

## Research Article

# Analysis of the Implementation of Islamic Business Ethics on the Behavior of Traders in the Kukun Traditional Market (Study on Kukun Traditional Market Traders, Rajeg District)

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**ORCID**Wahyu Nabil Afifah: <https://orcid.org/0009-0002-9719-4974>**Abstract.**

This study aims to find out whether Islamic business ethics have been applied by traders in the Kukun traditional market. This type of research is field research with descriptive qualitative methods. The results of this study indicate that Kukun Traditional Market traders have not fully implemented the principles of Islamic business ethics in their buying and selling activities. Because in buying and selling transactions at the Kukun Traditional Market there are traders who do not apply Islamic business ethics such as not praying, reducing the scales, still borrowing money from moneylenders or conventional banks, unfriendly attitudes, and different treatment of buyers.

**Keywords:** Islamic business ethics, trader behavior, traditional markets

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## 1. Introduction

Economic growth is one of the things that is often discussed in every country. In Indonesia, one of the driving factors for economic growth is economic activity in terms of agriculture, trade, industry and so on [1]. One of the things that is important in economic growth in a country is trade carried out by its citizens, because by doing business or trading people can increase their income which will later impact a country's economic growth. Because every human being needs wealth and wealth to meet the needs, one of which is obtained by running a business or doing various jobs. which are activities that can help people in a country earn income by doing business activities.

Islamic Shari'a has taught that every activity must be guided by the basic values established by the Koran, the Prophet's hadith and other sources of Islamic teachings, one of which is business ethics. Because Islam will not allow someone to carry out their trading activities by using all means prohibited by Allah SWT, such as: *Gharar*, *Tadlis*, *Maisyir*, usury, and other vanity acts to achieve their desires. And Islam also provides

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limits for this, namely between what is permissible and what is not permissible, lawful and unlawful, and right and wrong [2]. Where this limitation has a term known as ethics. Of course, in the business world one must have ethics, so that in carrying out business transactions sellers and buyers get a blessed fortune. Business transactions can be done anywhere, one of which is in the market.

The market is an important part of the Islamic economy, because the Prophet Muhammad SAW liked fair prices. Because Islam emphasizes the importance of morality, such as being fair and honest in every business transaction. It is from these values that must be implemented by market participants, both sellers and buyers. The values that are upheld by Muslims come from their faith in Allah SWT. For example, the Prophet Muhammad was known as Mustahi (Judge) in the market, and he often reprimanded people who did not heed morality in their transactions.

However, if you look at the fact that what is happening in the field there are still many problems in the market, so that sharia business principles have not been fully implemented. This can happen because of the ignorance of sellers and buyers regarding Islamic business ethics and also because they are not too religious in business matters. This is what hinders the application of Islamic business ethics in real life. Because in buying and selling or business it must benefit both parties, not just one of them.

The problem that still occurs today in the market is that there are still many traders whose business transactions are not based on sharia provisions, such as *Gharar*, *Tadlis*, *Maisyir*, usury and others. Whereas in the Al-Quran it has been explained that in trading activities it is not permissible to commit fraud and fraud as the word of Allah SWT in QS Al-Mutaffifin verses 1-3: It means: "A great accident for those who cheat: (namely) those who, when they receive a measure from another person, they ask for it to be fulfilled; and when they measure and weigh for others they reduce "(QS. Al-Mutaffifin 1-3)

Based on the paragraph above, it is implied that all forms of fraud or fraud are prohibited, especially for business people to gain wealth. Where in this case it can be caused by impulse or lack of knowledge about Islamic Business Ethics when involved in trading activities [3]. Apart from trading activities that are not in accordance with sharia provisions as described above, examples of the behavior of traders who do not apply Islamic business ethics are often encountered, such as continuing to sell even though the call to prayer resounds, not keeping the stalls clean, sometimes placing merchandise carelessly which causes other people are disturbed, selling fruit of poor quality, and so on. This is what will later become the focus of research because traders should apply business ethics in accordance with Islamic law.

If further research is related to this behavior, it can be seen that business is not only looking for profit, but also looking for blessings. Because in business it is not permissible to violate Islamic law, both in strategy, process and management [4]. However, if you look at the current business again applying business ethics in accordance with Islamic religious or social teachings. Which results in unhealthy business competition and also knocks each other out for the sake of big profits. However, we as Muslims must apply the Principles of Islamic Business Ethics, namely: (1) The Principle of Monotheism (2) The Principle of Balance, (3) The Principle of Free Will, (4) The Principle of Responsibility, (5) The Principle of Virtue.

