

## Conference Paper

# Islamic Fairness Concept Implementation in Business Perspective of Az-Zaitun I Surabaya Sharia Market Trade

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## Abstract

The aim of this research was to describe the implementation of the concept of Islamic fairness in business by traders of the Az-Zaitun I Surabaya Sharia Market. This research uses qualitative approach with a descriptive case study strategy. The primary data obtained using purposive sampling through interviews. Participatory observation also conducted to the traders. Secondary data are obtained from textbooks, scientific journals, and online articles that are relevant to this research. Then, triangulation conducted and analyzed to get the conclusion.

The result of this study shows that the traders of the Az-Zaitun I Surabaya Sharia Market apply all of the fair concept according to the three meanings of fairness, namely equal, proportional, and divine orientation. The conclusion is, even though it doesn't have a market supervisor, The Az-Zaitun I Surabaya Sharia Market has applied the three meanings of Islamic fairness, namely equal, proportional, and divine orientation.

**Keywords:** Islamic Fairness, Equal, Proportional, and Divine Orientation.

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## 1. Introduction

In all consciences, humans have been created by Allah Subhanahu wa Ta'ala in the best possible form. In order to meet the needs, Allah Subhanahu wa Ta'ala ordered us to work. One of them is by trading on the market.

Trading activities on the market are conducted in order to seek sustenance. But today, efforts to find it can be done in various ways. Although the method used is contrary to moral values. In fact, according to P3EI (2012: 301), "the market here requires morality, including: fair play, honesty, openness transparency, and justice".

In a story of At-Tirmidhi in Haritsi (2006: 66) stated:

"Really Umar bin Khattab radhiyallahu' anhu strictly prohibits doing economic activities if you do not know the sharia law".

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The purpose of the order is required for someone to understand religion in carrying out economic activities, one of which is to make the person do justice. While the definition of a fair term according to Shihab (1998: 116), one of them is "placing something according to its place" or "giving the other party the right through the nearest road". The reason researchers conduct research on fair concepts is because the concept of fairness is often overlooked in current commercial activities.

Uniquely at this time, there are traditional markets that use sharia principles. The market is called the Az-Zaitun I Surabaya Sharia Market. The market was inaugurated in 2010 by Prof. Suroso Imam Zadjuli, who is one of the professors of the Faculty of Economics and Business, Airlangga University. Az-Zaitun I Surabaya Sharia Market became a pioneer of traditional markets with the sharia concept in Indonesia. And until now there is only one unit of the Az-Zaitun I Sharia Market, which is located at Jalan Kutisari Selatan XIII, Kutisari village, Tenggilis Mejoyo sub-district, Surabaya.

This research topic is about sharia compliance within commercial activities. The discussion about the concept of fairness in commerce is very broad. So that it is more directed, this research focuses on the concept implementation of Islamic fairness in the sale transaction by the Az-Zaitun I Sharia Market traders in Surabaya.

## 1.1. Problem formulation

"How to implement the Islamic fairness concept in business by traders of the Islamic Market Az-Zaitun I Surabaya?"

## 1.2. Research purpose

The purpose of this study is to describe the concept implementation of Islamic fairness in business by traders of the Az-Zaitun I Surabaya Sharia Market.

## 2. Literature Review

According to Aziz, the word fair has been mentioned 28 times in the Qur'an (Aziz, 2013: 250). For example, with the terms al-qist, al-ladl, and al-mizan (Shihab, 1998: 111). The implementation of justice in economic activities, especially in terms of commerce, namely by implementing a ban on trading activities that are not in accordance with the meaning of justice (Djamil, 2015: 56). Generally, there are at least three meanings of justice as follows:

TABLE 1: Fairness Concept Indicators.

