

Economic Justice and Perfect Competition: A Synthesis of Ibn Taimiyah's Thought and Modern Microeconomics

Hilwa Inayo Syakurae¹, Galuh Sekar Jagad², Iqbal Imari^{3*}

¹Department of Islamic Economics, Universitas Darussalam Gontor, Indonesia

² Department of Islamic Economics, Universitas Darussalam Gontor, Indonesia

³Center for Islamic Economic Studies (CIES), Indonesia

*Corresponding author: iqbalimari@unida.gontor.ac.id

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ABSTRACT

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Islam regulates the human life system comprehensively, covering social, political, and economic dimensions, as emphasized in the Qur'an. This study aims to analyze the role of the Islamic market in creating economic justice through the perspective of the perfect competition market model. Using a qualitative approach with library research, this study synthesizes the thoughts of Ibn Taimiyah on market mechanisms and compares them with classical microeconomic theories. The results indicate that the characteristics of perfect competition, such as price-taking behavior and perfect information, align with Sharia principles that prohibit monopoly (*ihtikar*) and deception (*gharar*). Empirically, the Islamic economy in Indonesia contributes significantly to the national GDP (11.34%) and supports the inclusivity of SMEs. The study concludes that the Islamic market provides a moral framework that ensures economic efficiency is coupled with social justice. The implications suggest a need for stronger integration of Sharia values in national economic policies to mitigate wealth inequality.

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INTRODUCTION

Markets are one of the main pillars of human civilization and a fundamental element of the global economic system, serving as a meeting place for economic actors to trade goods and services. In conventional economic theory, markets are often viewed through a mechanistic lens as neutral entities that operate automatically according to the laws of supply and demand.[1] However, this market model, which pursues only allocative efficiency, frequently overlooks the moral dimensions and sociological impacts of such economic activity. The neglect of ethical aspects in economic transactions often leads to the creation of systemic injustice, the emergence of harmful monopolistic practices, and the exploitation of the weaker parties.[2] The phenomenon of extreme global inequality, as reported by Oxfam International (2023), shows that the wealthiest 1% of the world's population controls more than half of global wealth, largely driven by unfair market structures and the dominance of certain market forces.[3]

In this context, Islam offers a different market paradigm, in which economic activity cannot be separated from moral, spiritual and ethical dimensions. Islamic economics is not merely a technical system, but rather a manifestation of divine principles that utilize the Sharia to comprehensively regulate human life.[4] The main foundation of this view is the belief that everything has been explained in the Qur'an as guidance for humanity, as Allah states in Surah An-Nahl: 89. Therefore, the market in Islam has the noble aim of creating justice (*al-adl*) and balance in the distribution of wealth, in order to achieve collective welfare or the *maqashid al-shari'ah*. Principles such as honesty (*sidq*), transparency (*al-shafafiyah*), and social responsibility form the core of every interaction in the Islamic market.[5]

The significance of sharia-based economic development in Indonesia has shown a very positive trend. According to data from Bank Indonesia (2022), the contribution of the sharia economy to the national Gross Domestic Product (GDP) reached 11.34%. This figure reflects that an economic approach grounded in justice and moral values has great potential to become a driving force for national prosperity. This growth is also supported by the Islamic finance sector, which has grown by 14.2% annually over the past decade, indicating a shift in public preference towards a fairer system free from usury.[6] Furthermore, the Financial Services Authority (OJK) report for 2023 notes that the Islamic economy sector has successfully created more than 5 million jobs over the past five years, which has had a direct impact on reducing unemployment and poverty rates.[7]

