

Profit-Based Pricing of Electricity Tokens In Street Markets Under Perfect Competition: A Wakalah Bil Ujah Contract Analysis from Peukan Baro, Pidie Regency, Indonesia

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Abstract

This study is motivated by the practice of selling electricity tokens in the street markets of Peukan Baro Sub-district, Pidie Regency, which reveals a discrepancy between the legal norms of Islamic economics and the community's economic realities. The research questions in this study cover three main points: how street vendors sell electricity tokens; how pricing and profit mechanisms operate in these transactions; and the relevance of applying the wakalah bil ujah contract in a perfectly competitive market. This study employs an empirical legal method with a qualitative approach through interviews and observations of electricity token vendors, as well as an analysis of secondary data from Islamic economic law literature and relevant regulations. The research findings indicate that the practice of selling electricity tokens is not yet fully aligned with the principles of wakalah bil ujah due to a lack of transparency in determining ujah and profit mechanisms. Pricing is set freely without adequate oversight from the relevant authorities, thereby creating price disparities among traders. The study's conclusion emphasizes the need for a legal reconstruction of Islamic economic law within the *wakalah bil ujah* contract mechanism to align with modern market dynamics. Clearer regulations and a fair oversight system are required to ensure a balance between traders' rights and consumer interests.

Keywords: Contract, Electricity Tokens, Free Market, Islamic Law and Price Determination.

Introduction

The phenomenon of microeconomic development in Indonesia highlights the vital role of the informal sector in underpinning public welfare.

Street markets are the most dynamic spaces for the people's economy, as they provide daily necessities at affordable prices and through rapid distribution. In the modern context, the use of prepaid electricity tokens has become a primary necessity for street vendors to support their economic activities. The transaction patterns emerging in the top-up of electricity tokens are not only related to the technical aspects of buying and selling, but also reflect the dynamics of Islamic economic law in contemporary muamalah practice. The relationship between traders and electricity token service providers reflects a form of agreement grounded in the concept of *wakalah bil ujah* in practice.

The development of the prepaid electricity system has spurred the creation of a new microeconomic network. Electricity token vendors act as agents for consumers in transactions with the main provider, the state-owned electricity company. This activity is not merely commercial; it also relates to the contract's validity and to fairness in determining profit margins.¹ From the perspective of Islamic economic law, every form of profit must be based on the principles of justice (*'adl*), transparency (*bayān*), and mutual consent (*tarādī*). The existence of a perfectly competitive market serves as a benchmark for assessing whether the emerging pricing mechanism aligns with Sharia values.² This situation raises questions regarding the extent to which the application of the *wakalah bil ujah* contract has met the ideal standards of Islamic law.

Islamic legal norms stipulate that all economic activities must be grounded in *the maqāṣid al-syarī'ah*, namely, safeguarding the public interest. In determining electricity token prices, this norm demands a balance between the agent's and the principal's rights. The price set must reflect a reasonable benefit without containing elements of *gharar* (uncertainty), *maysir* (speculation), or *riba* (unlawful interest). This principle serves as the normative foundation for establishing a fair pricing system.³ Observations in the field indicate that electricity token prices among street vendors often vary despite the same source. Such variations highlight a gap between the ideal norms of Islamic law and the economic practices prevailing in society.⁴

¹ Desta Musriana. "A Study of Prepaid Electricity Voucher Customer Service in the Samarinda Seberang Sub-district." *In Journal of Public Administration*, vol. 3 no. 1 (2015).

² Marzuki. "The Application of the Principle of Justice in Murabahah Contracts When Determining Profit Margins in Islamic Financial Institutions." *Journal of Islamic Economics*, vol. 10, no. 1 (2024): 709–716. DOI: <https://doi.org/10.29040/jiei.v10i1.11936>

³ Akram Ista, et al. "Riba, gharar, and maysir in the economic system." *Tana Mana Journal*, vol. 5 no. 3 (2024): 315–330. DOI: <https://doi.org/10.33648/jtm.v5i3.708>

⁴ Results of observations at the Street Market in Peukan Baro Sub-district, on 2 July 2025.

Islamic economic law positions the *wakalah bil ujah* contract as a key instrument in service activities. This contract establishes a legal relationship between the principal (*muwakkil*) and the agent (*wakil*), with a specific payment serving as remuneration for the service. The elements of the contract's validity include the consent of both parties, clarity regarding the subject matter of the contract, and fairness in compensation.⁵ In the practice of selling electricity tokens, street vendors act as agents, selling the company's products to the public and taking a profit as a form of *ujrah*. This situation is relevant to examination from a normative legal perspective, as it concerns aspects of legality, contract validity, and Islamic business ethics.

The conceptual framework of this study is based on the relationship between the pricing system and the *wakalah bil ujah* contract in a perfectly competitive market. In Islamic economics, a fair price is formed through market mechanisms free from distortion and manipulation. The street markets in Peukan Baro Sub-district present a unique reality: electricity token transactions are conducted independently, without direct supervision from official bodies. This situation creates the potential for pricing practices that are out of balance between acquisition costs and selling prices.⁶ A normative legal analysis is required to determine whether such profit-setting practices remain within the bounds of Islamic law or have deviated from the principles of justice and public interest.

The principle of justice is a cornerstone of the entire Islamic legal system, including in the field of *muamalah*. Price setting in a *wakalah bil ujah* contract should not disadvantage either party. In a perfectly competitive market system, profit is determined by the forces of supply and demand without the intervention of monopolies or cartels. Ideally, this mechanism will create stable and fair prices for all market participants.⁷ When street vendors raise electricity token prices beyond reasonable limits, ethical and legal issues arise under Islamic economic law.

