

## Market Engineering in Supply: *Ikhtikar* of Perspectives Islamic Economics

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### Abstract

The market mechanism is guaranteed freedom in Islam. The market is free to determine the means of production and prices, and there should be no interference that results in the destruction of the market balance. But in reality it is difficult to find a market that runs by itself fairly. One of them is the practice of hoarding or what is often referred to as monopolistic practices carried out by producers or sellers so that the availability of basic necessities is getting thinner and scarcer so that they can play prices in the market. Seeing this, this article aims to see whether hoarding practices are a form of market engineering in supply (*ikhtikar*) and to explain the views of Islamic Economics regarding hoarding practices (monopoly). This article is a library research and uses a qualitative method with a normative approach. The data source used is secondary data derived from books, journals and articles related to the practice of *ikhtikar*, hoarding, and monopoly as well as how Islamic economics views. The results of this study found that price fluctuations also occur due to fraudulent actions in the market such as hoarding by speculators. The act of hoarding in question is market engineering in supply (*ikhtikar*). The practice of *ikhtikar* is strictly prohibited in Islamic Economics because it can disrupt the market mechanism. For this reason, the role of the government as a policy maker is needed to regulate in order to create a fair price.

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## INTRODUCTION

Muamalah is one aspect of the teachings that has given rise to advanced Islamic civilization in the past. Muamalah is part of the Islamic syari'at which regulates human life in relation to humans, society and nature. Muamalah problems that color our lives are manifold, such as borrowing and borrowing, debts to buying and selling (Hamid, 2017)

With regard to buying and selling, the market has a role as well as being the backbone of the community's economy, both among the lower class and those among the upper class (Hakim, 2017). Activities carried out in the market will basically involve producers and consumers. And each of them has a very important role in the formation of prices in the market.

Islamic economics views that markets, countries and individuals are in balance (*iqtishad*), there can be no *subordinates*, there can be no distance between them, so that one becomes dominant over the other (Hakim, 2017). The market is guaranteed freedom in Islam. The free market determines the means of production and prices, there should be no disturbances that result in damage to the market balance. Thus, the mechanism of the Islamic market must ensure fairness of the actors in the market, based on mutual willingness in the transaction process (*antaradhin*) and the absence of injustice (*Dhulm*). However, it is difficult to find a market that operates fairly on its own. Market distortions still frequently occur, which of course will be detrimental to other parties.

Often, we hear news regarding the depletion of the availability of basic necessities, such as rice, oil or an increase in fuel oil and others. Often phenomena like this have an impact on soaring prices and causing views of quite long queues. For example, the loss of rice supply and cooking oil supply has caused the price of these goods to increase. As a result, in these areas there are quite long queues (for the prices that are quite affordable), as well as for cooking oil, long queues are a common sight. If we want to describe it, for example when cooking oil disappeared from the market, the price of cooking oil before it was stockpiled, for example, was 12,000/liters and after they were stockpiled it became 20,000/liters (which resulted in the price of cooking oil rising). The same goes for the prices of other goods.

By looking at the description above, this paper will further discuss the practice of hoarding, is the practice of hoarding a part of market engineering in *supply*? and how does Islam view the practice of hoarding (monopoly)? This is important because Islam came with the aim of upholding justice under the auspices of market norms. Great humanity respects the small, the strong help the weak, the stupid learns from the smart, and humans oppose tyranny.

## Islamic Market Mechanism

The market according to the study of economics has an understanding; Market is a place or situation that brings together demand (buyers) or supply (sellers) for each type of goods, services or resources (Karim, 2015) . Business activities carried out in the market will basically involve two main subjects, namely producers and consumers. Both of these subjects each have a very large role in the formation of prices in the market.

Muslim countries have implemented the market, long before the people of Western Europe and America implemented it (Karim, 2015). In a market economy, the market mechanism is the main system that runs it. The Islamic market mechanism, thus, is a market mechanism implemented in an Islamic economic system.

There are several main classical literatures that write about Islamic market mechanisms. Some of the classic literature is the book *Al-Kharaj* by Abu Yusuf, *Ihya' Ulumuddin* by Imam al-Ghazali, *Majmu' Fatawa Shaykh al-Islam* and *Al-Hisbah fi al-Islam* by Ibn Taimiyyah, and *Muqaddimah* by Ibn Khaldun (Karim, 2015).

In the concept of Islamic economics, price determination is carried out by market forces, namely the forces of demand and supply. The meeting or meeting point of demand and supply must occur voluntarily, no party feels compelled to make transactions at a certain price level.

