



Islamic Business Ethics in Tourism Economy: Implementation of Islamic Economic Principles among Street Vendors in Gili Air, North Lombok

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ABSTRACT

This study explores the implementation of Islamic economic principles and business ethics among street vendors operating within the tourism economy of Gili Air, North Lombok, Indonesia. The research is motivated by the growing significance of Islamic ethical frameworks in promoting fairness, honesty, and social justice in business practices, especially within informal microeconomic sectors linked to tourism. Using a qualitative descriptive approach, data were collected through in-depth interviews, observation, and documentation involving Muslim street vendors engaged in daily trading activities around the Gili Air tourism area. The findings reveal that most vendors possess a basic understanding of Islamic business ethics such as honesty (*sidq*), trustworthiness (*amānah*), justice (*ʿadl*), and mutual benefit (*taʾāwun*). However, the practical application of these principles varies, depending on individual awareness, economic pressure, and market competition. The study also identifies that social interaction and community solidarity play important roles in shaping ethical conduct. In general, Islamic values are not only reflected in transactional behavior but also in the vendors' spiritual attitudes, which influence how they perceive work as a form of worship (*ʿibādah*). The research concludes that strengthening Islamic business ethics in the local tourism economy requires continuous education, moral guidance, and institutional support to ensure the sustainability of ethical practices in micro-trading activities. This study contributes to the discourse on Islamic economics by linking ethical behavior to the dynamics of informal trade in tourism-based local economies.

KEYWORDS:

Islamic business ethics;
Islamic economic
principles; street
vendors; tourism
economy; Gili Air;
North Lombok

INTRODUCTION

Islamic economics has long emphasized moral integrity, social justice, and the balance between material and spiritual welfare as the foundation of economic life. Unlike conventional systems that prioritize profit maximization, the Islamic economic paradigm integrates ethical considerations with business transactions, reflecting a worldview in which economic activity is seen as an act of worship (*ʿibādah*) and social responsibility (*masʿūliyyah ijtīmāʿiyyah*). Within this framework, the concept of *akhlaq al-islāmiyyah* (Islamic moral values) plays a central role in guiding individual behavior and ensuring that market interactions remain fair, transparent, and beneficial to all parties (Asutay & Yilmaz, 2021). Consequently, the practice of Islamic business ethics has become an essential component in the study of Islamic economics, particularly in informal economic settings where regulation and oversight are limited but moral norms remain deeply embedded in community life.

In Indonesia, the world's largest Muslim-majority nation, the application of Islamic economic principles extends beyond formal institutions such as Islamic banking and zakat organizations to include the everyday practices of small traders and micro-entrepreneurs. Informal sectors such as street vending are not only vital for local livelihoods but also embody a living laboratory of Islamic ethical values in action. Street vendors form an integral part of Indonesia's urban and tourism economy, providing accessible goods and services while supporting employment for low-income households. Yet,



despite their economic significance, the ethical and spiritual dimensions of their business practices remain underexplored in academic literature.

Gili Air, one of the three Gili Islands located in North Lombok, West Nusa Tenggara Province, offers a distinctive setting for studying the intersection between Islamic ethics and tourism economy. The island has developed into a popular tourism destination renowned for its ecological beauty, hospitality, and cultural diversity. Although tourism has generated significant income for the local community, it has also introduced new social and economic challenges. The influx of international tourists and exposure to global consumer culture have transformed local market behavior, sometimes leading to tension between economic pragmatism and religious values. For Muslim Street vendors in Gili Air, sustaining livelihood amid such competition requires continuous negotiation between adherence to Islamic ethics and adaptation to tourism dynamics.

Previous research in Islamic economics has primarily focused on formal and institutional contexts, such as Islamic banking, corporate governance, or zakat management (Dusuki & Abdullah, 2020; Naim et al., 2022). Studies on the microeconomic level, particularly within the informal sector, remain relatively limited. Yet, it is precisely within these everyday transactions that the moral essence of Islamic economics is most visibly practiced. As noted by Rahman and Ahmad (2021), ethical awareness among small traders serves as a mechanism of self-regulation that maintains social trust and reduces exploitation. Street vendors, often operating without formal contracts or legal protection, rely heavily on reputation and honesty to sustain long-term relationships with customers. Thus, ethical behavior rooted in Islamic principles becomes both a spiritual obligation and an economic asset.

