

---

## Islamic Business Ethics and Political Economy: A Study of Government Policies in Handling the Food Crisis

*Bernardlauwers<sup>1</sup>, Rezaul Islam<sup>2</sup>, Muthoifin<sup>3</sup>, Jihan Husna Srifyan<sup>4</sup>*

<sup>1</sup>IMF Headquarters 700. 19<sup>th</sup> Street, Washington, D.C, 20431, United States

<sup>2</sup>Scholars Middle East Publishers, Gold Souk, Deira, d – 24 D85, Dubai, United Arab Emirates

<sup>3</sup>Faculty of Islamic Studies, Universitas Muhammadiyah Surakarta, Indonesia

<sup>4</sup>Faculty of Sharia and Islamic Economics, State Islamic Institute Kudus, Indonesia

<sup>1</sup>[mr.bernardlauwers.info@gmail.com](mailto:mr.bernardlauwers.info@gmail.com), <sup>2</sup>[dr.rezaulislam009@gmail.com](mailto:dr.rezaulislam009@gmail.com), <sup>3</sup>[mut122@ums.ac.id](mailto:mut122@ums.ac.id),

<sup>4</sup>[jihanhusnasrifyan@gmail.com](mailto:jihanhusnasrifyan@gmail.com)

Received February 06, 2024; Revised March 22, 2024; Accepted March 23, 2024

**Abstract:** *This study aims to analyze the relationship between Islamic business ethics and political policies in handling food crises and significant increases in cooking oil prices. The research methods used include a literature study on the principles of Islamic business ethics, policy analysis related to handling food crises, as well as an investigation of factors affecting the increase in cooking oil prices from an Islamic economic perspective. The results suggest that the principles of Islamic business ethics, such as fairness, transparency, and sustainability, can be the foundation for political policies aimed at addressing the food crisis sustainably and equitably. In addition, regulations that ensure fair and affordable distribution of cooking oil, as well as monitoring of economic factors that affect prices, can help reduce the impact of high cooking oil prices on society. In conclusion, the integration between Islamic business ethics and political policy can be a strong foundation for addressing the food crisis and cooking oil price problem, by providing sustainable and fair solutions for society.*

**Keywords:** *Islamic business ethics, political economy, food crisis, high prices, groceries.*

### INTRODUCTION

The food crisis is one of the serious challenges faced by the Indonesian nation, which not only affects economic aspects, but also social, political, and cultural aspects. In the face of food crises, we must consider the perspective of Islamic business ethics as a framework that guides actions and decisions taken. In Islam, there are ethical principles that guide individuals and society in carrying out all actions, including in the context of business and politics. One of the key tenets of Islamic business ethics is justice, which demands that every individual be treated fairly and that every action have a fair impact on all parties involved [1], [2].

In the context of handling the food crisis in Indonesia, this principle of justice is very relevant. Governments and businesses need to ensure that policies and actions taken not only benefit certain parties but also take into account the interests of all communities, especially those vulnerable to the impact of food crises. In addition, Islamic business ethics also emphasizes the importance of social responsibility. Businesses, including

governments, have a moral responsibility to ensure food availability and accessibility for all communities, especially the underprivileged. In this context, transparency in resource management and food distribution is key, so that no abuse of power or corruption harms society [3].

In addition, the principles of Islamic business ethics also encourage collaboration and cooperation between the government, the private sector, and society in dealing with food crises. By coming together, they can optimize available resources and identify sustainable solutions to address the root causes of food crises. Thus, in the context of handling the food crisis in Indonesia, it is important to consider and apply the principles of Islamic business ethics. By doing this, it is hoped that we can face this challenge in a fair, responsible, and sustainable way, and provide maximum benefits for all communities.

Every business person has a goal to achieve prosperity, various ways are done to get maximum profit, to be able to regulate competition in the market. In addition to meeting worldly needs, In the Islamic paradigm, the purpose of conducting economic activities within the Islamic framework is to fulfil materialistic desires and spiritual demands. To achieve profitability, the determination of the selling price depends on the cost price. Variations in the cost of goods will have an impact on final pricing [1], [2].

Islamic economic philosophy places significant emphasis on the need to change market and pricing mechanisms to maintain market equilibrium and ensure economic fairness, while also considering the well-being of all market participants. The idea of fair pricing relates to pricing structures that mitigate exploitation or injustice, thus protecting against excessive harm to one party while benefiting the other. The pricing mechanism must be aligned with the inherent value of the commodity being exchanged, taking into account the fair distribution of profits between buyers and sellers. This includes ensuring that vendors earn reasonable profit margins while customers receive value commensurate with the price paid [3].

Indonesia's economy plays an important role in shaping the country's overall growth trajectory. In the context of the global economy, especially in the highly competitive competition of procurement and sale of staples, Indonesia must be adequately prepared to face this business competition. This can be achieved by formulating legal and protection frameworks that ensure the safety and protection of consumers, who depend on these essential commodities, and business entities. Thus, both consumers and business actors can obtain their rights following Islamic principles [4].

Nevertheless, it is important to note that not all adherents of the Islamic religion have comprehensive knowledge and effectively use economic practices that are in line with the principles outlined in Islamic law. Some individuals know these principles but lack a deep understanding of the specific rules governing economic behaviour as prescribed by Islamic law. The core idea that regulates economic activities following Islamic beliefs is the concept of mutual assistance in meeting various needs, as explained in the Qur'anic literature and hadith. The Qur'an and hadith being the fundamental sources of Islamic jurisprudence, have effectively regulated proper economic behavior and provide practical illustrations of its application in line with ethical principles. The guidelines cover both sellers and buyers, ensuring a comprehensive framework for economic conduct [5].

One of the challenges arising from dynamic economic activity is the tendency of commercial entities to pursue profits that are too large, giving rise to a climate of unfavourable competitive behaviour in the business landscape. One visible phenomenon is the increasing use of cooking oil in the community, which lasts for a considerable time, despite the mismatch between this trend and the availability of supply. The scarcity of cooking oil in the market and the uncertainty that arises in the community cannot be separated from illegal activities, especially the hoarding of cooking oil. The

increasing panic of the public in pursuing necessities ultimately has an impact on the dynamics of buying and selling activities in the market [6].

During the transition period from 2023 to 2024, it is estimated that there will be a shortage of cooking oil, causing a surge in market prices. Specifically, the initial price of Rp 14,000 for one litre is expected to rise to Rp 20,000 for one litre. To effectively manage rising cooking oil prices for consumers, the government has set an upper limit on retail prices. The limit called the Maximum Retail Price (MRP), is set at Rp 11,500 for one litre of bulk cooking oil and Rp 14,000 for one litre of premium packaged cooking oil [7].

However, this strategy is considered ineffective in overcoming the scarcity of cooking oil. Therefore, the Minister of Trade decided to revoke Minister of Trade Regulation No. 1 to 6 of 2024 which had set a fixed price for packaged cooking oil to reimplement the market-based pricing system. After the recall, there was a rapid increase in the availability and trade of cooking oil. The current scenario raises suspicions about the potential for hoarding cooking oil and similar commodities. Rising cooking oil prices are widely regarded as a significant socioeconomic challenge for society [8].

## LITERATURE REVIEW

In research on the practice of political economy of setting and revoking the highest retail price from the perspective of Islamic business ethics and Islamic economic law, the theoretical framework will be used as a basis for examining the practice of setting the highest retail price of cooking oil. Based on the principles of Islamic economics, the view of fairness in transactions, the principle of price freedom, as well as the consideration of *maslahah* and *mafsadah*, the study will evaluate the extent to which such pricing can reflect economic justice, respect Islamic principles, and safeguard the benefit of society as a whole [9]-[11].

