

THE STATE AS A MARKET SUPERVISOR IN ISLAMIC
PERSPECTIVE

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Abstract

Market participants can take various methods, ranging from acceptable practices to fraudulent methods. The State is expected to take on the role of market supervisor so that both sellers and buyers can feel justice. The State has the right to regulate the course of the economy but with limits that are not detrimental to market players. In Islam, the market is controlled so that competition is carried out voluntarily. There must not be a party that is harmful to the party that is injured. This study aims to determine the role of the State as a market supervisor from an Islamic perspective. This study uses a descriptive method with a qualitative research approach. The data collection technique in this research is literature search from journals, books, electronic books, articles, and other information media related to the State's role in market supervision. The market supervisor in Islam is known as Al-Hisbah. The main task of al-hisbah is to invite the truth and forbid Munkar. In addition, Al Hisbah has three main functions, namely economic, social and moral functions. In contemporary times the position of al-hisbah can be a complementary role for a ministry or state agency.

Keywords: *The State, Market Supervisor, Al-Hisbah*

1. INTRODUCTION

Today's modern economy tends to give birth to competition between many parties (Makhtum & Mukhlis, 2016). Business people in running their business need a specific strategy so that business goals can be achieved. This encourages a business person to try hard to find ways to dominate the market and beat his competitors. The path they take can vary, from a fair and healthy way to one that deviates from business ethics. If business actors use the right direction, the business world will run conducive and appropriate. Conversely, if they take the wrong path, the business world will only be controlled by a handful of entrepreneurs and attract unhealthy business practices. (Zakiyah et al., 2019). Due to economic demands, individuals will do whatever it takes to meet their needs. Until sometimes the individual forgets and is negligent in what he has done, it turns out to be contrary to the provisions of the Shari'a. Or because ignorance and ignorance of the Shari'a make people go beyond their limits by taking action as they please. Sometimes it is also because economic activity makes individuals interact with non-Muslims and various other problems (Herianto et al., 2017).

Apart from the point of view of individual problems, there are still other problems, namely supervision. Sofyan S. Harahap in Fitri (2012) mentioned that one of the weaknesses in this life is the supervisory function.

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This can be proven by the prevalence of immorality that occurs in the practice of buying and selling, such as the existence of elements of *riba* (usury), *gharar*, and fraud in the standards of the scales and sizes used, besides that there is still hoarding of goods, selling goods that are haram, and other scams that occur (Fitri, 2012).

Contrary to the rules in Islam so that this can be unsettling and detrimental to society. Supervision is needed to control so that there is no deviation from the goals to be achieved and from the rules that have been set. Supervision is also an activity of correction and improvement of regulations and objectives known to be deviant (Nurhasanah, 2013). In addition, control is also an essential element in forming a work culture of Islamic management to ensure the basic design and achieve predetermined goals. Islam comes with a system of influence that includes all aspects of human professionalism. Therefore, the basis of Islam is global and can be applied in all fields (Abu Yazid & Aziz, 2015)

Imam Al Ghazali argues that religion is the foundation or principle, while in power (the State) is the guardian of the foundation or principles earlier. So that there is a mutually beneficial and strengthening relationship. On the one hand, religion is the foundation for the State to act toward prosperity. Meanwhile, on the other hand, the State is also a tool for religion to spread and be implemented efficiently and adequately. Nejatullah Siddiqi emphasized that society could not be organized or regulated using Islamic principles unless using the State as a medium (Miftakhul Huda, 2019).

The State, economy, and market are essential parts of each other that have a role in realizing economic balance or in an Islamic economy, also known as economic justice. (Nashihah, 2018). Even though the State is in a unified market system, Islamic financial analysts still believe that the State guarantees the market its freedom. The free market determines the production methods and prices. There should be no disturbances that can damage the market balance, including by the State itself (Wahid, 2019). Based on the rules in *muamalah*, namely that the basis in *muamalah* is permissible as long as there are no things in the form of arguments that explicitly prohibit the *muamalah* activity. This means that people are given the freedom to carry out economic activities as long as these activities are not strictly forbidden in the texts, both the Al-Quran and the hadith. However, freedom in economics does not mean freedom without values, but the freedom in question is freedom that upholds the values of justice and honesty. Therefore, every individual is required to uphold these values in carrying out economic activities (Rida, 2011).