One of the most fascinating concepts to examine is the similarity between the ideals of the Islamic market and the model of perfect competition in microeconomic theory. In his work "The Wealth of Nations", Adam Smith introduced the concept of the invisible hand, whereby market interactions can lead to the desired outcome provided there are no market forces (such as monopolies) distorting prices.[8][9] The characteristics of a perfectly competitive market such as the large number of market participants, homogeneous products, transparency of information, and ease of entry and exit from the market are essentially in line with the values of openness in Islam. Ibn Taimiyah, a great scholar in Islamic history, even stated that market mechanisms in Islam closely resemble a perfectly competitive market because prices must be determined by the fair forces of supply and demand without intervention from dominant parties. In Ibn Taimiyah's view, a market operating in accordance with Sharia will guarantee fair transactional freedom for both producers and consumers.[10]

This study aims to conduct an in-depth analysis of the role of Islamic markets in fostering economic justice through the lens of perfect competition. By examining classical thought, such as that of Ibn Taimiyah, and linking it to empirical data and modern market conditions, this article seeks to identify how Sharia principles can provide a solution to the failure of conventional markets to distribute wealth equitably. The urgency of this research lies in the need for a market model that is not only economically resilient but also morally dignified. This article will also discuss the challenges and opportunities in the implementation

of Islamic markets in Indonesia in order to provide relevant policy recommendations for sustainable national economic development.

LITERATURE REVIEW

This section examines the theoretical framework underpinning the analysis of the role of Islamic markets in achieving economic justice. The discussion begins with a comprehensive overview of Islamic economics, followed by an analysis of the characteristics of perfectly competitive markets from a microeconomic perspective, as well as an in-depth examination of Ibn Taimiyah's thoughts on market mechanisms.

The Paradigm of Islamic Economics and Economic Justice

Islamic economics is defined as an economic system derived from divine revelation (the Sharia of Allah) which is comprehensive in nature and encompasses all aspects of human life, ranging from the social and political to the spiritual. The main foundation of Islamic economics is justice (*al-adl*), which aims to ensure the equitable distribution of wealth and prevent the concentration of wealth in the hands of a select few.[4] This is in line with the principles of *maqashid sharia*, which emphasise the protection of wealth and the universal welfare of humanity.[11]

In the context of the market, Islam views transactions not merely as material exchanges, but as a space for the application of moral values. As stated in the Qur'an, trade is permitted provided it is conducted on a basis of mutual consent (*an-taradin*) and is free from destructive elements such as usury (*riba*), deception (*gharar*), and harmful speculation. Values such as honesty (*sidq*), transparency (*al-shafafiyyah*), and social responsibility (*al-mas'uliyyah*) are absolute prerequisites for the creation of a healthy market.[5], [12] Empirical data shows that the application of these principles has a tangible impact, with the Islamic finance sector should operating without usury would growing consistently and contributing significantly to the national GDP.[13]–[16]

Characteristics of a Full Competitive Market

In conventional microeconomic theory, a full competitive market is regarded as the most ideal market model for achieving allocative efficiency and fairness for both producers and consumers. This model is based on the premise that no single market participant possesses the market power to influence prices unilaterally. Prices are determined entirely by the interplay between supply and demand. [17], [18]

The main characteristics of this market include: (1) homogeneous products, (2) perfect knowledge or information for all market participants, (3) a relatively small scale of output compared to the market as a whole, (4) market participants acting as price takers, and (5) complete freedom to enter and exit the market.[1] Adam Smith described this mechanism through the concept of the invisible hand, whereby the self-interest of each individual interacting in the market will collectively lead to shared prosperity as long as the market remains competitive and free from monopolistic practices.[9] However, the main weakness of this conventional model often lies in its neglect of moral aspects and social impacts, which, if left unchecked by ethical constraints, can lead to exploitation and income inequality.[19], [20]

An Overview of Ibn Taymiyyah's Views on the Market

Ibn Taimiyah made a highly significant theoretical contribution through his view that the Islamic market essentially shares characteristics with a perfectly competitive market. According to him, under normal conditions, the price of goods must be determined by a fair market mechanism through the forces of supply and demand. He emphasized that the establishment of a fair price (*thaman al-mithl*) is a shared responsibility so that no party is disadvantaged in the transaction.[21]

Ibn Taimiyah strictly forbids price intervention by authorities except in emergency situations that threaten the public interest, such as hoarding (*ihthakar*). He argued that injustice in the market is often triggered by a lack of information transparency and manipulation by dominant parties.[22], [23] Therefore, the principles of transparency and free market access in Islamic economics aim to prevent monopolies and ensure that the market remains inclusive for all sectors, including small businesses.[24], [25] This perspective emphasizes that economic justice in Islam is achieved not only through formal legal rules, but also through the strengthening of the moral integrity of those involved.

