



ZICONS:

Zawiyah International Conference on Sharia and Legal Studies

Vol. 1. (January–December 2025): h. 125-138

<https://jurnal.pematik.id/index.php/zicons>

Revisiting Market Failure: A Comparative Study between Conventional and Islamic Economic Perspectives

Ricca Hendarti ¹, Isnaini Harahap ²

¹ Politeknik Unggulan Cipta Mandiri, North Sumatera, Indonesia

² Universitas Islam Negeri Sumatera Utara, North Sumatera, Indonesia

¹ riccahendarti@gmail.com, ² isnaini.harahap@uinsu.ac.id

Article Info

Article history:

Received Nov 18, 2025

Accepted Des 27, 2025

Publish Des 30, 2025

Keywords:

Market Failure

Comparative Economics

Islamic Economic Thought

Welfare Economics

Market Efficiency

ABSTRACT

Market failure reflects an imbalance between economic efficiency and social justice. In the context of a global economy marked by inequality, moral crises, and digital disruption, this issue is becoming increasingly complex. This paper reexamines the concept of market failure by comparing conventional and Islamic economic paradigms to find a more holistic and just framework. Using a qualitative approach thru descriptive-analytical literature review, this study explores the theoretical and moral foundations of both economic systems. The findings indicate that conventional economics views market failure as a result of information imperfections and inefficiencies that are addressed thru regulation, while Islamic economics emphasizes ethical and spiritual values such as 'adl, amanah, and tawazun to prevent market distortions. The integration of these values is believed to offer an alternative solution to the challenges of the global market.

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Corresponding Author:

Ricca Hendarti

Administrasi Bisnis, Politeknik Unggulan Cipta Mandiri

Bambu I Street, Medan, North Sumatera 20235

Email: riccahendarti@gmail.com

INTRODUCTION

The phenomenon of market failure remains a fundamental issue in the contemporary global economy. Although neoclassical economic theory assumes that free market mechanisms can achieve optimal allocation efficiency, data show that in reality, significant distortions occur in the distribution of resources and income. For example, the World Inequality Lab report shows that the richest 10% of the world's population controls approximately 52% of total global income,

while the bottom 50% earns only about 8.5%. This condition indicates that market failure is not just a technical efficiency issue, but also a matter of justice and social welfare.

In an increasingly complex digital era and global economy, market failures are also taking on new forms thru information asymmetry, moral hazard, negative externalities, and inadequate provision of public goods. For example, although cashless transactions per person increased from 91 to 135 per year in low-to-middle-income countries between 2017 and 2020, disparities in access and service quality remain significant. This reinforces the idea that modern markets can fail not only in production allocation, but also in the underlying information and technology mechanisms.

Market failure in Indonesia is evident in various economic aspects. First, allocative inefficiency occurs, where the agricultural sector still employs approximately 28.8% of the workforce but contributes only about 12–13% to the Gross Domestic Product (GDP), indicating inefficient allocation of resources between sectors (BPS, 2024). Second, there is an underprovision of public goods, reflected in the low public education spending of 1.28% of GDP and health spending of around 1.3% of GDP (World Bank, 2023), indicating the state's limitations in providing essential public services evenly. Third, information asymmetry remains strong, as evidenced by the national financial literacy index, which has only reached 49.68% (OJK, 2022), and the proliferation of thousands of illegal financial entities closed by financial authorities, leading to the risks of adverse selection and moral hazard. Fourth, negative externalities also worsen social welfare thru carbon emissions, which reach approximately 675 million tons of CO₂ per year, and economic losses due to congestion in the Jabodetabek area, which amount to up to Rp100 trillion per year (Our World in Data; BMKG, 2023). These four empirical pieces of evidence show that market mechanisms have not yet been able to create both efficiency and justice, thus requiring a review of the conventional economic paradigm thru the value and ethical approach advocated by Islamic economics.