In the Compilation of Sharia Economic Law itself, it is explained that the highest retail price determination from the Indonesian government involves Islamic principles that regulate justice, balance, and public benefit. The following is a compilation of sharia economic law relevant in the context of the highest retail price setting by the Indonesian government:

1. Principles of Justice and Equality. In Islam, justice is a central principle in economics. The Indonesian government must ensure that price fixing does not result in discrimination or inequality in society.
2. Prohibition of Monopoly and Price Manipulation. Islam forbids monopolistic practices and price manipulation that harm consumers. The government needs to discourage this practice so that prices remain fair and reasonable.
3. Principles of Freedom and Responsibility. Islam promotes economic independence and encourages business and trade activities, provided they adhere to the principles and regulations outlined in Sharia law. In certain circumstances, the government can exercise its jurisdiction to enforce pricing regulations, thereby improving the welfare of the general public.
4. The principle of *Maslahah* (Benefit) and *Mafsadah* (Harm). Government pricing must be based on the principle of benefit and avoid harmful effects on society. This involves considering the overall community, including economic stability and community welfare.
5. Transparency and Participation. In Islam, transparency and participation are important values. Governments should communicate pricing to the public and involve stakeholders in the decision-making process.

6. Balance between the Interests of Producers and Consumers. Islam encourages balance in transactions between producers and consumers. The government must ensure that pricing provides protection for consumers and encourages the business continuity of producers.

7. The principle of ta'awun (mutual help). The concept of ta'awun emphasizes cooperation and mutual assistance in society. The government can use its authority to stabilize prices in crises to avoid adverse effects on society.

8. Application of Ulema Fatwa. The government can refer to the fatwas of clerics or religious institutions in making decisions regarding price fixing, considering that clerics have the authority to express views based on Islamic principles.

In practice, the Indonesian government needs to incorporate these principles in pricing cooking oil or other products. It is important to avoid monopolistic practices, speculation, and price manipulation that violate the principles of Islamic economics while maintaining a balance between the benefit of producers and consumers and ensuring fairness in economic transactions [12].

**Table 1. Literature Review on Islamic Business Ethics in the Context of Handling Food and Cooking Oil Crisis**

No.	Writer	Article / Book Title	Theme / Focus
1	Abdul Halim et al.	Islamic Business Ethics in the Context of Crisis	Understanding the food and cooking oil crisis from an Islamic perspective
2	Ahmad Rifai	Islamic Business Ethics and the Food Crisis	A review of Islamic views on the food crisis
3	Dian Fauziah	Handling Food Crisis an Islamic Perspective	Analysis of Islamic business ethics in overcoming the food crisis
4	Fathurrahman	Islamic Business Ethics and Food Crisis	The Islamic approach to dealing with the food crisis
5	The Promise of Abraham	Halal Cooking Oil in Islamic Business Ethics	Application of Halal principles in handling cooking oil

The table above provides a brief overview of the literature relevant to the topic of handling the food and cooking oil crisis in the context of Islamic business ethics in Indonesia.

## METHODOLOGY

Research techniques include a body of knowledge that examines methodologies used at different stages of a research effort. The next section outlines some elements of the research methodology:

1. Type of research. This research belongs to the field of descriptive library research because it aims to provide a detailed picture and critique of a particular event or reality, based on a certain perspective or method.

2. Approach. Approach refers to the perspective used by researchers to see and review data, facts, or events in the realm of reality. The study uses a historical-sociological methodology, which uses internal and external criticism to gain an impartial understanding of the events under investigation. In addition, it aims to describe the context of society comprehensively, covering the structure, stratification, and interconnected social phenomena.

3. Data Sources. This literature research includes two different data sources, namely primary and secondary data sources, which are collected to achieve research objectives:

a. Primary Data Source. Primary sources are the use of original data sources as a fundamental reference in the implementation of scientific studies. The main data

sources used in this study include: This study presents a comprehensive review of the legal framework governing economic principles in the context of Sharia law, with a particular focus on price setting. It aims to compile and review various regulations and principles derived from Islamic law governing the determination and regulation of prices in economic transactions. By delving into the rich tradition of Islamic law, this study seeks to shed light on key principles and guidelines [13].

b. Secondary Data Source. Secondary sources play an important role in amplifying or amplifying data used for scientific investigations. This study uses scientific literature as a secondary source, including books, theses, periodicals, and literature articles related to the determination and revocation of the maximum retail price of cooking oil [14].

4. Data Collection. The research methodology used in this study involves the use of documentation as a data collection tool. A document refers to written or printed material that serves as a means of providing evidence or conveying information. Documentation is a systematic approach used to collect and record data and files or documents related to the subject matter under consideration. Data collection for this study involved a comprehensive evaluation of the relevant literature, including books and articles, focusing on determining and adjusting the maximum retail price of cooking oil [15].

**Table 2. Qualitative Research Methods on Islamic Business Ethics in the Context of Handling Food and Cooking Oil Crises**

No.	Stages of Research	Description
1.	Problem Determination	Identify the problem of the food and cooking oil crisis in Indonesia from the perspective of Islamic business.
2.	Data Collection	a. Interviews with Islamic business people, scholars, and business observers to understand their views on Islamic business ethics in the face of the crisis. b. Study of literature on the principles of Islamic business ethics relevant to the handling of food and cooking oil crises.
3.	Data Analysis	Identify Islamic ethical values that may be relevant in the context of handling food and cooking oil crises. Analysis of interviews and literature studies.
4.	Conclusion Making	a. Analyze the conformity of actions or policies taken by business people and governments with the principles of Islamic business ethics that have been identified. b. Conclude how Islamic businesses can contribute ethically to the handling of the food and cooking oil crisis in Indonesia.
5.	Reporting of Research Results	Prepare research reports that include key findings, analyses, conclusions, and recommendations for business, government, and academia practitioners.

The table above provides an overview of the steps that can be taken in qualitative research on Islamic business ethics in the context of handling the food and cooking oil crisis in Indonesia.

## RESULT AND DISCUSSIONS

The Maximum Retail Price, often called MRP, is the highest price a product can sell in a country. The pricing of these products is determined based on the manufacturer's calculations, but merchants have the discretion to offer prices lower than the Highly Driven Threshold (MRP).

MRP itself is an acronym derived from the highest retail price or the highest limit of the permissible price of goods sold at retail to citizens as end consumers. The highest

retail price is relatively similar to the price ceiling, in the sense of deciding the upper limit of the price of a product. The purpose of establishing this MRP is to ensure that retail traders will not sell products at more than fair prices. arguably, Higher Education and Training (MRP) can play an important role in raising customer awareness, thereby reducing the risk of consumers falling victim to unscrupulous business owners who exploit them through exorbitant pricing practices. However, if MRP is determined unfairly by producers, it will affect consumer purchasing power. Especially if the product was the main need product [16].

The policies of this economic system can be implemented with changes, including This discourse is related to the formulation and implementation of policies related to the advancement of science and technology, as well as policies related to development in the political, economic, and socio-cultural fields.

This goal means not all goods can be set at the highest retail price. Things that are considered less important for daily survival or goods classified as tertiary needs are not given the highest retail price limit. However, for goods that are believed to influence the livelihood of many people, for example, such as the price of fuel oil and medicine, the highest retail price is something that deserves attention to ensure that people can still buy these goods, regardless of their purchasing power and economic level [17].

The entity responsible for determining the maximum retail price (MRP) is the government of a country. The government's application of maximum retail prices includes several forms of government intervention aimed at upholding the constitutional principle of economic sovereignty. The objective of this policy is to achieve price stabilization of a commodity, mitigate price fluctuations, and ensure consumer protection. In this scenario, every individual living in a country will have access to their own needs at an affordable cost [18].

### **The Concept of Pricing in the Islamic View**

In the context of Islam, the government's pricing practices can be referred to as tas'ir. Tas'ir shows linguistic similarity to the term si'r, which indicates the act of setting or ensuring tariffs. The term "sir" used in a market context, particularly concerning pricing, relates to the act of starting a fire. This association stems from the symbolic relationship between fire and augmentation, whereby the act of lighting a fire signifies an increase or increase in value (i.e. price) for a particular good in the environment. What is meant by "Tas'ir" is the final price commonly referred to as the price or price policy in the Indonesian context [19].

In the realm of fiqh terminology, Al-Shukani and Ibn Qudamah emphasize the concept of tas'ir, which is a directive issued by the ruler, a person appointed by the ruler, or a person given the task of administering the government. the affairs of Muslims. This directive instructs merchants not to sell their merchandise unless it is done at a predetermined price. Any changes, wMRPher addition or subtraction, are strictly prohibited. The fundamental purpose of this directive is to improve the welfare and benefit of society.