The Integration of Islamic Values and Modern Market Efficiency

The relevance of Islamic values to modern market mechanisms is increasingly evident in the latest data on Islamic economic development. The implementation of fair market practices not only prevents monopolies and exploitation, but also has a systemic impact on job creation and the reduction of unemployment.[26], [27] For example, the Islamic economic sector in Indonesia has proven capable of absorbing millions of workers and supporting the SME sector as the backbone of the national economy.[28]

Furthermore, religious social instruments such as zakat and productive waqf are integrated into Islamic market mechanisms to ensure a more inclusive distribution of wealth.[29]–[31] The enormous potential of cash waqf in Indonesia demonstrates that Islamic markets offer solutions to economic inequality through the empowerment of social infrastructure and the people's economic infrastructure.[32], [33] With the support of digital technology, the inclusion of Islamic markets can now reach more economic actors, thereby creating a fairer and more prosperous social order in line with the primary objectives of Sharia.

METHODOLOGY

This study employs a qualitative approach, specifically a literature review. The choice of this method is based on the need to explore in depth Ibn Taimiyah's theoretical thinking on the concept of the Islamic market, which is then linked to the theoretical framework of perfect competition in microeconomic discourse.[34], [35] The primary data sources for this study are drawn from classical and contemporary literature, including Ibn Taimiyah's seminal works as well as standard economic literature discussing the mechanisms of perfect competition. To provide an empirical context for the analysis, this study also integrates secondary data obtained from official reports of authorised financial institutions, including Bank Indonesia, the Financial Services Authority (OJK), and the Indonesian Waqf Board.[36]

Data collection was carried out systematically through a literature review of various scientific journal articles, annual reports, and academic texts directly relevant to the variables of economic justice and market mechanisms. Subsequently, the collected data was processed using descriptive-analytical analysis techniques.[34] This technique involves an in-depth comparison between the characteristics of a perfectly competitive market such as information transparency and market accessibility with Sharia principles, particularly regarding the prohibition of hoarding practices and the implementation of the value of *al-adl*. [37] Through this series of methodological procedures, this study aims to draw comprehensive conclusions regarding the effectiveness of Islamic markets in realising substantive economic justice.

RESULT AND DISCUSSION

The presentation of these research findings focuses on three main aspects: the characteristics of perfect competition mechanisms in conventional economics, the operational principles of Islamic markets, and

empirical data on the contribution of the Islamic economy in Indonesia as an example of the implementation of modern Islamic markets.

Mechanisms and Characteristics of Perfectly Competitive Markets

A perfectly competitive market is a theoretical construct in microeconomics that serves as an ideal standard for measuring economic efficiency and distributive justice. In this structure, the interaction between supply and demand takes place under conditions of pure competition, where there are no distortions caused by the market power of individuals or groups.[38] Fundamentally, this market mechanism works to ensure that consumer surplus and producer surplus reach their maximum levels, which automatically minimises deadweight loss or societal welfare loss. The key characteristics that define fairness in this model can be elaborated in depth as follows:

First, Product Homogeneity. In this market, goods produced by various firms are considered identical both technically and in the eyes of consumers. This characteristic eliminates the ability of producers to differentiate products as a means of raising prices above the market price. As products are perfect substitutes, consumers have no attachment or loyalty to a particular brand, so pure competition focuses on production cost efficiency. This ensures that the price formed truly reflects the intrinsic value of the goods without any artificial price premium.