2. LITERATURE STUDY

2.1 The State Role in The Economy

The State is the holder of the highest authority in formulating a policy. Government policies that often intersect directly with and influence the climate of community activity are policies in the economic sector (Fathurrahman, 2012). Market failure is the background of the need for the role of the State in the economy. The market fails to solve economic problems due to the inability and inability of the market mechanism to work efficiently. The State's role is treated in the instrument and functionalization of Islamic economic values in its legal, planning, management, and supervisory aspects. Therefore,

THE STATE AS A MARKET SUPERVISOR IN ISLAMIC PERSPECTIVE

the government becomes the manager of the benefits of public financial resources, including production and distribution and a supervisory institution for economic life. Interfering with the government does not mean that the government has the right to monopolize all of the country's financial resources. All the results of government intervention are aimed at producing good individuals and societies (Sofyan, 2016).

The State is the party that has the authority to lay the foundations for regulations that support and protect economic growth and activity (Hidayatullah, 2015). The State plays a role in regulating economic activities to maintain financial stability and the welfare of its people so as not to experience poverty and unemployment (Isnaini, 2017). In general, there are at least the forms of government involvement and intervention in the economy (Beik & Arsyianti, 2016), that is:

1. Become a direct actor in the economy (through the establishment of BUMN)
2. As an economic regulator, which is based on statutory instruments and other regulations
3. As a supervisor of economic activities and can take corrective actions if economic activities do not run by the corridors of the prevailing constitution
4. Intervention through tax instruments, subsidies, and other policy instruments if necessary
5. As the spearhead of economic diplomacy and marketing of domestic products to international markets

The functions of the State in an Islamic perspective include the role of allocation, part of the distribution, and operation of stabilization and protection (Beik & Arsyianti, 2016):

1. Allocation function

The allocation function is closely related to natural resources and financial resources. The government must ensure that natural resources are appropriately allocated and accessed by all levels of society. In addition, the allocation function can also be applied in the state budgeting policy, or known as APBN. Through the APBN, the available state money can be used for various programs, such as assistance for the family hope program, people's business credit program, rice for poor, and etc.

2. Distribution function

The distribution function is the function of the State in ensuring that all levels of society can enjoy income and wealth. Therefore, the State must provide a flow of wealth from affluent groups to underprivileged groups to minimize income disparities between community groups. In carrying out this function, the State can optimize the zakat distribution instrument and strengthen the P to P transfer (people to people transfer).

3. Stabilization and protection function

This function is a function of the State in creating socio-economic stability and providing protection and security assurance against various domestic and foreign threats. Strength is essential because it will affect economic growth.

The government is responsible for the welfare of all its citizens in various fields, especially the economic sector, which is the backbone of life. State intervention is a form of state responsibility in ensuring the benefit of the people (Isnaini, 2017). According to

Islam, the State has the right to interfere in economic activities carried out by individuals, either to supervise activities or to regulate or carry out several kinds of economic activities that individuals cannot carry out (Hidayatullah, 2015).

2.2 Market in Islam

The market is a mechanism for exchanging goods and services that is natural and has been going on since the earliest human civilization (Farida, 2012). In simple terms, a market is a place where sellers and buyers meet. With the times, the market can be interpreted as an institution or institution managed by the government so that trade transactions can occur properly. In a modern sense, the market is a mechanism that allows supply and demand to meet, both physically and non-physically. Initially, the market is an open place where traders and buyers meet according to an agreement or custom that applies to a particular area (Natadipurba, 2015). In the Islamic concept, the meeting of demand and supply must occur voluntarily; neither party is disadvantaged (Karim, 2017). As Allah SWT says in QS An-Nisa: 29:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُم بَيْنَكُم بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ ۗ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۗ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

O you who believe! Do not evily eat each other's wealth (not correct), except in consensual trade. And don't kill yourself. Indeed, Allah is most merciful to you (QS An-Nisa: 29).

