

Competition Ethics in Business According to Islamic Views

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ARTICLE INFO

Keywords:
Ethics,
Competition,
Business,
Islam

Email :

ABSTRACT

Islamic Business Ethics is an important thing in the course of a professional business activity, and shows that there is a stand-alone structure that is separate from other structures because business ethics in Islam explains more about policies and truths both at the level of intentions and ideas towards behavior, starting from law Islam to trade relations. Trade in Islam has now begun to show its fangs. This is due to the collapse of the capitalist economy due to the global crisis. And in everyday life a person will never be separated from economic activities, especially Islamic economics. In practice, Islam recommends that it be based on Islamic law, namely the Al-Qur'an and As-Sunnah.

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INTRODUCTION

The business system based on capitalist and communist (socialist) teachings has in fact caused economic havoc, both in the Western and Eastern world. An indication of the disastrous number of unemployed everywhere, the number of poor people is increasing day by day. Third countries are increasingly entangled in debt to developed countries and fall into a prolonged economic crisis as experienced by Indonesia. This situation has been felt since the middle of 1997 and continues to this day.

Islamic economics does have advantages over capitalist economics, especially in doing business. The ethics applied by Rasulullah SAW are always sincere, helping to lighten the burden on others, besides that, what is equally important is being honest, trustworthy and avoiding unfair competition in doing business. Fair business competition will ensure a balance between the rights of producers and consumers. Indicators of fair competition are the availability of many producers, market prices which are determined based on a balance between demand and supply, and equal opportunities for every business, in the industrial and trade sectors. The existence of fair business competition will benefit all parties including consumers and small entrepreneurs, and the producers themselves. because it will avoid the concentration of power in one or several specific businesses. So, this paper will try to explain how the ethics of fair business competition from an Islamic perspective.

METHODS

This research is a library research that relies on data from the library, so that the form of this research is descriptive qualitative. Literature study through related scientific books and journals. To obtain data in the research process, you can rely on documentation from the media and theories from various literature, so that the object of this research is a document. The data collection used is documentation and references. To analyze the data using descriptive qualitative analysis, which is a way used to describe or analyze a research result but not used to make broader conclusions with deductive and inductive methods.

RESULT AND DISCUSSION

Ethics of Fair Business Competition

Ethics can be defined as a set of moral principles that distinguish good from bad. Ethics is a field of science that is normative because it plays a role in determining what an individual should or should not do. And ethics in business can be interpreted as a set of values about good, bad, right and wrong in the business world based on the principles of morality. In another sense, business ethics means a set of principles and norms in which business people must commit themselves to transacting, behaving, and relating in order to reach land or business goals safely. And in the business world there will be very tight competition, sometimes causing business people to justify any means to win it. so that unhealthy competition often occurs in business. This unhealthy competition can harm many people as well as in the long term it can harm the business people themselves.

1. Business Competition in Islamic Teachings

In all relationships, trust is a basic ingredient. Trust is created from honesty. Honesty is one of the most difficult qualities of character to attain in business, in the family, or in any arena where people are interested in competing with other parties. While we are young we are taught that in each case there is the best virtue or wisdom. Most of us in business have a mission related plans. We direct our energies and resources toward our mission success goals that we develop throughout the covenants. Employers depend on employees, customers depend on dealers, banks depend on borrowers and on each of the present actors or parties depending on the previous parties and this will take place continuously tend to build all relationships on quality, honesty and interact continuously. Therefore we find that successful businesses in the long term will be honest people in implementing business strategy. As the word of God which means: "*O you who believe, fear Allah and be with the truthful.*" (QS. At-Tauba: 119)

And this is one of the keys to the Prophet's success in doing business. In the business world, trust is very important. Without being based on mutual trust, business transactions cannot be carried out. However, in the business world, we are also prohibited from trusting others too quickly, because this is prone to fraud. So, we are advised to look at the track record of our previous business partners. In Islamic teachings, every Muslim who wants to do business is always encouraged to: conduct healthy competition, be honest, have good behavior, be sympathetic and fair.

2. Doing healthy competition

Either in the form of not being allowed to bid on goods that are being bid by other people, not being allowed to buy goods from traders from the village who do not know the market price, not being allowed to pretend to bid on goods at high prices to trick other buyers. This has been confirmed in the word of Allah which means: "*Do not eat some of your wealth in a false way*" (QS. Al-Baqarah: 188)

Apart from that, in contrast to the systems of capitalism and communism which prohibit monopoly, in Islamic teachings anyone may do business regardless of whether he is the only seller or buyer, as long as he does not do iktikar, namely taking profits above normal profits by selling more. few goods for a higher price or in economic terms monopoly's rent.

