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A Comparative Analysis of the Economic Thought of Ibn Khaldun, Abu Hamid al-Ghazali, and Ibn Taymiyyah on Pricing and Market Mechanisms

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Abstract

Markets play a crucial role in the economy. Islam recognizes the existence of market mechanisms, provided they operate perfectly. However, market distortions often occur due to seller manipulation. Therefore, this study aims to clarify the thinking of Ibn Khaldun, Al-Ghazali, and Ibn Taymiyyah on market mechanisms and the current market regulations. The methodology used in this paper is a qualitative literature study, examining the ideas and findings contained in articles, journals, books, and related theses to obtain scientific information. The results of this study indicate that Ibn Khaldun, Al-Ghazali, and Ibn Taymiyyah agree on pricing, stating that prices are determined by the forces of supply and demand. Only in cases where prices rise due to injustice and inequality in market mechanisms should the government intervene.

Keywords: *Emotional Intelligence, Work Motivation, Employee Performance*

Abstrak

Pasar mempunyai kedudukan yang penting dalam perekonomian. Islam mengakui adanya mekanisme pasar dengan syarat pasar bisa berjalan secara sempurna. Namun, pada kenyataannya seringkali terjadi distorsi pasar yang disebabkan oleh ulah penjual. Maka dari itu, penelitian ini bertujuan untuk memperjelas bagaimana pemikiran Ibnu Khaldun, Al-Ghazali dan Ibnu Taimiyah tentang mekanisme pasar dan peraturan mekanisme pasar yang ada pada saat ini. Metodologi yang digunakan dalam penulisan ini adalah metode kualitatif melaui studi kepustakaan, yaitu mengkaji gagasan dan temuan yang terkandung didalam artikel atau, jurnal, buku, tesis terkait untuk mengetahui informasi ilmiah. Hasil penelitian ini menunjukan bahwa Ibnu Khaldun, Al-Ghazali dan Ibnu Taimiyah sependapat tentang penetapan harga, yaitu bahwasannya harga ditetapkan melalui kekuatan permintaan dan penawaran, hanya dalam kasus di mana harga naik karena terjadinya ketidakadilan dan ketidaksetaraan mekanisme pasar, maka pemerintah boleh ikut campur dalam menetapkan harga.

Kata kunci: Ibnu Khaldun, Abu Hamid Al-Ghazali, Ibnu Taymiyah, Mekanisme, Pasar

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INTRODUCTION

Islamic economics fundamentally refers to an economic system governed by the principles and provisions of Sharia. From the era of the Prophet Muhammad (peace be upon him) and his companions to the present day, Islamic economic thought has continued to evolve. According to Islamic teachings, all human activities must conform to Sharia, which is understood as divine guidance or Islamic law governing matters related to both worship (ʿibādah) and socioeconomic transactions (muʿāmalah) (Islam, 2024; Anam, 2024; Hasan, 2019). Accordingly, economic activities must be conducted in compliance with Sharia principles to ensure justice and generate benefits for all parties involved. One of the central issues in Islamic economics is the role of market mechanisms (Nurani, 2023).

A market is generally understood as a setting in which sellers and buyers interact and prices are determined through the forces of supply and demand (Rudd & Porter, 2025). Market mechanisms play an essential role in economic activity because they facilitate the attainment of market equilibrium. Nevertheless, a fair pricing policy is required to ensure that the compensation received by sellers is commensurate with the value of the commodities traded within a particular market. From the perspective of Islamic economics, pricing and market mechanisms are not evaluated solely in terms of economic rationality but are also guided by moral values and the principle of justice. Classical Muslim scholars such as Ibn Khaldun, Abu Hamid al-Ghazali, and Ibn Taymiyyah made substantial contributions to the formulation of concepts concerning prices and market mechanisms grounded in Sharia principles. Their ideas remain relevant for examining contemporary economic issues (Alang, 2018).

