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BUSINESS COMPETITION BETWEEN INDOMARET AND MINIMARKET 212 MART FROM THE PERSPECTIVE OF SHARIA ECONOMIC LAW

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Abstract: In this study, the problem studied is How is the form of business competition between Indomaret and 212 Mart minimarket? How is the perspective of Islamic economic law? Business competition between Indomaret and 212 Mart minimarket. The purpose of this study is to determine the form of business competition between Indomaret and 212 Mart minimarket and to determine the perspective of Islamic economic law regarding the form of business competition between Indomaret and 212 Mart minimarket. The research methodology used in this study is field research, where the objects of this study are Indomaret and 212 Mart business owners, and consumers who shop at Indomaret and 212 Mart. Data collection techniques consist of observation, interviews, and documentation. The results of this study are that the form of business competition between Indomaret and 212 Mart was not found from business owners who practiced monopoly (Ikhtikar) and unhealthy competition, consumers are more familiar with Indomaret compared to 212 Mart and there are some consumers who complain about less than satisfactory service even some goods whose prices do not match the label and this form of business competition is a form of healthy competition and in accordance with Islamic economic law and some are not in accordance with Islamic economic law, namely business owners do not practice unhealthy competition and some goods whose prices do not match the label and the service is not good.

Keywords: *Business Competition, Monopoly (Ikhtikar), Sharia Economic Law*

INTRODUCTION

Business is one of the many ways to fulfill human needs. Islam has provided guidance on how to live life properly so that humans can achieve happiness in both this world and the hereafter. Allah SWT has given guidance to every human being regarding business in fulfilling life's needs. In life, misunderstandings regarding the concept of tawakkal (surrender) often give rise to a passive attitude, reluctance to try and easily give up. Yet Islam itself forbids and rejects this understanding and emphasizes the importance of balancing tawakkal accompanied by endeavor.

Therefore, business can be said to be a job carried out by humans to fulfill the survival of humanity itself, and in every business it is not permitted to carry out wrong actions towards fellow business competitors, both those who have just emerged or people who carry out similar businesses that are not in accordance with the principles of Islamic economics as stated in the word of Allah SWT.

Meaning: O you who believe! Do not devour each other's wealth by means of vanity (unrighteousness), except by means of trade which is valid on the basis of mutual consent between you. and do not kill yourselves. Indeed, Allah is Most Merciful to you (QS. An-Nisa: 29)

In business, Islam places great emphasis on guidelines, including norms and ethics for business development, ensuring that business actors are truly consistent and have a strong sense of responsiveness in developing their businesses. Therefore, with high spiritual norms and ethics, faith, and noble morals, business actors will not run out of wealth and will become an enduring legacy. As stated in the word of Allah SWT:

Meaning: And help you in (doing) righteousness and piety, and do not help you in committing sins and transgressions. and fear Allah, verily Allah will punish you very severely. (QS. Al-Maidah: 2)

In economic or business activities, competition between business actors is

a common occurrence. Healthy business competition will have a positive impact on competing entrepreneurs because it can lead to efforts to increase efficiency, productivity, and product quality. Consumers also benefit from healthy competition because it can lead to adjustments to current market prices and guaranteed product quality. Conversely, if competition is unhealthy, it can damage the country's economy, harming many people.

Business actors in Indonesia in developing their businesses must comply with the current economic democracy by paying attention to the balance between the interests of business actors and the public interest. The Law (UU) on business competition is Law No. 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition with the aim of paying attention to the competitive market from the influence of agreements and conspiracies that tend to be detrimental and eliminate other competition. Concerns in the Law on business competition are promotional competition and strengthening consumer sovereignty.

Monopolies are a key component that concentrates wealth in the hands of a small group or individual, creating social and economic disparities. Ownership and control of assets by individuals is permissible. However, when this freedom is exploited to create detrimental monopolistic practices, it is the duty and obligation of the state and business actors to intervene and correct them.