Academic anxiety arises when the conventional economic framework fails to adequately address the moral, spiritual, and social dimensions inherent in market activity. Studies such as "Market for Lemons and Cigaretts: An Islamic Perspective on Market Failure and a Lesson for Eliminating Interest from Economy" by Khan (2017) show that the interest-based system is considered a form of market failure that has not been widely recognized in mainstream theory. Meanwhile, an article by Jallow & Jallow (2024) links income inequality to market failure and offers Islamic instruments such as zakat and waqf as solutions. However, many previous studies have only focused on partial aspects (e.g., asymmetric information or externalities) and have not conducted a systematic conceptual comparative analysis between conventional economics and Islamic economics in the face of global challenges.

The limitations of previous research open the door for this paper to fill that conceptual gap. This paper aims to conduct a comparative study between

conventional economic frameworks and Islamic economic frameworks regarding market failures, with an emphasis on how Sharia principles can be an ethical solution to broader global market challenges. Thus, this paper aims to strengthen the understanding that the revitalization of sharia values is not merely a return to the past, but a contemporary response to the global challenges of microeconomics.

The main objectives of this study are twofold: first, to analyze the types of market failures (including adverse selection, moral hazard, externalities, public goods, and allocative inefficiency) from a conventional economic perspective; and second, to explore how Islamic economic principles (including tawhid, 'adl, amanah, and maqāṣid al-syarī'ah) correct or complement this framework thru an Islamic microeconomic perspective. The expected outcome is a conceptual framework that bridges economic efficiency and justice into a single, integrative perspective.

Methodologically, this study employs library research and a descriptive-comparative qualitative analysis method. The primary sources consist of conventional economic literature and Islamic economics, including international journal articles published in the last five years and Islamic economics textbooks. The analysis was conducted by comparing the concepts, basic assumptions, correction mechanisms, and implications for the global market of both frameworks.

This analysis is also equipped with global statistical data and the latest trends to illustrate the real phenomenon of market failure. For example, the link between income inequality and market failure (as explained in the WID report) and the challenges of market digitalization, which lead to asymmetric information. This paper argues that modern market failures primarily arise when moral and social elements are neglected in market mechanisms, and that Islamic economics provides a normative basis for strengthening market mechanisms to be not only efficient but also just and sustainable.

Within the framework of Islamic economics, the market is not only seen as an arena for free transactions between supply and demand, but as a mechanism that must be based on the values of justice, responsibility, and blessings (falah). Islam rejects practices such as usury, gharar, tadbis, and ihtikār because these practices disrupt market function and distributive justice. Thus, this paper proposes that revitalizing sharia values within microeconomic mechanisms can be a solution to market failures that are both technical and moral.

Finally, this paper argues that the revitalization of Sharia in the context of global challenges is not merely a normative choice, but a structural necessity. A global market filled with asymmetric information, a concentrated economic elite, and digital technologies that accelerate imbalances requires a value-ethical approach that integrates efficiency with justice. Thus, this paper is expected to contribute to the literature on Islamic microeconomics and provide a conceptual basis for the development of more just and sustainable economic policies.

Therefore, the effort to revitalize Sharia within a microeconomic framework is not only conceptually relevant but also serves as an adaptive strategy to address global challenges toward a more just, sustainable, and civilized economic system.

LITERATURE REVIEW

Basic Concepts of Market Failure in Conventional Economics

Within the framework of conventional economics, the market is viewed as an effective mechanism for allocating resources under ideal conditions namely, perfect competition, perfect information, and no externalities so that market outcomes can be considered efficient according to classical economic welfare criteria. However, these ideal conditions are rarely met in the real world, leading to the phenomenon known as market failure, which is a situation where the market mechanism does not produce an allocation that maximizes social welfare according to metrics such as Pareto optimality or Kaldor-Hicks efficiency. An operational understanding of market failure requires normative judgments (what definition of "welfare" is used) and empirical assessments (how indicators of inefficiency are measured in practice).