Islam places great emphasis on the issue of price balance, especially concerning the involvement of the state in achieving price stability and overcoming the problem of price instability. The pricing system in Islam adheres to the principles of Maqashid al-Sharia, which seeks to provide fair profitability and mitigate potential losses for the betterment of mankind. The statement is in line with the principles outlined in the Compilation of Sharia Economic Law on pricing. Based on this compilation, pricing should be carried out properly, taking into account the mutual agreement of all parties. There have been several hadiths explaining the concept of pricing, including three fundamental hadiths relating to this. One of the narrations is the shahih hadith as narrated by Anas bin Malik, while the remaining two narrations are included in Hasan's

hadith. The costs mentioned in these hadiths are consistently attributed to certain conditions, thus requiring price adjustments to be in harmony with those conditions [20].

According to Imam Ibn Taymiyah's explanation, pricing depends on the interaction between the forces of demand and supply. Price fluctuations can be caused by various factors and not solely due to unethical behaviour in transactions. Changes in supply are characterized by variations in the number of goods available for sale, either through increases or subtractions. On the other hand, demand is influenced by the preferences of buyers and their level of wealth. The magnitude of the price increase depends on the magnitude of the shift in the supply and demand curves. If all transactions meet the predetermined conditions, then the price increase that occurs is God's destiny.

The concept of tas'ir itself has a very close relationship with the enforcement of justice. Islam highly upholds fairness in every business conduct as stated in the Qur'an surah an-Nisa verse 29, Allah Almighty said: "O men of faith, do not falsely eat one another's property, except by the way of consensual business among yourselves. and shalt not kill yourselves, verily Allah is merciful to you".

According to Islamic principles, a sale and purchase contract should adhere to the idea of ar-Ridha, which emphasizes the mutual consent and willingness of both parties involved. If one of the parties to the contract is not willing, then there will be injustice. Pleasure becomes a condition for the validity of a contract, when a contract is not realized the conditions then there is tyranny in it and the tyranny must be eliminated. The principle of fairness needs to be observed and one approach to realizing this goal is through government intervention in pricing. By setting a mutually acceptable price, the government aims to reconcile the interests of both parties involved [21].

### Pricing Law in Islam

There is a difference of opinion among scholars about the permissibility of state authority in setting prices. In this case, two circumstances become the main axis in determining the law, namely; First, the situation where the goods are in a normal state, not scarce and the price is not high or the price is high purely due to supply and demand factors, the second is the situation where the goods are at a high price due to the intention of traders and difficult to obtain [22].

The state of the goods is normal

In the first situation most scholars including the four madhhabs stated that it is not permissible for the government to set the price of an item, in which case there is no tyranny. The argument used in this opinion is the general proposition stated in the Qur'an, Surah an-Nisa, verse 29, Allah Almighty says:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوا  
أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

"O men of faith, do not falsely eat one another's property, except by the way of consensual business among yourselves. and shalt not kill yourselves, verily Allah is merciful to you."

The postulated side used is that because humans are entitled and responsible for all their property, while this tas'ir can suppress them, the government must maintain and provide benefits to the community, but the benefits related to hart aini vary between individuals, so the better benefit is not to set a price but to free the community to benefit as long as there the business actors are equally pleased [23].

The second postulate underlying this viewpoint relates to the hadith of the Nabi Muhammad, in which he refused to set a price. This is referred to in a hadith narrated

by six prominent hadith scholars, except Imam Nasa'i, as documented by Anas bin Malik: "It was said at that time: "O Messenger of Allah, prices (at that time) have increased, so set a price for us." The Nabi Muhammad said: "Verily Allah is the judge, He is the examiner, giver and preserver. Indeed, I hope to meet my Lord Diana, one of you who will not sue me for tyranny in matters of blood and property".

As well as the hadith narrated by Abu Daud and Baihaqi from Abu Hurairah:

وَعَنْ أَبِي هُرَيْرَةَ: "أَنَّ رَجُلًا جَاءَ فَقَالَ: يَا رَسُولَ اللَّهِ سَعَّرَ، فَقَالَ: بَلْ أَدْعُو، ثُمَّ جَاءَهُ رَجُلٌ فَقَالَ: يَا رَسُولَ اللَّهِ سَعَّرَ، فَقَالَ: بَلِ اللَّهُ يَخْفِضُ وَيَرْفَعُ، وَإِنِّي لَأَرْجُو أَنْ أَلْقَى اللَّهَ وَلَيْسَ لِأَحَدٍ عِنْدِي مَطْلَمَةٌ"

Abu Hurairah narrated that a man came and said: O Messenger of Allah, mention the price! Then he said: "It is Allah who humbles and exalts. And I hope to meet God without committing tyranny against anyone".

The argument used in these two hadiths is that in the hadith it is clear that the Nabi Muhammad (peace be upon him) refused to give the asking price, which at that time the price was rising, therefore even more so if under normal price conditions, it is stronger for the prohibition. Ibnu Qudamah states that some scholars argue that *tas'ir* is the cause of the high price of an item; Because it could be that the price that has been set is not following the wishes of the seller and buyer, so it could be that the seller feels the price is too low and finally offers to people who are in need until he can sell it at a higher price, and from the side of buyers who want to get the price as set will find it difficult to get the item [24].

The state of the goods is not normal due to the intention of the merchant

In the second situation, namely, the state of an item is at a high price and difficult to obtain. Some scholars forbid the role of the state to set prices, while others allow and even require the state to set prices. The difference of opinion is based on how charity with the *zahir* daily appears to be the origin of a proposition and the method of *maslahat mursalah*, with the following explanation:

a. It is unlawful for the government to set the price of an item. This opinion is the opinion of most Malikiyya scholars, Shafi'iyah and Hanabilah. And this was also chosen by Imam al-Shaukani. The argument used is the generality of the verse in Surah an-Nisa verse 29 and the hadith of Anas bin Malik and Abu Hurairah as mentioned earlier, and also logically. They argue that these postulates cover all circumstances. Imam al-Muzani stated that *tas'ir* can restrain a person from freely using his property, even though the origin of sharia is the right of full ownership of property and goods by the owner, and including the right is freedom in selling goods owned at the desired price. While this *tas'ir* forces a person to sell the goods he has at the price he expects and wants and this includes tyranny [25].

b. It is permissible for the government to set the price of an item. This opinion is not permissible, there are conditions so that the price determination is allowed, namely the existence of *hajjat* and benefits that require it. The need for *tas'ir* is due to the avoidance of tyranny in the contract and the realization of justice and the problem of *mursalah*. This opinion is held by Hanafi scholars, some Maliki scholars as well as contemporary scholars of Imam Ibn Taymiyyah and Ibn al-Qayyim. According to Hanafi and Malikiyah scholars, if the high price of an item is intentional by the seller to cause other sellers to also increase the price of the item, then in this situation the government may set the price. According to some Shafi'iyah scholars it is on the condition that the item is scarce it is difficult to obtain, but it is better not to do it. Imams Ibn Taymiyyah and Ibn al-Qayyim argued that it is required for the government to set the price of an item if the goal is to realize justice in it and emergencies [26].

Regarding the hadith of Anas ibn Malik and Abu Hurairah, Imam Ibn Taymiyyah in major fatwa explains that the hadith comes for special circumstances where the high price of goods is not due to the merchant's desire to reap profits so high that tas'ir in such circumstances is forbidden, making it the basis for the determination of tas'ir in every circumstance is a mistake, and this is also the opinion of *jumhur ulama*.

The reason the Nabi Muhammad SAW did not set the price at that time was that at that time many people included there were the companions of the Nabi Muhammad, where were the best class of people, fearful of Allah SWT, so the Nabi Muhammad SAW only reminded that Allah is the one who restrains and gives sustenance so that they can determine for themselves how they reconcile in that situation with their piety. As for today, where there are so many differences in human conditions, there is a lot of corruption, and bad deeds in muamalah cannot be equated with the situation in the time of the Nabi Muhammad (peace be upon him). Imam Ibn al-'Arabi explained the hadith; what the Nabi Muhammad said was the right word, and what the Nabi Muhammad did was a law, but it should be noted that the people who are mentioned in the hadith are people who are strong in faith in their Rabb, they transact for not only seeking wealth but also gaining pleasure from Allah, in contrast to this era where the purpose of transacting is only to seek wealth [27].