Secondly, Economic Agents as Price Takers. A perfectly competitive market is characterized by a very large number of sellers and buyers, such that the market share of any individual participant is insignificant relative to the total market volume. The logical consequence of this situation is that no market participant possesses the market power to influence prices through quantity manipulation. Sellers must accept the price set by market equilibrium. If a seller attempts to raise prices, they will lose all their customers to competitors; conversely, there is no incentive to lower prices as they can sell their entire output at the prevailing market price.[8] This mechanism inherently prevents exploitation by monopolies, which often harms the wider public.

Thirdly, Perfect Information. Economic justice is heavily dependent on transparency. In this model, it is assumed that all market participants, both buyers and sellers, possess complete and symmetrical knowledge regarding price levels, product quality, and the costs of inputs available in the market. Perfect information eliminates the opportunity for more dominant market participants to engage in fraud or take advantage of others' ignorance (information asymmetry). This ensures that every transactional decision is made rationally and fairly, which is a key prerequisite for the creation of allocative efficiency.[38]

Fourth, Free Mobility of Factors (Free Entry and Exit). The absence of barriers to entry or exit acts as an automatic corrective mechanism in the market. If an industry generates above-normal profits, new firms will easily enter the market, which will then increase supply and push prices back down to normal levels. Conversely, if losses occur, firms can exit without incurring significant costs. This highly fluid mobility of production factors ensures that, in the long run, firms will only earn normal profits, so that there is no excessive accumulation of wealth on one side through the exploitation of market structures.[39]

Fifth, Allocative Efficiency and Marginal Cost. Technically, fairness in a perfectly competitive market is achieved when the price (P) equals the marginal cost (MC). This point indicates that the value consumers place on the final unit of the good produced is equal to the cost of the resources society uses to produce it. In other words, resources are allocated in such a way that it is impossible to make one party better off without making another party worse off (Pareto Efficiency). From this perspective, a perfectly competitive market prevents the occurrence of excessive economic profits, which are often regarded as a form of injustice in income distribution.[3], [38]

Operational Principles and Ethics of the Islamic Market

Within the Islamic economic paradigm, the market is not merely a technical mechanism for the allocation of resources, but rather an institution closely bound to comprehensive divine principles. The operational foundation of the Islamic market rests on the principle of an ethical social order, wherein every economic activity must serve the public interest (*mashlahah*) of all parties involved. This principle is rooted in the belief that Allah SWT is the absolute owner of all resources, whilst humans are merely trustees who must conduct transactions in accordance with the principles of Sharia.[8], [40] An in-depth analysis of the operational principles and ethics of the Islamic market can be outlined as follows:

First, the Prohibition of Hoarding (*Ihtikar*). One of the most condemned market distortions in Islam is *ihtikar*, namely the act of withholding or hoarding essential goods with the aim of creating artificial scarcity so that prices will surge in the future. This practice directly undermines the principle of economic justice as it exploits the needs of the wider community for the benefit of a select few. Ibn Taimiyah emphasized that the authorities have the right to intervene in the event of *ihtikar*, in order to restore prices to a fair equilibrium point (*thaman al-mithl*).[41] This prohibition is in line with the efforts of a perfectly competitive market to prevent monopolistic power; however, in Islam, this prohibition carries a stronger moral and spiritual dimension.[40]

Secondly, Transparency and the Prohibition of *Gharar*. Islam requires radical transparency in every transaction. Sellers are obliged to disclose any defects or the true condition of the item being sold, without concealing anything. Any form of excessive uncertainty (*gharar*) or asymmetric information deliberately created to mislead the buyer (*tadlis*) is prohibited. This principle functionally creates conditions of “perfect information” as in a conventional perfectly competitive market, but with the added motivation of piety. This transparency ensures that transactions take place on a purely voluntary basis (*an-taradin*), without any element of covert coercion arising from the ignorance of one party.[39]