Economic literature categorizes the main sources of market failure into several groups: externalities, public goods, information asymmetry (giving rise to adverse selection and moral hazard), and market power such as monopolies or oligopolies that hinder competitive price mechanisms. Negative externalities (e.g., pollution) and positive externalities (e.g., research and development) cause a difference between private and social costs/benefits, so market prices do not reflect true social value. Public goods, which are non-excludable and non-rivalrous, tend to be underprovided in a purely market mechanism due to the incentive for free-riding.

Information asymmetry is a very central case in the study of modern market failures. Akerlof (1970) described how information asymmetry between sellers and buyers in the used goods market can lead to adverse selection, causing the average quality of goods remaining in the market to decline – a phenomenon popularly known as the "market for lemons." In the context of finance and insurance, information asymmetry also gives rise to moral hazard, which is the tendency of the insured or contracted agent to take greater risks after the contract is signed because the risk is borne by another party. These phenomena are also relevant in the contemporary digital economy, for example, when online platforms connect sellers and buyers, but algorithms and asymmetric data lead to market distortions and information exploitation.

Additionally, market power in the form of monopolies, oligopolies, or anti-competitive practices (e.g., exclusionary pricing, coercive bundling) leads to inefficient resource allocation and the redistribution of economic surplus from consumers to dominant market players. Literature shows that market concentration is often associated with a decline in long-term innovation and an

increase in income inequality, so market failure also has an important distributional dimension.

It should also be noted that interventions intended to correct market failures, such as regulation, taxes, subsidies, or the state's provision of public goods, do not automatically improve social outcomes. The concept of government failure emphasizes that public policy can create new distortions due to imperfect information available to policymakers, regulatory capture, or high transaction costs. Therefore, the study of market failure always involves a discussion of the trade-off between market failure and potential government failure.

In research practice, empirical evidence of market failure is measured thru various indicators: the size of externalities (e.g., emissions per unit of production), information gaps (e.g., insurance premiums vs. claims filed), price markups as a proxy for market power, and income distribution indicators (Gini, top income share) as the effect of market failure on welfare. Contemporary empirical studies are increasingly integrating microdata analysis of digital platforms, big transaction data, and controlled experimentation to identify market failure mechanisms in the digital age.

Beyond these technical aspects, theoretical criticism highlights that the conventional paradigm focusing on allocative efficiency often overlooks ethical dimensions, social responsibility, and collective goals. When social norms and moral values are not internalized in economic actions, for example, thru anti-fraud norms, transparency, or social obligations, market mechanisms are prone to systemic and recurring failures. This view fuels debate about whether technocratic solutions (regulation) are sufficient, or whether more fundamental institutional reforms are needed.

In conclusion, understanding market failure in conventional economics must encompass theoretical (definitions and basic assumptions), empirical (indicators and evidence), and institutional (the role of regulation and institutional weaknesses) dimensions. A comprehensive analysis of market failure sources is an essential foundation before evaluating the corrective alternatives offered by the Islamic economic perspective, as will be discussed in the next subsection. Thus, the next focus is to examine how the values, rules, and institutions within the Islamic economy respond to the categories of market failure identified above.

The Concept of Market Failure in the Perspective of Islamic Economics

In the view of Islamic economics, the market is an integral part of the social system governed by the principles of justice (al-'adl), balance (al-mīzān), and moral responsibility (al-mas'ūliyyah). The market in Islam is not a free-standing and autonomous entity as assumed in conventional economics, but rather an institution that operates within the framework of Sharia, with an orientation not only toward economic efficiency, but also toward the common good (maslahah) and communal well-being (falah). Therefore, market failure from an Islamic perspective is not solely measured by the inefficiency of

resource allocation, but rather by the extent to which market mechanisms fail to realize the values of distributive justice, honesty, and blessing in transactions.

Islam recognizes the existence of the market as a natural mechanism for the exchange of goods and services, as reflected in the practice of the *suq al-Madinah* during the time of the Prophet Muhammad (peace be upon him). However, this mechanism is not without moral and institutional oversight. The concept of *hisbah* serves as a fundamental instrument in ensuring that the market continues to function in accordance with Sharia principles. The function of *hisbah* includes monitoring fair prices, preventing hoarding (*ihtikār*), monitoring the quality of goods, and protecting consumers from fraudulent practices and *gharar* (excessive uncertainty). Thus, market failures in the Islamic context are often caused by a loss of moral and institutional control over economic behavior, not just by defects in the price mechanism as in conventional theory.