3. Honesty

Part of the meaning of honesty is that a businessman is always open and transparent in his buying and selling. And by being honest, business develops, because being honest becomes a very strong driving force for business players to achieve success and profit. Lots of people succeed in the business world because of their honest nature. This has been confirmed in the word of Allah which means: "*O you who believe! fear Allah and speak the truth*" (QS. Al-Ahzab: 70)

4. Be Kind and Sympathetic

Al-Qur'an also teaches to always have a sweet face, good behavior and sympathetic. As the word of God which means: "And be humble to those who believe" (QS. Al-Hijr: 88)

This trait must be applied in doing business, even if it's for the poor. Muslims are required to behave sweetly and generously, if they are not able to at least treat them with kind and polite words in social relations.

5. Openness

In this day and age, when it is very difficult for one human to trust one another, especially in matters related to finance, every business that wants to establish cooperation is required to be open. Open in the sense that it has clear financial reports on the business owned where the financial statements can be audited by related parties. And it is this open nature that is one of the keys to the success of the Prophet Muhammad in doing business selling Khodijah's merchandise.

6. Justice

One of the simple forms of doing business related to justice is not adding or reducing the weight of the scales in buying and selling. This has been confirmed in the word of God which means: "And perfect the measure when you measure and weigh it with the right balance. That is more important (for you) and better consequences" (QS. Al-Isra: 35)

Fair business is obligatory, even this is also included among the values that have been established by Islam in all aspects of Islamic economics and vice versa. Allah forbids committing injustice and containing fraud, as well as buying and selling carried out by force. A sharia marketer is not justified in buying and selling transactions or buying goods cheaply for someone who is forced to sell them. This includes unjustified business transactions. They must always be satisfied, so that business not only growing and developing but blessing before Allah SWT. The technique of "slashing the price" actually increases as many consumers as possible, but what is more prioritized is that producers/service providers also strive for consumer satisfaction. That is what is called "the customer is king". In addition, they also have the responsibility to provide safe products for consumers.

Placing Competitors Become Business Partners

Good business people are those who are always willing to give enthusiasm and warmth to their business partners and employees and consumers. Their warmth will bring positive interactions and will encourage every employee and business partner to establish a profitable partnership. Glorifying business partners including giving sympathy and empathy will help improve relationships in running any business. And the business person will succeed, if there is full attention from all parties in the business process by giving enthusiasm and warmth, God willing, all business partners will be loyal to establish true cooperation. That is the significance of the role played by business people who like to glorify their partners. Every business person must crave profit, business continuity from an extensive network. Such business actors will develop strong and stable. Developing in the sense of growing in all directions, even multiplying its business. Strong in the sense of not being weak, not sluggish and being on par with existing rivals. Stable in the sense that it doesn't wobble, doesn't fluctuate and doesn't go astray. The question is how can the business person achieve this position.

These are the main principles that must be applied by business people so that competitors can become business partners:

1. Honoring Customers Or Business Partners As Brothers

The customer is like a king, that is the motto that has many followers. Because it must be glorified, in the sense that it cannot be disappointed, cannot be harmed and its importance is a necessity to be known and cared for. Isn't giving the same as receiving, "To give is to receive". Giving means receiving more. And this is the word of God which is in line with that principle. Which means: Whoever does good deeds, will get ten good deeds. And whoever does a bad thing, will be rewarded with what he deserves. And will not be harmed. (QS. Al-An'am: 160)

2. Offering what is needed by the community

In fact, there are many branches of business, some of which offer basic needs, secondary needs, and even tertiary needs (luxury goods). Also offers physical needs and spiritual needs. It is best to offer what the customer needs. So don't offer cigarettes, liquor or anything like that, which everyone knows is dangerous for health and life in general. Nor is it offering goods or services to boast and act arrogantly. How many goods and services are offered by the market that damage the mental and soul of its consumers. In fact, not a few goods and services mislead or damage consumer beliefs. Because it is a necessity for a business person to offer goods and services that are beneficial to consumers in the real sense. Isn't the best person among us the person who benefits the most for many people. This is where the special role of the business person in bridging the actual needs of consumers.

3. Offer Quality Goods and Services

One of the big dreams of consumers is to buy quality goods at affordable prices. But this dream is not always relevant or even against the interests of the business person. Aren't quality goods produced at a higher cost? In Islamic teachings quality can mean size or measure is sufficient. So the business person always pays attention to the adequacy of the size or measure, if the measure is deliberately reduced in any product, it means that the business person is not offering quality goods from the aspect of size, then the threat can be layered. On the other hand there are also physical aspects that show the quality of the goods, namely the goods offered are not damaged, not defective and do not bring harm. What a business person should be is honest,

Violations in Business Competition

In running a business, companies should really pay attention to ethics in doing business at that company. A good business must have ethics and social responsibility according to its function. In a free market economic system, companies are directed to achieve the goal of getting the maximum possible profit. However, in achieving this goal, companies that run a business often justify any means so that they do not care whether their actions violate ethics in doing business or not, and also regardless of the impact whether it is negative or positive on the surrounding environment. Currently, many violations of business ethics and unfair competition in an effort to control market share are increasingly burdening lower class entrepreneurs who lack the ability to compete with large companies. There needs to be strict sanctions regarding violations of business ethics that occur, in order to reduce the occurrence of violations of business ethics in the business world.

