

## Islamic Business Ethics: Construction of Balanced and Human Values

Samsul Abidin<sup>1</sup>, Hasyim Muzadi<sup>2</sup>

<sup>1</sup> Nurul Jadid University

<sup>2</sup> Nurul jadid University

Email : samsulbidin@gmail.com <sup>1</sup>, muzadi2022@gmail.com <sup>2</sup>

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### Abstract :

Islamic economics provides guidance to humans so that they can apply ethics in all aspects of life, including in economic or business activities. In carrying out its business activities. Business ethics in Islamic economics is contained in all aspects, both production, consumption and distribution. If business ethics is applied to all business activities, it will directly be able to create balance and mutual prosperity (maslahah) which leads to the attainment of true prosperity in both the world and the hereafter (falah).

**Keywords :** Ethics, Business, Islam, Maslahah, Falah

### INTRODUCTION

Ethics according to Rafik Issa Bekum (2004), is a set of moral principles, which can be used as a good or bad assessment of human behavior. According to Islamic teachings, the term closest to the meaning of ethics is akhlaq or khuluq, which are all actions that have become human habits in their daily social life that originate from faith. Therefore in Islam, a good deed is called akhlaq shalihah, and a bad deed is called akhlaq sayyiah. Meanwhile, business is human activity in the economic field, be it in the form of production, consumption or distribution of goods and services that aim to gain profit. (Susana, Pembiayaan, & Bank, 2011)

Business ethics can be interpreted as a science that specifically regulates moral standards for business people, so that their behavior can be judged as good or bad, whether related to aspects of production, consumption and distribution. Islam is a religion that upholds ethical values in every aspect of life, from the

most trivial things such as sneezing and yawning, to important and serious matters, such as worship and muamalah. The importance of ethics in Islam is clearly described in a hadith which states that the main purpose of the Prophet Muhammad's mission to mankind was basically to perfect his morals. The Qur'an as the main source of law for Muslims, also emphasizes the importance for a Muslim to have good ethics in all aspects of life. Both the relationship between humans and their God, as well as the relationship between humans and each other, and the relationship between humans and their natural surroundings.(Kawakibi & Lasmana, 2021)

The aim is none other than to create a balance (tawazun), harmony and mutual affection (humanity), which is comprehensive and universal, encompassing these three relations. For example, in the relationship between humans and nature, Islam teaches its people to always preserve nature and forbids its people to do damage to the earth.

Islam encourages its people to always pay attention to their morals, so that in order to become a perfect Muslim (kaffah), every Muslim must understand and implement 3 (three) aspects of the design of the Islamic religion, namely aqidah, sharia and morality. These three aspects are related to one another, and cannot be separated. Aqidah is an element of faith, belief, or a Muslim's belief in the existence of Allah SWT, the creator and regulator of the universe. This creed is manifested in the form of the shahada, which is a sincere and strong testimony by every individual Muslim, that there is only one God who must be worshiped, and acknowledges that Rasulullah is a manifestation of God's will in the world through his sunnahs.(Susana et al., 2011)

After carrying out the shahada, the next stage for a Muslim is to carry out the Shari'a by carrying out all the commands of Allah SWT and leaving all His prohibitions, which are manifested in the form of worship. The concept of worship in Islam has a broad meaning not only in the form of definite religious rituals (mahdoh worship), but also all forms of acts, interactions and services performed to fellow human beings (ghairu mahdoh worship), if it is intended to reach the pleasure of Allah SWT, then all of that is also considered as part of

worship.(Wiranto, 2020)

Muslims are able to practice aspects of faith and worship properly and correctly, ideally they will form a person who has good ethics or morals (ihsan), be it ethics towards Allah SWT, towards oneself, towards fellow human beings, and towards the natural environment that exists in them. around us. In simpler terms, ethics is the way humans place themselves and treat their surroundings. So in this understanding, ethics has a very broad scope, covering various aspects of life, both faith and worship which are a representation of the relationship between humans and their God (habluminallah), but also show their personal qualities when establishing relationships with fellow human beings (habluminannas).(Aripin, Febrianto, & Jadid, 2022)