The phenomenon of asymmetric information in Islamic economics is explained thru the prohibition of *gharar* (uncertainty) and *tadlis* (deception). When one party hides important information in a transaction, it not only leads to market inefficiency but also violates the principles of justice (*al-'adl*) and transparency (*shafāfiyyah*). In a hadith, the Prophet (peace be upon him) stated, "Whoever deceives is not one of us." (Narrated by Muslim). The prohibition of *gharar* serves as a preventive mechanism against adverse selection and moral hazard, as it requires transparency of information and equal bargaining power in every contract. In the modern context, this principle is relevant in the regulation of Islamic financial systems, where contracts such as *murābahah* and *mushārahah* emphasize price transparency and proportional risk sharing.

Meanwhile, in addressing negative externalities, Islam employs both a value-based and an institutional approach. The principle of *lā ḍarar wa lā ḍirār* ("do not harm yourself or others") serves as a moral foundation for preventing behavior that causes social harm. At the institutional level, instruments such as *zakat*, *waqf*, and *hibah* function as mechanisms for internalizing social externalities—for example, by diverting a portion of individuals' economic surplus for the common good. This approach differs from conventional economics, which tends to correct externalities thru tax or subsidy instruments. In Islam, correction is not done solely thru financial incentives, but also by instilling moral and social responsibility in individuals.

In the case of public goods, Islamic economics places the responsibility for their provision on the state and society simultaneously. The principles of *maqāṣid al-syarī'ah* ensure that basic public needs such as security, education, and hygiene are included in the category of *ḍarūriyyāt* (primary needs) that must be met to guaranty the continuity of human life and social stability. The concept of *al-maslaha al-'ammah* (public interest) directs the state not only to act as a regulator but also as a facilitator and protector in maintaining market equilibrium. This differs from the conventional view, which often positions the

state solely as a "corrective agent" after market failure. In Islam, the functions of supervision and correction operate simultaneously with market activity.

Market failure can also occur due to the concentration of wealth in the hands of a few individuals or groups (*ihtikār al-tsarwah*), which leads to unequal distribution and weakens effective demand in the economy. In Islamic economics, extreme inequality is seen not only as an efficiency problem but also as a form of moral violation against the principle of social justice. Allah SWT says in Surah Al-Hasyr [59]:7, "... so that wealth does not circulate only among the rich among you." This verse contains a fundamental principle for preventing the concentration of wealth and ensuring healthy economic circulation thru redistribution mechanisms such as zakat, infaq, and productive waqf.

Meanwhile, in the context of market power, Islam opposes monopolistic practices that lead to price distortions and exploitation. In a hadith, the Prophet Muhammad (peace be upon him) said, "No one hoards goods except that they are sinful." (Narrated by Muslim). This principle of prohibiting monopolies shows that Islam prioritizes market stability and price fairness over individual profit interests. Therefore, the role of the state (through *wilāyat al-hisbah*) is justified in intervening in the market if prices have exceeded reasonable limits or are causing harm to the general public.

The Islamic approach to market failure is multi-level: individual (the ethics of the actors), institutional (the mechanisms of hisbah, zakat, and sharia supervision), and systemic (the orientation of *maqāsid al-syarī'ah*). Thus, the solutions offered are not only corrective after failure occurs, but also preventive thru the formation of moral values and awareness. This concept makes the Islamic economic system more resilient to market distortions because it is rooted in the simultaneous integration of spiritual, social, and economic values.

With this framework, it can be understood that Islamic economics does not reject market mechanisms, but rather subjects them to ethical principles and the goals of Sharia. Market failure, from an Islamic perspective, arises not solely from flaws in the system, but from human moral deviation from the values of monotheism, justice, and balance. By upholding these values thru the hisbah mechanism and Islamic socio-economic instruments, the market system can function efficiently while also being fair, combining the allocative efficiency desired by conventional economics with the distributive and spiritual justice that are the goals of Islamic economics.