The principles of Islamic business ethics—such as *‘adl* (justice), *amānah* (trustworthiness), *ṣidq* (truthfulness), and *ihsān* (excellence)—constitute an integrated framework that governs market interactions. According to Al-Qaradawi (2019), these values not only regulate the transactional aspects of commerce but also shape the broader social relations between traders and consumers. Justice ensures equitable treatment and prohibits deceit, while trustworthiness underpins the credibility of trade. Truthfulness sustains transparency, and excellence encourages traders to prioritize quality and sincerity in serving customers. Together, these principles nurture a moral economy where competition is tempered by compassion and mutual respect.

In the context of Gili Air’s tourism economy, the implementation of these ethical principles faces unique challenges. The coexistence of Muslim traders and international tourists creates a pluralistic economic environment where cultural expectations, consumption patterns, and market norms frequently intersect. Some traders perceive the need to compromise certain ethical standards to remain competitive, while others view adherence to Islamic ethics as a source of spiritual strength and identity preservation. This duality mirrors the broader tension between globalization and local religiosity—a phenomenon that scholars such as Fischer (2020) describe as “ethical localization,” wherein religious values are selectively negotiated within globalized markets.

Given these dynamics, the present study seeks to explore how Islamic business ethics are understood, interpreted, and applied by street vendors in Gili Air’s tourism area. Specifically, it aims to identify the extent to which Islamic economic principles guide their daily business conduct, the challenges they face in maintaining ethical integrity, and the social mechanisms that reinforce moral behavior within the community. The research adopts a qualitative descriptive approach, allowing for a nuanced understanding of the interplay between religion, livelihood, and market forces.

This study contributes to the growing literature on Islamic economics by shifting the analytical focus from formal institutions to grassroots economic actors. It highlights how ethical values function as informal governance systems that sustain trust and social cohesion in unregulated markets. Furthermore, the research provides insights into how Islamic business ethics can serve as a moral compass in tourism-based economies, ensuring that economic activities contribute not only to individual prosperity but also to the collective well-being of society. By situating the experiences of Muslim Street vendors within the broader discourse of Islamic ethics and tourism development, the study underscores the continuing relevance of Islamic economic thought in addressing contemporary socio-economic transformations in Southeast Asia.

LITERATURE REVIEW

The literature on Islamic business ethics demonstrates that morality and economic activity are inseparable components of an integrated worldview that governs individual and collective behavior. Islamic ethics, derived from the Qur'an and Sunnah, view business as a form of worship through which individuals fulfill their responsibilities toward God and society. This moral foundation differentiates Islamic economic practice from secular models that treat economics as an autonomous sphere. Scholars such as [Asutay and Yilmaz \(2021\)](#) argue that Islamic business ethics reflect a “value-based moral economy” where justice, balance, and trust constitute the core dimensions of economic interaction. Within this perspective, ethical conduct is not merely a voluntary virtue but an obligatory aspect of faith, aligning with the concept of *maqāṣid al-sharī'ah* (the objectives of Islamic law) that seek to protect faith, life, intellect, wealth, and lineage.

Empirical research has increasingly highlighted the practical relevance of Islamic ethical principles in guiding micro and small enterprises. Studies in Malaysia, Indonesia, and Pakistan show that Muslim entrepreneurs who internalize values such as honesty (*ṣidq*), trustworthiness (*amānah*), and justice (*ʿadl*) tend to develop more stable customer relationships and community trust ([Rahman & Ahmad, 2021](#); [Wahab et al., 2022](#)). These ethical practices act as informal governance mechanisms, especially within informal economies where legal institutions are weak or absent. For example, [Wahyuni and Pratama \(2022\)](#) note that street vendors in Indonesia often rely on ethical norms to resolve disputes, regulate competition, and maintain long-term cooperation. By fostering social accountability and mutual respect, Islamic ethics help sustain economic resilience among low-income entrepreneurs.