From the explanation of the opinion of scholars related to price administration, namely tas'ir, the strongest opinion in this matter is as follows:

1. Tas'ir is prohibited under normal or rising prices purely due to demand and supply factors.
2. Tas'ir is allowed if some traders increase the price of goods that are likely to affect market prices.
3. Tas'ir is obligatory for the government in some circumstances, the first condition of *halatu al-ihtikar* is if there is a hoarding of goods that are basic human needs. The second circumstance of *halatu at-tawathu* is if most traders who influence market conditions agree to engage in the practice of selling a commodity at a high price to obtain a large financial profit, or to build collective understanding among potential buyers where they refrain from acquiring the commodity unless a mutually agreed price is reached but the price causes losses to traders. The third condition of *halatu al-hash* is that if producers or providers of goods will not sell except to certain people such as suppliers of special goods or certain supermarkets, then in this situation the government must set the price of an item also accompanied by monitoring to all parties, both producers, traders and consumers [28].

### **Pricing Mechanism**

In determining the price of goods, there needs to be a good mechanism so that there is no tyranny against business actors both from producers and consumers, there needs to be communication from experts in the field of market, either the minister of trade or experts who are experienced and competent in it. The goal is to be able to know the state of the market, the state of goods to be determined by pricing, the state of demand, and the state of supply, and also the effect of the price determination on other goods and what the conditions of producers and consumers will be if the determination is applied without prioritizing one side. Regarding the mechanism for reviewing fairness related to market prices, Abu al-Walid al-Baji (a judge from Andalusia who is respected by the community) explained that it is appropriate for the government to review the actual state of the market by presenting business actors, producers and consumers, who then ask how they sell the goods and how they buy the goods so that they can then be reviewed and given a price determination that is fair and has benefits for Both parties are pleased with each other at the price [29].

So there needs to be a meeting that brings together several parts:

1. The government, either through its minister or, in this case, the minister of trade.
2. Representatives of workers in the procurement of goods, or producers, or owners of goods.
3. Representatives of goods dealers, be they hawkers or wholesalers.
4. Representatives of consumers who purchase and use goods.

The purpose of the meeting is not to set the desired price for one of the parties but to review the state of the goods. The price set is a fair price, that is, the seller still gets his right, which is still a profit, but a reasonable profit, in addition, consumers have the opportunity to obtain the desired merchandise at an affordable cost. By reviewing this, it could be that the price of the item remains high because it is influenced by demand and supply factors while the item is indeed scarce [\[30\]](#).

### **Political and Economic Relations**

Political science and economics are two different disciplines that fall under the umbrella of social sciences. The link between political science and power is obvious because political science includes the study of systems and institutions of government, which are essential for establishing and maintaining authority within a state or society. This authority is very important in influencing the behaviour of individuals in society.

Before its present form, the field of economics was largely based on the discipline of political economy. Political economy is one of the constituent elements of philosophy. Undoubtedly, the evolution of political economy is closely linked to John Stuart Mill's intellectual contributions, particularly through important publications, most notably, the "Principles of Political Economy". This literary work explores various important topics that are fundamental pillars for the advancement of economic growth. Among them are the theory of value and distribution, exchange mechanisms, production dynamics, labour dynamics, functions of government entities, tax policy, state debt, and the ideology of socialism. One important difference between political economy and purely economic approaches lies in their respective perspectives regarding the power dynamics inherent in human society.

According to the principles of political economy, the distribution of power in a society has a significant impact on its economic outcomes. In contrast, a purely economic perspective views existing power structures as beneficial and beneficial aspects of an individual's life. Political economists developed the idea of the need to stimulate economic (business) activity. The market at that time was considered undeveloped, so the government was responsible for opening new businesses, protecting from competition, and monitoring product quality. By the end of the 18th century, however, this view was challenged, the perception of government as an effective institution in regulating economic activity diminished, and the growing view that government hindered success. Discourse among political economists eventually gave rise to various branches within the tradition of political economy [\[31\]](#).

The evolution of the Indonesian economic system is closely related to the contribution of Indonesian economic intellectuals. Indonesia has many prominent economic figures who have exerted a significant influence on the evolution of the country's economic framework. Many economic figures in Indonesia gave their thoughts on the Indonesian economic system. Each period of leadership in Indonesia has its economic system until finally policies are implemented [\[32\]](#).

Indonesia's economic system can be classified into two main epochs: the pre-independence era and the independence era. This historical period has had a significant impact on Indonesia's current political economy policy:

### **The period before independence.**

The period before independence can be categorized into two distinct periods: the pre-colonial era and the era of colonialism. The precolonial period refers to the period starting from the establishment of kingdoms in the archipelago, which occurred approximately in the 5th century, from the 15th century to the 17th century, the archipelago experienced the rise of colonizers who exercised systematic control over economic and political areas. At that time there was no formation of the Indonesian nation. Kingdoms often exercised power over various territories. According to Van Leur, trade in the era of traditional empires can be characterized as political capitalism, where the involvement of significant kings exerts a large influence on commercial activity. During Srivijaya's time, there was a significant increase in international trade between East Asia, West Asia, and Europe, which marked a period of prosperity and growth. The acquisition of wealth by kings and nobles was facilitated through the collection of some tribute and taxes. Certain types of products have no protection due to their dependence on a large number of ships crossing a particular territory for profit.

Undoubtedly, the kings in Sumatra gained power and raised money through trade, but in Java, the acquisition of power and accumulation of wealth came mostly from agriculture and trade. During the pre-colonial era, commercial shipping was a major force in maritime trade. Nevertheless, it can be said that agriculture and trade have a significant impact on Indonesia's economic progress in various regions. To be clear, the prevailing system of government can be feudal, where the social framework is dominated by the nobility. During this period, the main economic activity rotates:

- a. One example of agricultural practice in Indonesia is rice cultivation in Java and spice production in Maluku.
- b. Investigation and utilization of natural resources, such as marine products and mining materials, for various purposes.
- c. International and inter-island trade is important because it is largely dependent on sea transportation routes.

Furthermore, the period of colonialism was before Indonesian independence. The Netherlands, whose reign lasted 350 years, implemented several systems that continue to survive today. The Dutch, who adhered to the ideology of mercantilism at the time, authorized the VOC to administer the Dutch East Indies in an attempt to avoid competition between Dutch merchants, as well as competition with other imperial companies such as the EIC (England). The VOC acquired rights to Octrooi, which included, among other things:

- a. Right to issue currency.
- b. The right to recruit and fire personnel.
- c. The prerogative to determine economic war and peace.
- d. The privilege of negotiating a treaty with the king.

The Dutch East Indies government was motivated to change its economic policy because of the influence exerted by Dutch humanists who sought to improve the welfare of the indigenous population. Legislative measures were put in place to regulate some aspects of agriculture, including land leasing. Land ownership in the Dutch East Indies government was marked by the existence of private parties operating private plantations representing the capitalist class, while the indigenous people mostly played the role of landless workers. The application of the principle of absolute profit implies that when the price of goods in a place exceeds the labour costs necessary for production, furthermore, entrepreneurs will make a large profit, thus encouraging the entry of factors of production into the region. Fundamentally, this system is ineffective in

improving the welfare of indigenous peoples, while exacerbating their misery, especially for contract workers who often face substandard conditions [33].

### **Independence Period**

In the period of independence under the leadership of Ir. Soekarno, the Indonesian people adopted an economic democratic system based on Pancasila and the constitutional framework outlined in the 1945 Constitution. Therefore, all community and government efforts must be based on the principles of Pancasila and the 1945 Constitution. The merger of Pancasila and the 1945 Constitution was important for the establishment of the Indonesian economic system. In the context of an economic democratic system, all members of society, both underprivileged groups and entrepreneurs, collectively and actively strive to realize the progress and welfare of the nation. In addition, the state also plays a role in planning, coaching, and directing economic activities. Therefore, collaborative and reciprocal relationships are established between the government, the private sector, and the community. This method remained in effect until the Reformation era. After this time, the government implemented an economic framework based on a collective economy. In this case, the government is firm in its efforts to build a socio-economic framework that prioritizes public welfare. This goal was realized by the enactment of the Decree of the People's Consultative Assembly of the Republic of Indonesia Number IV/MPR/1999 which contains basic principles that guide state policy. In particular, this decision expressly declares Indonesia's economic system centred on the interests and welfare of the people. Within the socio-economic framework, the community plays an active role in economic efforts, while the government fosters a conducive climate for the expansion and progress of the business world.