In the Middle Ages, prominent scholars such as Ibn Taimiyyah, Ibn Qaiyyim al-Jauziyyah, and Ibn Khaldun also conducted in-depth studies on monopoly practices. Ibn Taimiyyah, in his book *Al-Hisba Fiil Islam*, explained that Islamic teachings strongly encourage freedom to engage in economic activities as long as they do not conflict with religious rules, for example, those known in the Islamic economic system as *Riba* (interest), *ikhtikar* (hoarding/monopoly), *Ta'zir yang dzalim* (price fixing unjustly), *Tadlis* (fraud), and *Taqhrir* (ambiguity and uncertainty).

Another area of concern in business competition is the emergence of

minimarkets. According to the dictionary, a minimarket is a type of franchise-based retail store that sells a wide variety of goods, from food and beverages to household goods, but not as comprehensive as a supermarket.

Customers pick their own items from the shelves and pay directly at the cashier. This definition demonstrates that retailing extends beyond simply selling tangible goods to consumers.

Along with the development of the times, minimarket businesses in Indonesia that are currently established are not only conventional-based, but there are also sharia-based minimarket businesses where sharia-based minimarket businesses use systems that comply with Islamic law, different from the system used by conventional-based minimarket businesses. The development of sharia-based minimarket businesses in recent years has been increasingly rapid, several factors have caused the growth of sharia-based retail businesses, starting from demographic developments, friendly service systems, the products sold are halal, the community can participate as investors so that it becomes a growth factor for sharia-based minimarket businesses. And technological advances provide opportunities for producers to offer new, more attractive products.

The phenomenon that occurs in the Indomaret and 212 Mart minimarket businesses located in Pengantungan sub-district, Ratu Samban district, Bengkulu city, Indomaret and 212 Mart are a growing business currently carried out by business actors so that it will create competition in the minimarket business. Based on the results of temporary observations and interviews with the author to Mr. Nurcholis as the chairman of the 212 mart cooperative, he said that 212 mart and Indomaret are both retail-based businesses, Indomaret and 212 mart both sell the same products. However, what differentiates 212 mart is that it sells more MSME products from Bengkulu, while MSMEs from outside are only resellers

and 212 mart does not provide non-halal products and instead provides halal products, in terms of price not all prices are too expensive while in terms of place it is not too big compared to Indomaret. So the community is very influential on the competition between Indomaret and 212 mart.

METHODOLOGY

The research method used in this study is a literature review, employing qualitative analysis and secondary data from various library sources such as journals or scientific reports, books, and other important documents.

A literature review can be broadly described as a systematic way to collect and synthesize previous research.(Tranfield, Denyer, & Smart, 2003). By conducting a good and effective literature review as a research method, it can create a strong foundation for advancing knowledge and facilitating the development of theory.(Webster & Watson, 2002) By integrating the findings and perspectives obtained based on empirical findings, the literature review is expected to be able to answer the research questions well. To find out the form of business competition between Indomaret and the 212 Mart minimarket and to find out the perspective of Islamic economic law on the form of business competition between Indomaret and the 212 Mart minimarket.

RESULTS AND DISCUSSION

1. Business Competition And Business Ethics

Business competition is a term that appears in various literature discussing the legal aspects of business competition. The word competition comes from the English word "competition," meaning competition itself or competing, competing, and competing. Competition is a group of businesses or a single business competing with the aim of providing something to buyers, a dominant company, increasing surveys, or acquiring human resources. In general, business

competition is a feud or rivalry between businesses that independently seek to attract customers by offering good prices and good quality goods or services.

In the business competition management dictionary it consists of:

a. Healthy competition is a conflict between companies or business actors who believe they will not carry out inappropriate practices and every business must prioritize business ethics.

. b. Cut-throat competition. This type of competition is an unhealthy form of competition, where several parties are fighting for market share, each doing business in a way that justifies any means to eliminate their competitors, resulting in one of them being eliminated from the market and one of them selling goods below the prevailing market price.

Islam, as a unique code of life, provides detailed rules to prevent problems arising from unfair competitive practices. Three elements that must be considered in business competition are:

a. Competing parties.

Humans are the driving force behind business behavior and control. For a Muslim, business is about acquiring and developing wealth. The wealth they acquire is a blessing from Allah SWT. A person's duty is to strive to maximize their wealth, one way of doing this is through business. There's no assumption that the blessings God has given will be taken by competitors. Allah has determined the rights of each person according to their efforts.