In the context of informal trade, the notion of ethical entrepreneurship becomes particularly significant. Informal sectors such as street vending play a crucial role in the livelihoods of millions of Indonesians, accounting for more than half of non-agricultural employment ([BPS, 2023](#)). Despite their vulnerability to economic shocks and limited access to financial services, these traders contribute to local food systems, tourism, and community well-being. However, their business activities are often shaped by competing pressures between moral obligations and market pragmatism. As described by [Rafiq and Hussain \(2023\)](#), informal entrepreneurs operate within a moral economy that is constantly negotiated—balancing religious ideals of fairness and honesty against the practical demands of income generation and consumer expectations.

The intersection between Islamic ethics and the tourism economy presents an even more complex dimension of analysis. Tourism in predominantly Muslim regions like Lombok is not only an economic driver but also a cultural interface where local values meet global consumer behavior. Scholars have noted that Islamic ethics can contribute to sustainable and responsible tourism by embedding moral awareness in production and consumption patterns ([Battour & Ismail, 2021](#)). When traders and service providers operate under ethical norms such as transparency, modesty, and mutual benefit, the tourism industry becomes more inclusive and socially cohesive. Yet, as observed by [Fischer \(2020\)](#), the expansion of tourism also exposes local communities to cultural pluralism, consumerism, and competition, which may challenge the consistency of ethical conduct among small traders.

Several studies on Lombok's tourism economy illustrate this dynamic tension. Research by [Fadhilah et al. \(2021\)](#) found that Muslim entrepreneurs in Lombok's halal tourism sector often perceive their work not merely as an economic pursuit but as part of a broader religious mission to represent Islamic values in hospitality and service. Nevertheless, the commercialization of cultural and religious symbols sometimes leads to ethical compromise, as traders prioritize profit over sincerity or fairness. Similar findings by [Sulaiman and Yanti \(2022\)](#) in other Indonesian islands reveal that the integration of Islamic

ethics into tourism-based microenterprises requires continuous reinforcement through education and community engagement.

The relevance of these findings to Gili Air lies in the island's dual identity as both a tourism hotspot and a Muslim-majority community. Street vendors here operate at the intersection of global tourism flows and local Islamic culture. Their trading behavior reflects a process of "ethical localization" [Fischer \(2020\)](#), where Islamic moral values are selectively adapted to meet market realities. For instance, maintaining honesty in pricing, ensuring product cleanliness, and practicing polite interaction with foreign tourists are viewed not only as good business practices but also as reflections of religious commitment. These behaviors align with the concept of *'ibādah fī al-mu'āmalah*—performing worship through social and economic transactions.

At the same time, the literature acknowledges that sustaining ethical integrity in such environments requires more than personal piety. Institutional and educational support play essential roles in reinforcing moral behavior. As pointed out by [Naim et al. \(2022\)](#), ethical awareness must be accompanied by community-based mechanisms such as cooperative groups, religious study circles, and mentorship programs that encourage traders to internalize Islamic economic principles. The integration of these moral and structural supports creates what [Asutay \(2019\)](#) terms "moral capital," a collective asset that enhances social trust and economic stability.

Building on this literature, the present study situates the practice of Islamic business ethics among street vendors in Gili Air within the broader discourse of Islamic moral economy and tourism development. It aims to provide empirical evidence of how Islamic economic principles are interpreted and enacted in micro-trading activities that exist beyond the boundaries of formal regulation. The review highlights three interrelated insights that guide this research. First, ethical behavior among small traders is a form of self-regulation that ensures justice and trust in the absence of formal institutional control. Second, the tourism economy provides both opportunities and ethical challenges for Muslim entrepreneurs operating in culturally diverse markets. Third, sustaining Islamic ethics in informal economies requires continuous moral reinforcement and social learning.