So when viewed in a more comprehensive manner, almost all elements of worship have wisdom and goals, so that humans can have good morals and behavior towards fellow humans and the surrounding natural environment. This fact is very clearly seen in the implementation of the five pillars of Islam, namely the creed, prayer, fasting, zakat and pilgrimage. All of them have the aim that humans can behave and treat each other in a good, moral manner, and uphold human values.(Sadhana, 2012)

Muamalah activities spend most of the time in the flow of human life. Every day, starting from waking up in the morning, until going back to bed at night, most of the time is spent doing muamalah activities. Therefore, it is very important for a Muslim to guard his behavior, words and deeds while carrying out muamalah activities.(Wafi, Nurul, & Paiton, 2022)

Most of the muamalah time is used by humans to carry out activities aimed at meeting their needs, or what is known as economic activity. For this reason, Islam has provided complete and comprehensive guidelines regarding ethics in carrying out economic activities. One of the issues driving the rebirth of Islamic economics is the restlessness felt by most people towards the economic practices of capitalism which are too aggressive and exploitative which are inconsistent with Islamic norms and teachings.

The exploitative capitalist economic system creates an imbalance

(disequilibrium) or an increasingly high economic gap. Imbalance, in this case, can be seen from two aspects namely; imbalances in the aspects of economic growth and income, between the rich and the poor, or more broadly, between rich and poor countries are widening. The second is the occurrence of natural imbalances, the result of capitalist economic activity, which is very profit oriented, so that sometimes it ignores the preservation of nature and the environment.(Eko-syariah & Mufid, n.d.)

Umer Chepra explained that Islamic economics is built on ethical and moral values, and refers to the five objectives of the sharia (maqshid sharia), namely; maintain religion (faith), soul (life), reason (intellect), offspring (posterity), and property (property). In the end, a balanced economic system will be formed by eroding economic disparities based on sharia principles.

How do the principles in Islamic business ethics reconstruct balance and human values, various economic and business aspects such as; aspects of production, consumption, and distribution up to its application in the service industry and Islamic finance. What are the factors that become the point of balance (equilibrium) and what factors cause an imbalance (disequilibrium) in the perspective of Islamic business ethics.(Mashdurohatun, n.d.)

## **FINDINGS AND DISCUSSION**

### **The Concept of Balance and Humanity in Islamic Economics**

Economy, in simple terms, can be interpreted as all forms of human activity carried out in order to fulfill their life needs, be it primary, secondary or complementary needs. Within the scope of Islamic law, economics is in the field of muamalah law, namely the law that regulates relations or relations between human beings (habluminannas). Substantively, the goal of Islamic economics is to realize actors and economic behavior that are balanced, accountable and with integrity. All parties involved in it can experience true benefit, which in the end can achieve happiness and success in this world and the hereafter or what is known as falah. Falah is the basic goal of the Islamic economic system, just as profit is the main goal in the capitalist economic system.(Febrianto, Widad, &

Aini, 2022)

The Islamic economic system has legal principles and business ethics that must be considered and applied by every Muslim in carrying out his economic activities. These principles include; the principles of worship (al-tauhid), equality (almusawat), freedom (al-hurriyat), justice (al-'adl), mutual help (al-ta'awun), and tolerance (al- -tasamuh). These principles are the basic footing in the Islamic economic system. Meanwhile, business ethics regulates the legal aspects of ownership, management and distribution of assets, namely rejecting monopoly, exploitation and discrimination and demanding a balance between rights and obligations.(Eko-syariah & Mufid, n.d.)

Islamic economics is a balance. The point is that the principles, concepts and philosophical foundations of the Islamic economic system are in the middle position, namely between the capitalist economic system and the socialist economy. Capitalism is an economic system, which considers capital as the main driver of the economy. Capitalism considers the power of the investors (capitalists), as the motor of the economy, who invest their capital by taking the risk of loss for their business. The desired market as an allocator for the interaction of supply and demand, which is perfect and efficient is the free market mechanism. That is, just let the economy run normally without government interference, because later there will be invisible hands that will bring the economy towards balance. . Islamic economics, agree with some capitalist principles, especially related to the principle that every individual is given the freedom to do business according to his ability. But on the other hand, they strictly reject the capitalist principle, which states that the owners of capital (capitalists) are the center of economic cycles. So they are allowed to do anything, to get the maximum profit, with the lowest possible capital. As a result of the implementation of the jargon of the capitalist economic system, a widening gap will occur between the rich who have capital (capitalists) and the poor who become workers or laborers in capitalist companies. This is what causes the emergence of a form of economic imbalance, especially the problem of income. Where the greater the income of the rich, it will result in the smaller the income