No.	Experts Opinions	Fair Meaning	Indicator (Definition)	Sub-Indicator (Example)
1.	Shihab (1998)	Equal	Equal rights. <sup>1</sup>	1. treating in the same way <sup>1</sup> 2. not discriminating the price for regular buyer and customer <sup>1</sup>
2.	Shihab (1998), Shaukat et al. (2017)	Proportional	Place something in its place or give the other party its rights. <sup>1&amp;2</sup>	1. Applying market price <sup>3</sup> 2. Applying price as the consumer's characteristic. <sup>1&amp;2</sup> 3. accepting return of goods <sup>4</sup> 4. explaining goods' information
3.	Khadduri (1999)	Divine Orientation	justice that comes from revelation (in the form of Al-Qur'an and Hadith) and relates to religion and ethics. <sup>5</sup>	1. do not store up <sup>6</sup> 2. do not subtract the scale <sup>6</sup> 3. do not apply riba both in debts and goods delivery <sup>7</sup> 4. do not swear while in trading <sup>6</sup>

Source: <sup>1</sup>(Shihab, 1998); <sup>2</sup>(Shaukat dkk., 2017); <sup>3</sup>(Karim, 2014); <sup>4</sup>(Nawawi, 2012); <sup>5</sup>(Khadduri, 1999); <sup>6</sup>(Ramdan, 2013); <sup>7</sup>(Muslich, 2007).

### 3. Research Method

#### 3.1. Research approach

This study used a qualitative approach using descriptive case study strategies.

#### 3.2. Research scope

The scope of the study's limitations is the Az-Zaitun I Sharia Market traders in Surabaya. Whereas the object of research is the implementation of a fair concept in the sale transaction by traders of the Az-Zaitun I Surabaya Sharia Market.

#### 3.3. Data source and type

The type of data used in this study is primary data and secondary data. Primary data sources in this study were obtained by two methods, namely: First, interview with market owners, representatives of management, traders, and buyers. Second, participatory observation to traders of the Az-Zaitun I Surabaya Sharia Market. The questionnaire is only used to get a merchant profile. While secondary data is obtained from textbooks,

scientific journals, and articles from both print and internet media that are relevant to this research.

### 3.4. Data collecting procedure

In this section, an initial visit to the Islamic market of Az-Zaitun I Surabaya was carried out. Then, researchers also spread questionnaires to all traders to map the traders. The aim is to make it easier for researchers to choose the informants that will be used as data sources. In addition, informal interviews were also conducted on the experience of trading in the Az-Zaitun I Surabaya Sharia Market, formal or religious-related educational backgrounds, willingness to accept returns, and the willingness of traders to become informants in the study. After the questionnaire data are collected, the data will be grouped according to commodity merchandise into seven categories, as follows:

1. Compounding traders.
2. Vegetable and fruit traders.
3. Accessories and cloths traders.
4. Food and drink traders.
5. Meat traders.
6. Meat grinding service traders.
7. Kitchen tools traders.

Based on the group and data divisions obtained from informal interviews with traders, one trader representing each group was taken. The sampling technique used was purposive sampling, namely sampling techniques with certain considerations (Sugiyono, 2010a: 392). As for the criteria of the chosen informant are explained below:

1. Ever attended formal education or related to religion.
2. Has been trading in the Az-Zaitun I Surabaya Sharia Market for at least three years.
3. Accept return of goods.
4. Willing to be the informant of this study.

As for the key informants also used purposive sampling technique. The criteria specified as follows:

1. The market management representation.
2. Market owner.

Then, buyers as respondents in this study were selected for the purpose of triangulation by using purposive sampling technique. The criteria set forth are as follows:

1. Shop directly on the Az-Zaitun Sharia Market in Surabaya.
2. Willing to be the respondent of this study.

### 3.5. Data validity testing techniques

In this study, the researcher used two types of triangulation, namely Source Triangulation and Time Triangulation.

### 3.6. Data analysis technique

The analysis technique used in this study is the Miles and Huberman model as in Sugiyono (2010a: 430-438), namely data reduction, data presentation, conclusion drawing. In addition, at this stage coding was also carried out.

## 4. Result and Discussion

### 4.1. Research object general description

In general, the Az-Zaitun I Sharia Market is a traditional market with the concept of sharia. The Az-Zaitun I Sharia Market in Surabaya is located at South Kutisari Road XIII, Kutisari Village, Tenggilis Mejoyo District, Surabaya, East Java. AZ-Zaitun I Surabaya Sharia Market was founded by Prof. Dr. H. Suroso Imam Zadjuli, S.E., Professor of the Faculty of Economics and Business, Airlangga University, Surabaya, as the founder. (S.Jai. [Http://tanahapikata.blogspot.com](http://tanahapikata.blogspot.com), accessed June 27, 2018)

The number of selling booths on the market today is 57 stands and 5 booths at the time of this research (observation, April 18, 2018). The size of the booth is 2 x 2 meters and for a 1 x 1 meter booth (suroso imam zadjuli, interview, 2 May 2018). The details of the types of commodities and the total traders of each commodity are as follows:

Based on the table, it can be known that the number of traders is less than the number of stands. According to the management representative, this was because some traders rented more than one booth (Mrs. Endang, interview, 18 April 2018).