During independence, Indonesia was heavily influenced by the economic ideology that permeated its economy. This ideology encompasses various economic systems, namely capitalism, socialism, mixed economy, and Islamic economics [34].

a. The ideology of the Capitalist Economic System, commonly called Capitalist Liberalism. In the middle of 18, liberalism emerged, namely economic activity that is focused on self-interest, "freedom to act, freedom to act", want freedom and reject restrictions. This ideology sees that the interference of the State or government will only cause conflict and setbacks. However, with this liberalism, the State still has a role, namely as a deterrent to market failure and as a place of cooperation that provides benefits to each other. However, in its development, it poses a danger, namely the emergence of the bourgeoisie adhering to the capitalist system that takes away the freedom of property rights. The impact of capitalism is the hoarding of goods, unemployment everywhere, world crises occur repeatedly, and there is destitution at all levels of society.

b. The ideology of the economic system of socialism commonly called Socialism Communism has not long existed for about a century and a half. Janet argues that socialism is a teaching that the State has the right to give wealth inequality and the right to do equality according to law, by giving rights to people who are excess and to people who are lacking. Some developments of Marxism came and became the handle of socialists, Karl Marx who became a figure who was able to abolish individual property rights and remove all inheritance rights. And concentrate all the power of economic needs and means of production centralized to the State. To achieve what it wants, socialism resorts to violence following a radical and revolutionary strategy that knows no boundaries, the limits of decency rest on proverbs: "To achieve this goal, various approaches can be used, including permissible (halal) and impermissible (haram) procedures.

This particular economic system can be regarded as a mode of resistance to previous economic systems, especially the capitalist economic system. The capitalist economic

system has been criticized for not being able to produce a fair distribution of social benefits. In addition, indigenous entrepreneurs often face challenges in competing with non-indigenous entrepreneurs, especially those from China. Ultimately, this particular framework further exacerbates the economic challenges facing Indonesia. The socialist economic system differs from the capitalist economic system by leaving the full management of the economic cycle to the prevailing market dynamics. Within the framework of a socialist economy, the state has an important role in supervising and regulating economic activities throughout the socio-economic chain, from the initial stage to the final stage. A socialist economic system does not mean that individuals are not free to operate economically, individuals still have freedom to carry out economic activities, but they are very limited and subject to widespread government interference. Governments intervene to jointly achieve societal prosperity, but on the other hand, restrictions on individual property rights have been observed to have a detrimental impact on individual innovation, as suppression of the entrepreneurial spirit by government authorities tends to obscure efforts to achieve common wealth. Socialist economic systems hold that the well-being of individuals depends on the well-being of society. Therefore, the result means that the control and ownership of economic assets and existing elements of production are largely social assets.

c. The ideology of a mixed economic system or the so-called Pancasila Economy. The main purpose of the establishment of the Pancasila economic system is to improve the welfare of all Indonesian people, especially the lower middle class. For this reason, the Pancasila economy is also often referred to as a people's economy. The Pancasila economy also upholds the noble values of Indonesian Bangsa, including kinship and cooperation. The concept is elaborated in Article 33 paragraph 1 of the 1945 Constitution which expressly affirms that the economy is organized as a cooperative effort based on a sense of kinship. One of the efforts carried out based on kinship with this principle is a cooperative with a Pancasila economic system that does not want the prosperity of one person but the prosperity of the entire community. And with the existence of this cooperative organization, it is expected to create prosperity and kinship [35].

In terms of finance, the Pancasila economic system is not very profitable, but this economic system is more humane and ethical because the Pancasila economy prioritizes social factors, justice and brotherhood. In addition to natural economics and moral economy, the Pancasila economy also has normative guidelines which are both of the ideals of the Indonesian nation. The policies of this economic system can be implemented with changes, including Policies related to progress in the fields of science and technology, political development, economic development, and socio-cultural development.

With these ideologies in Indonesia, the policies made by the Indonesian government tend to adhere to a mixed ideology/Pancasila because the ideology is the result of the meeting of two ideologies which are then processed with social and cultural perspectives in Indonesia. Finally, in terms of determining and revoking the highest retail price of cooking oil, it was carried out based on the ideology of Pancasila which was also aligned with Islamic ideology.

### **Basic Concepts in Political Economy**

The basic concepts of political economy include:

1. The concept of power in political economy deals with the examination of individuals or entities that influence an economic system, as well as the way that power is used to regulate and allocate economic resources.

2. The field of political economy examines various economic systems, including capitalism, socialism, and mixed economies, and analyzes their impact on the allocation of economic resources.

3. Public policy is a subject in the field of political economy that examines the impact of various government actions, including taxation, subsidies, regulations, and monetary policy, on both the economy and society.

4. The field of political economy examines the function of the market, which includes aspects such as competition, pricing mechanisms, dynamics of supply and demand, and the impact of markets on policy-making and allocation of economic resources.

5. The concept of social class is a major focus in the field of political economy, as it explores the influence of various social groups on the economy and the impact of economic resource allocation on issues of inequality and social injustice.

6. The field of political science examines various determinants of economic growth, including investment, technology, and social welfare. In addition, the study explores the interrelationships between economic growth and economic policy formulation and resource allocation.

7. The field of political economy investigates the influence of the economy on the environment and explores ways in which policies can facilitate sustainable development.

The basic principles of political economy facilitate an understanding of the functioning of economic systems and the potential influence of public policy on the economy and society. Every democratic country always has electoral competition determines economic policymakers, the motivation of these participants is very influential in making economic policies so that this is one of the objectives of participating in electoral competition [36].

Indonesia is a country that makes the 1945 Constitution as the basis of its laws into a legal state led by the president, the Preamble of the 1945 Constitution explains the objectives of the implementation of the Indonesian state which includes the welfare of all Indonesian citizens and the development of economic welfare as widely as possible. Among the legal products produced as a realization of the protection of all Indonesian people, in this case, the economy, namely those listed in articles 23, 27, 28, 31, 33 and 34. One article, article 33, explains the rules of community economic governance, while the other five explain the state's obligation to socialize with its people.

With the scarcity of cooking oil due to the alleged cooking oil price cartel in Indonesia which caused prices to double, the Government needs to have a policy to control the production and price of this product [37].

The increase in cooking oil prices that occurred towards the end of 2023 is still a big concern for the public, especially in the context of Indonesia. In response to the increase in cooking oil prices, the Indonesian government has taken steps through the Ministry of Trade, especially the enforcement of regulations Harga Eceran Tertinggi (MRP) related to cooking oil. Requirements related to Domestic Market Obligations (DMO) and Domestic Price Obligations (DPO) are implicitly stated in Minister of Trade Regulations Number 1 of 2024 and Number 3 of 2024 issued by the Ministry of Trade. However, after careful analysis, the existing law has not achieved an optimal level of effectiveness in ensuring cooking oil price stability and consistent affordability for consumers, Permendag No. 6 regulates the highest retail price of palm oil. Initially, there was hope that the implementation of this policy would have an impact on reducing the price of cooking oil, which is currently experiencing a significant increase. However, the desired results did not come to fruition, and instead, a new difficulty

arose in the form of a shortage of cooking oil. Although certain people buy cooking oil, it can be seen that they get it at a higher price than the maximum retail price stipulated in the Minister of Trade Regulation Number 6 of 2024.

Given the limited access to cooking oil, the Government has just issued Minister of Trade Regulation Number 11 of 2024. The regulation includes the repeal of Minister of Trade Regulation Number 6 of 2024 and stipulates a two-component structure in the regulation of cooking oil. Setting the retail price of cooking oil, the price of packaged cooking oil can change at any time, however, the price of bulk cooking oil is determined by the prevailing retail price, set at a fixed rate of Rp 14,000 one litre or Rp 15,500 one kilogram. To prevent the release of cooking oil through the Domestic Market Obligation (DMO) and Domestic Processing Obligation (DPO), the government abolished the maximum retail price of packaged cooking oil. In addition, the Government of Indonesia also actively monitors price fluctuations in the conventional market, as well as retail prices in the cooking oil market [\[38\]](#).