In connection with this verse, Ibn Katsir explained that Allah SWT had prohibited His believing servants from evily eating other people's property. All forms of business bring in non-mandatory assets such as usury in all its variants, gambling, and all forms of transactions that contain fraud and speculation. Even though by birth only Allah knows that the perpetrators carried out the trade to avoid usury. (Wahidin, 2018). Abdul Aziz inside Abd Ghafur (2019) write down some of the principles of the concept of market mechanisms in Islam, namely:

1. Ar-Ridhaa, namely transactions that must be carried out based on the willingness of each party (freedom contract)
2. Competition (fair competition), the market mechanism will be hindered if there is hoarding or monopoly
3. Honesty is an essential pillar in Islam. Because honesty is another name for truth itself
4. Openness and justice. The implementation of this principle is that transactions carried out are required to be correct in disclosing the valid will and condition

The Islamic market mechanism regulates that competition in the market is fair. Every form of business that can cause injustice will be prohibited, such as talaqqi rukban, reducing scales, hiding defective items, exchanging good goods for bad ones, najasy transactions, ihtikar, and ghaban fahisy (Kusumawati, 2015). In addition, Ibn Taimiyyah opposed the act of monopoly on human needs. If a group of people exercises a monopoly, it is obligatory for the government to regulate (regulation) prices. This is done to apply a fair price. A trust is an act that is unfair and very detrimental to others, and it is an act of wrongdoing (Amalia, 2015).

THE STATE AS A MARKET SUPERVISOR IN ISLAMIC PERSPECTIVE

Islamic economics considers that the market, the State, and the individual balance (iqtishad). There should be no subordinates so that one of them becomes dominant over the others (Jaelani, 2011). In a communist society, the market is designed through central planning to fail to achieve economic justice because it is inefficient and expensive. Communist ideology also goes further by nationalizing all capital and placing humans only as material or a factor of production. That is why society is controlled according to a totalitarian, monolithic, and oppressive government system. Meanwhile, in a capitalist society, the market is designed based on freedom (liberalism). However, the freedom that is made the goal is that the rich are free to accumulate wealth (Hoetoro, 2017). In addition, the capitalist economy requires a free market to solve economic problems, starting from production, consumption to distribution (Jaelani, 2011).

The views of capitalism and socialism bring disadvantages where humans, on the one hand, have the freedom to act economically, even though these actions are contrary to moral values or religious values. On the other hand, they are positioned as robots who cannot create and obey whatever is necessary. It is the government's economic policy, especially those related to the market. These two world economic paradigms then have an increasingly significant impact on the nation's economy, which is increasingly sinking, especially in developing countries (Jaelani, 2011).

3. RESEARCH METHODOLOGY

This study uses a descriptive method with a qualitative research approach. The illustrative method is intended to describe or describe a situation or series of processes, which only describes what happened and does not explain whether what happened was good or bad and positively or negatively impacted (Ferdinand, 2014). The data collection technique in this research is literature search, and in this case, discourse identification will be carried out from journals, books, electrical books, articles, and other information media. The data collected is data relating to the role of the State in market supervision.

4. RESULT AND DISCUSSION

This part should describe informative results of empirical research which are written systematically and critically. Tables and figures can be presented in this part to support the discussion, for examples table of statistics-test results, figures of model test results and etc. In general, journal papers will contain three-seven figures and tables. Same data cannot be presented in the form of tables and figures.

4.1 Market supervisor in Islam

In conducting economic transactions, there are two types of supervision, namely internal and external supervision. Internal control is self-monitoring that arises from the understanding that Allah SWT constantly monitors every human behavior. All the actions that humans do will be measured in the hereafter. Meanwhile, external supervision is a component consisting of the community and official agencies from the government apparatus. Supervision is practical because it involves official observation and monitoring. These two forms of supervision guarantee justice and complement each other (Ibrahim, 2015). External surveillance in the early days of Islam was known as al-hisbah. Al-hisbah is an economic institution whose function is to supervise economic activities

in the market, such as monitoring prices, measurements, and scales, illegal trading practices, etc. This institution also functions to increase productivity and income (Rozalinda, 2016).