Ibn Taimiyah has a view of how in a free market, prices are determined by the forces of supply and demand. He wrote in *Majmu' Fatawa Shaykh al-Islam* (Islahi, 2015):

Rising and falling prices are not always related to tyranny (*zulm*) committed by someone. Occasionally, the reason is a shortage in production or a decrease in imports of the goods demanded. So, if you need an increase in the number of goods, while the ability to decrease, the price by itself will rise. On the other hand, if the ability to supply a good increase and the demand for it decreases, the price will fall. Scarcity and abundance do not have to be the result of someone's actions. They could be related to causes that do not involve injustice. Or, occasionally, they could be due to injustice. Almighty God, who creates will in the human heart.

The market mechanism based on Ibn Taimiyah above is that there is market freedom in determining prices. Prices depend on the market. However, Islam does not adhere to free market-based prices. Islam will intervene when there is a price monopoly in the market. This means that the market mechanism in an Islamic perspective does not only have a social dimension, but also has a theological element that the market is controlled and supervised by sharia.

Ibn Taimiyah also mentioned that prices could rise due to "a decrease in the number of goods available", or "an increase in population". "Decrease

in goods" in other words "fall in supply", while "increasing population will cause an increase in demand, therefore it can be said as "increased demand". An increase in price due to a fall in supply or an increase in demand, in that case, can be characterized as due to Allah; indicates that the market mechanism is an impersonal natural condition if all transactions are according to the rules (Kusumawati, 2015).

### **Concept of Supply**

Supply in economics is the amount of goods or services available and can be offered by producers to consumers at any given time price level over a certain period (Permana, 2020). So, supply can be defined as the number of goods offered by sellers in a certain market and at a certain price level.

Ibn Khaldun stated that there is an influence of supply on price determination. If the supply increases, the price will also increase and vice versa. In this case, Ibnu Khaldun believes that the consequences of low prices will be detrimental to permits and traders, so that they will leave the market, while the consequences of high prices will inconvenience consumers, especially the poor who make up the majority in a population. Because of this, Ibn Khaldun is of the opinion that low prices for basic needs must be managed without harming producers (Nasution, 2007).

Ibn Taimiyah stated reasons The price increase can be caused by a decrease in supply or an increase in the population of buyers, which means there is an increase in the number of market demands. Therefore a price may go up, because supply goes down, shifts the curve to the left, or demand goes up, shifts the curve to the right, which is expressed as an "act of God", actually represents a natural phenomenon related to price fluctuations. However, as reflected in the statement above, price fluctuations also occur due to fraudulent actions in the market such as hoarding by speculators.

Various factors that influence producers in offering their products to a market include the price of the goods themselves, prices of other goods, production costs, population and technology used (Zulfi, 2019). If the factors in point 2 and so on are considered fixed, the population is relatively constant (*zero growth*), tastes do not change, estimates for the future do not change, prices of substitute goods are relatively fixed, and other influencing factors are considered not to exist or do not change, then demand is only determined by price. This means that the size of the change is determined by the size of the price change. In this case the inverse comparison between price and demand applies and is directly proportional to supply.

In general, there is not much difference between conventional demand theory with Islam as far as it is concerned with the variables or factors involved effect on bidding position. Even the general shape of the curve on essentially the same. One important aspect that makes a difference

in this perspective is most likely derived from the philosophical and moral foundations which are based on the premise of Islamic values.

The first is that Islam views humans in general, whether as consumers or producers, as an object related to values. The most basic values that are encouraged by Islam in life. Economy is simplicity, not dazzled by the glitter of worldly pleasures (*zuhud*) and economy (*iqtishad*). These are the values that should be the trend of the *Islamic man's* lifestyle. The second is Islamic norms that always accompany human life, namely halal and haram. Products and exchange transactions of goods and services are subject to this norm. Things that are forbidden for humans are goods or transactions that are harmful to themselves and threaten their welfare.

### **Monopoly**

Monopoly in Arabic is called *ikhtikar*. In Arabic dictionaries, *ikhtikar* has many meanings, including the following: according to Az-Zamakhshary it is (*ihதாகara at-tha'am* means: hoarding food so that the price rises). Ibn Manzur interprets it as follows: (*al-ikhtikar* means: collecting food and the like from what is eaten and holding it by waiting for the price to rise). Al-Jauhari defines it with (*ikhtikar at-ta'am* means: collecting and hoarding by waiting for the price to rise). While *shahib taj al-'arus* interprets it (*al-hakar* means collecting food and the like from what is eaten and holding it waiting for the price to rise), and many more.