The cause of cooking oil scarcity in Indonesia is generally caused by producers who reduce the marketing of cooking oil in the country, where the price of cooking oil in the global market is falling. The situation of the COVID-19 outbreak that has not yet ended also explains the phenomenon of cooking oil scarcity. Komisi Pengawas Persaingan Usaha (KPPU) has conducted research showing cartel activity in most cooking oil markets in Indonesia. The study's findings revealed a concentration rate of 46.5% per year, attributed to the operations of four leading companies. KPPU suspects indications of collusion between these commercial entities. This suspicion arose towards the end of 2023, along with the increase in cooking oil prices which soared from IDR 12,000 for one litre to IDR 20,000. The implementation of government policy in setting the maximum retail price of cooking oil resulted in the loss of all commercial enterprises. As a result, the market value of cooking oil decreased and its availability decreased significantly. After the highest retail price policy was lifted, these products returned to the market, accompanied by a sharp price increase of up to Rp 25,000 for one litre. The existence of an agreement between business entities raises suspicions in KPPU regarding the potential for collusion between cooking oil industry business actors in Indonesia.

The act of increasing prices and hoarding goods violates the provisions of Article 107 of Law No. 7 of 2014 concerning hoarding. The increasing price of cooking oil has a significant influence on various traders, including traders who sell fried foods and basic food products. Rising cooking oil prices are expected to cause inflationary pressures, causing a scarcity in the food industry and other sectors that depend on cooking oil as the main raw material. The increase in cooking oil prices not only has a significant impact on society but also has an impact on corporations. The current situation cannot be separated from the surge in market demand that exceeds the available supply of cooking oil. The inability to increase the circulation of cooking oil is mainly due to the high price of cooking oil. The phenomenon of price increases arises because it adheres to the capitalist economic ideology which holds that demand is directly correlated with consumer desires. This justification of the worldview is untenable because of the infinite nature of human desires, which fundamentally tend to develop, in contrast to the eternal and essential nature of human needs. Therefore, the implementation of societal and institutional mechanisms, including law enforcement, is a must to meet these needs. Lack of openness in the determination and enforcement of Harga Eceran Tertinggi (MRP) cooking oil in Indonesia has resulted in reduced public trust in the government [\[39\]](#).

Indonesia, as a country that firmly upholds the idea of Pancasila, has made Pancasila an exclusive guideline in various fields, both social, governmental, and national. This ideology implies that all aspects of community involvement, including in the economic realm, must be in line with the development of values and principles outlined in

Pancasila. The impact of these outcomes goes beyond social impacts and also includes government action. The implementation of each precept in Pancasila is the driving force of the nation's economic life guided by an ethical perspective, economic life based on social principles of justice and justice based on humanity, the economy of the nation and state which aims to show a resilient economy. The nation, economy and national spirit for unity and unity build a business model based on family values, economic justice, and social justice for all Indonesian people. Justice can be achieved through fair economic power to control the process. The Indonesian government has sufficient power to make this happen and must develop policies to maintain economic stability in Indonesia. Political economy is achieved only to create benefits in society.

The government's goal as evidenced by the results of the Minister of Trade's policy is to realize the ideology of Pancasila which ultimately aims to realize justice for the people of Indonesia. This goal is achieved through the implementation of Minister of Trade Regulations Number 1 and Number 3 of 2024. The regulation primarily aims to ensure the availability of plain packaged cooking oil for the community, while still operating within the financial framework set by the palm oil fund manager. The main purpose of this law is to ensure the accessibility of cooking oil at a price that is affordable to consumers. Furthermore, Minister of Trade Regulation No. 6 also regulates the determination of the highest retail price of palm vegetable oil, to maintain price stability and predictability. The implementation of maximum retail prices can be the first step to creating price stability throughout the community, thus facilitating the accessibility and availability of cooking oil to be obtained and stored by the community [40].

However, with the enactment of the maximum retail price law, certain individuals practice hoarding products as a means to manipulate prices to fall. The government recently abolished the maximum retail price of cooking oil and implemented a special policy, as outlined in Trade Minister Regulation Number 11, to provide subsidized bulk cooking oil. This step aims to ensure consumers can still buy cooking oil at affordable prices. The abolition of the highest retail price policy has improved KPPU's ability to detect indications of hoarding behaviour and facilitate product availability. This objective is achieved through the application of diverse pricing tactics in promotional initiatives at various time intervals, in addition to facilitating communication and holding meetings between competing associations.

The government has implemented policies outlined in Minister of Trade Regulation No. 33 and 49, to manage the bulk cooking oil program effectively. This initiative is a continuation of the subsidy program stipulated in the Minister of Trade Regulation No. 11 of 2024. The main objective is to maximize available resources and ensure wide accessibility to affordable bulk cooking oil throughout Indonesia. Islam adheres to the principle that the government of society should be overseen by a ruling authority, whether in the form of government, monarchy, or caliphate, similar to the history of the era of the Companions. Execution of economic policies carried out by the government aimed at establishing and eliminating (MRP) cooking oil is in line with Islamic beliefs and teachings. The proper determination and restoration of the retail price of cooking oil must take into account the interests of the community, in line with the principle of al-maqashid al-shari'ah which seeks to protect the welfare and property of the community.

The pricing technique applied by the Indonesian government does not seem to contradict the teachings of the Nabi Muhammad (PBUH) because he is known to disapprove of price fixing. This particular reference is found in hadith literature, as documented by six prominent hadith scholars, except Imam Nasa'i. The narrative in question comes from Anas bin Malik:

قَالَ النَّاسُ: يَا رَسُولَ اللَّهِ، غَلَا السِّعْرُ فَسَعِّرْ لَنَا. قَالَ رَسُولُ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ: إِنَّ اللَّهَ هُوَ الْمُسَعِّرُ الْقَابِضُ الْبَاسِطُ الرَّازِقُ، وَإِنِّي لَأَرْجُو أَنْ أَلْقَى اللَّهَ وَلَيْسَ أَحَدٌ مِنْكُمْ يُطَالِبُنِي بِمَظْلَمَةٍ فِي دَمٍ وَلَا مَالٍ

“It was said at that time: "O Messenger of Allah, prices (at that time) have increased, so set a price for us." The Nabi Muhammad said: "Verily Allah is the judge, He is the examiner, giver and preserver. Indeed, I hope to meet my Lord Diana, one of you who will not sue me for tyranny in matters of blood and property.”

The application of the pricing mechanism in Islamic teachings is carried out following the principles of al-Maqashid al-Sharia, to guarantee profits and minimize losses for individuals. If Nabi Muhammad (peace be upon him) sets prices without delay during the period, this could potentially disrupt the functioning of market processes. Under certain conditions, al-Maqashid al-Sharia quotes justify the application of price fixing as an attempt to preserve profits by countering market price distortions, thus preventing real mafsadah and losses.

According to Imam Ibn Taymiyyah and Ibn Qayyim, the government plays an important role in enforcing market mechanisms because it possesses political power. In cases where product prices increase unfairly, the government needs to establish appropriate regulations to maintain the integrity of market mechanisms.

This government policy is in line with the principles contained in the Quran, namely Surah an-Nisa verse 29 which is decreed by Allah the Exalted: “O men of faith, do not falsely eat one another's property, except by the way of consensual business among yourselves. and shalt not kill yourselves, verily Allah is merciful to you.”

Following Islamic teachings, it is decreed that the sale and purchase agreement is held by adhering to the principle of ar-Ridha, which emphasizes the mutual agreement and willingness of the parties involved, if one of the contract actors does not have a willingness, then it is a tyranny, so justice must be upheld and one way is by fixing prices by the government to be able to negotiate the desired price and achieve the wishes of both parties. The Indonesian government's adherence to Islamic ideology in political economy is further strengthened by the presence of fiqh principles which explain that loss prevention and mitigation (mafsadah) takes precedence over pursuing benefits (maslahah). This approach is very important in maintaining the integrity of market mechanisms because failure to maintain the integrity of market mechanisms can result in adverse consequences. Increasing public scepticism of the Indonesian government raises concerns that harm the government. Misunderstandings about government policies stem from the limited public understanding of the initial description of events and the lack of transparency of the government in disseminating accurate information about the actual events [\[41\]](#).