of the poor. Companies in the capitalist system, will be considered successful if they can generate profits that continue to increase from time to time. So the main measure of the success of a company is only profit (profit), or known as profit oriented. So, when a company fails to achieve a certain profit level, or profit target from the previous period, the company will be said to be at a loss. Even though basically, the company still makes a profit, but not as big as the profit in the previous period. As a result, when there is a decrease in the percentage of profits, the company will evaluate all aspects, which are suspected to be the cause of the decrease. Is the easiest thing, and most often done by companies, to reduce the occurrence of losses is to do efficiency. Efficiency is defined simply as termination of employment (PHK), for some employees who are considered not to have made a significant contribution to the company. With efficiency, it is hoped that the company will be able to record profits again, according to the target.(Kawakibi & Lasmana, 2021)

The impact of implementing this policy is that the company will return to the profits expected by the owners of capital (capitalists). So that the income of the owners of capital is higher, on the other hand for employees who experience layoffs, their income will decrease, or even disappear altogether. If this happens en masse, then what will happen is an increase in the unemployment rate, so that it will have an impact on the increase in the poverty rate in a country. This is clearly far from the concept of balance and also humanity which should be upheld by everyone. Therefore, in the Qur'an Allah SWT condemns this kind of economic attitude and behavior, because it will make the turnover of assets/capital only occur in a handful of people. as stated in Surah Al-Hasyr: 7 Meaning: Whatever spoils (fai-i) that Allah gave to His Messenger (from property) originating from the inhabitants of the cities, then it is for Allah, for the Messenger, relatives, orphans, the poor and people who are on a journey, so that the treasure does not circulate only among the rich among you. What the Prophet gave you, accept it. Leave what he forbids. And fear Allah. Verily, Allah is severe in punishment. then accept it. Leave what he forbids. And fear Allah. Verily, Allah is severe in punishment. then accept it. Leave what he forbids. And fear

Allah. Verily, Allah is severe in punishment.(Prasetyo, 2020)

On the other hand, Islamic economic principles are also in harmony with socialist economic principles, namely that economic resources and factors must be distributed fairly to all levels of society. Economic equality is the main principle held by the socialist economic system. Therefore, all the factors of production, distribution and consumption channels are all regulated by the state, with the aim of achieving equal distribution of income for every citizen. The price of goods is strictly determined, so that there is no possibility of price differences between one region and another in a country that adheres to a socialist economic system. However, in practice, this socialist economic system causes individual human rights to be neglected. and shackles human freedom and creativity in carrying out economic activities. Because all economic factors are controlled by the state, with the aim of ensuring the availability of the economic needs of its people evenly. The concept of ownership (milkiyah), in this socialist economic system, is not in line with Islamic economics. In addition, the principles in Islamic economics also reject the principle of eliminating and limiting individual rights, which are carried out by the government to the extreme, in production activities, consumption and also the distribution of production results, on an average basis by denying the elements of creativity, achievement and hard work from each individual. The concept of ownership (milkiyah), in this socialist economic system is not in line with Islamic economics. In addition, the principles in Islamic economics also reject the principle of eliminating and limiting individual rights, which are carried out by the government to the extreme, in production activities, consumption and also the distribution of production results, on an average basis by denying the elements of creativity, achievement and hard work from each individual. The concept of ownership (milkiyah), in this socialist economic system is not in line with Islamic economics. In addition, the principles in Islamic economics also reject the principle of eliminating and limiting individual rights, which are carried out by the government to the extreme, in production activities, consumption and also the distribution of production results, on an average basis by denying the elements of creativity, achievement and hard work from each.

individual.(Kusuma & K, 2020)

The application of the concept of ownership of this socialist economic system will cause injustice which is very vulnerable and harms some people. As a result, the wheels of the economy will experience stagnation and sluggishness in society, because there will no longer be a climate of competition that motivates a person to work hard to achieve their needs and desires in life. Everything will run stably, monotonously and not dynamically, because all factors of production and distribution channels are centrally controlled by the state, there will be no more creativity, competition, competition and recognition of achievements for individuals within it. In the end, the socialist economic system is the same as the capitalist economic system, which is failing to create balance and humanity in people's lives. Islamic Economics, either directly or indirectly present to fill the void and deficiencies of each of these economic systems. Islam highly values individual freedom, who is willing to work hard and have achievements, but strongly condemns the miserly rich. There are many verses and hadiths that motivate Muslims to actively seek sustenance and even encourage their followers to become rich and have a lot of wealth. , as long as it is within the corridors and limits allowed.

