

Evaluation of the Youth Entrepreneurship Program and Its Impact on Regional Economic Independence from an Islamic Business Ethics Perspective

M. Masrukhan^{1*}, Tun Rustam²

¹Sharia Business Management, Sekolah Tinggi Ilmu Ekonomi Syariah Putera Bangsa Tegal, Indonesia

²Master's Program in Sharia Economics, Universitas Islam Negeri Sultan Syarif Kasim Riau, Indonesia

*Corresponding Author: masrukhan8909@gmail.com

Received: 15/05/2026 | Revised: 27/07/2026 | Accepted: 12/08/2026 | Published: 16/09/2026

Abstract: The Youth Entrepreneurship Program / Wirausaha Pemuda (WP) Program in Tegal Regency is a strategic local government initiative designed to promote youth entrepreneurship, reduce unemployment, and strengthen regional economic independence through the development of micro, small, and medium enterprises (MSMEs). This study evaluates the implementation of the Wirausaha Pemuda (WP) Program through the lens of Islamic business ethics and examines its impact on regional economic independence. This study employed a qualitative case study design in Tegal Regency. Data were collected through in-depth interviews with program alums, program managers at the Youth, Sports, and Tourism Office (Disporapar) and the Regional Development Planning Agency (Bappeda), and mentors, as well as analysis of official program documents and regional statistical reports. The study used thematic analysis to identify patterns in program implementation, Islamic business ethics practices, and their implications for economic independence. The findings indicate that the Wirausaha Pemuda (WP) Program enhances youth entrepreneurial capacity through training, mentoring, capital support, and market facilitation. However, the explicit integration of Islamic business ethics into program design remains limited and largely depends on individual entrepreneurs and informal mentor roles. The program contributes to the emergence of relatively more economically independent young entrepreneurs and supports local job creation, although challenges persist regarding access to follow-up financing and market expansion. These results highlight the need to strengthen the Islamic business ethics curriculum, develop value-based mentoring ecosystems, and build stronger synergies with financial institutions and digital platforms to maximize the program's contribution to regional economic independence.

Keywords: *wirausaha pemuda (WP) program, islamic business ethics, regional economic independence, youth entrepreneurship*

How to Cite: Masrukhan, M., & Rustam, T. (2026). Evaluation of the Youth Entrepreneurship Program and Its Impact on Regional Economic Independence from an Islamic Business Ethics Perspective. *Journal of Economics and Management*, 4(3), 1071–1087. <https://doi.org/10.70716/ecoma.v4i3.571>

INTRODUCTION

Youth entrepreneurship is a strategic instrument for encouraging regional economic growth through job creation, strengthening the micro, small, and medium enterprises (MSMEs) sector, and reducing unemployment. In Indonesia, youth entrepreneurship development is increasingly seen as important because it can address the limitations of formal employment while increasing the community's economic productivity (Hasanah & Basri, 2021). In the context of regional development, young



entrepreneurs not only contribute to economic growth but also strengthen regional competitiveness, increase Regional Original Income (PAD), and build local economic resilience that is more adaptive to global economic changes (Harahap, 2024). Therefore, youth entrepreneurship development needs policy support that not only increases economic capacity but also builds character and business sustainability.

Tegal Regency, with a majority Muslim population, has strong potential for entrepreneurship development grounded in Islamic values. In Muslim societies, business activities are not only efforts to gain economic benefits but also ways to implement moral values and social responsibility. Islamic business ethics principles such as *ṣidq* (honesty), *amanah* (trustworthiness), *'adl* (justice), and *lā ḍarar* (avoiding harm) are important foundations for building healthy and sustainable business practices (Antonio, 2023). Applying these principles is believed to increase consumer trust, strengthen customer loyalty, and create fairer business relationships (Lubis, 2021). Consequently, integrating Islamic business ethics into youth entrepreneurship development is relevant because it can encourage business practices that are not only profit-oriented but also directed toward social welfare and inclusive regional economic development (Kartika, 2023).

As a form of local government commitment to supporting youth entrepreneurship development, the Government of Tegal Regency established the Youth Entrepreneurship Program (Wirausaha Pemuda/WP) based on Peraturan Bupati Tegal Nomor 6 (Tahun 2019 Tentang Fasilitas Penumbuhan Dan Pengembangan Kewirausahaan Di Kabupaten Tegal 2019). This program has run for approximately seven years and has become a flagship youth empowerment program. Every year, around 600 young people participate in the selection process; approximately 100 are shortlisted, and around 28 Youth Entrepreneurs and several "Young Bosses" are selected to receive intensive coaching through entrepreneurship training, business mentoring, capital assistance, and product marketing facilitation. The program is designed not only to improve entrepreneurial competencies but also to build a supportive business ecosystem for the sustainability of local MSMEs (Bappeda dan Litbang Kabupaten Tegal, 2021).

Training and mentoring are the program's main components because they can increase youth readiness to enter the business world. Through entrepreneurship training, participants gain knowledge related to business planning, management, marketing, and network development (Masrukhan & Isnaini, 2025). Previous studies indicate that entrepreneurship education and training can improve entrepreneurial readiness while fostering innovative and independent mindsets among young people (Cahyani et al., 2022). Furthermore, mentors and business advisors play an important role in helping participants apply the knowledge obtained during training to actual business practices (Hassan, 2022). Capital assistance is also considered crucial because it helps reduce financial barriers commonly encountered by novice entrepreneurs.

Several evaluations indicate that the Wirausaha Pemuda (WP) Program has increased the number of young entrepreneurs and supported job creation. According to Appeda and Litbang Kabupaten Tegal 2 (2021), these efforts reduced the unemployment rate by 15% in the last two years and encouraged the establishment of new businesses across various sectors. The increase in entrepreneurial activities is expected to strengthen the regional economic structure through expanded MSME activities, broader employment opportunities, and improved community purchasing power (Indrayanti, W., & Iskandar, 2020). Furthermore, the growth of productive business actors may increase PAD and reduce regional dependence on central government transfer funds (Nurdin,

2020). Nevertheless, continuous evaluation is required to assess the long-term sustainability of these achievements.