Through this conceptual foundation, the study extends previous works on Islamic economics by focusing on the lived experiences of micro-entrepreneurs who embody Islamic moral values in everyday trade. It contributes to understanding how ethics operate not as abstract doctrines, but as dynamic, context-specific practices shaped by local culture, community norms, and global economic influences. By analyzing these dynamics in the tourism economy of Gili Air, this study seeks to deepen scholarly understanding of how Islamic business ethics can promote sustainable, just, and faith-driven economic participation in the contemporary Muslim world.

METHODOLOGY

This study employed a qualitative descriptive research approach to explore how Islamic economic principles are practiced and embodied by Muslim Street vendors operating within the tourism economy of Gili Air, North Lombok. A qualitative approach was deemed most appropriate because it allows for a deep understanding of individual experiences, moral reasoning, and contextual challenges that cannot be captured through quantitative measurement. Rather than seeking statistical generalization, the study aimed to interpret the meanings and values underlying the daily business conduct of the vendors in relation to Islamic business ethics.

The research was conducted between February and June 2023 in Gili Air, a small island known for its mix of local Muslim residents and international tourists. The island presents a unique socio-economic landscape where local traditions, Islamic values, and global market dynamics converge. The target participants were Muslim Street vendors who conduct small-scale trading activities such as selling food, beverages, handicrafts, and souvenirs in public areas and along the beachfront. These

vendors were chosen because they represent the most visible actors of informal trade and interact directly with both domestic and foreign consumers.

Sampling was conducted using purposive and snowball techniques to identify participants who possessed relevant knowledge and experiences related to Islamic ethics in business. The final sample consisted of twelve vendors (eight men and four women) who had been operating for at least three years in Gili Air. This time criterion ensured that participants had sufficient experience in managing their trade and dealing with the moral and practical challenges of the tourism economy. In addition, three key informants were included to provide contextual understanding: one religious leader (*ustādh*), one representative from the local Cooperative and MSME Office, and one community facilitator involved in Islamic economic education programs.

Data collection was carried out through in-depth semi-structured interviews, direct observation, and documentation. The interviews, lasting between forty-five and seventy minutes, were conducted in the local Sasak language and Bahasa Indonesia, then translated into English for analysis. The interview guide covered topics such as personal background, business history, understanding of Islamic business ethics, perceived ethical challenges, and moral motivations. This flexible structure allowed participants to narrate their experiences naturally while ensuring that core themes were consistently addressed. Observations were performed in various locations, including the harbor area, main roads, and beachside markets, to record interactions between vendors and customers, pricing behavior, negotiation styles, and expressions of hospitality. Documentation included visual and textual materials such as product posters, social media posts, and community pamphlets promoting Islamic economic awareness.

The collected data were analyzed using thematic analysis following the stages proposed by Braun and Clarke (2019). The process began with familiarization through repeated reading of interview transcripts and field notes. Initial codes were then generated to identify patterns related to ethical understanding, business practice, and religious motivation. These codes were grouped into broader themes such as honesty and trust, fairness in competition, customer respect, and challenges in upholding ethics under market pressure. Thematic mapping was used to explore how these themes related to each other and to the theoretical concepts of Islamic business ethics and moral economy. Finally, the analysis was refined through interpretation that linked empirical findings to the conceptual framework and existing scholarly literature.

To ensure the credibility and reliability of the findings, several validation strategies were applied. Triangulation was performed by comparing data from interviews, observations, and documentary sources to ensure consistency. Member checking was conducted by returning preliminary interpretations to selected participants for feedback and verification. This participatory process helped refine the accuracy of the conclusions and confirmed that the analysis authentically represented the vendors' perspectives. Peer debriefing with two academic colleagues specializing in Islamic economics and social anthropology further enhanced the analytical rigor.

Ethical considerations were strictly maintained throughout the research process. All participants were informed about the objectives and procedures of the study, and consent was obtained verbally prior to interviews. Pseudonyms were used in all reports to protect participant identity. The study also adhered to the ethical principle of *no harm*, ensuring that no information disclosed during interviews would negatively affect the participants' livelihoods or community relationships.