The al-hisbah institution is led by an officer named muhtasib. In the early days, the Prophet SAW himself became his muhtasib and often made sudden inspections to the market to ensure no transactions violated the prevailing rules. The Prophet (PBUH) once dipped his hand in a food item to sell and found that the food was counterfeited. He also told the traders not to withhold milk from the animals to be sold to show that the animals were full of milk. The Prophet SAW also told anyone who saw the crime being committed then he had to change it with his hand or mouth if he did not have the authority or ability. Lastly, he hated the offense committed if he could not oppose it by speaking (Haqqi, 2017). The Prophet (PBUH) also prohibited the practice of buying goods from farmer producers at the city entrance before they reach the market for fear that they would sell at a lower price (Zada et al., 2016).

As the Prophet was busy delivering the mission of Islam, the management of the al-Hisbah institution was handed over to five permanent officers consisting of three men and two women. The three male officers were Sa'id ibn al-'Ash ibn Umayyah who was assigned to the markets of Mecca, 'Abd Alloh ibn Sa'id ibn Usayhah ibn al-'Ash, and Umar ibn Khattab to oversee the Madina markets. The two female officers, namely Samra bint Nuhayk al-Asadiyah and Shifa bint Abd Alloh, are assigned to oversee the markets devoted to Muslim women (Hoetoro, 2017).

To become muhtasib, several requirements must be met (Noviyanti, 2015), among others:

- a. Muhtasib should be a mukallaf, Muslim and able to carry out his duties, not required for small children and unbelievers
- b. Muhtasib should be faithful, so people who are fasiq are not allowed to become muhtasib
- c. Muhtasib should be fair
- d. Knowing and understanding Islamic law
- e. Can be trusted in delivering news news

4.2 Duties and Functions of Al-Hisbah as The Market Supervisor

The responsibilities of the al-Hisbah institution can generally be divided into two categories (Aisyah & Ismail, 2018), that is:

1. Rule good (amar ma'ruf)

The command to do good (Amar ma'ruf) consists of three parts: first, divine law or those related to the rights of God Almighty. This law focuses on the obligations of society, such as in the case of not leaving Friday prayers. Second, community rights (huquq ul adamiyyin) consist of public rights and private rights. This is related to the weight and size determination as well as honesty in transactions. Third, linking the two rights intermittently (musytarak), such as finding a guardian for an orphaned marriage, keeping roads clean, and advising moral values in society.

2. Forbid evil (nahi munkar)

THE STATE AS A MARKET SUPERVISOR IN ISLAMIC PERSPECTIVE

Just as in the deeds of maruf, they are prohibiting crime also consists of three categories: first, the right of God Almighty (huquq ul Allah), which is included in the material of worship, and material prohibitions (muamalat), which are generally related to economic activities or market supervision. Second, community rights, which means actions that disturb other parties, such as concerning neighbors' safety. Third, the two rights are mixed (musytarak).

Al-Hisbah institution has several functions, including:

1. Economic function

In particular, Ibn Taymiyyah explained that the economic function of the muhtasib was as follows (Rozalinda, 2016):

- a. They are ensuring the fulfillment of basic needs.

Muhtasib must continuously checks the availability of necessities. If there is a shortage in service needs, the muhtasib has the power in his capacity as a state institution to meet those needs directly.

- b. Supervision of industry.

In industry, the main task of muhtasib is to oversee product standardization. Muhtasib also has the authority to impose sanctions on industries that harm consumers. Muhtasib can resolve disputes that arise between employers and employees and can set regional minimum wages

- c. Supervision of services

Muhtasib has the authority to see whether a doctor, surgeon, or another service professional has carried out his duties properly or not.