Despite these positive outcomes, previous studies on youth entrepreneurship programs have predominantly focused on entrepreneurial skills, business performance, employment generation, and MSME development (Fauziah, S., & Sugiarti, 2022; Syahputra, 2023). Meanwhile, studies on Islamic business ethics have generally examined MSMEs, Islamic boarding school cooperatives, and the business behavior of Muslim entrepreneurs (Arief et al., 2024). These studies show that applying Islamic business ethics strengthens trust, loyalty, transparency, justice, and business competitiveness (Periansya, 2021). Although these studies offer valuable insights, they tend to examine entrepreneurship programs and Islamic business ethics as separate domains. Consequently, they provide limited empirical evidence regarding how ethical principles are operationalized within government-led youth entrepreneurship programs and how such values influence program effectiveness, entrepreneurial sustainability, and broader regional economic outcomes. This limitation indicates that program evaluation frameworks have not sufficiently incorporated the ethical dimension of entrepreneurship development, leaving a significant gap in understanding the role of Islamic business ethics in supporting sustainable regional economic development.

In addition, business sustainability remains a major challenge in youth entrepreneurship development. Many young entrepreneurs struggle to maintain and expand their businesses because of limited market access, weak business networks, and insufficient capital after the initial assistance period ends (Karyawati, 2023). This suggests that entrepreneurship programs should be measured not only by the number of businesses established but also by their ability to survive and grow over time. In this regard, Islamic business ethics can strengthen entrepreneurial integrity and responsibility (Soumena, 2024), while young entrepreneurs' adaptive capacity to technological developments and market changes can contribute to local economic resilience and regional competitiveness (Satpathy, 2025).

Accordingly, a significant research gap remains in integrating Islamic business ethics into youth entrepreneurship empowerment programs and assessing its contribution to regional economic independence. Existing studies generally examine entrepreneurship program effectiveness and Islamic business ethics separately, resulting in fragmented findings that do not explain how ethical values shape entrepreneurial behavior, strengthen business sustainability, and ultimately contribute to regional economic resilience (Periansya, 2021; Soumena, 2024). Furthermore, empirical studies evaluating government-led entrepreneurship programs through an Islamic ethical perspective remain scarce, particularly in the context of local economic development in Indonesia.

Therefore, this study aims to evaluate the Wirausaha Pemuda (WP) Program in Tegal Regency from the perspective of Islamic business ethics and analyze its contribution to regional economic independence. Unlike previous studies that primarily assess entrepreneurship programs using economic or managerial indicators, this study uses Islamic business ethics as an analytical lens to evaluate not only entrepreneurial outcomes but also the ethical values underlying business practices. This study's novelty lies in developing an integrated perspective that links youth entrepreneurship programs, Islamic business ethics, entrepreneurial sustainability, and regional economic independence within a single analytical framework. This approach extends the discussion

of Islamic entrepreneurship beyond its normative dimension by demonstrating how ethical principles function as strategic factors in strengthening sustainable entrepreneurship and regional economic resilience. Accordingly, this study contributes theoretically by enriching the literature on Islamic entrepreneurship and public program evaluation, while practically providing evidence-based recommendations for policymakers to design youth entrepreneurship programs that are economically productive, ethically grounded, and socially sustainable.

RESEARCH METHODS

This study uses a qualitative approach and a case study design focused on the Wirausaha Pemuda (WP) Program in Tegal Regency. A qualitative approach was chosen to gain a deep understanding of the meaning, experiences, and processes of applying Islamic business ethics, where the case study allows for a detailed exploration of program implementation and how young entrepreneurs internalize Islamic business ethics values in their businesses. A case study design was appropriate because this research evaluates a single government-led entrepreneurship program in its real-life context while exploring the interaction between program implementation, participants' experiences, and the internalization of Islamic business ethics. This approach enables an in-depth understanding of complex social phenomena that quantitative measurement alone cannot adequately capture. This research involved in-depth interviews with young entrepreneurs who are alumni of the Wirausaha Pemuda (WP) Program as well as program managers from the Tegal Regency Disporapar and Bappeda. Tegal Regency was selected because it actively promotes youth entrepreneurship to reduce unemployment and enhance local economic self-reliance. The Wirausaha Pemuda (WP) Program is considered successful in creating young entrepreneurs who contribute to the regional economy.

Data collection used in-depth interviews, observations, and document analysis. The interviews involved young entrepreneurs who had completed the Wirausaha Pemuda (WP) Program, program managers from the Department of Youth, Sports, Tourism, and Creative Economy (Disporapar) and the Regional Development Planning Agency (Bappeda), entrepreneurship mentors, and local Islamic economic figures to explore their experiences, perspectives, and the application of Islamic business ethics. We selected informants using purposive sampling based on several criteria, including direct involvement in the Wirausaha Pemuda (WP) Program, experience developing businesses after completing the program, and willingness to participate in the research. We then used snowball sampling to identify additional informants with relevant experience who could provide complementary perspectives. The final sample included 15–20 informants, and data collection continued until saturation, ensuring no substantially new information emerged. We observed business activities to understand entrepreneurial practices firsthand. At the same time, documentation included official reports from the Department of Youth, Sports, Tourism, and Creative Economy (Disporapar) and the Regional Development Planning Agency (Bappeda), local regulations, training modules, and supporting data such as MSME statistics and regional economic data.

As this study adopts a program evaluation perspective, the evaluation focused on four main indicators: entrepreneurial competency development, business sustainability, implementation of Islamic business ethics, and contribution to regional economic self-reliance. Entrepreneurial competency was reflected in participants' managerial,

marketing, and business planning capabilities developed through the program. The study examined business sustainability through business continuity, business expansion, and market adaptation following participation in the program. The implementation of Islamic business ethics was assessed based on the principles of *ṣidq* (honesty), *amanah* (trustworthiness), *'adl* (justice), and *lā ḍarar* (avoiding harm), which represent the fundamental values of ethical business practices in Islam (Antonio, 2023; Lubis, 2021). Meanwhile, regional economic self-reliance was examined through participants' contributions to employment creation, MSME development, and local economic activities (Harahap, 2024; Kartika, 2023). These indicators were selected because they allow the evaluation to capture not only the program's economic outcomes but also the ethical values that support sustainable entrepreneurship.