In the mechanism at the Kukun Traditional Market itself, there are many traders who are Muslim and many have also applied the principles of Islamic business ethics, but there are also traders who have not applied the principles of Islamic business ethics. As in the Kukun Traditional Market, there are still many who reduce their weight, traders who have an unfriendly and different attitude towards buyers, neglect to pray, do not disclose product defects, put good fruit on top and put bad fruit underneath, do not maintain cleanliness. market, and many more that researchers observed when researchers researched the Kukun Traditional Market. In addition, there are also traders who have implemented the Principles of Islamic Business Ethics, such as not reducing the scales,

Therefore, based on this phenomenon, researchers are interested in examining the problems that exist in the Kukun Traditional Market. The Kukun traditional market is one of the traditional markets located on Jalan Raya Cadas No. 26, Sukatani, Rajeg, Mekarsari, Kec. Rajeg, Tangerang Regency, Banten. Until now this traditional Kukun market is still operating and is a place for buying and selling transactions for the local community. Most of the perpetrators of buying and selling activities in the Kukun Traditional Market are Muslim, but there are also many traders who do not apply Islamic law in doing business. Such as not implementing hygiene when trading, selling unripe fruit, not showing transparent behavior to buyers and many more. From this, of course, the problem that will be raised by researchers. Literature Review

## 1.1. Islamic Business Ethics

"Business ethics are aspects of good/bad, commendable/despicable, right/wrong, reasonable/unreasonable, appropriate/inappropriate from human behavior coupled with halal-haram or a number of ethical business behaviors (akhlaq al Islamiyah) wrapped in sharia boundaries" [3].

In this regard, there are several principles of Islamic business ethics which are also ethical principles which include monotheism, balance, free will, responsibility and benevolence. Islam as a universal teaching provides guidance on economic activities in the form of principles in business ethics, along with the principles of business ethics in Islam [3]:

### 1.1.1. Principle of Tawhid

The principle of Tawhid is a vertical concept that implies Allah SWT as the one and only God, which places certain limits on human behavior as his creatures. Humans as caliphs on this earth are encouraged to provide benefits to others without harming their rights.

From the principle of monotheism, the integration of religious aspects with other aspects such as the economy, will encourage humans to become a unit that has istiqamah characteristics within itself and always feels watched over by Allah SWT. In this concept, humans will feel that they are cared for and recorded by Allah SWT, including in economic activities. Because Allah SWT is omniscient over all the movements of the behavior of the life of his creatures.

Examples in business practice are:

Not forced or forced to obey Allah SWT. This is stated in QS. Al-An'am verse 163.

Not committing unethical acts and encouraging each individual to be trustworthy because the wealth given is entrusted by Allah SWT QS. Al Kahf verse 46

### 1.1.2. Principle of Balance

If the principle of monotheism is a vertical concept, then the principle of balance contains a horizontal concept which in Islamic teachings relates to good relations with everything in this universe. In this principle of balance more describes the horizontal dimension of personal life. This happens because of the many relationships between human beings. The principle of balance contains the teachings of justice which is one of the basic principles that must be upheld by every human being in his life. This principle of balance or justice demands that everyone be treated the same without discrimination. Because in this principle every Muslim must be fair, may not harm one party.

Examples of practice in business are:

Do not commit fraudulent acts, such as reducing the measure or scale. It's in QS. Al-Isra verse 35

Does not discriminate good behavior towards employees, sellers, buyers and other colleagues. This is stated in QS. Al-Hujurat verse 13.

### 1.1.3. The Principle of Free Will

In the principle of freedom this means that everyone has complete freedom to carry out his business. In the economy every human being can freely apply Islamic rules. Because economic problems in Islam are included in the muamalah aspect, not the aspect of worship. So it is permissible to innovate in all muamalah rules, except for those prohibited by Allah SWT such as injustice and usury. Because everyone has the right to trade their goods or assets without any coercion from other people.

Examples of practice in business are:

Keep promises, both business cooperation contracts and work contracts with workers. It is in QS. Al-Maidah verse 1 which means "O you who believe, fulfill the promises".