The economic ideas advanced by these scholars are not only insightful but also comprehensive. This breadth of thought reflects their multidisciplinary expertise rather than specialization in a single field of knowledge. Consequently, elements of their economic thought have also been recognized and adopted within Western intellectual traditions (Siddiqui, 2025; Widyanto et al., 2026). Ibn Khaldun's economic thought provides a prominent example. He identified the benefits and necessity of the division of labor before Adam Smith, articulated principles resembling the labor theory of value before David Ricardo, developed insights into population dynamics before Thomas Malthus, and emphasized the state's role in the economy before John Maynard Keynes. It is therefore unsurprising that Ibn Khaldun has been regarded as a precursor to numerous European economic thinkers (Febriyanti, 2026).

Islamic economic thought seeks to establish justice within the economy as a means of promoting the public interest and societal welfare, with the community occupying a central position in the implementation of the Islamic economic system (Lestari & Damayanti, 2025). Welfare can be achieved when the basic needs of every individual

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are adequately fulfilled. Such conditions depend on the effective functioning of economic activities and the unobstructed distribution of goods and services required to balance supply and demand. Economic issues therefore continue to attract considerable attention from market participants, academics, and the wider public (Rahmat H et al., 2025). Against this background, the present study aims to analyze and compare the economic thought of Ibn Khaldun, al-Ghazali, and Ibn Taymiyyah concerning pricing and market mechanisms. This study is expected to contribute to the development of contemporary Islamic economics, particularly by informing the formulation of a market system that is not only efficient but also equitable and ethically grounded.

METHODOLOGY

To facilitate readers' understanding, this study adopts a qualitative research design characterized by descriptive exposition and synthesis (Mustaqim et al., 2021). It also employs a historically oriented approach to examine the development of the selected scholars' economic thought within its intellectual and historical context. The study relies on secondary data, defined as information not collected directly by the researcher. The data were obtained from various scholarly publications addressing market dynamics in Islamic economics and the perspectives of prominent Muslim scholars.

More specifically, this qualitative study employs library research by collecting relevant information from books, academic articles, conference papers, and credible news sources. This approach was selected because the objects of inquiry are the economic ideas of three classical Muslim scholars—Ibn Khaldun, Abu Hamid al-Ghazali, and Ibn Taymiyyah—as documented in classical texts and contemporary scholarship. Library research enables an in-depth examination of pricing and market mechanisms based on primary sources, including *Al-Muqaddimah* and the works of al-Ghazali and Ibn Taymiyyah, as well as secondary sources such as recent peer-reviewed journal articles (Hidayat & Ibrahim, 2025).

The study is descriptive and analytical in nature. It first describes the economic thought of each scholar and then systematically analyzes their respective perspectives to identify similarities and differences. The descriptive method is employed to explain each scholar's conception of pricing and market mechanisms, while the analytical component situates these concepts within the broader framework of Islamic economics. This approach is commonly applied in studies of Islamic economic thought because it facilitates a comprehensive examination of its theoretical foundations and substantive principles.

RESULT AND DISCUSION

Economic issues are inseparable from human life, as nearly every aspect of daily activity involves economic considerations. Understanding economic problems therefore requires familiarity with the ideas of influential economic thinkers whose perspectives can serve as references for addressing contemporary challenges.

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Throughout Islamic intellectual history, numerous scholars have examined economic issues, including Ibn Khaldun, al-Ghazali, and Ibn Taymiyyah. These three scholars remain among the most prominent figures in Islamic economic thought and have made substantial contributions to the development of economic theories and concepts.

Islamic economics is fundamentally an economic system governed by Sharia. Sharia is understood as divine guidance or Islamic law that regulates matters pertaining to both worship (*ʿibādah*) and socioeconomic transactions (*muʿāmalah*) to ensure justice and benefits for all parties involved in economic activities (Billah, 2025; Ekawaty, 2025). One of the central subjects in Islamic economics is the market mechanism, namely, the system through which prices are formed by the interaction between demand and supply. From an economic perspective, this mechanism is a primary means of achieving efficient resource allocation, with prices serving as indicators of market equilibrium (Huang et al., 2025). The significance of market mechanisms has long been recognized in Islamic economic history by prominent Muslim scholars such as Ibn Khaldun, al-Ghazali, and Ibn Taymiyyah, whose ideas have provided important foundations for policies concerning market governance.