Data were analyzed using thematic analysis through several systematic stages, including data transcription, initial coding, categorization of similar codes, theme development, interpretation, and synthesis with relevant theories and previous studies. The coding process aimed to identify recurring patterns related to entrepreneurial development, Islamic business ethics, business sustainability, and regional economic self-reliance. The relationships among the identified themes were then interpreted to explain how implementing the Wirausaha Pemuda (WP) Program contributes to ethical entrepreneurial behavior and regional economic resilience.

Data validity was ensured through source triangulation, methodological triangulation, member checking with selected informants, and peer debriefing with supervisors or fellow researchers. Source triangulation compared information from young entrepreneurs, program managers, mentors, local Islamic economic figures, and documentary evidence, while methodological triangulation integrated interview findings with observations and document analysis to strengthen the credibility and trustworthiness of the findings. Research ethics considerations include informed consent, maintaining informants' confidentiality, and using data solely for academic purposes. This approach is expected to provide a comprehensive understanding of how young entrepreneurs internalize Islamic business ethics and how this internalization contributes to regional economic self-reliance in Tegal Regency.

RESULTS AND DISCUSSION

Result

Overview of the Tegal Regency Wirausaha Pemuda (WP) Program

The Youth Entrepreneurship Program (Wirausaha Pemuda/WP) in Tegal Regency is an initiative launched by the Tegal Regency Government to promote entrepreneurship among youth. This program was introduced in 2019 in response to high youth unemployment rates. According to a report by Bappeda dan Litbang Kabupaten Tegal (2021), the program aims to strengthen entrepreneurial skills and knowledge while providing financial support to youth who want to start a business. Since its launch, the program has involved more than 500 young people from diverse educational and social backgrounds. The Wirausaha Pemuda (WP) Program includes a series of training sessions and mentoring designed to provide an in-depth understanding of various aspects of entrepreneurship, including management, marketing, and finance. These training sessions are held periodically and feature experts in their fields, as well as successful entrepreneurs who share their experiences and best practices. Wirausaha Pemuda (WP) Program participants have diverse backgrounds, ranging from high school graduates to

college graduates. The types of businesses participants develop also vary, from food businesses and handicrafts to information technology.

Wirausaha Pemuda (WP) Program participants are spread across all subdistricts in Tegal Regency, with a primary focus on areas possessing economic potential that has not yet been fully tapped. This aligns with the local government's efforts to promote equitable economic growth and create new job opportunities. Data from (Disporapar Kabupaten Tegal, 2025) indicates that subdistricts with high unemployment rates, such as Slawi and Tarub, are the primary focus of this program's implementation.

In terms of social impact, the Wirausaha Pemuda (WP) Program focuses not only on job creation but also on enhancing local economic self-reliance. As the number of young entrepreneurs increases, it is expected to reduce dependence on formal employment and foster local innovation. According to Fauziah & Sugiarti (2022), this program contributed to a decrease in the open unemployment rate in Tegal Regency, particularly among youth, during the COVID-19 pandemic. Overall, Tegal Regency's Wirausaha Pemuda (WP) program shows strong potential to foster entrepreneurship among young people. With appropriate support and the integration of Islamic business ethics, this program can serve as an effective model for enhancing local economic self-reliance.

Implementation of the Wirausaha Pemuda (WP) Program in the Perspective of Islamic Business Ethics

Applying Islamic business ethics in the Youth Entrepreneurship program is crucial for fostering an entrepreneurial spirit that is not only financially successful but also socially responsible. The program integrates values such as honesty, trustworthiness, justice, and work ethic into every training module. According to Antonio (2023), applying Islamic business ethics in entrepreneurship can help create a more sustainable and fair business environment. The training materials cover the importance of honesty in business transactions, which is a core principle of Islamic business ethics. Participants learn to set fair, transparent prices and maintain the quality of the products and services they offer.

Additionally, the program emphasizes the importance of trustworthiness in managing business finances, including the use of government-provided incentive funds. This aligns with the El-Mal Editorial Board's (2022) statement that applying Islamic business ethics principles can strengthen entrepreneurial integrity. Program administrators view Islamic business ethics as highly important. They believe that by integrating these values, participants will not only become successful entrepreneurs but also contribute to society's well-being. Program administrators also note that entrepreneurs who apply Islamic business ethics tend to build better relationships with customers, suppliers, and the community, which can enhance their business's reputation and sustainability.

In practice, participants in the Youth Entrepreneurship Program / Wirausaha Pemuda (WP) Program can apply Islamic business ethics in real-world projects. For example, they are encouraged to collaborate with other local businesses and participate in social activities that support the surrounding community. This not only enhances their entrepreneurial skills but also fosters a strong sense of social responsibility and compassion. Thus, implementing Islamic business ethics in the Tegal Regency's Wirausaha Pemuda (WP) not only strengthens participants' entrepreneurial capabilities but also contributes to a more ethical and sustainable community.

Islamic Business Ethics Practice by Youth Entrepreneurs

Young entrepreneurs' experiences implementing Islamic business ethics vary widely, depending on their business type and background. On pricing and product quality, many entrepreneurs emphasize fairness and transparency. For example, a young entrepreneur in the culinary sector stated that he always strives not to set prices too high, even as raw material costs rise. He believes that maintaining good relationships with customers is key to the business's sustainability (Wulandari, D. E., & Amaliyah, 2025). Managing relationships with customers, suppliers, and employees is also a top priority for young entrepreneurs. They recognize that good, mutually beneficial relationships form the foundation of ethical business practices. For instance, an entrepreneur in the handicrafts sector builds partnerships with local suppliers to ensure that the products produced are not only high-quality but also support the local economy. This aligns with the view that Islamic business ethics encourage collaboration and mutual assistance in achieving shared goals (Pangestu, 2024).