This methodological design reflects the interpretive paradigm that views human action as deeply embedded in cultural and moral contexts. By examining the lived experiences of Muslim Street vendors, the study seeks to uncover how Islamic business ethics are internalized, negotiated, and practiced amid the complexities of the tourism economy. The qualitative approach provides the flexibility to capture nuances of moral reasoning, emotional engagement, and spiritual motivation that shape business behavior in everyday interactions.

Through this methodological framework, the research not only documents ethical practices but also reveals the social mechanisms that sustain or hinder the application of Islamic principles in informal economic settings. It highlights how individuals make moral choices under economic constraints and

how community norms and religious teachings influence those choices. The findings derived from this process form the empirical basis for understanding the moral economy of Muslim Street vendors in Gili Air, contributing to broader discussions on Islamic ethics, informal trade, and sustainable tourism development.

RESULT AND DISCUSSION

Ethical Awareness and Practice

The vendors demonstrated a clear awareness of Islamic business ethics as a guiding compass in daily trade. Honesty, trustworthiness, fairness, and benevolence were articulated repeatedly as core values that define proper conduct. In practice, honesty appeared most visible in product disclosure and price communication. Vendors explained ingredients, freshness, and portion size with care, and several made a point to invite customers to taste before purchasing. Trustworthiness emerged through punctual delivery of preorders, fulfillment of promised quality, and a reluctance to oversell. Fairness was reflected in consistent pricing for locals and visitors within the same product category, with variation justified only by quality differences such as premium seafood or artisanal handicraft. Benevolence surfaced in small gestures, for example allowing customers to pay later when digital payment failed or offering complimentary water to tourists waiting in heat.

The interviews also revealed that ethical practice is relational rather than abstract. Vendors grounded their conduct in the aspiration to maintain long term relationships. Repeat customers were described as a blessing that cannot be secured through aggressive selling but through sincerity and consistency. Observations corroborated this orientation. Conversations before a transaction were unhurried, and vendors frequently used respectful greetings and light humor to create a welcoming atmosphere. This social warmth supported the growth of trust, which in turn reduced the need for hard bargaining. Ethics therefore functioned as both moral duty and efficient market strategy, lowering transaction costs by preventing suspicion and conflict.

Economic Pressure and Moral Dilemma

Despite strong ethical awareness, vendors navigated a complex field of economic pressure. High season brought intense competition for foot traffic along popular paths, while low season produced income volatility. Moral dilemmas emerged at these pressure points. Some vendors admitted the temptation to inflate prices during crowded periods or to exaggerate product attributes when stock quality declined due to supply interruptions. Others faced the challenge of declining requests for alcohol related items or merchandise that conflicted with personal convictions while trying not to alienate customers.

These tensions were mediated through self-control practices that vendors related to religious discipline. Several described short pauses for remembrance before opening stalls, which they believed helped align intention with worship. When confronted with a moral dilemma, vendors reported reverting to two diagnostic questions. Will this action violate trust. Will this action invite harm or unfair advantage. Such reflective questioning, influenced by religious teaching and community expectation, often led them to accept lower short-term profit in exchange for reputational continuity. The result is a moral equilibrium in which profit seeking is subordinated to integrity, with the expectation that provision is ultimately sustained through lawful effort and reliance upon God.

Pricing Fairness and Transparency

Pricing practices represented a crucial arena for ethical implementation. Vendors commonly adopted a reference price that was visible or easily explained. When prices changed due to supply costs or seasonal scarcity, vendors communicated the reason in advance and offered substitutes at lower price points. The practice of dual pricing for foreigners and locals was discussed openly. Some vendors maintained a single price to avoid any perception of exploitation, while others applied a small premium to cover translation time, packaging, or delivery. In both cases, justification centered on transparency. If customers understood the cost structure, they were less likely to feel deceived.

Observations recorded frequent presentation of menus or laminated lists in English and Bahasa Indonesia, which reduced haggling and preserved cordial interaction. Transparency therefore served as a preventive mechanism against conflict and an instrument that protected dignity on both sides of the counter.