Ibn Khaldun: Biography and Major Works

Ibn Khaldun's full name was ʿAbd al-Rahman ibn Muhammad ibn Khaldun al-Hadrami. He was also known by the honorific titles Wali al-Din, Abu Zayd, and *Qadi al-Qudat*. He was born in Tunis in 732 AH. A follower of the Maliki school of jurisprudence, Ibn Khaldun was recognized as a hadith scholar, jurist specializing in the principles of Islamic jurisprudence, historian, traveler, author, and literary figure. During his childhood, he was commonly called ʿAbd al-Rahman, whereas Abu Zayd was his *kunyah*, or honorific name. He held the title Wali al-Din but became widely known as Ibn Khaldun (Rahmat et al., 2025).

The title Wali al-Din was conferred upon Ibn Khaldun when he served as a judge in Egypt during the reign of Sultan al-Zahir Barquq, one of the Mamluk rulers of Egypt. The designation *al-Hadrami* reflected his family's ancestral origins in Hadramaut, Yemen. He was also known by several other titles that reflected his official responsibilities, scholarly standing, and social status, including *al-Wazir*, *al-Raʾis*, *al-Habib*, *al-Sadr al-Kabir*, *al-Faqih al-Jalil*, and *ʿAlamat al-Islam wa al-Muslimin* (Argha Isdhihar Al Qutsam A et al., 2023).

At a young age, Ibn Khaldun acquired proficiency in several branches of classical Islamic scholarship, including the rational sciences (*ʿulum ʿaqliyyah*), philosophy, Sufism, and metaphysics. In jurisprudence, he adhered to the Maliki school. He was also interested in politics, history, economics, geography, and numerous other disciplines. His unwillingness to confine himself to only one or two fields constituted

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both a strength and a potential limitation. Historical accounts consequently portray him as a multidisciplinary thinker rather than a narrowly specialized scholar.

Upon reaching adulthood, Ibn Khaldun became actively involved in politics and subsequently occupied several strategic positions. At only 20 years of age, he was appointed secretary to Sultan Abu Inan of Fez, Morocco. He resided in Morocco from 1354 to 1362 before leaving North Africa for Granada, Spain, on December 26, 1362. His departure occurred amid intensifying political instability in Morocco. He had previously been imprisoned for 21 months after being accused of conspiring with Prince Muhammad to overthrow Abu Inan (Ridwan et al., 2023).

After spending much of his life in North Africa, Ibn Khaldun traveled to Egypt in 1383 CE. He died on 26 Ramadan 808 AH, corresponding to March 16, 1406 CE, at the age of 74 according to the Gregorian calendar or 76 according to the Hijri calendar. He was buried in the Sufi cemetery outside Bab al-Nasr in Cairo.

Ibn Khaldun produced numerous scholarly works, several of which are regarded as monumental. These included *Sharh al-Burdah*, summaries of several works by Ibn Rushd, notes on logic, an abridgment of Fakhr al-Din al-Razi's *al-Mahsul* on the principles of Islamic jurisprudence, and works on mathematics and jurisprudence. His best-known historical work is *Kitab al-ʿIbar wa Diwan al-Mubtadaʾ wa al-Khabar fi Tarikh al-ʿArab wa al-ʿAjam wa al-Barbar*. Through this work, Ibn Khaldun demonstrated an extensive command of history and numerous other fields of knowledge. Its introductory volume, *al-Muqaddimah*, became a monumental work that continues to attract extensive scholarly analysis (Ridwan et al., 2023).

Ibn Khaldun is particularly renowned for three major works: *al-Muqaddimah*, *Kitab al-ʿIbar*, and *al-Taʿrif*. In addition to these works, he reportedly wrote a commentary on al-Busiri's *al-Burdah*, summarized Fakhr al-Din al-Razi's *Muhassal*, and prepared abridgments of several works by Ibn Rushd.

Ibn Khaldun's Economic Thought on Pricing and Market Mechanisms

Ibn Khaldun's ideas concerning pricing and market mechanisms constitute an important foundation in the development of economic theory, particularly from an Islamic perspective. In *al-Muqaddimah*, he explained that prices are not determined unilaterally but emerge from natural interactions among market participants. He viewed the market as a dynamic system in which economic activity is shaped by social conditions, production levels, and societal needs. Recent research suggests that Ibn Khaldun established the foundations of a theory of price within the market mechanism that was closely connected to value and labor (Mardi, 2025). This observation demonstrates that his conception of price was inseparable from real economic activity.