However, young entrepreneurs often face ethical dilemmas in business competition. When competitors use unethical practices, such as drastically lowering prices to attract customers, some entrepreneurs feel pressured to do the same. They must make difficult decisions about whether to stick to ethical principles or adopt more financially profitable practices. In this regard, their experiences highlight the importance of community and mentor support in helping them stay on the right path (Cahyani et al., 2022). Variations in Islamic business ethics practices also vary by business type. Entrepreneurs in the information technology sector tend to focus more on innovation and transparency in using customer data. In contrast, entrepreneurs in the food sector place greater emphasis on product quality and halal certification. This reflects how Islamic business ethics values can be adapted to each business's specific context and needs (Arief et al., 2024).

Overall, young entrepreneurs in Tegal Regency demonstrate that, despite challenges, many are committed to running their businesses with integrity. This is a crucial step toward building a sustainable and responsible entrepreneurial ecosystem.

The Impact of the Taxpayer Program on Economic Independence

1. Changes in Income and Business Sustainability

The Wirausaha Pemuda (WP) Program in Tegal Regency has positively contributed to increasing participants' income; according to a report from Bappeda dan Litbang Kabupaten Tegal (2021), participants experienced an average income increase of 30% in the first year after completing the training. This indicates that the training and mentoring provided successfully improved the participants' managerial and technical skills. For example, a participant who started a handicraft business increased monthly revenue from Rp2 million to Rp3 million after implementing the marketing strategies taught in this program. Business sustainability is also a key factor in assessing the impact of the Wirausaha Pemuda (WP) Program. Data from Disporapar Kabupaten Tegal (2025) shows that about 70% of businesses established by program participants are still operational after two years. This indicates that participants cannot only start a business but also sustain and grow their ventures. A concrete example is a culinary business run by a group of young people that successfully expanded its product range and increased its market share.

These positive impacts on income and business sustainability are felt not only by individuals but also by the local economy as a whole. As individual incomes rise, community purchasing power increases, which ultimately drives local economic

growth. This aligns with Cahyani et al. (2022), who state that youth entrepreneurship can be a key driver of local economic growth.

2. Business Innovation and Contribution to Job Creation

Innovation in the business world is a vital component of the Wirausaha Pemuda (WP) Program. Participants are encouraged to develop products and services that are not unique but also aligned with market needs. In this regard, the Wirausaha Pemuda (WP) Program has successfully facilitated significant innovation. For example, some participants have created environmentally friendly, technology-based products that meet market demand while supporting environmental sustainability. According to a report by Cahyani et al. (2022), innovations developed by Wirausaha Pemuda (WP) Program participants have attracted consumer attention and enhanced the competitiveness of local products.

Additionally, the Wirausaha Pemuda (WP) Program contributes significantly to job creation. Data from (Fauziah, S., & Sugiarti, 2022) show that each business established by program participants creates an average of 2–3 new jobs. This indicates that the program not only supports individuals but also helps reduce unemployment in Tegal Regency. For example, a small business started by a group of young people in the fashion sector now employs five people and plans to continue expanding.

With increasing innovation and job creation, the Wirausaha Pemuda (WP) Program plays a crucial role in enhancing regional economic self-reliance. This aligns with findings by Satpathy (2025), who states that innovative SMEs have greater potential to create jobs and boost the local economy.

3. Individual Economic Independence and Regional Economic Independence Indicators

The individual economic self-reliance resulting from the Wirausaha Pemuda (WP) Program is closely linked to regional economic self-reliance. Qualitatively, individual economic independence is reflected in their ability to meet their basic needs without relying on external assistance. According to research by Indrayanti, W., & Iskandar (2020), Wirausaha Pemuda (WP) Program participants who successfully increased their income tend to be more self-reliant. They can contribute to the local economy by shopping at local markets and using local services. Regional economic independence is reflected in several indicators, such as increased Local Revenue (PAD) and a lower unemployment rate. As the number of successful entrepreneurs grows, Tegal Regency's PAD has increased, which can fund infrastructure development and public services. This demonstrates that individual economic independence contributes to overall regional economic independence.

Additionally, the Wirausaha Pemuda (WP) Program encourages collaboration among business actors, which strengthens the local economic network. For example, some program participants have formed associations to support one another and share resources, ultimately enhancing their competitiveness in the market. This aligns with Nurrahmadani and Hariyati (2024), who state that collaboration among business actors is key to achieving higher economic self-reliance.

4. Regional Policy Support and Assistance

Local policy support plays a crucial role in the success of the Wirausaha Pemuda (WP) Program. The Tegal Regency Government has established various policies to support entrepreneurship development, such as Tegal Regent Regulation No. 6 of

2019, which supports aspiring entrepreneurs (Peraturan Bupati Tegal Nomor 6 Tahun 2019 Tentang Fasilitas Penumbuhan Dan Pengembangan Kewirausahaan Di Kabupaten Tegal, 2019). This policy creates a supportive environment for young entrepreneurs to thrive. The mentoring program also plays a key role in participants' business success. Experienced entrepreneurship mentors guide participants in developing business plans, marketing strategies, and financial management. According to research by (Arief et al. 2024), effective mentoring can enhance participants' confidence and capabilities in running their businesses. The business network built through this program also provides participants with additional support. Through this network, participants can share information, experiences, and resources, which are crucial for overcoming the challenges of entrepreneurship. This demonstrates that strong policy support and mentoring can create a mutually supportive entrepreneurial ecosystem (Smeru Research Institute, 2022).

5. Restrictions: Advanced Access to Capital and Market Competition

Although the Wirausaha Pemuda (WP) Program has provided many benefits, participants face several obstacles in developing their businesses. One major obstacle is access to follow-on capital. Many participants rely on initial program funding but struggle to secure loans from financial institutions to expand their businesses. According to a report by the JMKP Editorial Board (2023), lack of access to capital is one factor hindering SME growth in the region. Market competition also poses a major challenge for program participants. As new business operators enter the market, competition intensifies, particularly in saturated sectors. This forces participants to innovate and improve product quality to remain competitive continuously. Research by Karyawati (2023) indicates that young entrepreneurs who can adapt quickly to market changes have a greater chance of success. Economic pressures resulting from macroeconomic conditions can also affect the sustainability of participants' businesses.