Fiqh scholars have different opinions regarding the definition of the essence of *ikhtikar*, with more than twenty opinions. This difference of opinion is not limited to the existing schools of thought, but within one school they also differ about its definition. This difference is because they have different systems and methods of understanding the law (Zaini, 2018).

First, according to Hanafiyah, *ikhtikar* is defined as the hoarding of food ingredients so that prices soar. Second, according to Syafi'iyah, *ikhtikar* is buying food when the price is high and storing it, then selling it at a price above normal, making it difficult for many people. Third, according to Malikiyah, *ikhtikar* is the hoarding of goods that are sold, because by storing them you will make a profit because the price on the market is unstable. Fourth, according to Ibn Hazm az-Zahiri *ikhtikar*, hoarding that endangers humans is unlawful both in buying and holding goods sold. Fifth, *ikhtikar* according to Imamiyah is collecting and hoarding food while waiting for the price to increase. Sixth, according to Yusuf Qardawi, *ikhtikar* is withholding goods from circulation in the market so that their prices rise (Qardhawi, 1997).

Monopoly in Law of the Republic of Indonesia Number 5 of 1999 dated March 5 1999 Chapter I Article 1 is defined as control over the production and or marketing of goods and or over the use of certain services by one actor or one group of business actors (Widjaja, 2000). The definition

of monopoly in the Big Indonesian Dictionary is a situation in which at least one third of the procurement of certain merchandise (in the local or national market) is controlled by one person or one group, so that the price can be controlled.

Monopoly can occur in several aspects, including: (1) Business monopoly, which is a monopoly carried out by a company because it controls the production and sale of a product or service independently/without competition in a market. (2) Corporate monopoly, namely monopoly carried out by a business group consisting of several companies that produce relatively the same product. (3) Market share monopoly, namely monopoly conducted by a company that has controlled a market share of more than 50% and the company is the price leader for the same product produced and sold in the market.

From the explanations above, it can be concluded that *ikhtikar* (monopoly) is an effort made by a person or group of people by storing goods needed by the general public with the aim of selling these goods above the normal price and controlling prices to get a lot of profit.

Fiqh scholars have different opinions regarding the law of *ikhtikar* between haram and *makruh*. They disagreed on the definition of the nature of *ikhtikar*, of which there are more than twenty opinions. This difference of opinion is not limited to the existing schools of thought, but within one school they also differ about its definition. This difference is because they have different legal understanding systems (Afifi, 2003).

The first opinion was put forward by the Hanafi, Maliki, Jumah ulama Syafi'i, Hanbali, az-Zahiri, Zaidiyah, Abadiyah and most of the Imamiyah. According to them, doing *ikhtikar* is unlawful (Afifi, 2003). The legal basis for the prohibition of *ikhtikar* that they put forward is the result of induction from the universal values contained in the Qur'an which states that every act of persecution, including *ikhtikar*, is forbidden. This.

1. *First*, the basis for the prohibition of *ikhtikar* according to the Qur'an is contained in the letter al-Haj verse 25. Which means:

"And whoever intends in it to commit a crime unjustly, we will surely taste for him a part of a painful punishment" (Surah Al-Haj: 25).

This verse explains that *ikhtikar* is haram. Because *ikhtikar* is an act of wrongdoing and persecution. And doing wrong is forbidden. Unjust acts if committed will cause a person to get a painful punishment. People who get a painful punishment is for doing things that are forbidden. Therefore, *ikhtikar* is forbidden. Scholars say basically that the verse above in part of its meaning functions to forbid *ikhtikar*.

## 2. Second , the arguments based on the hadith

### a. Absolute Hadith

From Sa'id bin Musayyab from Ma'mar bin Abdullah from Rasulullah SAW said: "Nothing will be hoarded except the wrong person" (HR. Muslim).

Imperative of this hadith is that it is not permissible to do *ikhtikar* , because it is explained that *the muhtakir* (the person who hoards) is the wrong person, also called ' *ashin* (the person who commits acts of sin) and the person who is guilty is *mudznib* (the person who sins). In essence, this hadith explains that *ikhtikar* is haram without distinction between human food, animal food and others. Most scholars are of the opinion that what is haram is only foodstuffs. The reason is, in some hadiths only the word " *tha'am* " is mentioned.

From Abu Hurairah said: Rasulullah SAW said: "Whoever does hoarding with the intention of increasing the price, then he is the wrong person" (HR. Hakim).