Ibn Khaldun identified demand and supply as primary determinants of price formation. He explained that prices increase when demand rises while supply

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remains limited and, conversely, decline when supply expands relative to demand. This reasoning is consistent with modern economic theory. Lubis and Wahyudi (2025) observe that Ibn Khaldun discussed how demand and supply influence the prices of goods in the market, demonstrating his understanding of market equilibrium long before its systematic development by Western classical economists.
In addition to demand and supply, Ibn Khaldun emphasized the importance of production costs, labor, and distribution in determining prices. He maintained that the value of a commodity originates from human effort, meaning that its price reflects an accumulation of the costs incurred in its production and circulation. Contemporary scholarship similarly indicates that Ibn Khaldun regarded prices as outcomes of natural economic processes rather than arbitrary determinations (Koswara, 2025). His theory was therefore comprehensive, as it connected production activities with price formation.

Regarding the role of the state, Ibn Khaldun opposed excessive government intervention in price determination. He argued that the government should primarily serve as a regulator responsible for maintaining justice and preventing market distortions, including monopolistic practices and fraud. This position is reinforced by recent scholarship describing the market mechanism as a system in which prices should be allowed to form naturally while remaining governed by moral principles (Hidayat & Ibrahim, 2025). Ibn Khaldun thus positioned ethics as an essential element in preserving market equilibrium.

Overall, Ibn Khaldun’s ideas concerning prices and market mechanisms remain highly relevant to modern economics. His analysis extended beyond the technical formation of prices through demand and supply to include social, moral, and institutional dimensions. Recent studies have further emphasized that his conception of an ethically regulated free market remains pertinent to contemporary economic challenges (Sutikno et al., 2025; Azizah & Susana, 2026). Ibn Khaldun may therefore be regarded as a pioneer of a holistic market theory that seeks to balance economic efficiency with social justice.

Abu Hamid al-Ghazali: Biography and Major Works

Abu Hamid Muhammad ibn Muhammad al-Tusi al-Ghazali was born in 450 AH in Tus, a small city in Khurasan, present-day Iran. Al-Ghazali was introduced to Sufism at an early age. Following the death of his father, who was also associated with Sufism, he was raised under the guardianship of a Sufi. From childhood, al-Ghazali demonstrated a strong interest in acquiring knowledge (Wardani & Nurwahidin, 2023). He subsequently became one of the most prominent Sufi scholars in Islamic history. His intellectual accomplishments across various disciplines earned him the title *Hujjat al-Islam* (“The Proof of Islam”). His best-known work is *Ihya᾽ ʿUlum al-Din* (*The Revival of the Religious Sciences*).

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Among al-Ghazali's most influential teachers was Imam al-Haramayn al-Juwayni, a prominent jurist and theologian from whom he studied Islamic jurisprudence. Al-Ghazali also studied under Abu ʿAli al-Farmadhi, an eminent Sufi scholar who contributed substantially to his spiritual development. His education encompassed jurisprudence, theology, philosophy, Aristotelian logic, Sufism, and Islamic spirituality (Sirajuddin, 2015).

In 483 AH/1090 CE, al-Ghazali was appointed as a professor at the Nizamiyyah Madrasa in Baghdad. Despite attaining this prestigious academic position, he experienced profound intellectual and spiritual unease. In 488 AH/1095 CE, he left Baghdad and traveled to Syria, where he spent approximately two years in contemplation, study, and writing. Al-Ghazali is estimated to have produced approximately 300 works across numerous disciplines. He lived during the Abbasid era, when the caliphate had fragmented into several smaller political entities. Against this turbulent political background, al-Ghazali developed into a highly responsive thinker whose intellectual journey was marked by a sustained search for the nature of truth.

Al-Ghazali is widely recognized as a Muslim thinker who sought to reconcile Islamic teachings with intellectual inquiry. He was also an exceptionally productive scholar whose writings attracted extensive attention across the Islamic world and beyond. Two of his most influential philosophical works are *Maqasid al-Falasifah* and *Tahafut al-Falasifah*, both of which demonstrate his sophisticated understanding of philosophy.