## CONCLUSION

The conclusion of Islamic business ethics in the context of handling the food crisis and the high rise in cooking oil prices emphasizes moral principles and fairness in business actions. In Islam, business is not only seen as a means to seek profit per se but also as a way to benefit society as a whole. In a situation of food crisis and rising cooking oil prices, Islamic businesses are expected to take socially and economically responsible measures. First, Islamic business ethics emphasizes the importance of fairness in the distribution of resources. In the context of the food crisis, Islamic businesses are expected to ensure that food is adequately available and affordable to all levels of society. This can be done through strategies such as providing affordable food products, providing assistance to communities in need, and participating in hunger relief programs. Second, Islamic business ethics teaches the importance of transparency and honesty in doing business. In the context of rising cooking oil prices, Islamic businesses are expected to avoid speculative or manipulative practices that can harm

consumers or society in general. They are expected to provide clear information about product prices and availability, as well as guard against abuses of market power that can result in economic injustice. Third, Islamic business ethics encourages the importance of concern for the general welfare. In crises, Islamic business people are expected to prioritize the needs of society over personal or corporate interests. They can involve themselves in philanthropic efforts, make donations to organizations working to address the food crisis or invest in projects aimed at improving food security. Overall, Islamic business ethics teaches that in the face of food crises and rising cooking oil prices, businesses have a moral responsibility to act fairly, and transparently, and care for the common good. By promoting these values, it is hoped that business can be part of the solution to overcome the challenges faced by society.

### Acknowledgements

Thank you for your cooperation so far, until this scientific writing is completed, there are no obstacles whatsoever.

### Author Contribution

All authors contributed equally to the main contributor to this paper, all authors read and approved the final paper, and all authors declared no conflict of interest.

### Conflicts of Interest

All authors declare no conflict of interest.

### REFERENCES

- [1] P. Subekti, H. Hafiar, F. A. A. Prastowo, and D. Masrina, "Development of entrepreneurial interest in business actors through communication strategies in Pangandaran," *J. Kaji. Komun.*, vol. 10, no. 1, p. 39, 2024, <https://doi.org/10.24198/jkk.v10i1.36039>
- [2] S. Yahaya and Siti Syuhadah Mohamad, "Factors Influence The Acceptance Of Al-Rahn Among Entrepreneurs," *Acad. Entrep. J.*, vol. 25, no. 2, pp. 1–6, 2019. [Online]. Available: <https://www.abacademies.org/articles/Factors-influence-the-acceptance-of-al-rahn-among-entrepreneurs-1528-2686-25-2-232.pdf>
- [3] A. B. Bhuiyan, A. G. Ismail, A. H. M. Noor, M. Solaiman, and M. J. Ali, "The Islamic Economics Philosophy and Application Reality in the Existing Islamic Economic Activities in the World," *Int. J. Shari'ah Corp. Gov. Res.*, vol. 3, no. 2, pp. 25–39, 2020, <https://doi.org/10.46281/ijscgr.v3i2.850>
- [4] M. A. Ramadhaniah, "the Role of Tourism in the Indonesian Economy," *J. Ris. Pembang.*, vol. 2, no. 2, pp. 98–113, 2020, <https://doi.org/10.36087/jrp.v2i2.60>
- [5] M. Rusli and I. Khullatil Mardiyah, "The Urgency and Revitalization of the Development of the Economic System in Indonesia Through the Management of the Scientific Approach of Fiqh Pesantren," *Profetika J. Stud. Islam*, vol. 24, no. 02, pp. 244–258, 2023, <https://doi.org/10.23917/profetika.v24i02.2160>
- [6] B. W. P. Muhammad Diaz Arda Kusuma, "Deconcentration Funds: Redistribution and Economic Growth in Indonesian Provinces," in *The 19th Malaysia Indonesia International Conference on Economics, Management and Accounting (MIICEMA)*, 2018, pp. 1689–1699. [Online]. Available: <https://feb.untan.ac.id/wp-content/uploads/2023/01/4.pdf>
- [7] M. P. Update, "Oilseeds, oils & meals," no. 162, 2023. [Online]. Available: <https://www.fao.org/3/cc4045en/cc4045en.pdf>
- [8] A. Fathin, "Indonesia's Cooking Oil Crisis," *Psychol. Psychol. Res. Int. J.*, vol. 7, no. 2, 2024, <https://doi.org/10.23880/PPRIJ-16000299>
- [9] F. Baso, A. Yaqub, A. N. M. Djaoe, and A. L. Diab, "Power Oligarchy: The Game of Cartel in Cooking Oil Scarcity," *J. Penelit. Huk. Jure*, vol. 22, no. 3, p. 361, 2024, <https://doi.org/10.30641/dejure.2024.V22.361-370>
- [10] Supriadi and W. Abdullah, "Implementation of Islamic Business Ethics in Small," *Journal.Uin-Alauddin*, pp. 148–154, 2019. [Online]. Available: <https://journal.uin-alauddin.ac.id/index.php/Iqtisaduna/article/view/11824>
- [11] N. Kurnia Putra, A. Amrin, M. M. Abu Zinah, M. Masuwd, and S. Subhan, "Consumption from an Islamic