This hadith explains that a person who hoards with the intention of increasing his price is a wrong person and Allah has removed the shade from him.

### b. Hadith that are *muqayyad*.

From Ibn Umar from the Prophet SAW: "Whoever hoards food for forty nights then apart from the shade of Allah and Allah release the shade from him " (Narrated by Ahmad).

In addition, there is another hadith namely,

"Abu Umamah al-Bahili narrated that the Prophet SAW had forbidden the hoarding of food" (HR. Hakim).

The general pronouncement of these two hadiths shows that *ikhtikar* is *forbidden*, and in fact the punishment in hell, threats and curses, does not exist except for those who do things that are unlawful (Afifi, 2003).

The terms of *ikhtikar* that are forbidden include: hoarding by waiting for the time when the price is high, hoarding when it is needed, something hoarded beyond what is needed, something hoarded is goods purchased, something hoarded is food, hoarded at a certain time (Afifi, 2003).

The second opinion, held by some followers of Shafi'i, Isma'iliyah and some of the Imamiyah. According to them , *ikhtikar* is *makruh*. The reason is, a person has power over his property and they are free to make purchases according to their will (Afifi, 2003).

## METHODS

This article uses a qualitative method with a normative approach that aims to explain a phenomenon in depth and is carried out by collecting data as deep as possible which is also supported by the norms contained in Islamic economics. This aims to see further whether the practice of hoarding is market engineering in *supply (ikhtikar)* and the Islamic economic view of hoarding practices (monopoly).

The type of research in this writing is library research (library). Because in this writing trying to examine, examine and identify good knowledge that comes from books, journals, articles, and other written documents. Especially the literature related to market engineering in *supply (ikhtikar)* and how it is viewed in Islamic Economics. The data sources used in this article are secondary data which come from books, journals and articles related to the practice of *ikhtikar*, hoarding, and monopoly and how Islamic economics is viewed.

## RESULT AND DISCUSSION

### Jurisprudence's View of *Ikhtikar*

Broadly speaking, the attitude of jurists regarding *ikhtikar* (hoarding) is divided into three, namely *makruh*, *mubah* and *mandub*. *Ikhtikar* become *makruh* if first *hoarding aimlessly waiting for high prices*. Second, *ikhtikar* at a time when there is a lot of goods. And third, *ikhtikar* for his and his family's needs. Scholars differ in opinion between it is *makruh* and it is unlawful for a person to hoard food and clothing, each of them has its arguments, if the conditions for *haram* are fulfilled then the law is *haram*, and if not, then the law is *makruh*.

*Ikhtikar* becomes permissible if the following conditions are met, namely *hoarding something without the aim of selling it and may hoard sweets, oil and pet food*. This situation is permissible for hoarding if *hoarding in a free time, someone saves for his and his family's needs and hoarding in a country where the population is polytheistic*.

Hoarding is *mandub*, that is, if hoarding is for the public good, as explained by Subkhi, Qadi Husain, Royani and Khamili that if the price of the goods is cheap and the goods are not currently needed by society, then it is not forbidden to hoard the goods until they are needed, and this is good because it benefits society (Afifi, 2003).

In addition, there are several opinions regarding objects that are illegal to hoard. *First*, according to the Maliki school of thought, the object of absolute *ihlik* is of any kind the goods. It is not stated that the object is only food, so whatever type of goods that are the needs of many people are forbidden to hoard. This opinion is also supported by a number of Hanbali scholars, Imam Abu Yusuf and Abidin. According to them, the '*illat* (legal motivation) in the prohibition of doing *ikhtikar* is the harm that has befallen

many people. Therefore, the harm that befalls people is not limited to food, clothing and animals, but includes all the products that people need (Dahlan, 1996).

Madhhab scholars Hanbali, Imam Abu Yusuf and Abidin, Yusuf Qaradawi said that it is prohibited to monopolize all types of goods needed by humans, be it food, medicine, clothing, school supplies, household furniture, or office furniture. The reason is generally the pronunciation or editorial of the hadith which reads "*No no one has a monopoly except the guilty ones*". So, in essence, whoever monopolizes, he is guilty. The editorial of this hadith is general in nature, while *the text* on the prohibition of monopoly which is devoted only to food is specific. Special editorial can't deny general editorial (Qardhawi, 1997).