In this principle of free will, Islam teaches to collaborate between entrepreneurs, not to compete with each other between entrepreneurs let alone kill other people's businesses.

### 1.1.4. Principle of Responsibility

The principle of responsibility is fundamental in Islamic teachings. In Islam it is given freedom in doing business but whatever something that every human being does must be accounted for. In order to fulfill the demands of justice and piety in every business activity, every human being needs to be held accountable for whatever he has done.

Allah SWT determines that every human being is always responsible for any activities that have been carried out, even in business activities. Because so that humans always implement good business activities.

Examples of practice in business are:

Pay according to the agreement

Selling goods with good quality

Do not commit perjury

### 1.1.5. The Principle of Virtue

The principle of benevolence is doing good deeds that benefit others, without the desire or reward for doing certain things such as worship. Every Muslim must act solely for Allah and Allah sees the deeds of every creature. virtue is a commendable thing that affects aspects of life, virtue always has the best place by Allah SWT. Generosity has something to do with virtue.

Examples of practice in business according to Imam al-Ghazali:

Set aside a little wealth for infaq, alms and zakat

Pay debts before maturity

In conducting cooperative transactions and business agreements, both must be willing and pleased

Honest in every business activity

Has a friendly attitude, good in selling, tolerant and also collects debts.

### 1.2. Trader Behavior

A psychologist states that, behavior is an action or a person's reaction if there is a stimulus from outside. "Trader behavior is a trait possessed by every trader, to capture the reaction he has given by the environment to the conditions that have occurred now" [5]. Merchant behavior can be influenced by several factors, which can also affect customer or consumer interest in an item such as product, price, distribution, and promotion.

### 1.3. Traditional market

A traditional market is a place open to the public, in which buying and selling activities occur between sellers and buyers who go through a bargaining process [7]. Traditional markets are defined as places for buying and selling merchandise where there is more than one trader managed by the local government [8]. In traditional markets, visitors who come are not always buyers, but also sellers. Even everyone can sell any merchandise to traditional markets.

## 1.4. Islamic Market Mechanism

The description of an Islamic market is a market where there is healthy competition in it and then it is framed with Islamic values and Islamic morality such as norms that apply to Muslims and other communities. Such as fair competition, honesty, openness and fairness. The concept of the market in Islam can be seen in the hadith of the Prophet Muhammad SAW which was put forward by Anas RA when there was an increase in prices at that time in Medina. If you look at this hadith, it is clear that Islam taught the concept of market mechanisms farther than Adam Smith, which was more than 1160 years earlier.

## 2. Methods

In this study, researchers used a qualitative approach, using descriptive methods. A qualitative approach is “a research work mechanism that relies on descriptive descriptions of words or sentences, which are carefully and systematically arranged starting from collecting data to interpreting and reporting research results” [3]. The descriptive method is “the method of research work which is intended to describe, describe, or describe the state of an object (reality or phenomenon) as it is, in accordance with the situation and conditions at the time the research was conducted” [3].

This study uses interviews with traders in the traditional Kukun market as the primary data source. Data collection techniques used in this study are observation, interviews, and documentation. the researcher conducted an analysis of data processing by analyzing the observational data, and conducting in-depth and structured interviews. Then the researcher sorts the data, in which case the researcher selects relevant and important data which is certainly in accordance with the research problem. After that, the researcher presents the results of the research and then makes conclusions from the research as the final part of this research. Discussion And Results

In this study, researchers interviewed 5 traders at the Kukun Traditional Market as resource persons. Based on the results of these interviews, it can be seen that the application of Islamic business ethics principles in the Kukun Traditional Market consists of the Principle of Monotheism, the Principle of Balance, the Principle of Free Will, the Principle of Responsibility and the Principle of Virtue.

## 2.1. Principle of Tawhid

The principle of monotheism or the principle of unity is a very important ethic in conducting business transactions, especially buying and selling. In business implementation, namely by carrying out the orders of Allah SWT and staying away from all the prohibitions in buying and selling activities. Such as not doing MAGHRIB practices (Maisyir, Gharar, and Riba) keeping the five daily prayers, carrying out fasting, paying zakat, alms, and so on.