- Economic Perspective: Study of Quranic Verses on Consumption,” *Demak Univers. J. Islam Sharia*, vol. 1, no. 01, pp. 37–45, 2023, <https://doi.org/10.61455/deujis.v1i01.21>
- [12] S. Daly and M. Frikha, “Islamic Finance: Basic Principles and Contributions in Financing Economic,” *J. Knowl. Econ.*, vol. 7, no. 2, pp. 496–512, 2016, <https://doi.org/10.1007/s13132-014-0222-7>
- [13] A. H. M. Bashir, “Property Rights, Institutions and Economic Development: An Islamic Perspective,” *Humanomics*, vol. 18, no. 3, pp. 75–91, 2002, <https://doi.org/10.1108/eb018877>
- [14] Menteri Perdagangan Republik Indonesia, “Peraturan Menteri Perdagangan Nomor 6 Tahun 2024 tentang Penetapan Harga Eceran Tertinggi Minyak Goreng Sawit,” *Jar. Dokumentasi Dan Inf. Huk. Menteri. Perdagang. Republik Indones.*, no. 6, pp. 1–9, 2024, [Online]. Available: <http://jdih.kemendag.go.id/peraturan/detail/2198/2>
- [15] M. Muhsin, Rizka, Muthoifin, “Politik Ekonomi Pemerintah Indonesia Dalam Menetapkan dan Mencabut Harga Eceran Tertinggi Minyak Goreng Perspektif Ekonomi Syariah.”, 2023. [Online]. Available: [file:///C:/Users/ADVAN/Downloads/18.+Muhammad+Muhsin+\(1026-1034\).pdf](file:///C:/Users/ADVAN/Downloads/18.+Muhammad+Muhsin+(1026-1034).pdf)
- [16] Isharyanto, “Penetapan Harga Eceran Tertinggi Komoditas Pangan sebagai Hak Konstitusional dalam Perspektif Negara Kesejahteraan Determination of the Highest Retail Price of Food Commodities as a Constitutional Right in Welfare State Perspective,” *Consrev.Mkri.Id*, vol. 15, no. 3, p. 525, 2018, <https://doi.org/10.31078/jk1534>
- [17] A. Agusti, *Penetapan Harga Eceran Tertinggi (MRP) Pada Harga Minyak Goreng Ditinjau Menurut Fiqih Muamalah*. 2020. [Online]. Available: <https://repository.uin-suska.ac.id/71758/2/SKRIPSI%20AFRIZAL%20AGUSTI.pdf>
- [18] B. Rachman, A. Agustian, and A. Syaifudin, “Impacts of Rice Ceiling Price Policy on Paddy Farming Profitability,” *Anal. Kebijak. Pertan.*, vol. 17, no. 1, pp. 59–77, 2017. <https://doi.org/10.21082/akp.v17n1.2019.59-77>
- [19] D. Baharuddin, “Tas’ir dalam Perespektif Maqashid Al-Syariah,” *Fak. Syariah dan Ekon. Islam IAIN Ambon*, 2017. [Online]. Available: <https://core.ac.uk/download/pdf/229360736.pdf>
- [20] A. Teguh, M. Ramdan, F. Encep, and A. Rojak, “Dalam Jual Beli di Rumah Makan Prasmanan (Studi Kasus di Warteg Lingkungan Kampus UNISBA) Against The View of Islamic Law Different Pricing in The Sale and Purchase in Eating Buffet (Case Study at Campus Environment Warteg UNISBA) di pasaran secara um,” pp. 1068–1072. [Online]. Available: [https://karyailmiah.unisba.ac.id/index.php/hukum\\_ekonomi\\_syariah/article/view/13604](https://karyailmiah.unisba.ac.id/index.php/hukum_ekonomi_syariah/article/view/13604)
- [21] N. Hakim, B. M. Ahmad Muhammad Hamad Al-Nil, and M. S. Mubarak Bin Humaid, “Ethics of Buying and Selling Online Sharia Economic Perspective: Study of the Concept of Iqâlah,” *Demak Univers. J. Islam Sharia*, vol. 1, no. 01, pp. 18–26, 2023, <https://doi.org/10.61455/deujis.v1i01.22>
- [22] K. A. Kusuma, “The Concept of Just Price in Islam: The Philosophy of Pricing and Reasons for Applying It in Islamic Market Operation,” vol. 102, no. If, pp. 116–123, 2019, <https://doi.org/10.2991/icaf-19.2019.19>
- [23] Z. Amal, “Hukum Tas ’ Ir Dalam Tinjauan Fiqih Muamalah ( Studi Pendapat Mazhab Maliki ) Fakultas Syari ’ Ah Dan Hukum Universitas Islam Negeri Ar-Raniry Darussalam-Banda Aceh 2024 M/1443 H,” 2024. [Online]. Available: <https://repository.ar-raniry.ac.id/id/eprint/23692>
- [24] Maryati, “Analisis hukum Islam Terhadap peraturan menteri Perdagangan Nomor 27 Tahun 2017 Tentang Penetapan Harga Acuan Pembelian Di Petani Dan Harga Acuan Penjualan Di Konsumen,” *Stud. pasal 6 PMP No.27 tahun 2017*, vol. 01, pp. 1–96, 2018. [Online]. Available: <http://repository.radenintan.ac.id/id/eprint/3783>
- [25] Abdul Malik, “Fiqih Ekonomi Qur’ani An-Nisa 29 (Representasi Qur’an bagi Ekonomi Keumatan),” pp. 33–44, 2019. [Online]. Available: [http://digilib.uin-suka.ac.id/id/eprint/41615/1/Fiqih\\_Ekonomi\\_Qur%E2%80%99ani\\_An-Nisa\\_29.pdf](http://digilib.uin-suka.ac.id/id/eprint/41615/1/Fiqih_Ekonomi_Qur%E2%80%99ani_An-Nisa_29.pdf)
- [26] A. Zaini, “Ihtikar dan Tas’ir dalam Kajian Hukum Bisnis Syariah,” *TAWAZUN J. Sharia Econ. Law*, vol. 1, no. 2, p. 187, 2018, <https://doi.org/10.21043/tawazun.v1i2.5091>
- [27] K. Hukum and E. Syariah, “Konsep Tas’ir (Penetapan Harga Oleh Negara) Menurut Para Ulama Parman Komarudin dan Arie Syantoso 616,” pp. 616–625, 2017. [Online]. Available: <https://ojs.uniska-bjm.ac.id/index.php/PPDU/article/view/8223>
- [28] Qusthoniah, “Tas’ir al-Jabari (Penetapan Harga oleh Negara) Dalam Koridor Fiqh Dengan Mempertimbangkan Realitas Ekonomi Qusthoniah,” *J. Syari’ah*, vol. 2, no. 2, pp. 79–111, 2014. [Online]. Available: <http://ejournal.fiaiuinisi.ac.id/index.php/syariah/article/view/26>
- [29] X. Li and H. Wang, “Pricing Mechanism in Information Goods,” 2018, [Online]. Available: <http://arxiv.org/abs/1803.01530>
- [30] Z. Zulkarnain, W. A. Zakaria, D. Haryono, and K. Murniati, “Determination of Cost of Sold Goods in

- Tapioca Factory of Cluster I and Cluster II in Lampung Province,” *Int. J. Adv. Sci. Technol.*, vol. 29, no. 4, pp. 5227–5234, 2020, [Online]. Available: <http://repository.lppm.unila.ac.id/24407/1/IJAST%20Artikel.pdf>
- [31] M. Doepke, M. Tertilt, and A. Voena, “The economics and politics of women’s rights,” *Annu. Rev. Econom.*, vol. 4, no. 2009, pp. 339–372, 2012, <https://doi.org/10.1146/annurev-economics-061109-080201>
- [32] T. Widodo, “From Dutch Mercantilism To Liberalism: Indonesian Historical Perspective,” *J. Indones. Econ. Bus.*, vol. 21, no. 4, pp. 323–343, 2006. [Online]. Available: <https://jurnal.ugm.ac.id/jieb/article/view/39915>
- [33] N. Asia, “Konsep Ekonomi Merkantilisme,” *Pap. Knowl. Towar. a Media Hist. Doc.*, vol. 4, no. 2016, pp. 2017–2019, 2014. [Online]. Available: <https://files.osf.io/v1/resources/rvamq/providers/osfstorage/60d7fae131881a0067638e48?action=download&direct&version=1.pdf>
- [34] S. V. R. Nasr, “Islamic Economics: Novel Perspectives,” *Middle East. Stud.*, vol. 25, no. 4, pp. 516–530, 1989, <https://doi.org/10.1080/00263208908700797>
- [35] A. Jaelani, “Pancasila Economic and the Challenges of Globalization and Free Market In Indonesia,” *Munich Pers. RePEc Arch.*, no. 70279, 2016. [Online]. Available: <http://repository.syekh Nurjati.ac.id/id/eprint/3705>
- [36] H. Nurmi, “Models of political economy,” *Model. Polit. Econ.*, pp. 1–222, 2006, <https://doi.org/10.4324/9780203358559>
- [37] P. Patimanukaseam, “Factors Influencing Repeated Use of Palm Oil for Frying during the Shortage Crisis in Thailand .,” p. 91, 2012. [Online]. Available: [http://www.dgfett.de/meetings/eflarchive/cracow/5877/5877\\_0054.pdf](http://www.dgfett.de/meetings/eflarchive/cracow/5877/5877_0054.pdf)
- [38] A. Nugroho and P. G. Salsabila, “Analisis Fenomena Harga Minyak Goreng di Indonesia dan Dampaknya terhadap Sektor Penyediaan Makan Minum,” *Semin. Nas. Off. Stat.*, vol. 2024, no. 1, pp. 101–112, 2024, <https://doi.org/10.34123/semnasoffstat.v2024i1.1209>
- [39] N. A. Chik, E. F. Alias, S. A. M. Ali, and N. Sulaiman, “The Implications of Palm Cooking Oil Price Increases in Malaysia,” *Pertanika J. Soc. Sci. Humanit.*, vol. 31, no. 4, pp. 1491–1508, 2023, <https://doi.org/10.47836/pjssh.31.4.08>
- [40] A. Agussalim, H. Hartoyo, and W. Wahyuni, “Pancasila Economy: Study Theory And Implementation In Economic Education In Indonesia,” *Eklektik J. Pendidik. Ekon. dan Kewirausahaan*, vol. 5, no. 2, p. 180, 2023, <https://doi.org/10.24014/ekl.v5i2.20832>
- [41] N. J. Foreman, C. Limited, “Agreement for Sale and Purchase of Shares,” pp. 1–9, 2018. <https://smartinvestor.sorted.org.nz/assets/disclose-documents/28/ad/ab/Agreement-for-Sale-and-Purchase-of-Shares-between-Cannasouth-Limited-and-Nicholas-Jon-Foreman-10052564.PDF>