The principle of Islamic economics, regarding individual freedom in carrying out economic activities, is that everyone is given the widest possible freedom by Allah SWT to seek wealth, own it, spend it and enjoy the results of these efforts. This principle also means that everyone has the right and freedom to choose any type of work, profession and line of business as long as it is permissible in Islamic teachings. Freedom is not absolute, because in Islam there are restrictions on halal and haram that must be obeyed by every Muslim in all his economic activities.(Anto & Husni, 2022)

On the other hand, Islam strongly recommends that rich people pay attention to the fate of poor people. This is confirmed in the Koran and hadith, where there are many orders, suggestions, inducements, and promises of Allah SWT to those who are willing to share, will be given a high position and degree, both in the life of this world and the hereafter.



Then, how does Islam reconstruct and transform the principle of superiority of capital ownership, from a capitalist economic system, and the principle of equal distribution of resources and economic driving factors, from a socialist economic system, into an economic system that is balanced, just and humane? First, in order to prevent the turnover of assets from occurring only to a handful of people (capitalists), Islam offers the concept of alms, both obligatory alms (zakat) and instruments used to "force" the rich to give their wealth to the poor. is by obliging zakat maal for people who have assets in accordance with predetermined conditions. The higher the level of income, the more zakat is issued and distributed to the poor.(Nugroho, Universitas, & Jaya, 2008)

Second, the concept of equitable distribution in Islamic economics, does not only use the zakat instrument, but there are other instruments that can also be used to apply it. These instruments include shadaqah, infaq, waqf, grants and gifts. All of the mentioned instruments are complementary instruments whose implementation in Islamic law is at the recommended or sunnah level. The role of the second type of instruments is no less significant for the implementation of income distribution and equity, because legally these instruments are more flexible and cover a wider scope. The provisions in zakat, not just anyone may receive it,

Third, every Muslim must re-construct the goals in his economic activity, no longer focused on pursuing profit alone (profit oriented) but towards a more comprehensive and universal goal, namely to realize falah (success) in the world and the hereafter through intermediaries creating maslahah in every activity. the economy. Islamic teachings stipulate that the purpose of life is to worship, so every economic activity that is carried out must also be intended for worship, so that not only worldly benefits are obtained, but also benefits that are rewarded in the afterlife. Production Production, in simple terms can be interpreted as activities carried out by a person, to produce a commodity, both goods and services with the aim of meeting consumer needs. Technically, production is the process of converting raw goods (input) into finished goods (output). So in this case, production is a response to consumption activities. Production is very

important in the economic system, because naturally, almost no person or group of people is able to make ends meet independently. Siddiqi (1992) defines production activities in the view of Islamic economics, as a human effort in providing the necessities of human life both in the form of goods because naturally, there is almost no person or group of people who are able to meet their needs independently. Siddiqi (1992) defines production activities in the view of Islamic economics, as a human effort in providing the necessities of human life both in the form of goods because naturally, there is almost no person or group of people who are able to meet their needs independently. Siddiqi (1992) defines production activities in the view of Islamic economics, as a human effort in providing the necessities of human life both in the form of goods

### **The Concept of Balance and Humanity in Production**

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Production is very important in the economic system, because naturally, almost no person or group of people is able to make ends meet independently. Siddiqi (1992) defines production activities in the view of Islamic economics, as a human effort in providing the needs of human life in the form of goods and services, while still heeding the values of justice and *maslahah*. According to him, as long as producers are able to act fairly and bring goodness to society, then they have acted in accordance with the principles of Islamic economics. According to Chaudhry (2012), the concept of production in the Islamic economic system is based on meeting the needs of human life based on the principle of supply and demand, while still paying attention to restrictions that may not be violated such as;