METHOD

This article uses a qualitative approach with a descriptive-comparative research design. This approach was chosen because it is relevant for analyzing the normative and theoretical concepts that have developed in conventional economics and Islamic economics, particularly regarding the issue of market failure. Thru this approach, the research does not focus on collecting field data, but rather on an in-depth analysis of scientific literature, classical texts, and contemporary research findings that discuss market failure and the principle of

justice in economic transactions. A descriptive approach is used to explain the concepts, while a comparative approach is applied to compare the differences and similarities in the views of these two economic systems in interpreting the causes, impacts, and solutions to market failure.

The data sources in this article are secondary, meaning data obtained from a literature review of various scientific works, including books, journals, and official documents. The sources are categorized into three types: (1) primary sources, including classical Islamic economics books such as *Ihya' Ulum al-Din* by al-Ghazali and *al-Iqtisad fi al-I'tiqad* by al-Juwaini, as well as contemporary works by M. Umer Chapra, Monzer Kahf, and Abbas Mirakhor; (2) secondary sources, such as conventional economics textbooks like *Economics* by Samuelson & Nordhaus and *Economics of the Public Sector* by Joseph E. Stiglitz; and (3) supporting sources, including international and national scientific journal articles published within the last five years, such as the *Journal of Islamic Economics, Banking and Finance* (2021–2024) and the *International Journal of Islamic and Middle Eastern Finance and Management* (2019–2024).

Data collection techniques were carried out thru documentation studies, which involved searching for and collecting relevant scientific references from databases such as Google Scholar, DOAJ, ResearchGate, and ScienceDirect. Each piece of literature is selected based on the criteria of relevance to the topic, publisher credibility, and publication recency to ensure that the resulting analysis aligns with the latest scientific developments. After the data was collected, a categorization process was carried out based on conceptual, normative, and empirical analysis aspects related to the theme of market failure.

The collected data was analyzed using content analysis methods. The analysis stages include: (1) data reduction, which involves selecting important information from various literature; (2) concept classification, which involves grouping findings based on conventional and Islamic economic frameworks; and (3) comparative analysis, which assesses the similarities and differences between the two approaches. This stage is carried out systematically to illustrate the epistemological position of Islamic economics in addressing the phenomenon of modern market failure.

To ensure data validity and the reliability of analysis results, source triangulation was conducted by comparing the views of different authors and sources. This approach ensures that the interpretation of concepts is not only subjective but also has a strong foundation in various academic literature. Thus, the research method used is expected to produce a strong and objective conceptual analysis, so that the discussion presented can make a scientific contribution to enriching the discourse of Islamic economics, particularly in addressing the challenges of market failure in the modern era.

RESULTS & DISCUSSION

Islamic Solutions to Market Failure: A Conceptual Study

The concept of market failure in Islamic economics stems from a worldview that is fundamentally different from conventional economics. In Islamic economics, the market is not merely a mechanism for allocating resources, but also a means of achieving social justice and the ethical distribution of wealth in accordance with the principles of *maqāṣid al-syarī'ah*, which are to preserve religion, life, intellect, offspring, and property. Thus, from an Islamic perspective, the market functions as an instrument of worship and social balance, not merely a tool for achieving economic efficiency.

Market failure in the Islamic system is not only seen from the imbalance of supply and demand, but also from the erosion of moral values and the loss of ethics in economic transactions. According to M. Umer Chapra, market failure occurs when spiritual values are not internalized in economic behavior, causing the rationality of market participants to shift from an orientation toward *falah* (welfare) to purely material gain. In this context, Islam views the main causes of market failure as violations of the principle of justice (*'adl*) and the prohibition of exploitative practices (*ẓulm*).