Al-Ghazali also produced significant works on Islamic jurisprudence, critiques of Ismaʿili doctrines, and influential texts associated with the Shafiʿi school. His writings addressed logic, philosophy, ethics, Qur'anic exegesis, jurisprudence, Qur'anic studies, Sufism, politics, public administration, and economic behavior. Although he is estimated to have written approximately 300 works, only around 84 are known to have survived. One of his most monumental works, *Ihyaʾ ʿUlum al-Din*, contains important discussions of money, commerce, consumption behavior, and the organization of society's economic activities.

As a Sufi scholar, al-Ghazali introduced distinct spiritual and moral dimensions into economic analysis. In *Ihyaʾ ʿUlum al-Din*, he examined the limitations of barter and emphasized the importance of money as both a medium of exchange and a unit of measurement. He likened money to a mirror: although a mirror possesses no color of its own, it can reflect every color. Similarly, money has no intrinsic purpose as a commodity but represents and measures the value of other goods.

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Al-Ghazali's Economic Thought on Pricing and Market Mechanisms

Abu Hamid Muhammad ibn Muhammad ibn Ahmad al-Ghazali al-Tusi was a highly productive Muslim scholar whose works responded directly to many of the principal intellectual issues of his time. His writings encompassed diverse fields, including Islamic jurisprudence, theology, logic, Sufism, philosophy, and other disciplines, reflecting both the breadth of his scholarship and the intellectual conditions of his era.

According to al-Ghazali, a properly functioning market must be governed by moral principles such as fair competition, honesty, transparency, and justice. He discussed market-determined prices, a concept subsequently described by Muslim scholars as *al-thaman al-ʿadil*, or the just price, and broadly associated with the notion of an equilibrium price. He recognized the relationship between demand and prices, observing that the price of a commodity tends to decline when demand for it decreases.

Al-Ghazali further maintained that prices were closely related to the costs and risks borne by merchants, including transportation expenses, exposure to commercial risks, and the need to ensure traders' security. Nevertheless, he rejected the pursuit of excessive profit as the primary motivation for trade, arguing that the ultimate and genuine reward was that obtained in the hereafter. This orientation toward spiritual benefit had several practical implications. First, sellers should not set prices at levels that impose excessive burdens on consumers, such as doubling the amount of their invested capital without justification. Second, trade should embody the Islamic principle of *taʿawun*, or mutual assistance: merchants benefit from selling their goods, while consumers obtain the products required to satisfy their needs. Third, commercial actors must adhere to ethical business practices. Because economic transactions form part of Sharia-governed conduct, ethically performed trade may constitute an act of worship.

Al-Ghazali maintained that markets must operate according to the ethical and moral responsibilities of their participants. He specifically condemned the hoarding of food and other essential commodities for the purpose of extracting excessive profits. Hoarding goods during periods of scarcity, in his view, constituted a serious form of injustice (Hidayatullah, 2020).

Al-Ghazali also identified deceptive advertising as a prohibited market practice. He warned merchants against misrepresenting the quality, quantity, measurement, or price of the products they sold. The dissemination of false information constituted fraud and was therefore strictly prohibited. By contrast, informative and reasonable advertising was permissible. He consistently emphasized honesty and truthfulness in

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business and condemned covert agreements, price manipulation, deceptive marketing practices, and the falsification of products or commercial information.

Al-Ghazali's analysis of market processes therefore concentrated substantially on the motivations and ethical principles underlying commercial activity. He rejected the pursuit of excessive material profit and argued that genuine benefit was ultimately attained in the hereafter. In his view, morality must remain integral to commercial exchange if markets are to function in a fair, stable, and socially beneficial manner.

Ibn Taymiyyah: Biography and Major Works

Taqi al-Din Abu al-ʿAbbas Ahmad ibn ʿAbd al-Halim ibn ʿAbd al-Salam ibn Taymiyyah al-Harrani, commonly known as Ibn Taymiyyah, was born on 10 Rabiʿ al-Awwal 661 AH, corresponding to January 22, 1263 CE, in Harran, Mesopotamia, an area now located in southern Türkiye. He came from a distinguished scholarly family. His father, ʿAbd al-Halim, and his grandfather, Majd al-Din, were highly respected scholars within the Islamic intellectual tradition. In 667 AH/1268 CE, his family was forced to relocate to Damascus, Syria, following Mongol attacks that devastated Harran and its surrounding regions.