Some scholars of the Hanbali School and Imam al-Gazali specialize in the prohibition of *ikhtikar* only for types of food products. The reason because that is prohibited in *the text* hadith is just food. According to them, the issue of *ikhtikar* concerns the freedom of the owner of the goods to sell his goods and the needs of the people, the prohibition must be limited to what is designated by the (Dahlan, 1996).

### **Market Engineering in supply (ikhtikar)**

Economic activity is an integral part of a Muslim's piety to Allah *Subhanahu wa Ta'ala*. In relation to the issue of *ikhtikar*, in contemporary economics, *ikhtikar* is known as *monopoly rent-seeking*. In Islam, the concept of economics and trade must base on values and ethics sourced from the basic values of religion who value honesty and justice. Whoever sells quality goods on the market same as other seller's goods. So, he was forbidden to sell quality goods on the market same as other seller's goods. So, he was forbidden to sell at a lower price than market price if it will damage market price and make the restless market participants, it must be avoided.

The term *ikhtikar* is often translated as monopoly and/or hoarding. In fact, *ikhtikar* is not synonymous with monopoly and/or hoarding. In Islam, anyone can do business regardless of whether he is the only seller (monopoly) or there are other sellers. Keeping stock of goods for inventory purposes is not prohibited in Islam. So, monopoly is fine, so is keeping stock. What is prohibited is *ikhtikar*, namely taking profits by selling fewer goods at higher prices, or in the economic term *monopoly's rent-seeking*. So, in Islam monopoly is allowed, while *monopoly's rent-seeking* is not allowed (Karim, 2015).

*Ikhtikar* or *monopoly's rent-seeking* results in disruption of the market mechanism, in which sellers will sell (offer) a few of their wares, while the demand for these goods is very large, resulting in a shortage of goods in the market. So, as a result of *the ihtikâr*, the community will be harmed by the

actions of a small group of people. Therefore, in a monopoly market, a producer can act as a *price maker* (determinant price).

Market engineering in *supply* occurs when a producer/seller takes profits above normal profits by reducing supply so that the price of the product he sells rises. *Ikhtikar* is usually done by creating an *entry barrier*, that is, preventing other producers/sellers from entering the market, so that they become the sole player in the market (monopoly). Because of this, people usually equate *ikhtikar* with monopoly and hoarding. although not always a monopolist does *ikhtikar*. Similarly, not every hoarding is *ikhtikar*. BULOG also stockpiles, but precisely to maintain price and supply stability. Likewise with the state if it monopolizes important industrial sectors and controls the lives of many people, it is not categorized as *ikhtikar*.

*Ikhtikar* occurs when these conditions are met, namely: first, Striving for a shortage of goods either by hoarding stock or using entry-barriers. Second, selling at a higher price than the price before the emergence of scarcity. Third, taking higher profits compared to the profits before components 1 and 2 were carried out (Karim, 2007).

The emergence of monopoly practices can occur in various forms and ways : First, it can occur because it is desired by law, so that what is known as monopoly by law arises. Article 33 of the 1945 Constitution also justifies the existence of this type of monopoly, namely by granting a monopoly to the State to control land, water and the natural resources contained therein as well as branches of production which affect the livelihoods of many people (Adi et al., 2022)

Thus, according to the 1945 Constitution, sectors that affect the lives of many people such as electricity, drinking water, railroads and other sectors which because of their nature provide services to the community are legitimized to be monopolized and not prohibited.

Second, monopoly by nature. That is a monopoly that is born and grows naturally because it is supported by a suitable climate and environment. We can see this form of monopoly, namely the growth of companies which, because they have certain advantages and strengths, can become business giants that control the entire existing market share. They grow big because they have characteristics that match the place where they grow. In addition, because it originates and is supported by superior seeds and has dominant factors.

Third, *monopoly by license* . This monopoly is obtained through a license using a power mechanism . This type of monopoly often causes economic distortions because its presence disrupts the current market balance and shifts in the direction desired by the party possessing the monopoly (Widjaja, 2000)

## Monopoly Analysis in Islamic Economics

In the concept of Islamic economics, price determination is carried out by market forces, namely the forces of demand and supply. The meeting or meeting point of demand and supply must occur voluntarily, no party feels compelled to make transactions at a price level. Ibn Taimiyah, who is one of the thinkers of Islamic economics, also argued that a price could go up, because supply goes down, shifts the curve to the left, or demand goes up, shifts the curve to the right, which is expressed as "an act of God", symbolizing a natural phenomenon related to fluctuations. price.