TABLE 2: The Number of Traders Based on Goods **Commodity**.

No.	Commodity Type	Amount
1	Compounding	15
2	Vegetables	9
3	Fruits	1
4	Vegetables and fruits	1
5	Fish	4
6	Chicken meat	2
7	Cow meat	2
8	Rice stall	2
9	Coffee stall	1
10	Skewers stall	1
11	Snack	1
12	Beverages	1
13	Meat grinding service	1
14	Kitchen tools	1
15	Accessories	1
16	Clothings	5
The total of traders		48
The total of commodity groups		7

Source: Researcher processed result, June 2018.

## 4.2. Research general descriptions

### 4.2.1. Key informant 1 interview result

The key informant 1 is Prof. Dr. H. Suroso Imam Zadjuli, S.E., Professor of the Economics and Business Faculty, Airlangga University Surabaya as the founder. The reason for key informant 1 was to establish the Az-Zaitun I Sharia Market in Surabaya because key informant 1 was reminded of the hadith of the Prophet about reviving the dead land. Where someone who owns the land, but it is not utilized, then in essence the land is not his property. (S. accessed from: <http://tanahapikata.blogspot.com>, accessed on 27 June 2018).

Despite using a sharia predicate, the Az-Zaitun I Sharia Market does not have a market supervisor (Prof. Suroso, interview, 2 May 2018). In order to ensure that there is no fraud, a number of market establishment requirements are used as a control tool to prevent fraud in commerce in the Az-Zaitun I Sharia Market in Surabaya (accessed from:

<http://tanahapikata.blogspot.com>, access date on June 27, 2018). The requirements (Prof. Suroso, interview, 2 May 2018), are as follows:

1. The traded goods must be halal and useful
2. Counting tool, measurement tool, and scaling tool must be precise
3. The trading place and goods must be clean
4. Honesty
5. Companionship between traders
6. No smoking
7. When two parties are not done with the transaction, then the third party is not allowed to step in
8. Inexpensive

#### 4.2.2. Key informant 2 interview result

Key informant 2 is Mrs. Endang (55 years old). Key informant 2 is a management representative of the Az-Zaitun I Sharia Market in Surabaya. Key informant 2 as the market manager is tasked with attracting cleanliness retribution tickets and security (parking) from traders every day.

It is known that at the time of this research, the Az-Zaitun I Surabaya Sharia Market had 62 places of sale. The place of sale consists of 57 booths and 5 stands and has 48 traders (observation, April 18, 2018). Of the 62 places of sale, there is an empty selling place. This is because the owner of the booth was ill and could not continue the contract. The facilities provided for traders, including booths, electricity, parking, cleanliness, toilets and musholla. However, the back of the Az-Zaitun I Sharia Market is in the process of market development that began in December 2017. So, the *musholla* (prayer room) facilities in it were rebuilt (Mrs. Endang, interview, April 18, 2018)

## 5. Discussion

Based on the results of the interviews and participatory observation to traders (informant 1 to informant 7) are as follows: first, all buyers are treated equally by all traders in this study, namely in a friendly and patient manner. Second, all traders in this study treat regular buyers and customer in the same way in terms of price. This is done by

the majority of traders giving the same price. As for informant 2, it is done by giving discounts to both regular buyers and customer. That is, the two sub-indicators have fulfilled the fair indicator in the same sense, according to the opinion of Shihab which stated that the fair core in the same sense is "equal rights" (Shihab, 1998: 114).

Third, all traders in this study applied lower prices than modern markets. So that the prevailing prices in the Az-Zaitun I Surabaya Sharia Market are in accordance with the characteristics of buyers in traditional markets which generally come from the middle to lower classes. This is in accordance with the meaning of the word fair which is "placing something in accordance with its place" (Shihab, 1998: 116; Shaukat et al., 2017: 7).