- d. Control over trade

Regarding trade supervision, muhtasib is the holder of the authority to oversee various transaction practices and activities between sellers and buyers in the market to follow the Shari'a rules strictly. Muhtasib is also authorized to supervise the goods entering the market and loading and unloading at the market. In managing market activity, muhtasib has the following duties:

- i. Control of prices, sizes, measurements, and scales

Islam has provided rules regarding the problem of measuring and weighing. In the Al-Quran, it is clearly stated that the command to perfect the measure is fair and a threat to those who commit fraud. There is a norm that every Muslim must improve the measurements and weights moderately. As in QS Al-An'am verse 152:

..... وَأَوْفُوا الْكَيْلَ وَالْمِيزَانَ بِالْقِسْطِ

..... *And perfect the measures and scales somewhat.....* (Q.S. Al-Anam:152)

In Islamic economics, the problem of size, measurement, and scale is a state affair. The government has the task and authority to regulate, supervise measures and weights (Rozalinda, 2014). Reducing the scale and reducing the effort is a classic example that is always used for fraud in terms of quantity of goods.

Therefore, since more than 1300 years ago, Islam has taken steps to make the scales standardized as a measuring tool (Nasution, 2012).

ii. Supervise illegal buying and selling

Market distortions that often occur in transactions are *tadlis*, *gharar*, *maysir*, *ihtikar*, and *bay najasy*. Market participants often carry out this market distribution to seek quick or above-reasonable profits at the expense of other parties. This distortion creates injustice and imbalance in the market. Beneficial for one party but detrimental for another, To make an Islamic market in the secondary market. Market distortions can be avoided and overcome by prohibiting all kinds of deliberate market distortions and punishing market participants who do so. In addition, efforts can be made to open access to information for all market players.

iii. Supervision of the practice of usury, *maysir*, and *gharar*

Transactions must be free from usury, *maysir*, and *gharar*, or otherwise, the transaction will be invalid and canceled. In addition, transactions in Islam must be free from these elements because of the injustice inherent in the mechanism. *Riba*, *maysir*, and broader *gharar* also create social losses in forming unemployment, inflation, volatility, instability, and even environmental degradation (Uddin, 2015).

iv. Overseeing the standards of halal, health, and hygiene of a commodity

Islam has clearly defined what is allowed and prohibited as guidelines for humanity. Azzah Kamri in Mustafar & Borhan (2013) states that every Muslim consumer must choose products and services that are halal and good and avoid products and services prohibited and do not follow Islamic specifications. From the benefit aspect, the guarantee of halal products will undoubtedly play a significant role in providing certainty and confidence in the community to consume products that are guaranteed to be halal. This can also cause people to avoid consequences and *syubhat* or whose halalness is not clear (Murjani, 2015).

v. Beauty and convenience market setting

Muhtasib is in charge of regulating the beauty and comfort of the market. *Muhtasib* holds traders not to erect tents or buildings resulting in narrow public roads and markets. *Muhtasib* also controls the market layout so that it is easier for *muhtasib* to carry out market surveillance (Rozalinda, 2016).

vi. Overcoming disputes and injustice between traders and between traders and buyers

Al-Hisbah is the implementation of *al-amru bial-ma'ruf wa nahyu an al-munkar* and reconciles between disputing humans. The *al-Hisbah* institute is also in charge of monitoring measures and scales, supervising the market for fraud and

THE STATE AS A MARKET SUPERVISOR IN ISLAMIC PERSPECTIVE

fraud. Thus, this al-Hisbah institution has to assist people who cannot claim their rights, resolve disputes between humans, and invite goodness (Rozi, 2019).

vii. Perform market and price interventions under certain conditions

In general, most scholars agree that price-fixing is a policy that is not recommended by Islamic teachings if the market is under normal circumstances. However, if the market is in an abnormal situation, there needs to be a policy from the government. There are at least three objectives of market intervention carried out by the government according to ibn Qudamah, namely: first, price intervention is in the interests of the community, then to prevent *ikhtikar* and *ghaban fahisy* or to take profits above-normal profits and selling above-market prices, and the third is to protect the interests of the wider community (Son, Amelia, and Putri 2019).