Third, the Elimination of *Riba* and Financial Exploitation. Unlike conventional markets, which are often driven by interest (*riba*), Islamic markets operate on the principles of profit-sharing and real trade. *Riba* is viewed as an exploitative instrument that allows wealth to transfer from the borrower to the lender without a corresponding productive effort. The Qur’an explicitly distinguishes between permissible trade and prohibited usury. By eliminating usury, Islamic markets encourage capital to flow into the real sector, which is more productive and inclusive, thereby preventing the unfair accumulation of wealth in the financial sector—a phenomenon that often triggers economic instability.[42]

Fourth, Ethical Competition and the Prohibition of *Najash*. In the Islamic market, competition is recognised as healthy provided it is conducted honestly. Islam prohibits the practice of *najash*, which involves bidding for goods at a high price with no intention of purchasing them, but merely to deceive other buyers into raising their bids. Such manipulative practices are regarded as a form of fraud that undermines market integrity. Competition in Islam must be based on improving quality and efficiency, not on undermining competitors through unjust means. This creates a harmonious business environment where small businesses have equal opportunities to thrive.[41], [43]

Fifth, the Moral Integrity of Market Participants (*Akhlaqul Karimah*). The key distinguishing feature of the Islamic market is the emphasis on the moral character of its participants. A trader in Islam is not only required to pursue profit (profit), but also blessing (*barakah*). Honesty, keeping one’s word, and leniency in debt collection are values held in the highest regard. With internal oversight in the form of fear of Allah (*khauf*), external monitoring costs in the market can be reduced due to the minimal occurrence of fraud. This integrity forms the foundation for the creation of distributive justice that relies not only on state regulation but also on individual awareness not to wrong fellow human beings.[3], [41]

Empirical Analysis and the Contribution of Islamic Economics in Indonesia

Summarize key theories, models, and prior studies. Show how the reviewed literature informs your conceptual framework, research variables, or technical design decisions. Use citations consistently and synthesize sources instead of listing them mechanically.

The implementation of Islamic market principles in Indonesia is no longer merely a theoretical concept, but has evolved into a tangible economic force that can be measured statistically. As the country with the world's largest Muslim population, Indonesia possesses a unique ecosystem for applying market mechanisms that combine competitive efficiency with the values of Sharia justice. Based on cross-sectoral data from authoritative institutions, the effectiveness of the Islamic market in fostering economic justice in Indonesia can be analysed through the following key parameters:

First, Growth in Contribution to the National Economy. Official data from Bank Indonesia indicates that the Islamic economy sector contributed 11.34% to the national Gross Domestic Product (GDP) in 2022.[6] This figure demonstrates that Islamic economic principles are capable of operating productively within modern market structures. This growth is driven by priority sectors such as halal food, Muslim fashion, and Muslim-friendly tourism. This success proves that an ethically grounded market does not hinder growth, but rather provides a more stable foundation for the national economy through the diversification of the real sector.

Secondly, the Resilience and Growth of the Islamic Finance Sector. The financial sector, which operates without interest-based instruments, has shown an average growth rate of 14.2% per annum over the past decade.[7] This consistent growth reflects the public's high level of confidence in the profit-sharing system, which is considered fairer and less exploitative than the conventional interest-based system. The Financial Services Authority (OJK) reports that Islamic banking demonstrates greater resilience to global crises as every transaction must be backed by real assets (underlying assets). This prevents the formation of an economic bubble, which is often triggered by speculative transactions in conventional financial markets.

Third, Empowering MSMEs as a Pillar of Distributive Justice. One of the key indicators of economic justice is inclusivity. In Indonesia, the Islamic market plays a crucial role in supporting Micro, Small and Medium Enterprises (MSMEs), which employ around 97% of the national workforce and contribute more than 60% of GDP.[43] The principle of the Islamic market prohibiting monopolies (ihtikar) provides space for small businesses to compete fairly. Through Sharia financing schemes that prioritise partnership, MSMEs gain access to capital without the burden of onerous interest, thereby creating a more equitable circulation of wealth down to the lowest strata of society.