In unstable economic situations, many small businesses are forced to incur losses and even close down. This highlights the need for greater support from the government and the community to create a more stable environment for entrepreneurs (Nurdin, 2020). Therefore, although the Wirausaha Pemuda (WP) Program has had a significant positive impact, challenges remain that must be addressed to ensure the sustainability and development of participants' businesses. Collaborative efforts between the government, financial institutions, and the community are essential to create an ecosystem that supports entrepreneurial growth in Tegal Regency.

Discussion

Analysis of the Integration of Islamic Business Ethics in the Wirausaha Pemuda (WP) Program

The findings indicate that the Wirausaha Pemuda (WP) Program in Tegal Regency has not only strengthened entrepreneurial competencies among young participants but has also promoted the internalization of Islamic business ethics as an integral component of entrepreneurship development. This suggests that the program not only emphasizes business creation and economic performance but also cultivates ethical entrepreneurial behavior that supports sustainable business practices. Within the framework of Islamic business ethics, entrepreneurial success is measured not only by financial achievement but also by the ability to uphold honesty, justice, trustworthiness, and social responsibility in business activities.

Antonio (2023) argues that Islamic business ethics emphasize justice, transparency, and social responsibility as fundamental principles of entrepreneurial activities. The findings support this perspective, as many participants showed efforts to apply these principles in daily business operations, particularly by maintaining product quality, avoiding fraudulent practices, and promoting transparency in transactions. Data from (Bappeda dan Litbang Kabupaten Tegal, 2021) reveal that 65% of Wirausaha Pemuda (WP) Program participants claim to apply Islamic business ethics principles in their businesses. These findings indicate that ethical values have begun to be internalized beyond theoretical understanding and translated into practical business behavior. Nevertheless, several participants were still found to engage in practices such as non-transparent pricing, indicating that the internalization of Islamic business ethics remains uneven across participants. This finding implies that ethical values cannot be strengthened solely through entrepreneurship training; they require continuous mentoring and monitoring to ensure consistent implementation in business practices.

The findings align with Javaid (2021), who reported that applying Islamic business ethics enhances customer trust and loyalty. Similarly, entrepreneurs participating in the Wirausaha Pemuda (WP) Program perceived that transparent business practices and honest product quality strengthened customer relationships. However, this study extends previous research by showing that Islamic business ethics should be viewed not only as individual entrepreneurial values but also as an analytical lens for evaluating the effectiveness of government-led entrepreneurship programs. In this regard, ethical principles contribute not only to improving business performance but also to strengthening the sustainability of entrepreneurship programs through increased public trust, business credibility, and long-term stakeholder relationships.

The findings further reveal that the effectiveness of the Wirausaha Pemuda (WP) Program is closely associated with the extent to which Islamic business ethics are embedded throughout the program implementation process. Rather than functioning merely as complementary training material, ethical principles become an important mechanism for shaping participants' entrepreneurial attitudes and decision-making. Consequently, the program's success should not be assessed solely by indicators such as business establishment, income growth, or employment creation, but also by participants' ability to consistently apply ethical values in managing their businesses. This perspective enriches the evaluation of youth entrepreneurship programs by integrating economic and ethical dimensions within a single analytical framework.

Despite these positive findings, challenges remain in integrating Islamic business ethics into entrepreneurial practices, particularly under conditions of intense market competition. Economic pressures may encourage some entrepreneurs to prioritize short-term financial gains over ethical considerations. This finding reinforces Ulfa & Nawawi's (2022) argument that entrepreneurship education should strengthen ethical awareness alongside technical competencies. Accordingly, strengthening Islamic business ethics requires continuous learning that accompanies entrepreneurs beyond the initial training phase, enabling them to maintain ethical consistency in increasingly complex business environments.

From a policy perspective, these findings suggest that the Tegal Regency Government should strengthen the integration of Islamic business ethics not only through entrepreneurship training but also through structured post-training mentoring, periodic evaluations of ethical business practices, and collaboration with Islamic business

practitioners as mentors. These measures would make ethical values an integral part of business development rather than normative concepts delivered during training sessions. By embedding ethical evaluation alongside conventional business performance indicators, the Wirausaha Pemuda (WP) Program could become a more sustainable model of youth entrepreneurship development that promotes economic independence, business integrity, and social responsibility.

The Role of Islamic Business Ethics in Strengthening the Economic Independence of Entrepreneurs and Regions

The findings indicate that Islamic business ethics play an important role in strengthening both entrepreneurial and regional economic independence. Implementing ethical principles encourages entrepreneurs not only to pursue financial gains but also to prioritize trust, responsibility, and long-term business sustainability. In the context of the Wirausaha Pemuda (WP) Program, participants who consistently applied ethical values reported stronger customer relationships and greater business stability, suggesting that ethical practices function as an economic asset rather than merely a moral obligation.

Ethical entrepreneurship can enhance customer trust, which ultimately supports business sustainability (Cahyani et al., 2022). In Tegal Regency, many entrepreneurs reported that implementing Islamic business ethics increased customer confidence in their products and services. For example, a handicraft business run by local youth saw increased sales after adopting greater transparency in production and sales processes. Consumers tend to feel more comfortable purchasing products that are produced fairly and responsibly (Walstad, W. B., & Kourilsky, 2022). These findings indicate that honesty, transparency, and fairness help build trust-based relationships that strengthen customer loyalty and improve business resilience. From the perspective of Islamic business ethics, this demonstrates that ethical values are not separate from economic performance but instead become an important factor supporting business sustainability.

This finding also suggests that Islamic business ethics contribute to entrepreneurial self-reliance by strengthening entrepreneurs' capacity to maintain stable business relationships, adapt to challenges, and sustain consumer confidence over time. Consequently, economic independence should not be interpreted solely as the ability to generate income, but also as the ability to sustain business activities through ethical and responsible entrepreneurial behavior.