Producers in the Islamic economy must really pay attention to the urgency and characteristics of the products they will produce. Products with the *dharuriyat* category must be prioritized for production over *hajjiyat* products, so

that the availability of these dharuriyat products is completely fulfilled. Likewise hajjiyat products must be prioritized over producing goods or services that are tahsiniyat. Production in Islam does not only create materials, but also benefits. This is as stated by Muhammad Rawwas Qalahji, who gives the equivalent of the word "production" in Arabic with the word al-intaj, which is literally interpreted as ijadu sil'atin (to create or hold something), or khidmatun mu'ayyanatun bi istikkhdami muzayyajin min 'anashir al-intaj dhamina itharu Zamanin muhaddadin (clear services by demanding assistance in combining production elements framed within a limited time)<sup>2</sup> needed. Based on this discussion, production can be interpreted as the process of creating useful goods or services to meet the different needs of society (consumers). These benefits are either in the form of goods, services or added value of an item, within a certain period of time. So, production is intended to create goods and services, which are used not only for physical needs but also to meet non-physical needs. In another sense, production is intended to create mashlahah not only to produce material. Thus, then the goal of production in Islamic economics, is the fulfillment of the means of human needs, at the proper dose. The point is, producers are required to produce goods or services more on needs (needs) not wants (wants). In addition, in their capacity to produce products or services, producers are prohibited from overproducing them, but only to the extent of a reasonable need. This is because carrying out excessive production activities will not only lead to mis-allocation of economic resources and waste (waste), but will also lead to a faster depletion of economic resources, which will result in environmental damage, which is becoming a more serious problem for the world today. Islamic economics, requires every producer to think too, how to provide resources for future generations.(Margolang, 2018)

The impact of production activities with an Islamic perspective is the creation of environmentally sound economic activities (green economy), so that production activities that are fatal to the environment no longer occur, by carrying out massive exploitation, which in turn causes severe environmental damage, resulting in costs repairs are much more expensive than the results

obtained. Exploitation in production activities, can be divided into two parts; the first is the exploitation of natural resources, and the second is the exploitation of human resources. Exploitation of natural resources, we have witnessed and felt for ourselves how the impacts arise as a result of the behavior of producers and do not pay attention to the impact on the environment. There are many examples of cases where producers do not pay attention to and heed the adverse impacts of their production activities, which result in disasters that befall the surrounding environment such as floods, landslides, river pollution and forest fires. Meanwhile, exploitation of human resources occurs in the act of providing wages to workers who not in accordance with the rules, or it could be that producers, in order to reduce production costs, employ underage workers at low wages without regard to the level of welfare and the future of the workers. This is because so far producers have only been oriented towards pursuing maximum profits with the smallest possible capital, which is the jargon of the capitalist economic system. By applying the concept of production in Islamic economics,(Latifah, Rosyid, Purwanti, & Oktavendi, 2019)

### **The Concept of Balance in Consumption Activities**

Humans instinctively, always want to get what they want. It is this desire that indirectly drives an economic cycle. Humans will make efforts in any way, so that their desires are achieved. In the economic context, humans are always required to fulfill their life needs, both primary, secondary and tertiary needs. In this way, humans will be faced with choices that are the most rational in meeting their needs, and provide the greatest benefits. There are three aspects to consider in making a choice, namely needs, preferences, and budget availability. These three aspects became the beginning of the emergence of the demand function in economic activity.(Heryanto et al., 2020)

According to Mannan (1997), the forerunner of consumption is demand (demand), as the forerunner of production is supply. Before making a request, consumers must have calculated in advance how much budget, or resources they have. So as to maximize, the satisfaction of the product that will be consumed. The difference between conventional economics and Islamic economics, in terms

of consumption, lies in the way of looking at the human approach in fulfilling their needs. In Islamic teachings, humans are not justified in seeking satisfaction, which exceeds the need in making consumption choices, as is the theory of consumption in conventional economics. In conventional economics, consumption behavior is based on two basic values, namely; rationalism and utilitarianism. Rationalism means that human success in carrying out consumption activities is always measured using materialistic measures, as is human nature as homo economicus, which always acts to fulfill its own interests (self interest). Meanwhile, utilitarianism is a view that considers that an act of consumption will be considered right or good if it can produce the maximum level of satisfaction (utility) for consumers. (Sadhana, 2012)

Personally or selfinterest, being the point of emphasis here. However, according to Adam Smith, the emphasis on self-interest does not mean ignoring the interests of society. According to him, by maximizing self-interest, the interests (welfare) of society will automatically be fulfilled. Therefore, in economics books, this term rationality is explained that economic actors take rational actions if they do something that is in accordance with self-interest, and at the same time is consistent with making choices with the aim that it can be quantified (calculated profit and loss) towards general welfare.