From a historical perspective, Islam has a set of normative instruments that serve as corrective mechanisms against market failures, including the prohibition of usury, *gharar*, *maysir*, *tadlis*, and *ikhtikar* (hoarding). The prohibition of usury aims to avoid wealth distribution imbalances that can lead to market failures due to distortions in capital exchange rates. The prohibition of *gharar* (uncertainty in contracts) prevents the emergence of misleading information asymmetry between transaction participants, while the prohibition of *maysir* (excessive speculation) maintains economic stability from unproductive volatility.

The concept of information asymmetry in Islam is addressed thru the principles of transparency (*'an tarāḍin minkum*) and honesty in contracts. In Surah An-Nisa' verse 29 of the Quran, Allah emphasizes that transactions must be conducted based on mutual consent, not deception or coercion. This principle theoretically addresses the issues of adverse selection and moral hazard because it emphasizes spiritual responsibility (piety) as an internal control mechanism. This is where the fundamental difference lies compared to the conventional economy, which relies on formal regulatory systems and contracts.

Additionally, Islam recognizes social mechanisms such as *ḥisbah*, which is a market surveillance institution that ensures honesty, fair pricing, and product quality. This institution serves as a moral check against market deviations, while also ensuring social efficiency that is not only based on economic rationality but also on ethical values. Within a modern framework, the function of *ḥisbah* can be actualized thru the Sharia Supervisory Board, which plays a role in ensuring compliance with *muamalah* principles within the Islamic financial system.

Islam also rejects the occurrence of negative externalities by mandating social responsibility for market participants. The concepts of *zakat*, *infaq*, and *sadaqah* serve as a redistribution of wealth, correcting inequalities caused by market

failures. According to Mannan (2020), zakat is an Islamic economic "automatic stabilizer" that plays a role in improving resource allocation and increasing collective welfare. Thus, social intervention in Islam is not a form of market distortion, but rather part of the harmonization between efficiency and justice. Furthermore, in dealing with public goods and resource allocation problems, Islam emphasizes the concept of al-maslahah al-'ammah (public interest). The government (imamah) plays an active role in ensuring the availability of public goods such as security, education, and healthcare without a profit motive. This differs from the conventional paradigm, which often leaves the provision of public goods to market mechanisms. In the Islamic view, the state is obligated to avoid market inefficiency thru fiscal policy and distribution based on the principle of distributive justice.

Conceptually, Islamic economics views market failure not as a system anomaly, but as a consequence of human moral and spiritual disorientation as economic actors. Therefore, the solution offered is not merely market intervention or monetary policy, but rather a revitalization of the values of monotheism and ethics in economic activity. Thus, the Islamic market ideally operates within a moral-spiritual framework that ensures a balance between efficiency, justice, and universal well-being.

Comparative Analysis: Market Failure Paradigms in Conventional and Islamic Economics

A comparison between the concepts of market failure in conventional and Islamic economics reveals fundamental differences in assumptions, objectives, and the corrective mechanisms employed. In conventional economics, market failure is understood as the imperfection of market mechanisms in allocating resources efficiently due to information distortion, externalities, monopolies, or public goods. Conversely, Islamic economics views market failure not merely as a technical issue of allocation, but as a crisis of values and morality that disrupts social and economic balance.

The first difference lies in the philosophical and epistemological foundations. Conventional economics stems from individualistic rationality and utilitarianism, which are oriented toward self-interest maximization. Meanwhile, Islamic economics bases its market theory on the principles of monotheism and prosperity, where economic behavior is directed toward achieving collective well-being (public interest) and the pleasure of God. Therefore, market failure from an Islamic perspective not only encompasses efficiency losses but also violations of the principles of justice and morality.

The second difference relates to market control mechanisms. Conventional systems rely on external regulations issued by the government, such as antitrust policies, Pigouvian taxes, or subsidies, to correct externalities. In contrast, Islamic systems emphasize internal monitoring thru moral and spiritual mechanisms – namely, taqwa and social responsibility – combined with external monitoring thru the hisbah institution and sharia authorities. This approach

shows that Islam not only improves the market from the outside, but also from within the hearts of economic actors.