Customer Care and Service Quality

Service quality functioned as the operational expression of the principle of excellence. Vendors emphasized cleanliness of utensils, respectful communication, and prompt response to complaints. Several used simple checklists for hygiene and inventory to ensure consistency. The most effective service routines were iterative. Vendors invited feedback through messaging applications and adjusted recipes or packaging based on customer suggestions. This responsiveness cultivated a reputation for reliability, which produced an observable pattern of customer referrals within traveler social media groups. The data suggest that excellence in service transforms ethical ideals into measurable market outcomes by deepening loyalty and generating word of mouth diffusion.

Community Norms and Social Control

Ethical practice was reinforced by community norms that functioned as informal governance. Senior vendors guided newcomers, shared information about market demand, and intervened when disputes escalated. Religious leaders provided moral reminders during regular gatherings, stressing that business success should be pursued through lawful means and with concern for communal welfare. This social architecture lowered the likelihood of harmful competition and helped resolve conflict without formal sanction. In one documented case, a disagreement about location priority was settled through a mediated rotation schedule agreed upon by vendors, illustrating how collective arrangements protect both fairness and livelihood.

Religious Motivation and Personal Resilience

Faith shaped personal resilience in the face of uncertainty. Vendors framed work as a path of devotion and stewardship, which provided meaning during slow sales or unexpected setbacks such as ferry disruptions. Many narrated specific moments when refusing deceptive tactics brought peace of mind even when immediate revenue declined. This spiritual assurance reduced anxiety and discouraged opportunistic behavior. The combination of devotion, patience, and gratitude supported a sustainable pace of work, which in turn stabilized the quality of customer interaction. Religious motivation therefore acted as an internal stabilizer that insulated ethical commitment from short term volatility.

Interface with Tourism Culture

Operating within a multicultural environment required cultural sensitivity. Vendors balanced modest presentation with friendly hospitality toward international visitors. Clear signage in multiple languages, attention to dietary concerns, and willingness to explain local customs improved cross cultural rapport. Ethical practice here prevented stereotyping and fostered mutual respect. When confronted with requests that conflicted with personal values, vendors sought polite redirection toward acceptable alternatives. Through such strategies the market preserved inclusivity without abandoning moral identity. The evidence indicates that Islamic ethics can coexist with tourism diversity by prioritizing clarity, respect, and mutual benefit.

Institutional Supports and Capacity Needs

Participants valued existing training on digital promotion, hygiene, and simple bookkeeping, yet they emphasized the need for continuity rather than one-time workshops. Desired supports included short modules on pricing strategy with transparency principles, customer communication in English, and conflict de-escalation for crowded settings. Vendors also recommended a shared code of conduct endorsed by community leaders and local authorities, accompanied by a light touch mechanism for resolving grievances. Such institutional scaffolding would translate ethical aspiration into stable

routines, reduce reputational risk for the destination, and align micro trading with regional goals for responsible tourism.

Synthesis with Scholarly Discourse

The findings resonate with contemporary scholarship that describes Islamic ethics as a value based moral economy in which justice, trust, and excellence regulate market exchange. The vendors operationalized these principles through disclosure, consistent pricing, hygiene, and care for customers, which parallels the literature on ethics as informal governance in low regulation contexts. The observed moral dilemmas under economic pressure confirm that ethics require constant reinforcement through memory practices, community norms, and transparent procedures. The tourism interface illustrates ethical localization, where universal values are adapted to plural settings without eroding their substance. In sum, the Gili Air case provides grounded evidence that Islamic business ethics are not abstract propositions but practical competencies that enhance welfare and strengthen market credibility.

Implications for Practice and Policy

For practitioners, three actions appear most impactful. First, institutionalize price transparency through visible lists and multilingual explanations. Second, adopt simple service quality routines that codify excellence and reduce variance under pressure. Third, cultivate digital communication channels for feedback that transform customer care into continuous improvement. For policymakers and destination managers, priority should be placed on regular mentorship programs, a community code of conduct that embodies Islamic ethical principles in accessible language, and cooperative schemes for shared equipment and waste management that align cleanliness with environmental stewardship. These measures will elevate visitor experience while safeguarding the moral identity of local commerce.