As a result, when a consumer has a large, or even unlimited, budget, he will freely consume as many goods or services as he wants, until he reaches maximum satisfaction. This may not be a problem if the goods or services consumed are not goods or services needed by many people. However, if it turns out that the goods or services are vital commodities and are needed by many people, it will result in scarcity, because these goods have been consumed by one or a few people who are able to consume massively because they have a large or even unlimited budget. Therein lies the importance of consumption, must consider the interests of other people as fellow consumers. Islam,

Halal is the aspect that must be considered the most, because halal and haram are parameters that have clear boundaries in the Qur'an and Hadith. Although under certain conditions (emergency) it is possible for goods that are

haram to become halal (within certain limits) and vice versa. Islam forbids its people to apply *ishraf* (waste) and *tabdhir* or splurge. Extravagant and extravagant behavior is characterized by consumption behavior that exceeds the limit of needs (need) and follows desires (want). Wasteful and redundant nature is one of the traits that is highly hated in Islam, and is mentioned as one of the devil's deeds. (Margolang, 2018)

Of course, this is not in line with the principles and goals of Islamic economics, because the goal of consumption in Islamic economics is to create benefit, both for oneself and for others. So it's not just based on whether you are satisfied or not consuming the goods or services. Benefits in consumption can be achieved if it fulfills two aspects, namely containing benefits and blessings. Benefit is a condition in which consumers get fulfillment of physical and psychological needs from the results of consumption. While blessings are obtained when consumers decide to consume goods or services that are halal according to the provisions of Islamic law. (Amalia, Dayati, & Nasution, 2017)

In this case, an example can be given; when a consumer is faced with the choice to choose between consuming beef slaughtered in an Islamic way and beef slaughtered by barking or what is known as beef meat. At this stage the satisfaction with the consumption of halal beef and logs is the same, or even more satisfied with consuming logs because it is more affordable in terms of price. However, if the consumer adheres to the principles of Islamic economics, then he will not consume unclean meat, because it will result in loss of blessings, will even result in sin and will have an impact on the interests of other people, especially for sellers of haram beef, they will continue to do business, because they consider the product is accepted in the market. (Yunitasari, Khatimah, & Somaji, 2020)

The substance of consumption in Islamic economics is basically meeting needs and limiting wants. Needs are all that come from human nature, must be fulfilled, are objective, and fulfill the benefits and benefits. Meanwhile, desires originate from human desires that arise from lust, are subjective, unlimited, and if fulfilled may not necessarily provide increased benefits for the perfection of

human nature. 30 For example, the human need to perform prayer is clothing that can cover the genitals and it will make his prayer valid. However, if you indulge your desires, then it is not enough to wear clothes that cover your private parts, but clothes that are expensive and come from abroad, so that it gives the impression of luxury to those who see it.

Islamic economics does not prohibit

A. humans to fulfill their desires, as long as the fulfillment of these desires can increase blessings and benefit. Then where is the balance and humanity in the aspect of consumption in the Islamic economy? The balance lies in the ability of Muslim consumer to:

1. Can distinguish between needs and wants when deciding to consume. This can be done by building awareness to always put the public interest ahead of personal interests.
2. Be selective in choosing consumer goods. Every Muslim is obliged to adhere to the provisions of syara', especially related to the law on goods or services that are permissible or forbidden for consumption.
3. Avoid consumption behavior that prioritizes lust, so as to avoid the nature and actions of ishraf (waste) and tabdhir (spending).
4. Transforming from homo economicus to homo Islamicus. Human nature is never satisfied, on the one hand has a positive impact with the advancement and development of science and civilization. But on the other hand, especially in the economic aspect, it causes various problems, especially environmental damage. Environmental damage that is happening at this time cannot be separated from human responsibility as economic actors who are too focused on profit (profit oriented) so that they no longer pay attention to the preservation of the natural surroundings. Homo economicus is not based on certain values and cannot be separated from his view of nature which is considered only as an object of

economic activity that must be exploited as much as possible to make a profit.