Muslims believe that everything that happens is according to Allah's will. This belief is based on the fact that Muslims have a strong trading tradition, which allows them to observe and learn from the interactions between humans and nature. They also believe that Allah gives sustenance to him as a gift. So, by giving some of their wealth to help others in need, both parties are following Allah's commands. They do this voluntarily, without being forced by others. They know that giving zakat is one of the commands of Allah SWT as the word of Allah SWT in the letter At-Taubah (103) which means: "Take alms (zakat) from some of their assets, with that zakat you clean and purify them and pray for them. Truly your prayers (become) peace of mind for them. And Allah is all-hearing, all-knowing." (QS. At-Tauba: 103).

Based on the results of observations, it can be concluded that traders in the Kukun traditional market are negligent in carrying out the 5 daily prayers, either not performing the obligatory prayers at all or not praying at the beginning of time. Under the pretext of serving customers, there are traders who are obedient in carrying out the 5 daily prayer obligations by taking turns with their co-workers. From this statement it can be concluded, if the traders in the Kukun Traditional Market have not fully implemented the Principles of Tawhid in their business activities. As many as 6 traders who keep the five daily prayers, carry out fasting, pay zakat, alms and do not practice usury. And as many as 4 people have not kept the five daily prayers, have not carried out regular fasting and have not carried out alms or zakat.

## 2.2. Principle of Balance

From the observations of traders at the Kukun Traditional Market, some still apply the principle of this balance, because there are traders who deliberately reduce their scales to get more profit. There were as many as 7 traders who weighed their merchandise according to the measure or exceeded it, but there were traders who reduced their merchandise. This action is tantamount to deception and cheating. This balancing



behavior is explicitly explained that Muslim entrepreneurs must be honest in measuring or weighing, because in Islam we cannot only harm one party. By applying this principle of balance in every buying and selling activity it is hoped that consumer rights can be fulfilled.

### **2.3. The Principle of Free Will**

The principle of free will can be said to be important from the principles of Islamic business ethics, but that does not mean you can do whatever you want without regard to the interests of others. Under the principle of free will, merchants are allowed to buy and sell goods at whatever price they see fit. This freedom also extends to setting the price of goods relative to market prices. If there are traders who set the price of their goods above the circulating price, there is a risk that their merchandise will not be seen by buyers, which can result in a business going bankrupt quickly. In Islam it has been taught the prohibition to artificially suppress market prices to weaken competitors.

In addition, the prices sold at this traditional market are more expensive than those at the main market, because some of the goods sold at this traditional market are taken from the main market, but there are also traders who directly take goods from farmers which results in price differences. Because traders who buy their wares from the main market will sell at market prices and traders who take their goods from farmers will sell their goods below market prices. In buying and selling transactions, the practice of usury does not occur. However, the practice of usury itself is identified in transactions between sellers and moneylenders or conventional banks.

In the maximum implementation of free will because there are still transactions of lending money to moneylenders or conventional banking and selling merchandise below market prices. As many as 5 traders who still borrow money from moneylenders or conventional banks and as many as 2 traders who sell their wares cheaper so that there are more buyers but can damage the market price.

### **2.4. Principle of responsibility**

Judging from the interviews with the researchers, the traders have not fully implemented the principle of responsibility, because if the researchers look, they still find traders whose buying and selling activities at the Kukun market are not based on Islamic business ethics, such as hiding deficiencies or product defects, not paying off debts to sellers, and do not comply with the rules for renting shophouses with market managers.

## 2.5. The Principle of Virtue

The principle of benevolence is important in the attitude of traders who want to serve and care for their customers. Politeness and kindness will be very attractive to buyers or consumers, and this will give a positive impression. On the one hand, treatment is rough and does not help merchants to find buyers but will leave a bad impression on buyers. In buying and selling transactions at the traditional Kukun market, not all traders apply the principle of benevolence. Because if researchers see there are still traders who serve buyers with a less friendly attitude. As many as 2 traders who serve buyers with a less friendly attitude.

## 3. Conclusion

Based on the research results that the researchers obtained from interviews and observations obtained from traders. So it can be concluded that the traders in the Kukun Traditional Market have not fully implemented the principles of Islamic business ethics in their trading activities. Because researchers still see that some traders in the Kukun Traditional Market do not apply Islamic Business Ethics in their buying and selling activities such as neglecting to pray, reducing the measure of scales, still borrowing money from moneylenders or conventional banks, unfriendly attitudes and different treatment of buyers.

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