This qualitative study privileges depth over breadth and focuses on one island context during a specific period. Future research could compare multiple tourism sites within Lombok to examine variations in ethical practice across market density, product type, and seasonality. Mixed method designs would allow measurement of how transparency and service routines affect repeat purchase rates and online ratings. Studies that follow vendors longitudinally could reveal how ethical commitments evolve with business growth and generational transition.

CONCLUSION

This study reveals that Islamic business ethics play a fundamental role in shaping the behavior, decision-making, and resilience of Muslim Street vendors operating within the tourism economy of Gili Air, North Lombok. Through honesty, trustworthiness, fairness, and benevolence, these small entrepreneurs have translated the moral values of Islam into everyday market practices. Their economic activities are not separated from spiritual devotion but rather integrated as acts of worship and social responsibility. The findings demonstrate that ethical awareness among street vendors extends beyond verbal acknowledgment—it is lived through concrete practices such as transparent pricing, respectful customer communication, equitable competition, and commitment to product quality.

Ethics in this context functions as both a moral compass and a practical governance mechanism. Without the presence of formal regulation or external enforcement, ethical norms derived from Islamic teachings sustain trust and cooperation within the community. Vendors maintain integrity even under competitive pressure because they internalize the belief that sustenance is ultimately granted through lawful and sincere effort. This moral orientation nurtures a culture of accountability that benefits both traders and consumers, ensuring that transactions contribute to social harmony rather than exploitation.

The research also highlights how Islamic business ethics interact with the realities of tourism and globalization. Gili Air, as an international tourist destination, presents complex challenges where

Muslim traders must balance religious principles with cross-cultural encounters and fluctuating market demands. Yet, instead of eroding faith-based practices, this environment encourages ethical adaptation—a process of ethical localization that allows universal Islamic values to coexist with the plural norms of tourism. The ability of vendors to maintain politeness, cleanliness, and transparency while serving diverse customers demonstrates that Islamic ethics can enrich rather than hinder cultural interaction.

At the same time, the study identifies continuing challenges that require systematic attention. Economic instability, seasonal dependency, limited digital skills, and inconsistent institutional support threaten the sustainability of ethical practices. Vendors often rely solely on personal conviction and community reputation to remain honest, which may weaken under extreme financial pressure. Therefore, policy intervention is necessary to reinforce moral awareness through structured education, training, and institutional collaboration. Government agencies, religious leaders, and academic institutions should work together to develop community-based programs that integrate Islamic ethical principles with practical entrepreneurship, customer service, and digital marketing.

Beyond its local context, this study contributes to the broader understanding of Islamic economics as a moral economy that harmonizes faith, justice, and human welfare. The experiences of street vendors in Gili Air affirm that Islamic ethics are not limited to formal institutions such as Islamic banking or zakat management but are deeply embedded in the micro-level interactions of daily trade. Their example illustrates that moral capital—trust, honesty, and social solidarity—can serve as an alternative form of regulation that sustains fairness and inclusivity in informal markets.

In conclusion, the findings reaffirm that the sustainability of an economy depends not only on material innovation or policy design but also on the ethical integrity of its actors. When business activities are guided by Islamic moral values, they contribute to a balanced and just economic order that respects both human dignity and divine accountability. The case of Gili Air offers a living demonstration that faith-based ethics can coexist with global tourism while maintaining authenticity, justice, and compassion. It underscores that the pursuit of economic prosperity, when grounded in morality, leads to not only profit but also peace, trust, and collective well-being.

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Conflict of Interest

The authors declare no conflict of interest related to the publication of this study.

Data Availability

The data supporting the findings of this study are available from the corresponding author upon reasonable request.

Author Contribution

All authors contributed equally to the design, data collection, analysis, and writing of this manuscript. All authors have read and approved the final version of the paper.

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