### **Values of balance and humanity in Distribution**

Distribution according to the Big Indonesian Dictionary is defined as; first, distribution (sharing, sending) to several people or to several places. Second, the distribution of goods for daily necessities (especially during emergencies) by the government to civil servants, residents, and so on. In simple terms, distribution in the economy can be interpreted as a process of moving goods or income from producers to consumers. According to the perspective of Islamic economics, the concept of distribution is increasing and sharing the results of wealth so that the circulation of wealth can be increased so that the existing wealth can be abundant evenly and not only circulated among certain groups.

While Syed Nawab Haider Naqvi (1981), argues that distribution is a process of delivering goods or services from producers to consumers and users, when and where the goods or services are needed. The distribution process basically creates the utility of time, place, and transfer of property rights. In creating these three benefits, there are two important aspects involved, namely institutions that function as channels of distribution and activities that channel the physical flow of goods (physical distribution).

Distribution, in its process, requires a pattern of balanced reciprocal relationships, between demand and supply, which is called the market. The market at this time refers to a condition and mechanism that allows transactions to occur either directly or indirectly.

The process of the distribution of goods or services from the hands of producers to the hands of consumers requires a long process, mechanism and distribution chain. This is what causes the price of goods or services to increase, because of the cost elements in the distribution process. If the distribution system works normally, there will be a market equilibrium. Market equilibrium is a situation where all components in the market, both demand and supply are in a balanced position, so that every variable formed in the market such as price, quantity and quality demanded will be the same as what is offered.



The market balance is very difficult to control, because the factors that influence the occurrence of market imbalances can come from producers, consumers and goods distribution mechanisms and systems. The occurrence of market imbalances can be caused by three things; The first is structured deviation and unstructured deviation. Structured deviations occur due to the structure or form of market organization which systematically disrupts the working mechanism of the market, such as monopoly and oligopoly. Monopoly occurs when there is only one player (producer or distributor) who controls a certain market segment, causing arbitrary price controls that cause losses for the consumer. Monopoly can cause market imbalance,

Second, is unstructured deviation. The market balance can be disrupted due to activities that are not structured in nature. This deviation is not caused by any disturbance in supply and demand. Rather, it is more caused by the dishonorable behavior of the actors, both sellers and buyers, with the intention of controlling prices for personal gain. Some examples of this unstructured deviation include hoarding goods (ihtikar) thereby disrupting the distribution system, with the aim that the prices of goods for certain products become uncontrollable. Creating pseudo-demand with the aim of increasing prices (bayan-najasyi), committing fraud on aspects of quality, quantity,

Third, the occurrence of asymmetric information or imperfect information. Market imbalances can also occur due to imperfect information held by market participants. Information becomes very important in the process of distribution and market mechanisms because it will affect there is an act of taking advantage of the ignorance of others. Therefore, in Islamic economics it is forbidden to carry out a transaction if the information is not perfect. This behavior in terms of Islamic economics is called talaqi rukban and ghaban fahisy.

### **Balanced Values in the Service Business and Sharia Finance**

Islamic financial institutions, both banks and non-banks, have the main mission of eliminating the usury system, which has become ingrained in the Muslim community. This is because usury is the main root of the problem that has led to

injustice and economic inequality that has occurred in almost all levels of society. Riba, literally, has an additional meaning, and in terminology is any addition that is required at the beginning (pre-determined return) in debt transactions. Riba has been expressly prohibited in the teachings of divine religions, because from the beginning usury has been a source of economic chaos in various parts of the world.

In the Qur'an, the process of prohibiting usury is not carried out at one time, but is carried out in stages, starting from a warning about the dangers of usury, then the second stage is described that usury is a bad deed and Muslims are advised to stay away from it, the third stage explicitly states the prohibition of usury multiple times. double, and the last stage emphasized the prohibition of usury in all its forms and types.