2. Social Functions

The social function of the al-hisbah institution is to create social justice and distributive justice in society. He provided information to traders and consumers, providing equal opportunities to everyone and eliminating unilateral control over the production and distribution lines in the market. Then, eliminate market distortions and intervene in certain circumstances to minimize unequal distribution in the market by creating a fair price (Rozalinda, 2016). Apart from that, al-hisbah also plays a role in safeguarding the public interest, including maintaining infrastructure to support economic activities by prioritizing the benefit of all people. Checking, protecting from people who do nothing and drop everything that is harmful. Because this can affect the smoothness of the production and distribution process (Juhro et al., 2019). The al-hisbah institution also plays a role in collective efforts to assist Muslims (Attahiru et al., 2016) by the direction of QS Al-Maidah verse 2:

..... وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالتَّغَاوُثِ وَلَا تَعَاوَنُوا عَلَى الْإِثْمِ وَالتَّغَاوُثِ
.....and help you in (doing) goodness and righteousness, and don't help in sin and enmity. Fear Allah. Indeed, Allah is very heavy in torment (QS Al-Maidah: 2)

Helping fellow human beings is a *sunnatullah* that cannot be avoided. Every human being is free in choosing the desired livelihood and will get a share of his efforts. A person will not get more than what he has done (Delvia, 2019).

3. Moral Functions

Every market participant must know for himself the application of business ethics in trading life in the market. This means that every seller is allowed to trade for profit, but Islam is looking for profit and blessing. Religion brings not only ethical dimensions but also moral values in doing business. Islam encourages every business behavior to uphold moral values, which include honesty, fairness, and transparency. These values are essential and become the responsibility of market players to reflect a Muslim's faith in Allah (Zafar & Sulaiman, 2019). For the market mechanism to run well and provide

mutual goodwill for the perpetrators, then the absolute value of morality must be upheld (Sukamto, 2012). As representatives of Allah, humans are expected to act and behave following Sharia. Humans must ensure that the sources of Islam remain the only guide and source of reference in all areas of their life. The main goal must be the desire to seek the pleasure of Allah SWT which can only be achieved if a person does not commit all forms of immorality (crime) which are prohibited by Islam and adhere to moral behavior as regulated by Islamic law (Hizqil, 2016).

Even though there is a code of ethics that regulates it, many Muslims deviate from the primary business norms and rules permitted by sharia (Mohiuddin & Haque, 2013). The al-Hisbah institution functions as a supervisor for implementing Islamic morals and morals in various transactions and behavior of consumers and producers in the market. Its task is to create a moral economy based on the Koran and the Sunnah. At a broader level the task of al-hisbah is amar ma'ruf nahy mungkar. The market is the main target of al-Hisbah's supervision because fraud, cheating, hoarding, usury, coercion, and arbitrariness to impose laws often occur (Rozalinda, 2016). Hisbah institutions deal with community safety issues differently, dedicated to the elimination of brewing and consumption of beer, the restriction of bad work, and the control of the moral order based on Sharia (Olaniyi, 2011).

Adhering to the principle of *Amar Ma'ruf Nahi Munkar* is a way of carrying out the commands of the Al-Quran, which strive for someone to do good and not do wrong. The awareness of Muslims towards fulfilling this responsibility must be nurtured to revive this institution and, with maximum efforts (ijtihad), develop this concept to suit the current situation while the community enjoys its benefits. The more specific aim of the institution of hisbah will be to form a society that is highly moral and capable of abstinence and wrongdoing, which in turn will only guarantee the wrath of Allah SWT. This is important to ensure the welfare of human life in this world and the hereafter (Ibrahim, 2015).

As exemplified by Umar bin Khattab RA who sent his messengers to expel people who were not knowledgeable from the market, he even beat people in the market while he did not know the Sharia law. Reflected in the words of Umar, "*Do not buy and sell in our market unless someone knowledgeable, if not, he will eat usury whether intentionally or not*" (Juhro et al., 2019). Muhtasib may impose penalties for various criminal offenses that occur in the market. The sentences imposed must pay attention to their compliance with maqashid sharia. Muhtasib must consider that with this punishment, the offender can deter and not repeat it. Therefore, muhtasib is free to choose the sentence imposed on the offender ranging from light to severe punishment (Rozalinda, 2016).