Based on law no. 5 of 1999 concerning the prohibition of monopolistic practices and unfair business competition, it is stated that:

Monopoly is control over the production and or marketing of goods and or over the use of certain services by one business actor or one group of business actors (Article 1 point 1).

Unfair business competition is competition between business actors in carrying out production and or marketing activities of goods or services that are carried out in a dishonest or unlawful manner or impede business competition (Article 1 point 6).

The following are some violations of business ethics in the business world:

1. Monopoly is a market structure characterized by the existence of a single producer, or holding goods from circulating in the market so that the price rises. The product produced by the monopolist has no substitutes. With a monopoly, it can cause no competition in business. Market conditions are determined by one company (monopolist) that has very high market power. In terms of market structure, this type of monopoly market is rarely found, especially in developed countries that adhere to a market economy and have anti-rust regulations.
2. Oligopoly is a market structure in which there are only a small number of firms that produce almost all of the industry's output and have decisions that influence each other. There are imperfections and obstacles in obtaining information about the product. There is little price control ability. Some products are differentiated but only slightly so that there are few product differences between manufacturers. In practice, market oligopoly is controlled by a handful of entrepreneurs, not because there is collusion with the government, but because of collusion among a handful of entrepreneurs to control and dictate the market.
3. Unfair competition
Unfair Business Competition is competition between business actors in carrying out production and or marketing activities of goods or services that are carried out in an unfair or unlawful manner or impede business competition. And before the enactment of laws and regulations related to the prohibition of monopoly and unfair competition, sharia has established several basic principles of prohibition of transactions which in the future must be used as a frame of reference in the formulation of this law. The scope of the prohibition is either caused by the factor of the prohibition of the substance (haram li dzatihi) or the prohibition of other than the substance (haram li ghairihi) which is directly related to business behavior.

Some of the basic principles of the prohibition of unhealthy business according to Islam are:

- 1) Usury
- 2) Tadlis (Hide defective goods)
- 3) Gharar (Gamble)
- 4) Ihtikar (Hoarding)
- 5) Tallaqi Rukban
- 6) Riswah (Bribery)

Healthy Competition As Masalah For Consumers And The Progress Of The Nation

Doing business is part of muamalah, so business cannot be separated from the laws governing muamalah issues. In doing business, everyone will be in contact with other parties such as business partners and business competitors. As an interpersonal relationship, a Muslim businessman must still strive to provide the best service to his business partners. And in doing business the business person must know how to do healthy competition in his business. Of course, the business person must know how Islamic business ethics are, so that they do not violate the rules of competitive ethics according to Islam or government law.

Fair business competition will ensure a balance between the rights of producers and consumers. Indicators of fair competition are the availability of many producers, market prices formed between market demand and supply, and equal opportunities for every business in industry and trade. The existence of fair competition will benefit all parties including consumers and small entrepreneurs, and the producers themselves, because it will avoid the concentration of power in one or several particular businesses. In a world full of competition, the business person must not be late in acting, but must not play dirty with fellow business people. It means, in various tips or

strategies developed in business will never harm or even kill other business people. The big protects the small, the strong lifts up the weak. This is the meaning of mutual support and mutual benefit between business actors in the free market. And the best thing is to offer a "win-win solution" with business people who are willing to work together. This true attitude is called economic brotherhood. It means running the economy with brotherhood. Perhaps in the era of globalization with the main characteristic of free-fighting liberalism, many business people are squinting their eyes, but in history there is sufficient evidence that a true victory is a victory against greed (lust).

This is where the meaning of jihad is greatest, namely winning against passions. In dealing with business partners, every Muslim businessman must pay attention to Islamic laws relating to business contracts. In a contract, it must be in accordance with reality without manipulation, for example, providing samples of very good quality products, even though the products sent are of poor quality. Rasulullah SAW gave an example of how to compete well when trading, Rasulullah never made an effort to destroy his trading competitors, what he did was provide the best possible service and mention the specifications of his merchandise honestly including if the item had a defect.

Naturally, things like this actually turn out to be able to improve the quality of sales and attract buyers without destroying other traders. Meanwhile the state must be able to guarantee the creation of a conducive system in competition. The government is not allowed to provide special facilities to a person or a group of businesses such as technology, market information, supply of book material, monopoly rights, or tax write-offs. So by creating healthy competition in running a business, it will benefit all parties, especially consumers and with honesty or fair competition, it will help progress in our nation's economy.

CONCLUSION

The ethics of fair business competition is where the business actor will guarantee a balance between the rights of producers and consumers, and not harm each other between producers and consumers, or with other business competitors. And in dealing with business partners, every Muslim businessman must pay attention to Islamic laws relating to business contracts. In a contract, it must be in accordance with reality, be honest, fair, open, and without any elements of manipulation.

Placing competitors as business partners is very important in the business world, how does the businessman provide good service to customers. And offer quality products and services, so as not to harm consumers, or customers, and never cheat other competitors, or destroy their trading competitors, but must be made as business partners. And the business person will succeed, if there is full attention from all parties in the business process by giving enthusiasm and warmth.

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