However, price fluctuations also occur due to fraudulent actions in the market such as hoarding by speculators. The hoarding action in question is market engineering in *supply (ikhtikar)*, which will disrupt the market mechanism, where producers will then sell at a higher price than the normal price. Sellers will get big profits (*monopolistic rent*), while consumers will suffer losses. So, as a result of *the ikhtikar*, the wider community is harmed by another small group.

As previously explained, *ikhtikar* in the modern economy is often defined as a monopoly process in *supply* with the aim of obtaining a certain profit (Misri, 2006). The Messenger of Allah has prohibited the practice of *ikhtikar*, namely intentionally holding or hoarding *goods*, especially when there is a shortage of these goods with the aim of increasing the price in the future.

The impact of the existence of a monopoly on economic life is no longer in doubt. The existence of this monopoly makes producers as *price makers*, causing producers to increase and decrease prices. This leads to damage or even fragility and of course has an impact on the exploitation of people in power against groups in need, they will easily play a price game, according to their desire to cultivate wealth.

Many Muslim countries, such as Pakistan, have introduced laws against monopolies and restrictive trade practices (Zaini, 2018). Including in Indonesia, this can be seen in Law no. 5 of 1999 concerning Prohibition of Practice Monopoly and Unfair Business Competition. State concern has been linked to the fact that, given monopoly power in industry, concentration of wealth in the hands of giant corporations and their widespread business has led to corrupt practices and exploitation of consumers.

Unhealthy monopoly like this is not justified in Islamic Economics (*ikhtikar*). As a result of *ikhtikar*, many people will be harmed and of course this will lead to tyranny. In order for prices to return to the position of market prices, the government can make various efforts to eliminate this hoarding (for example by enforcing the law), even by intervening in prices. With this set price, hoarders can be forced (forced) to lower their prices and throw their goods on the market (Mariam et al., 2023).

Price fixing in Islam is actually not justified because it is considered as coercion for people to sell what they have without agreement from them and this is an injustice to them, this is contained in the words of the Prophet: *time of the Prophet Muhammad soared*". Then people said: "O Messenger of Allah, the price is soaring, set the price", he replied: "Indeed, it is Allah who determines prices and gives sustenance. I want to face the presence of Allah, while no one is suing me because of an injustice that I did to him, in matters of blood and wealth " (HR. Ahmad).

However, if the price of goods in the market is no longer determined by the forces of supply and demand, such as an increase in the price of an item caused by the loss of goods on the market due to *ikhtikar* ( hoarding of certain commodity goods that are urgently needed by the community), or an increase in the price of an item caused by a lack of commodity goods due to natural disasters. Under these conditions, according to Ibnu Taimiyah, the government can intervene in the market to regulate prices. Because a fair price is formed based on *an-tadarin* from all parties. Price intervention is carried out for the benefit of fulfilling the basic needs of the population and to maintain the honesty of the traders (business actors).

Market intervention is very important in ensuring the availability of goods needed by the community. In a situation of shortage of staple goods, the government can make regulations so that traders do not sell goods outside the region, or by making policies so that producers increase their production to increase the number of basic needs goods on the market. Under these circumstances the government can also form a logistics agency to maintain price stability. If the price of staple goods is too low, for example during the main harvest, the government buys these goods so that the quantity decreases in the market. When the price of basic needs goods is high, the government can intervene by conducting market operations to increase the supply of goods in the market. This is the form of the state's role in the market mechanism as a regulator, overseeing and regulating the market mechanism so that it runs in balance, to create a fair price (*equilibrium price*).

## CONCLUSION

From the discussion above, it can be concluded that price fluctuations also occur due to fraudulent actions in the market, such as hoarding by speculators. The hoarding action in question is market engineering in *supply (ikhtikar)*. *Ikhtikar* in the modern economy is often defined as a monopoly process in *supply* with the aim of obtaining a certain profit. The Messenger of Allah has prohibited the practice of *ikhtikar*, namely intentionally holding or hoarding *goods*, especially when there is a shortage of these goods with the aim of increasing the price in the future.

*Ikhtikar* or monopoly's rent-seeking results in disruption of the market mechanism, in which sellers will sell (offer) a few of their wares, while the demand for these goods is very large, resulting in a shortage of goods in the market. So, as a result of *the ihtikâr*, the community will be harmed by the actions of a small group of people. Therefore, in a monopoly market, a producer can act as a *price maker* (determinant price).

When the market mechanism does not work properly, the government as a policy maker can regulate prices. Price intervention is carried out for the benefit of fulfilling the basic needs of the population and to maintain the honesty of the traders (business actors).

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