Fourth, all traders in this study received the return of goods. This is done by exchanging goods that are in poor condition with goods in good condition. As for informant 4, it is done by re-grinding the mill. In an Islamic review, this is referred to as *khiyar*. *Khiyar* is "the right of one of the parties to transact to continue or cancel a contract" (Nawawi, 2012: 85). One of them is *khiyar* because of defects in goods.

Fifth, all traders in this study explained information on goods when trading. In general, the information described by all traders consists of two aspects, namely the condition of goods and raw materials. As for informant 4, only explained the cost of mailing services to buyers. Because the commodities sold by informant 4 are services. Explaining goods is one form of justice. Because, according to Karim (2014: 226), the buyer will be harmed, if he does not have sufficient information about an item.

Sixth, All traders in this study apply a different selling price with other traders in selling the same commodity. Because, the determination of market prices in this study is influenced by two things, namely:

1. Item pricing is left to market mechanism
2. Determination of market prices for commodities is left to the freedom of the traders to price the goods. Thus, there is no intervention to regulate and equate prices to traders in the Az-Zaitun I Sharia Market in Surabaya.

Even so, traders actually apply market prices. Because logically when the price of goods rises, the trader will raise the price if he does not want to losses.

Seventh, based on the results of interviews and time triangulation, all traders in this study did not carry out hoarding practices. This is influenced by several reasons, such as trading commodities that do not allow to be stockpiled, commodities do not last long, and immediately sell all inventory. Islam prohibits hoarding. The hoarding ban in Islam is caused by this kind of practice that can hinder the flow of goods distribution to the community and lead to a scarcity of certain commodities (Ramdan, 2013: 30).



Eighth, informants 5, 6 and 7 did not reduce the scales in trading activities. This is because the three informants realized that reducing the scale is an act of sin. Reducing scales is included sinful acts and classified as wrongdoing acts to buyers. Because the act of reducing the scale is detrimental to consumers (Ramdan, 2013: 24). As for informants 1, 2, 3 and 4, they do not use scales in their business activities. That means, all traders never reduce scales.

Ninth, according to Muslich (2007: 46), riba consists of two types, namely riba which occurs in trading activities and debts. Based on the results of interviews, all traders in this study did not apply additional (riba) in terms of debts. This is influenced by a number of reasons, such as not accepting debt, considering additional repayment of debt as a disgraceful act, and assuming additional debt repayment is prohibited in Islam. As for the handover of goods, all merchants' hands over goods directly. That is, all traders do not apply riba in trading.

Tenth, swearing to line up the merchandise is prohibited in Islam (Ramdan, 2013: 25-26). Swearing in commercial activities is strictly prohibited in Islam. Because oaths in commerce can indeed attract buyers. However, it turned out that the oath in commerce could destroy his wares (meaning eliminating the blessings in his trade). Neither the oath is real or not. All traders in this study did not take an oath in trading. This happens for several reasons, such as the fear of becoming a habit, including disgraceful acts, and is prohibited in Islam.

## 6. Closing

### 6.1. Conclusion

Based on the general description and discussion. The results are as follows:

1. The Az-Zaitun I Sharia Market in Surabaya is a traditional market that has applied the concept of Islamic fairness. As perceived by the merchant.
2. The Az-Zaitun I Sharia Market in Surabaya does not have a market supervisor.
3. Based on the results of interviews and participatory observation, it was concluded that the traders carried out all of the three fair concept indicators, Namely: Fair in the meaning of equal, Fair in the meaning of proportional, Fair in the meaning of divine orientation

Based on the explanation, it can be concluded that the Az-Zaitun I Sharia Market traders have been fair in trading activities, especially in sales transactions.

## 6.2. Suggestions

### 1. To the market owner

The owner should form a market supervisory. This can be done by appointing a person or forming an agency that understand the values of sharia and commercial science.

### 2. To the management representatives

Managers should be able to help carry out the function of market supervisors. This can be done by admonishing traders who do not comply with the established sharia requirements.

### 3. To the further researches

4. The next researcher can examine the fair concept in a holistic manner, namely the fairness concept in buying and selling transactions.

5. Subsequent researchers can also broaden the scope of the discussion, namely the fairness concept carried out by stakeholders in Az-Zaitun I Surabaya Sharia Market.

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