In general, usury can be classified into 2 types, namely usury nasi'ah and usury fadhli. Nasi'ah usury is usury that occurs because there is an excess of the principal loan specified at the beginning. Meanwhile, usury fadhli is usury that occurs due to differences in quality and quantity in the contract of exchange/sale and purchase of certain goods or commodities. In the current context, bank interest is considered haraam because it is considered to have exactly the same characteristics as usury nasi'ah. The prohibition of bank interest is a definite provision, because most scholars in the world agree that it is forbidden because it causes injustice in the people's economy.

The reasons of some scholars, who consider bank interest lawful due to an emergency, seem to be irrelevant at this point. How is this possible, there is still a view that bank interest is halal, even though if we pay close attention, according to banking data published by the Financial Services Authority (OJK) for credit interest rate reports as of July 2018 it is still double digit, especially for micro credit it is still very high , the average is above 15% in almost all commercial banks in Indonesia. For example, the interest rates for micro loans for the two largest banks in Indonesia, namely BRI and Bank Mandiri, set their lending rates at 17.50% and 17.75%, respectively.

If in just one year the interest is 17.50%, then if it is more than one year

there will be a double interest rate, causing the amount of interest to be paid to exceed the principal loan provided. This is what Muslims are currently experiencing, but ironically there are still many who are not aware and say that transactions in conventional banks are much better than in Islamic banks.

The financial system with the main instrument of interest has been proven many times to cause crises, recessions and bankruptcy of the world economy, for example the recession in 1930, 1950 and the 2008 financial crisis that occurred in Greece and the United States, and recently hit developing countries such as Venezuela, Argentina and Turkey.

The impact is also so bad for third world countries, where these countries need a lot of capital for development, but the capital is obtained from loans to developed countries, with high interest rates. In the end, developing countries only become cash cows for the prosperity of developed countries, and inequality will continue to occur at any time as long as the interest system is still implemented.

Islamic economics, comes with a better concept, where all economic activities must be based on a sense of justice, trust and togetherness. Islamic economics puts more emphasis on growth based on the real sector, not on monetary which has the risk of speculative actions. So that with this interest-free economic system, the wheels of the economy will move in a balanced way and the distribution of income will be more evenly distributed among economic actors.

## **CONCLUSION**

Islam always teaches and directs its followers to always maintain a balance, be it physical or mental balance, balance between worship and muamalah, balance in the world and the hereafter. Without balance, the world will never be able to run as it should. The principles of balance and also humanity in Islam can be felt very clearly, including:

First, the Islamic economy itself is a point of balance (equilibrium) between the capitalist economic system which deifies the owners of capital too much, and the socialist economic system which does not want to recognize

individual ownership rights. The goal of Islamic economics is to achieve universal prosperity (falah) through the intermediary of achieving common prosperity (maslahah). Therefore, zakat, waqf, infaq, and shodaqah are applied as instruments in the distribution of wealth from the rich to the poor.

Second, profit or profit in production is not the only goal, because Muslim producers must also pay attention to other aspects such as doing business in a good and lawful field, not cheating in the process of producing goods. The point of balance of production in the Islamic economy lies in the fulfillment of the primary needs (dharuriyyat) of society. In addition, producers must also pay attention to nature and ecosystems by not exploiting it which can damage the balance of nature so that it can cause natural disasters.(Sartika, Amril, & Artis, 2018)

Third, in consumption, balance occurs when a consumer can distinguish between what is a need (needs) and what is a desire (wants), avoids consuming illicit goods, does not behave extravagantly (ishrof) and excess (tabdhir), and considers the needs of others. others even though they are able to buy as much stuff as possible.(Maluku, Renur, & Fahrudin, 2019)

Fourth, in the distribution of equilibrium points what will happen if the market is not disturbed by the existence of factors that can cause market imbalances. These factors include monopoly, oligopoly, the occurrence of hoarding (ihtikar), demand engineering (bayan-najasy), and asymmetric information (asymmetric information) in the form of talaqi rukbhan.

Fifth, balance in the financial services sector, namely in the form of financing from Islamic financial institutions, both banks and non-banks, Islam prohibits usury, or better known as interest-bearing loans. For whatever the reason, the loan system with predetermined interest is an injustice that causes it to occur

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