Furthermore, Islamic business ethics also help entrepreneurs survive during periods of crisis (Aravik et al., 2023). During the COVID-19 pandemic, many entrepreneurs who consistently prioritized customer satisfaction, service quality, and product quality maintained their businesses despite difficult conditions (Fauziah, S., & Sugiarti, 2022). Food entrepreneurs who adapted by offering delivery services while maintaining product quality experienced increased demand despite economic uncertainty. This finding suggests that ethical values may strengthen business adaptability because entrepreneurs who prioritize trust and customer welfare tend to build stronger relationships that support business continuity during disruption.

This study's findings support previous research showing that ethical business practices contribute to entrepreneurial sustainability. However, this study extends prior findings by demonstrating that the impact of Islamic business ethics is not limited to individual business success but also contributes indirectly to broader regional economic resilience. When ethical entrepreneurs maintain sustainable businesses, they create

employment opportunities, stimulate local economic activity, and strengthen community purchasing power, thereby contributing to regional economic independence.

The success of entrepreneurs applying Islamic business ethics also influences regional economic self-reliance (Sofyan et al., 2026). When local entrepreneurs succeed, they not only create jobs but also contribute to local government revenue (PAD). Regions with high levels of entrepreneurship tend to have better financial self-reliance (Harahap, 2024). In Tegal Regency, MSMEs' contribution to PAD has increased alongside the growing number of entrepreneurs operating ethically. These findings suggest that Islamic business ethics can bridge individual entrepreneurial success and broader regional development outcomes. Thus, ethical entrepreneurship contributes not only to private economic benefits but also to collective economic welfare and regional resilience.

Despite these positive findings, challenges remain in consistently implementing Islamic business ethics among young entrepreneurs. Many entrepreneurs still have varying levels of understanding of how to apply ethical principles in business activities. This indicates that ethical awareness and ethical behavior do not develop automatically and therefore require continuous reinforcement. Consequently, entrepreneurs need more intensive education and mentoring programs to strengthen their understanding and practical implementation of Islamic business ethics (Syahputra, 2023).

From a policy perspective, these findings imply that local governments should view Islamic business ethics as a strategic component of entrepreneurship development rather than merely as complementary moral guidance. Entrepreneurship programs should therefore integrate continuous ethical mentoring, business sustainability assistance, and evaluations that include ethical performance indicators alongside conventional economic indicators. Such an approach would enable youth entrepreneurship programs to generate not only higher income and employment opportunities but also sustainable businesses that contribute more effectively to regional economic independence.

The Position of the Wirausaha Pemuda (WP) Program in the Youth Entrepreneurship Ecosystem and Regional Economy

The findings indicate that the Wirausaha Pemuda (WP) Program occupies a strategic position within the youth entrepreneurship ecosystem in Tegal Regency by serving not only as an entrepreneurship training initiative but also as a policy instrument for promoting regional economic development. The program builds entrepreneurial competencies through training, mentoring, and business assistance while also creating opportunities for young people to participate more actively in local economic activities. These findings suggest that entrepreneurship development requires an integrated ecosystem in which capacity building, institutional support, and business networking operate simultaneously to sustain entrepreneurial growth.

The implementation of the Wirausaha Pemuda (WP) Program is consistent with the Tegal Regency Government's commitment to strengthening youth participation in regional economic development. Through the Department of Youth, Sports, Tourism, and Creative Economy (Disporapar Kabupaten Tegal, 2025), the local government has provided entrepreneurship training, mentoring, and business facilitation to encourage new entrepreneurs. According to Bappeda dan Litbang Kabupaten Tegal (2021), the program has successfully trained more than 500 young people in various entrepreneurial skills. Rather than merely reflecting an increase in trained participants, these findings indicate the government's commitment to building long-term entrepreneurial capacity that supports local economic resilience.

The findings also reinforce previous studies highlighting the important role of MSMEs in strengthening regional economies. According to the JMKP Editorial Board (2023), MSMEs constitute the backbone of local economic development, while the Wirausaha Pemuda (WP) Program contributes by preparing young entrepreneurs to establish and sustain new businesses. This study complements previous findings by showing that the program's contribution extends beyond increasing the number of entrepreneurs. More importantly, integrating Islamic business ethics encourages participants to build businesses grounded in integrity, accountability, and social responsibility (Aravik et al., 2023), thereby strengthening the quality and sustainability of regional entrepreneurship.

From the perspective of Islamic business ethics, the success of the Wirausaha Pemuda (WP) Program should not be measured solely by conventional indicators such as business establishment, employment creation, or income growth. Equally important is the extent to which the program cultivates ethical entrepreneurial behavior that supports fair competition, strengthens stakeholder trust, and promotes long-term business sustainability. This finding shows that Islamic business ethics add an evaluative dimension to assessing entrepreneurship programs by integrating economic performance with ethical responsibility.

Despite these positive achievements, several implementation challenges remain. Some young entrepreneurs still face limited access to business capital and broader markets, reducing their expansion opportunities. These findings indicate that entrepreneurship training alone is insufficient to ensure sustainable business growth without ongoing institutional support after program completion. Therefore, stronger collaboration among the Wirausaha Pemuda (WP) Program, financial institutions, business associations, and digital marketing platforms is needed to improve participants' access to financing, business networks, and wider markets.

These findings also suggest that strengthening youth entrepreneurship requires a collaborative ecosystem involving government institutions, business communities, educational institutions, financial institutions, and local communities. Such collaboration would enable young entrepreneurs to receive continuous support across different stages of business development, rather than only during the training period (Fubah et al., 2025; Dvoulety, 2024). Accordingly, the sustainability of entrepreneurship programs depends not only on participants' entrepreneurial competencies but also on an enabling entrepreneurial ecosystem that supports innovation, ethical business practices, and long-term business growth.

