. In the context of Yogyakarta tourism, interpreting *Tauhīd* by presenting awareness that humans, nature (mountains, beaches, villages, indigenous peoples, local culture) are not just business commodities for the purpose of profit, but as creatures of Allah swt who have rights as a mandate that must be guarded together.

Second, Al-Amānah or Trust and Responsibility. As the most perfect being, everything that is done even though it is freedom but at the same time comes with inherent responsibility. Responsibility starts from him to his environment. In addition, another way is to maintain the safety and security of tourists in visiting. Manage funds honestly without embezzlement and manipulation. Maintaining Yogyakarta's cultural assets and natural environment as an awareness of the Shared Mandate, for Mutual Safety.

Third, As-Sidq or Honesty. This is closely related to the business dimension in marketing, transaction, and communication aspects. Starting from providing factual information about prices, facilities, tour package itineraries, and tourism risks in a transparent manner. It is strictly forbidden to provide false information about photos, facility promises, and fictitious testimonials. If there are obstacles related to weather and climate, then convey it as it is without the need for anything to be covered so that tourists do not feel cheated.

Fourth, balance or al-'Adl. Axioming this ethics with the concept of sustainability that is balanced between profit, people, planet, and paradise. The balance between economic benefits, environmental sustainability, and socio-cultural sustainability of the community is something that should not be ruled out and should be the main focus for a sustainable business future. In Yogyakarta, the management of prohibited destinations only focuses on pursuing the number of tourist visits, but must also be able to control the amount of waste, minimize environmental pollution, provide a healthy community space, and protect cultural nobility.

Fifth, Al-Ibāhah or abilities that do not violate the rules. Freedom is a principle in business that leads to the freedom to trade or innovate in business. "Anything is allowed except what is prohibited" is a very important principle for businesses to be competitive but still bound by the rules. So this principle or ethics can be implemented in the form of providing various hotel, culinary, and tour package facilities that are as optimal as possible but without any element of haram and superstition. Such as the presence of liquor, symbols of sharia, gambling, pornography, and erotic dance.

Sixth, At-Ta'awun or Cooperation. Business in Islam is not only profit-oriented, but deeper than that business is one party helping the other for the limitations that each one has. So it is important to build partnerships with MSMEs such as traditional culinary, batik, silver, and others so that they can provide mutual benefits. Relationships with hotels, travel agents, and transportation to build a healthy ecosystem. Cooperation is

carried out with local entrepreneurs and workers as part of social responsibility for the surrounding communities.

Seventh, Al-Maslahah. Business must focus on various benefits for all parties. If it is related to tourism, then involving the younger generation to have the ability to explain tourism as part of education is very important. The tourism that is organized must also be friendly to people with disabilities and those who are limited. On the other hand, it is strictly forbidden to do various things that have the potential to cause damage if certain destination visitors are not restricted, commit vandalism or theft of artifacts, add to pollution due to uncontrolled traffic jams

Eighth, At-Tarādhi or willingness. This ethic comes after the seven ethics above are completely fulfilled. Why, because it could be that when the object presents harm between the seller and the buyer both have willingness. This principle will lead to the absence of coercion in tourism transactions, no hidden information resulting in regret, and provide the opportunity for a refund if the service goes wrong due to negligence by the tour manager.

Ninth, Al-Akhlāk al-Karīmah. The implementation of this ethics can be in the form of training hotel employees/tour guides to behave in accordance with Islamic demands. Teaching and providing awareness about preserving the environment in the form of refraining from throwing garbage and damaging various things that are facilities.

## CONCLUSION

Muhammadiyah, as one of Indonesia's oldest organizations, produced extensive *ijtihad* products—including Decisions, Circulars, Fatwas, and official guidelines such as its Business Ethics outlined in the Tarjih Decision Collection Volume 3—to address increasingly complex challenges as the organization grew beyond its founder's ideals. In Yogyakarta, a top tourism destination where economic growth stemmed primarily from local and foreign visitors, risks persisted including high poverty rates, waste management issues, and land subsidence. The author proposed adopting Muhammadiyah Business Ethics as a normative framework for all tourism stakeholders, shifting business focus from mere economic expansion to reducing inequality, environmental protection, and problem-solving, thereby ensuring sustainability despite growth, as damaged environments would render high economic gains meaningless. For future research, empirical studies could test the practical implementation of Muhammadiyah Business Ethics in Yogyakarta's tourism businesses through case studies or surveys measuring impacts on sustainability indicators like waste reduction and community equity.

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