This belief serves as the foundation for a sense of trust and trust (relief) after humans have exerted their utmost effort. In work, Islam commands its followers to compete in good deeds. Based on this foundation, competition is no longer defined as an attempt to eliminate others, but rather as a means of providing the best in one's business endeavors.

b. Aspects of how to compete

Doing business is part of muamalah (transactions), and therefore, it is inseparable from the laws governing muamalah. Therefore, free competition that

justifies any means must be eliminated as it contradicts the principles of Islamic muamalah.

In business, everyone interacts with other parties, such as business partners and competitors. The Prophet Muhammad (peace be upon him) set an example of how to compete effectively. When trading, he never attempted to destroy his competitors. However, this does not mean he traded simply without considering competitiveness. He instead provided the best possible service and honestly stated the specifications of the goods he was selling, including any defects. In business, one must always strive to provide the best possible service, but not at all costs.

2. Objects (goods or services) being competed for. Some advantages that can be used to increase competitiveness are:
 - a. Products that are traded, whether in the form of goods or services, must be halal and in accordance with what consumers want to avoid fraud, the quality is guaranteed and competitive.
 - b. Price: To win the competition, product prices must be competitive. This means that slashing prices with the aim of bringing down competitors is not permitted.
 - c. Place The place used must be good, healthy, clean and comfortable, and must be free from prohibited things such as pornographic images, alcoholic drinks and so on, just to attract buyers.
 - d. Service Service must be provided in a friendly manner, but not in a manner that is close to sin.
 - e. After-sales service: This is a service that will continue. However, it is provided free of charge or according to the agreement.
3. Sharia Basis of Competition

Business competitive strategies, or competition, are permissible under sharia law, provided they are conducted in a good manner. One such criterion is explained in a letter advising against competing in good deeds:

Meaning: And for each Ummah there is a Qibla (its own) towards which it faces. So compete (in making) good. Wherever you are, Allah will surely gather all 19 of you (on the Day of Judgment). Indeed, Allah has power over all things. (QS. Al-Baqarah: 148)

In the verse of the Qur'an above, it is explained that competition for the purpose of goodness is permitted, as long as the competition does not violate the principles of sharia.²³ As exemplified by the Prophet Muhammad, when trading, the Prophet never made efforts that would destroy the businesses

of his competitors, although this does not mean that the Prophet's trading style was haphazard without considering his competitiveness. What he did was provide the best possible service and state the specifications of the goods being sold honestly, including if there were any defects in the goods.

Naturally, such practices can improve sales quality and attract buyers without destroying other vendors. Muslims should continue to strive to the best of their ability, fully trusting in Allah SWT, seeking only His pleasure, and doing everything solely for the sake of worship. The verse also explains that as Muslims, we must compete in doing good. This includes conducting economic transactions based on Islamic law, which means doing good, namely upholding religious truth.

In another verse, the Quran also warns competitors not to become greedy, vying for as much worldly gain as possible. Such an attitude will make people negligent and careless. This is conveyed by Allah in a verse.

Meaning: "Boasting has neglected you. Until you enter the grave. Don't be like that, later you will know (the consequences of your actions). And don't be like that, later you will know. Don't be like that, if you know with sure knowledge. (QS. At-Takatsur: 1-5)

In the verse mentioned above, Allah sternly warns against such competition. Likewise, Allah repeatedly warns against such competition. These sentences carry a very strong threat, intended to prevent and condemn the practice.

From the explanation above, it is clear that the concept of Qur'anic-based business competition is a concept of competition that encourages businesspeople to compete positively (*fastabiqul khairat*) by providing sufficient contributions from their businesses without eliminating other entrepreneurs and instructing entrepreneurs not to harm or endanger other entrepreneurs. The Qur'an also discusses the concept that it is not permissible to compete with the aim of obtaining as much wealth as possible without considering Islamic values.

Because this will result in negligence to the point of forgetting one's obligations as a servant of Allah. Therefore, it is very important for Muslim businesspeople to understand the concept of competition recommended in Islam to avoid falling into unhealthy competition.