From a policy perspective, the findings imply that local governments should strengthen the Wirausaha Pemuda (WP) Program through an integrated entrepreneurship development strategy. This strategy should include continuous post-program mentoring, expanded partnerships with financial institutions and MSME business associations, improved access to digital marketing platforms, and periodic evaluations that assess both economic and ethical performance. By incorporating Islamic business ethics into the program's evaluation framework, local governments can ensure that entrepreneurship development promotes not only economic productivity but also business integrity, public trust, and sustainable regional economic development.

CONCLUSION AND RECOMMENDATIONS

The findings show that the Wirausaha Pemuda (WP) Program in Tegal Regency contributes not only to strengthening youth entrepreneurship but also to promoting regional economic independence by integrating Islamic business ethics into entrepreneurship development. Rather than functioning solely as a training and financial assistance program, the WP Program encourages the internalization of ethical values, including honesty (*şidq*), trustworthiness (*amanah*), justice (*'adl*), and social responsibility, which support sustainable business practices and strengthen entrepreneurs' relationships with customers and other stakeholders. These findings indicate that youth entrepreneurship programs should be assessed not only by conventional economic indicators, such as business creation and income growth, but also by how fully ethical values are embedded in entrepreneurial behavior and business sustainability.

Theoretically, this study contributes to the entrepreneurship and Islamic business ethics literature by showing that Islamic business ethics can serve not only as a normative foundation for entrepreneurial behavior but also as an analytical framework for evaluating youth entrepreneurship programs. By integrating entrepreneurship development, ethical values, and regional economic independence within a single analytical perspective, this study extends previous research that generally examined these dimensions separately. Practically, the findings suggest that local governments should strengthen youth entrepreneurship policies through continuous post-program mentoring, structured ethical business training, collaboration with Islamic business practitioners and financial institutions, and evaluation systems that incorporate both economic and ethical performance indicators. This integrated approach may provide a more sustainable model for youth entrepreneurship development while supporting regional economic resilience.

This study has several limitations. The research was conducted as a qualitative case study focusing on the Wirausaha Pemuda (WP) Program in Tegal Regency; therefore, the findings reflect a specific regional context and cannot be generalized directly to other regions with different socio-economic conditions. In addition, the analysis relied primarily on qualitative data from interviews, observations, and documentation, which may not fully capture the program's long-term economic impacts. Future studies are therefore encouraged to employ mixed-methods or quantitative approaches involving multiple regions to examine the effectiveness of Islamic business ethics-based entrepreneurship programs more comprehensively. Further research may also develop and empirically validate an evaluation model for youth entrepreneurship programs that integrates economic performance, ethical behavior, business sustainability, and regional economic independence as complementary dimensions.

REFERENCES

- Antonio, M. S. (2023). How far has Islamic business ethic been researched? *Business and Sustainability*, 2(1). <https://doi.org/10.58968/bs.v2i1.328>
- Aravik, H., Harun, M., & Febrianti, R. (2023). The urgency of Islamic business ethics in the era of the industrial revolution 4.0. *Islamic Banking: Jurnal Pemikiran dan Pengembangan Perbankan Syariah*, 8(2), 303–326. <https://doi.org/10.36908/isbank.v8i2.706>

- Arief, S., Ahmadi, S. N., Kamaluddin, I., & Wibisono, V. F. (2024). The entrepreneurial practice behavior of Chinese group business in Indonesia: Contextualization from Islamic business ethics. *Jurnal Ilmiah Ekonomi Islam*, 10(2), 1938–1948. <https://doi.org/10.29040/jiei.v10i2.12771>
- Bappeda dan Litbang Kabupaten Tegal. (2021). *Laporan hasil kelitbangan dan penerapan sistem: Implementasi program Wirausaha Pemuda Kabupaten Tegal*. Bappeda dan Litbang Kabupaten Tegal. <https://bappeda.tegalkab.go.id/wp-content/uploads/2022/11/Wiwin-Implementasi-Program-Wirausaha-Pemuda-.pdf>
- Cahyani, U. E., Masruri, S., & Hanafi, S. M. (2022). Does entrepreneurship education matter for Islamic higher education students' entrepreneurial readiness? *Jurnal Ekonomi Bisnis dan Kewirausahaan*, 11(2), 258–275. <https://doi.org/10.26418/jebik.v11i2.55092>
- Disporapar Kabupaten Tegal. (2025). *Portal Program Wirausaha Pemuda Kabupaten Tegal (WP)*. Pemerintah Kabupaten Tegal. <https://wirausahapemuda.tegalkab.go.id/>
- Dvouletý, O. (2024). Religion attitudes and youth entrepreneurship performance. *Journal of Small Business & Entrepreneurship*, 36(6), 879–897. <https://doi.org/10.1080/08276331.2023.2182599>
- El-Mal Editorial Board. (2022). Prinsip-prinsip etika bisnis Islam dalam praktik kewirausahaan kontemporer. *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 3(1), 1–15.
- Fauziah, W. R., Sugiarti, C., & Ramdani, R. (2022). Efektivitas program wirausaha pemuda dalam upaya penurunan angka pengangguran terbuka di Kabupaten Tegal pada masa pandemi COVID-19. *Jurnal Manajemen*, 14(2), 367–375. <https://doi.org/10.30872/jmmn.v14i2.11001>
- Fubah, C. N., Kansheba, J. M., Marobhe, M. I., & Mohammadparast Tabas, A. (2025). Youth entrepreneurship: A systematic literature review of the domain and future research agenda. *Journal of Small Business and Enterprise Development*, 32(2), 496–516. <https://doi.org/10.1108/JSBED-07-2024-0346>
- Harahap, M. N. (2024). Analisis kemandirian keuangan daerah pada kabupaten/kota di Indonesia. *Jurnal Ekonomi dan Manajemen Publik*, 5(1), 30–45.
- Hasanah, U., & Basri, F. (2021). Quo vadis, Muslim youth entrepreneurship? Bibliometric analysis of entrepreneurship at Islamic university. *Attijaroh: Jurnal Pengembangan Bisnis dan Kewirausahaan Islam*, 10(2), 200–217. <http://jurnal.uinsyahada.ac.id/index.php/attijaroh/article/view/13245>
- Hassan, Y. (2022). A decade of research on Muslim entrepreneurship. *Journal of Islamic Marketing*, 13(6), 1288–1311. <https://doi.org/10.1108/IIMA-12-2019-0269>
- Indrayanti, W., & Iskandar, D. D. (2020). Teori perilaku terencana dan minat wirausaha pemuda di Kabupaten Tegal. *ASSET: Jurnal Manajemen dan Bisnis*, 3(1). <https://doi.org/10.24269/asset.v3i1.2673>
- Javaid, O. (2021). An Islamic vision and approach for entrepreneurship: Developing through a multi-stage comparative analysis of systems, ideologies and code of ethics. *International Journal of Ethics and Systems*, 38(1), 125–146. <https://doi.org/10.1108/IJOES-03-2021-0066>