Fourth, Optimising Philanthropic Instruments as a Social Safety Net. A fundamental distinction of the Islamic market in Indonesia is the integration of social instruments such as zakat, infaq, sedekah and wakaf (ZISWAF) into economic activities. The Indonesian Waqf Board notes that the potential for cash waqf amounts to Rp180 trillion per year.[44] If managed productively through market mechanisms, these funds can serve as strong social capital for building public infrastructure and financing productive sectors without the burden of debt. This integration ensures that the surplus profits from the market do not merely accumulate in the hands of capital owners (as criticised by Oxfam regarding global inequality [3]), but also flow back to empower the poor.

Fifth, the Impact on Job Creation and Poverty Reduction. Through the growth of an inclusive Islamic economic sector, Indonesia has succeeded in creating more than 5 million new jobs over the past five years.[7] The labour-intensive nature of the Islamic market and its focus on the real sector have a direct impact on reducing unemployment rates. By promoting transparency and fairness in wages and employment contracts, the Islamic market minimises the exploitation of labour, which ultimately contributes to a sustainable improvement in people's standard of living. The integration of individual morality and fair market regulations is key to Indonesia's positioning as a global hub for the Islamic economy.

Discussion

An analysis of the role of Islamic markets in fostering economic justice, based on a study of perfectly competitive markets, reveals a significant convergence of values between conventional microeconomic ideals and Sharia principles. However, this discussion also highlights that Islamic markets offer a stronger moral dimension compared to conventional models, which tend to be mechanistic.

Research findings indicate that the characteristics of a perfectly competitive market such as the large number of market participants and the absence of market power are technical prerequisites for the establishment of fair prices. Adam Smith, through his concept of the invisible hand, argued that market efficiency would be achieved automatically if every individual were allowed to pursue their own interests.[8], [38] However, the findings of this study demonstrate that efficiency alone is insufficient to guarantee fairness. This is where the Islamic market plays a crucial role. Ibn Taimiyah emphasized that a fair price (*thaman al-mithl*) arises not only from the interaction of supply and demand, but also from the absence of injustice in that process.[8]

The fundamental difference lies in the source of regulation. Whilst the conventional perfectly competitive market relies on pure competition as its regulator, the Islamic market relies on dual oversight: regulatory authority (*hisbah*) and the theological consciousness of market participants. This analysis aligns with Rahmawati's research, which states that, in Ibn Taimiyah's view, morality is not merely an accessory but the primary driving force behind a healthy market.[45] Without morality, a perfectly competitive market is vulnerable to falling into manipulative practices that appear technically legal yet are ethically unjust.

The concept of 'perfect information' in a perfectly competitive market has a very close counterpart in Islam through the prohibitions against *gharar* and *tadlis*. Economic justice cannot be achieved if there is an information asymmetry that disadvantages one party. In this discussion, it is evident that Islam intervenes more profoundly on moral grounds by obliging sellers to disclose product defects, a standard that goes beyond the concept of caveat emptor (let the buyer beware) in conventional commercial law.

The practices of *najash* and *ihthikar*, which are prohibited in Islam, constitute forms of distortion that directly undermine the structure of perfect competition. When market actors hoard goods, they deliberately hinder the mobility of factors of production and create artificial scarcity.[8], [20] The consequence is a price shift that does not reflect real value, which in the long term triggers inflation and reduces the purchasing power of the public. This analysis reinforces the urgency of applying Islamic ethics to prevent market failures that frequently occur in systems that pursue only short-term profitability.

One of the most contentious points of discussion is how Islamic finance addresses criticism regarding global inequality. A report by Oxfam International (2023) highlights that the current global market tends to favor large capital holders and marginalize the underprivileged.[3] The findings of this study indicate that Islamic finance in Indonesia, through the empowerment of MSMEs and the elimination of usury, is capable of creating a more inclusive market model.