4. Factors Driving Competition

- a) Competition is crucial to the success or failure of a business or trade. There are five factors of business competition that can determine competitiveness:
- b) Threat of New Entrants: New entrants into an industry can pose a threat to existing players if they bring new capacity, a desire to gain market share, and substantial resources. This can result in lower prices or higher costs, reducing the profitability of existing companies. Therefore, new entrants can force existing companies to be more effective and efficient.
- c) Competition among existing competitors Competition among existing players (companies) in the competition to gain position by using tactics, such as price competition, product introduction, and large-scale advertising wars as well as

increasing service or guarantees to customers. Competition occurs because players feel pressure or see opportunities to improve their position.

- d) **Bargaining power of suppliers** Powerful suppliers can use their bargaining power by pressuring other firms in an industry by raising prices or reducing the quality of purchased goods or services. If a firm is unable to cover its cost increases through its pricing structure, its profitability may decline, thus reducing the profitability of an industry that cannot raise prices to cover its costs.
- e) **Bargaining power of buyers** Buyers can also force prices down, demand higher quality, or better service. This will result in strong competition among businesses in the same industry.
- f) **Threat of substitute products** All entrepreneurs in an industry actually compete with substitute products, even though the characteristics of the

product are different, these substitute products can provide the same functions and benefits. If the industry's products cannot improve product quality or differentiate, then the possibility of a decline in profits or even growth as the price offered by substitute products becomes more attractive. Substitutions not only limit profits during normal times, but can also reduce the potential for large profits that can be obtained when the market experiences a surge.

5. Stakeholders

In business, the important people who run the business, who carry out the business, and those who bear the risks associated with the business are called stakeholders. In principle, there are six stakeholders in business, namely:

- a. **Owners**, namely the people or individuals who create or plan a business or organize, manage and bear the risks of the business.

Business owners can be called entrepreneurs, namely the person who organizes, manages, and bears the risks faced in starting a business. A person who is self-employed is also called a self-employed person. b. Creditors, namely financial institutions (banks) or individuals who provide loans.

- b. Employees, namely the people who manage the business (company). There are non-managerial employees, these are called workers, and there are also managerial employees, namely managers.
- c. Suppliers, namely people or companies that supply raw materials.
- d. Consumers, namely those who need and want the product or service.

6. Legal Basis for Islamic Business Ethics

Ethics in Islamic business refer to two primary sources: the Qur'an and the Sunnah of the Prophet. These two sources are the source of all existing sources. They guide and direct all individual or group behavior in carrying out worship, deeds, and activities of Muslims. Therefore, business ethics in Islam concerns the norms and guidelines or teachings that pertain to the life systems of individuals and/or societal institutions in conducting business activities, always following the rules established in Islam. Allah SWT says:

Meaning: O you who believe, do not consume each other's wealth in a false way, except by means of commerce that is carried out mutually between you. And do not kill yourselves; Indeed, Allah is Most Merciful to you (QS. An-Nisa: 29).

In business, Islam provides guidelines in the form of norms and ethics for conducting business, ensuring that business actors are truly consistent and possess a strong sense of responsibility. Therefore, with high spiritual norms and ethics, faith, and noble morals, it constitutes an inexhaustible wealth and an enduring legacy.

CONCLUSION

Based on the analysis and discussion of this chapter, the author draws the following conclusions:

1. The form of business competition carried out by Indomaret and 212 Mart business owners was not found from business owners who carried out monopolistic practices and unfair business competition, in terms of Indomaret products there are those who sell products such as cigarettes that are not sold in 212 Mart minimarkets, there are several consumers who have shopped at Indomaret complaining about poor service, some of the goods do not match the price on the label. However, consumers are more familiar with Indomaret compared to 212 Mart because Indomaret is in every corner,
2. The form of business competition carried out by Indomaret and 212 Mart business owners is a form of healthy competition and is in accordance with Sharia Economic Law because the business owners do not carry out monopolistic practices (Ikhtikar) and unhealthy competition and there are some findings that are not in accordance with Sharia Economic Law such as products that are not in accordance with Islam, some prices of goods that do not match the label and poor service.

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