- JMKP Editorial Board. (2023). Analisis kemandirian keuangan daerah dan potensi pertumbuhan ekonomi kabupaten/kota. *Jurnal Manajemen Keuangan Publik*, 5(1), 15–30. <https://doi.org/10.31092/jmkp.v7i1.2118>
- Kartika, A. (2023). Islamic business ethics as the cornerstone for the success of Muslim entrepreneurs in Indonesia. *Jurnal Ekonomi dan Bisnis Islam*, 5(1), 15–30.
- Karyawati, G. (2023). Influence of opportunities and challenges on the success of young entrepreneurs in Indonesia. *Bima: Jurnal Ilmiah Ekonomi & Bisnis*, 17(2), 56–70.
- Lubis, R., Nawawi, M. K., & Hakiem, H. (2021). Penerapan etika bisnis Islam dalam transaksi jual beli pada wirausaha Muslim (Studi pada wirausaha Muslim di Desa Laladon). *El-Mal: Jurnal Kajian Ekonomi & Bisnis Islam*, 4(2), 257–266. <https://doi.org/10.47467/elmal.v2i3.622>
- Masrukhan, M., & Isnaini, R. K. (2025). Peran koperasi pesantren dalam meningkatkan pendapatan dan kemandirian ekonomi santri: Studi kasus pada Ponpes Imam Syafi'i Brebes. *Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah*, 7(5). <https://doi.org/10.47467/alkharaj.v7i5.7287>
- Nurdin, A. (2020). Analisis kemandirian keuangan daerah dalam peningkatan kesejahteraan masyarakat. *Jurnal Terapan IPDN*, 5(1), 23–35.
- Nurrahmadani, S., & Hariyati, A. (2024). Pengaruh komponen pendapatan asli daerah dan dana bagi hasil terhadap tingkat kemandirian keuangan daerah. *Valid: Jurnal Ilmiah*, 21(2), 162–179. <https://doi.org/10.53512/valid.v21i2.385>
- Pangestu, A. H. R. (2024). Penerapan nilai-nilai syariah dalam kewirausahaan: Solusi untuk tantangan bisnis kontemporer. *JEKIS: Jurnal Ekonomi dan Keuangan Islam*, 6(1), 32–47.
- Peraturan Bupati Tegal Nomor 6 Tahun 2019 tentang Fasilitasi Penumbuhan dan Pengembangan Kewirausahaan di Kabupaten Tegal. (2019). <https://peraturan.bpk.go.id/Details/175397/perbup-kab-tegal-no-6-tahun-2019>
- Periansya. (2021). Analisis pengaruh kemandirian keuangan daerah terhadap belanja pembangunan di Provinsi Sumatera Selatan. *I-Finance: A Research Journal on Islamic Finance*, 7(1), 90–105. <https://doi.org/10.19109/ifinance.v5i2.4911>
- Satpathy, B. (2025). The role of small and medium enterprises (SMEs) in increasing regional economic independence in Indonesia. *International Journal of Research and Innovation in Social Science (IJRISS)*, 11(12), 368–376.
- Smeru Research Institute. (2022). *Ekosistem kewirausahaan pemuda di Indonesia*. Smeru Research Institute. <https://smeru.or.id/id/research-id/ekosistem-kewirausahaan-pemuda-di-indonesia>
- Sofyan, A. S., Rusanti, E., Nurmiati, N., Sofyan, S., Kurniawan, R., & Caraka, R. E. (2026). Islam in business ethics research: A bibliometric analysis and future research agenda. *International Journal of Ethics and Systems*, 42(2), 345–377. <https://doi.org/10.1108/IJOES-02-2024-0058>
- Soumena, F. Y. (2024). The effect of entrepreneurship competence and Islamic business ethics on the performance of Micro and Small Enterprises (SMEs) in Makassar. *Jurnal Ilmiah Ekonomi Islam*, 10(1), 156–165. <https://doi.org/10.29040/jiei.v10i1.11733>
- Syahputra, F. (2023). Peran kewirausahaan dan e-commerce terhadap perkembangan UMKM dalam perspektif etika bisnis Islam. *Economic Briefing: Jurnal Ilmiah Ekonomi dan Bisnis*, 4(2), 100–113.

- Ulfa, N., & Nawawi, Z. M. (2022). Islamic business ethics in entrepreneurship in promoting MSME actors. *Jurnal Ekonomi, Manajemen, Bisnis dan Akuntansi Review*, 2(1), 329–336. <https://doi.org/10.53697/emba.v2i1.716>
- Walstad, W. B., & Kourilsky, M. L. (1998). Entrepreneurial attitudes and knowledge of black youth. *Entrepreneurship Theory and Practice*, 23(2), 5–18. <https://doi.org/10.1177/104225879802300201>
- Wulandari, D. E., & Amaliyah, N. R. (2025). Berwirausaha dengan prinsip Islam: Impelementasi etika bisnis yang berkelanjutan. *ILTIZAMAT: Journal of Economic Sharia Law and Business Studies*, 4(2), 42–51. <https://www.ejournal.stismu.ac.id/index.php/iltizamat/article/view/2326>