In Damascus, Ibn Taymiyyah was raised in a highly supportive scholarly environment. He demonstrated exceptional intellectual ability from an early age and mastered numerous Islamic disciplines, including Qur'anic exegesis, hadith, jurisprudence, the principles of jurisprudence, theology, and philosophy. By the age of 17, he had memorized the Qur'an and several major hadith collections. Following his father's death in 682 AH/1283 CE, Ibn Taymiyyah assumed his position as a teacher and mufti at the Umayyad Mosque in Damascus, despite being only 22 years old.

Ibn Taymiyyah was known as a prolific and critical scholar. Throughout his life, he reportedly produced more than 500 works addressing diverse fields of knowledge. His criticism of religious practices that he considered inconsistent with Islamic teachings—including excessive veneration of tombs, religious innovations, and extreme forms of Sufism—frequently brought him into conflict with political authorities and other scholars. Consequently, he was imprisoned on several occasions but remained intellectually productive even during his confinement.

Ibn Taymiyyah died on 20 Dhu al-Qaʿdah 728 AH, corresponding to September 26, 1328 CE, while imprisoned in the Citadel of Damascus. He was 67 years old. He was buried in the Sufi cemetery in Damascus, and thousands of people reportedly attended his funeral as a sign of respect for his contributions to Islamic scholarship.

Ibn Taymiyyah lived during a critical period of Islamic history spanning the late seventh and early eighth centuries AH, corresponding to the thirteenth and early fourteenth centuries CE. This period was marked by major events that profoundly affected the social, political, and economic conditions of the Muslim world, particularly in the regions of Syria and Egypt.

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During this period, economic activity in Syria and Egypt was highly dynamic. Damascus, Cairo, and Aleppo served as important centers of international commerce connecting European, Asian, and African trade routes. However, unjust practices—including hoarding and monopolistic conduct (*ihtikar*), deception (*tadlis*), and price manipulation—were common and frequently harmed consumers and intensified economic inequality.
These conditions encouraged Ibn Taymiyyah to formulate an equitable, Sharia-based conception of economic governance. He emphasized the importance of a free market while recognizing the state's responsibility to supervise economic activity through the institution of *hisbah*. Such supervision was intended to prevent practices that harmed society and to preserve justice in market transactions.

Ibn Taymiyyah produced numerous works addressing economic affairs and public finance. His principal works relevant to these subjects include the following:

Al-Hisbah fi al-Islam
This work discusses *hisbah* as an institution of market supervision responsible for maintaining justice in economic transactions, preventing fraud, and ensuring the application of the principle of *al-amr bi al-maʿruf wa al-nahy ʿan al-munkar*—enjoining what is right and preventing what is wrong—in economic life. Ibn Taymiyyah explains the duties of the *muhtasib*, or market supervisor, including monitoring market activities, maintaining product-quality standards, and preventing practices detrimental to consumers.

Al-Siyasah al-Sharʿiyyah fi Islah al-Raʿi wa al-Raʿiyyah
This work examines government policy concerning the administration of public finances, including sources of state revenue such as *zakat*, *ghanimah* or spoils of war, and *fayʾ*, which refers to assets acquired without direct warfare. Ibn Taymiyyah also discusses wealth distribution, the state's responsibility to safeguard public welfare, and the formulation of equitable fiscal policies.

Majmuʿ al-Fatawa
Majmuʿ al-Fatawa is a collection of Ibn Taymiyyah's legal opinions addressing numerous subjects, including price regulation, commercial transactions, usury, and monetary policy. In this collection, he provides detailed explanations of market mechanisms, the factors influencing prices, and the state's role in maintaining economic justice.