The third difference lies in the definition of efficiency. In neoclassical theory, efficiency means that no individual's welfare can be improved without reducing the welfare of others (Pareto efficiency). In Islamic economics, efficiency cannot be separated from distributive justice and blessings. A system is considered efficient when it produces *falah*, which is simultaneous well-being in this world and the hereafter. Thus, economic efficiency in Islam is multi-dimensional, encompassing material, spiritual, and social aspects.

The fourth difference is evident in the approach to information. In conventional theory, information asymmetry is considered one of the root causes of market failure, which is addressed thru contract systems, incentives, and legal transparency. Islam has a more ethical approach: every transaction must be based on the principles of honesty, transparency, and consent. With the principle of "*lā ta'kulū amwālakum bainakum bil-bāṭil*" (do not consume your wealth among yourselves unjustly), Islam provides a moral foundation that is not solely dependent on economic interests.

Furthermore, in addressing externalities and public goods, the conventional system handles them thru fiscal instruments such as taxes and subsidies, while Islam addresses them by internalizing social values thru instruments like *zakat*, *infaq*, *waqf*, and *sadaqah*. This principle of redistribution serves as a market corrector that does not cause distortion, but rather strengthens social stability. Therefore, Islam offers an alternative paradigm that balances efficiency and justice, not only optimizing market functions but also improving the behavior of market participants.

From an institutional perspective, conventional economics emphasizes the role of the state as a neutral regulator. Islam, on the other hand, places the state (*imamah*) as the guarantor of justice and social welfare, not merely a technical regulator. The government's role in the Islamic economy is normative, meaning it ensures the market operates according to Sharia principles and prevents exploitative practices. This means the role of the state is not only to stabilize prices, but also to uphold moral values in economic transactions.

Thus, a comparison of the two systems shows that the Islamic solution to market failure is holistic, encompassing moral, spiritual, social, and economic dimensions. This system is relevant for addressing global challenges such as economic inequality, environmental degradation, and the market confidence crisis facing the modern world. Sharia revitalization in a global context demands not only structural reforms but also a transformation of values – from profit-seeking capitalism toward a value-based economy oriented toward sustainability and universal well-being.

CONCLUSION

A comparative analysis between conventional and Islamic perspectives on market failure shows that both share common ground while also having

fundamental differences. Both of them acknowledge that the market doesn't always function perfectly due to information asymmetry, externalities, monopolies, and the limitations of public goods. However, the main difference lies in the way they view the root of the problem and the solutions they offer. Conventional economics views market failure as an imperfection of mechanism, while Islamic economics believes that market failure arises from an imperfection of morality when spiritual values, ethics, and justice are disregarded in economic activities.

In the Islamic economic system, the solution to market failure is not only thru structural interventions such as regulation and fiscal policy, but also thru revitalizing moral and spiritual values in the economic behavior of society. Sharia principles such as the prohibition of usury, gharar, maysir, as well as the obligation of zakat and infaq, are moral instruments that also function as natural market correctors. These values promote the creation of an efficient and fair market, as economic behavior is driven not only by profit motives but also by an awareness of social and spiritual responsibility.

Furthermore, Islamic economics offers an alternative paradigm in addressing global challenges. As the modern world grapples with a crisis of confidence in capitalism and widening economic inequality, Islamic economic principles emerge, offering a balance between efficiency and justice, rationality and spirituality, growth and blessings. This approach is relevant for addressing various global issues such as distribution inequality, the exploitation of natural resources, and ethical crises in modern business and finance.

Thus, the revitalization of Sharia is not just a theological agenda, but a civilizational project. A market based on Islamic values is expected to serve as a model for a sustainable, humanistic, and just economic system. This article asserts that the success of economic systems in the future will not only be measured by the size of the gross domestic product (GDP) or market efficiency achieved, but also by the extent to which these systems uphold the principles of maqāṣid al-syarī'ah as a pillar of universal well-being. Therefore, integrating Islamic values into the global economic framework is not merely normative idealism, but a strategic necessity for building a just and sustainable economic order.

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