The elimination of usury ensures that capital does not merely circulate amongst the financial elite, but flows into the real sector.[46] Without the burden of interest, SMEs have greater scope to innovate and grow, which ultimately leads to the creation of more jobs.[43] This discussion leads us to the conclusion that the Islamic market functions as a tool for wealth redistribution. This is reinforced by the integration of philanthropic instruments such as productive waqf, which acts as social capital to correct inequalities that cannot be resolved by pure market mechanisms.[44]

Although Islamic markets support free-market mechanisms, this study finds that intervention by the authorities remains necessary under certain conditions. Ibn Taimiyah permits price intervention only in

the event of systemic injustice, such as monopolies or cartel collusion that harm the public interest.[8] This adds a new dimension to the theory of perfect competition: that market freedom does not imply the absence of oversight (*hisbah*).

In Indonesia, this role is carried out by institutions such as the OJK and Bank Indonesia, which oversee Sharia compliance and the stability of the financial system.[6], [7] However, this discussion emphasises that formal oversight must be accompanied by education in Islamic economic literacy so that market participants consciously avoid destructive practices. Substantive economic justice can only be achieved when state regulation and individual integrity converge on a single objective: the universal public interest (*maqashid syariah*).

Finally, this discussion highlights the challenges facing the Islamic market in the digital age. Whilst technology facilitates information transparency (in line with the conditions of a perfectly competitive market), it also opens up new avenues for speculative practices and algorithms that could lead to digital monopolies. The modern Islamic market must be able to adapt the classical principles of Ibn Taimiyah into the digital ecosystem to ensure that justice is maintained amidst technological disruption. Data showing that Indonesia's Islamic economy contributes 11.34% to GDP provides a strong foundation, but this must be balanced with the digitalisation of social instruments and the comprehensive strengthening of the halal ecosystem.[10], [39]

A synthesis of all these discussions confirms that the Islamic market is not merely an alternative, but a transformative solution to the failures of the conventional market. By adopting a perfectly competitive market structure reinforced by divine values, the Islamic market is capable of realising an economic order that is not only materially efficient, but also socially just and morally dignified.

CONCLUSION

This study concludes that there is a strong functional correlation between the mechanisms of perfect competition and the principles of justice in Islamic markets. Technically, the characteristics of a perfectly competitive market—such as transparency of information, the absence of barriers to entry, and the role of market participants as price-takers—are manifestations of Sharia values that prohibit monopolistic practices (*ihtikar*) and price manipulation. However, Islamic markets go beyond the conventional model by integrating dimensions of theological morality and institutional oversight (*al-hisbah*), which ensure that economic efficiency does not come at the expense of social welfare. Empirical data in Indonesia demonstrates that the implementation of Islamic markets through the Sharia economic sector has contributed 11.34% to GDP and created over 5 million jobs, underscoring the system's effectiveness in fostering inclusive economic justice.

The implications of these findings suggest that national economic development policies should integrate Sharia principles more fully, not merely as a supplementary element, but as the primary driver of equitable wealth distribution. This article offers a theoretical contribution in the form of a synthesis between the classical economic thought of Ibn Taimiyah and modern microeconomic theory, as well as a practical contribution in providing academic justification for strengthening the SME sector and philanthropic instruments (ZISWAF) as pillars of economic stability. By eliminating usurious instruments and promoting radical transparency, Islamic markets offer concrete solutions to the failure of conventional markets to address extreme economic inequality.

Although this study has outlined the strategic role of Islamic markets, there remains a research gap regarding the effectiveness of digital regulations in upholding Sharia principles amidst the rapid growth of e-commerce. Further research is recommended to explore how digital market algorithms may influence

the behaviour of price takers and the potential emergence of new monopolies in the digital sphere that conflict with Islamic values. Furthermore, studies on the integration of blockchain technology to ensure perfect information transparency in accordance with Islamic market standards represent an important area for further investigation to address the challenges of the digital economy in the future.

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