4.3 The Contemporary Al-Hisbah Institution

Although the concept of hisbah has been around for a long time, namely at the Prophet Muhammad, the ideas and philosophy that teach in it should be relevant to be applied in the scope of the current situation (Shah et al., 2013). According to Khan in Hassan & Ilias (2019), the institution of al-hisbah has persisted throughout Muslim history, although under different names and descriptions. However, after the arrival of Western imperialism and the loss of political stability, the institution of al hisbah

experienced a decline because its existence depended on the power of the government. Deep glick Dogarawa (2013) mentioned that Europe adopted the Hisbah system from Muslims in the Middle Ages, especially during the crusades. During their occupation of Jerusalem, the European cross armies maintained their offices. They ordered officers to go to the market in the morning to inspect meat and beverage and other food stores, deal with counterfeit goods, and ensure that the bread was always available on the market and that the weight of the bread met the standard weight. The governing council determined them.

The flexibility of Sharia allows the evolution of this institution to suit current circumstances. Although the structure may differ from the original form, the aim of enjoining good and prohibiting evil (*Amar Ma'ruf Nahi Munkar*) must be preserved as its fundamental characteristics. The contemporary trend in building an institutional framework demands a transformation of al-hisbah into a new paradigm (Hassan & Ilias, 2019). Contemporary Muslim economists attribute Hisbah's existence as a reference for the function of the State towards the economy, especially in the market (Sukamto, 2016). However, the elaboration of al-hisbah in practical policy can take several forms. There is an opinion that al-Hisbah must be an extraordinary independent institution to avoid the interests of particular groups or the government itself (Sukamto, 2012). However, some contemporary economists argue that many of the supervisory functions of the al-Hisbah institutional business are carried out under the control of various government agencies and departments because of the complexity and sophistication of modern economic activities. They observe that running the market today is not limited to checking the quality of the commodity, weight, size, and cleanliness of the shop, but is broader than that. The hisbah institute will play a complementary role for the ministries and government agencies (Dogarawa, 2013).

The emergence of various institutions that oversee ethics and economic justice is a consequence of the dynamics of people's increasingly fast, sophisticated, and complex lives. The presence of supervisory institutions is very significant and cannot be denied (Noviyanti, 2017).

5. CONCLUSION

It should illustrate brief and clear results of study, contributions to new theories, and new ideas for future researches. Here, the theoretical and practical implications should be written in paragraphs

The market supervisor in the early days of Islam was known as al-hisbah. The al-Hisbah institution is led by an officer called muhtasib. In the early days, Prophet Muhammad SAW himself became his muhtasib. The main task of the institution of al Hisbah is to command the good (*Amar Ma'ruf*) and prohibit evil (*Nahi Munkar*). Each of these tasks has three parts: the right to God Almighty, the right to society, and the third are to link the two rights intermittently. Furthermore, al hisbah has three main functions, namely economic, social and moral functions. The economic function is concerned with ensuring the fulfillment of basic needs, supervision of industry, supervision of services, and supervision of trade. In the supervision of trade, al Hisbah has duties such as monitoring prices, measurements, measurements, and scales. The second is to supervise prohibited buying and selling, then prohibiting usury, gharar, maysir, fourth is monitoring

the standards of halal health and hygiene of a commodity, then regulating the beauty and comfort of the market, overcoming disputes and injustice, and the last is intervening in market and price certain conditions. In social functions, al hisbah has to realize social justice and distributive justice in society. Al hisbah, with its moral function, functions as a supervisor for the implementation of Islamic morals and morals in consumer transactions and behavior. The flexibility of Sharia allows the organization's evolution to suit current circumstances. Although the structure might differ from the original form, the aim of enjoining the good and forbidding the bad must be preserved as its fundamental characteristic. The emergence of an institution that monitors ethics and economic justice is a consequence of the dynamics of people's increasingly fast, sophisticated, and complex lives. The presence of supervisory institutions is very significant and cannot be denied.

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