Ibn Taymiyyah's Economic Thought on Pricing and Market Mechanisms
Ibn Taymiyyah clearly understood that prices in a free market are determined by the forces of demand and supply. During his lifetime, increases in prices were frequently

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attributed to the injustice of merchants. Ibn Taymiyyah argued, however, that this explanation was not invariably correct. He maintained that prices could rise because the quantity of available goods had declined or because the size of the population—and consequently demand—had increased. A decline in the quantity of goods represented a contraction in supply, whereas population growth could produce an increase in demand. Price increases arising from lower supply or higher demand were viewed as manifestations of an impersonal market mechanism operating under the will of God rather than necessarily resulting from human injustice.

Ibn Taymiyyah explained how prices are determined by demand and supply in a free market. As cited by Irawan (2015), he stated that fluctuations in prices are not invariably caused by the injustice of particular individuals. They may result from insufficient production or declining imports of demanded goods. When demand rises and supply falls, prices increase; conversely, when the availability of goods expands and demand declines, prices fall. Scarcity and abundance may occur without wrongful conduct, although they may sometimes also result from injustice. Ultimately, these conditions operate within the divine order through which human preferences and economic behavior are formed.

This argument indicates that price increases may indeed result from unjust conduct by sellers, thereby producing market imperfections. Nevertheless, such an explanation cannot be applied to every situation because price fluctuations may also arise naturally from market forces. Ibn Taymiyyah maintained that sellers were entitled to obtain a customary or generally accepted profit (*al-ribh al-maʿruf*), provided that it did not harm either their own interests or those of their customers. An equitable profit was therefore a normal return obtained through legitimate commercial practices without causing reciprocal harm.

In *Al-Hisbah fi al-Islam*, Ibn Taymiyyah (1976) explained that when people sell their goods according to generally accepted practices and without committing injustice, price increases resulting from a decrease in the quantity of goods (*qillat al-shayʾ*) or an increase in the population (*kathrat al-khalq*) should be understood as part of the order established by God.

Ibn Taymiyyah thus attributed certain price increases to declining supplies or growing demand associated with population growth (Rozalinda, 2014, p. 161). This position demonstrates his recognition of the impersonal nature of market mechanisms: prices may increase through changes in market conditions without being deliberately manipulated by particular actors.

According to Ibn Taymiyyah, three principal groups of factors may shift supply and demand and consequently affect market prices:

a. the availability or scarcity of goods in the market;

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b. automatic market pressures and unlawful conduct by sellers, such as hoarding; and

c. the intensity and scale of demand, the scarcity or abundance of commodities, credit and financing conditions, and discounts offered for cash payments.

Ibn Taymiyyah therefore placed considerable value on the price mechanism. He maintained that the government should refrain from intervening in prices as long as the market mechanism functioned properly. In other words, when supply and demand interacted without artificial interference and prices changed naturally as a result of genuine supply and genuine demand, price regulation was unnecessary. However, when price changes did not result from natural movements in supply and demand, government intervention could be justified.

One example of a price increase not arising from genuine supply and demand is *ihtikar*, or the deliberate hoarding of goods to obtain profits above the normal level by restricting market supply and charging higher prices. According to Ibn Taymiyyah, merely introducing additional goods into an open market would not necessarily resolve this problem because the newly supplied commodities could again be purchased and withheld by hoarders. Under such conditions, the appropriate solution was direct government intervention in pricing and market conduct.

CONCLUSION

Ibn Khaldun, al-Ghazali, and Ibn Taymiyyah maintained that prices within a market mechanism are primarily determined by the interaction between supply and demand. The price of a commodity tends to decline when production generates an abundant supply or when demand for the commodity decreases. Conversely, prices may increase when the quantity of available goods declines or population growth leads to greater demand.

Ibn Khaldun specifically argued that prices rise when demand increases while supply remains limited and decline when the opposite conditions prevail. Al-Ghazali, meanwhile, rejected the pursuit of excessive profit as the principal motivation for trade. He firmly maintained that merchants should seek benefits in both this world and the hereafter rather than focusing exclusively on material gain.

Ibn Taymiyyah similarly asserted that price fluctuations should not invariably be attributed to arbitrary or unjust conduct by sellers. Prices may rise because of declining supply resulting from inefficient production, reduced imports of demanded goods, or broader market pressures. Regarding commercial returns, Ibn Taymiyyah held that sellers were entitled to earn a customary and reasonable profit, provided that doing so did not harm either their own legitimate interests or those of their customers.

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