The principle of public interest serves as the foundation guiding Islamic law in addressing modern challenges. The determination of a reasonable profit

⁵ Siti Nur Soleha, Achmad Nursobah, and Anwar Ma'rufi. "Implementation of the *Wakalah Bil Ujah* Contract in Marketplace Transactions among An-Nawawi Berjan Purworejo Boarding School Students." *Al-Sulthaniyah*, vol. 14 no. 1 (2025): 85-102. DOI: <https://doi.org/10.37567/al-sulthaniyah.v14i1.3544>

⁶ Results of observations at the Street Market in Peukan Baro Sub-district, on 2 July 2025.

⁷ Ni'matul Fitria Mukaromah, and Temmy Wijaya. "Perfectly competitive markets and imperfectly competitive markets from an Islamic perspective." *Profit: Journal of Islamic Economics and Banking Studies*, vol. 4 no. 2 (2020): 1-16. DOI: <https://doi.org/10.33650/profit.v4i2.1621>

must take into account the collective welfare of society. For street vendors, any price increase must be morally and legally justifiable. An imbalance between costs and profits can cause economic harm to low-income communities. This issue highlights a gap between the ideal principles of Islamic law and the reality of microeconomic practices in the region.

The phenomena of *das sollen* and *das sein* form a crucial framework in the study of Islamic economic law. *Das sollen* describes the Islamic legal norms that seek to realize fair, transparent, and beneficial transactions. “*Das sein*” represents the empirical reality in society, which often does not align with these values. In the practice of selling electricity tokens in Peukan Baro, price differences among traders reflect a gap between ideal norms and on-the-ground reality. A normative analysis is required to assess the extent to which such deviations remain tolerable within the framework of Islamic law.

Economic activities at the traditional market level often proceed without a strong formal legal foundation. This situation means that pricing practices are more influenced by custom (*urf*) and competition among traders. From an Islamic legal perspective, *custom (urf)* can indeed serve as a secondary source of law provided it does not conflict with the textual provisions of Islamic law (*nash syar’i*).⁸ However, when such customs result in price injustice, the role of Islamic law becomes crucial in re-regulating society’s economic behavior. This study presents the practices of electricity token vendors as a concrete example of an economic legal issue requiring the reinforcement of Sharia norms.

The perfect competition market in Islamic economic theory asserts that prices must form naturally, without intervention that would violate the principle of justice. In practice, this condition is difficult to achieve due to factors such as operational costs, distribution, and profit margins that are not always transparent.⁹ Street vendors often set prices based on intuition and personal needs without considering the public interest. This situation creates the potential for violations of Sharia principles in price setting. Strengthening legal awareness is a key factor in balancing economic profit with Sharia compliance.

⁸ Dar Nela Putri. “The Concept of Urf as a Source of Law in Islam.” *El-Mashlahah*, vol. 10 no. 2 (2020): 14–25.

⁹ Basri. “Market Mechanisms and Fair Pricing in Islam: A Study of Modern Economic Phenomena from the Perspective of Nejatullah Siddiqi.” *Journal of Islamic Economics*, vol. 9, no. 3 (2023): 3771–3786. DOI: <https://doi.org/10.29040/jiei.v9i3.10027>

The issue of profit determination in the sale of electricity tokens is also linked to aspects of contemporary fiqh muamalah. Fiqh studies require that the contract used align with the contract's legal substance and purpose. In the context of 'specifically *wakalah bil ujah*', the profit taken by the agent must be proportional to the service provided, rather than merely pursuing high margins. The phenomenon of price discrepancies in the street market indicates inconsistencies in the application of the principle of proportionality. A normative analysis is required to assess the compatibility of such practices with classical fiqh principles and modern economic needs.

The development of the prepaid electricity system has given rise to new microeconomic transaction patterns, particularly through street vendors selling electricity tokens. In the context of Peukan Baro Sub-district, Pidie Regency, this practice occurs informally and is based on trust, without the clarity of an explicitly agreed-upon contract. Vendors act as intermediaries selling electricity tokens to the public whilst taking a certain profit; however, the mechanism for determining this profit lacks the clarity of *ujrah* required in a *wakalah bil ujah* contract. This situation raises legal and normative issues regarding the contract's validity and the alignment of community economic practices with the principles of Islamic economic law.

The problem becomes increasingly complex when electricity token pricing is set freely and varies among traders, even though the product sold is homogeneous and comes from the same source. This price variation indicates an imbalance in the market mechanism, which, in theory, should approach the characteristics of a perfectly competitive market, namely openness of price information, a large number of market participants, and the absence of dominance by any particular party. In reality, consumers are in a weak bargaining position due to limited price information and the urgency of their electricity needs, thereby creating opportunities for price injustice and potential economic exploitation that contravene the principles of justice (*'adl*) and public interest (*maṣlahah*) in Islamic law.

The absence of regulations specifically governing reasonable profit margins and price oversight mechanisms in the informal digital sector has led to a gap between the ideal norms of Islamic economic law (*das sollen*) and empirical practices on the ground (*das sein*). The *wakalah bil ujah* contract, which should clarify roles, responsibilities, and service remuneration, is instead implemented implicitly and without standardization. This situation raises conceptual and practical problems regarding the relevance and effectiveness of applying the *wakalah bil ujah* contract within the dynamics of

modern micro-markets, which are often unregulated. Therefore, an in-depth study is required to assess the extent to which street vendors' practice of setting electricity token prices and profits aligns with the principles of Islamic economic law, and to determine how normative reconstruction can be undertaken to create a transaction system that is fair, transparent, and socially just.

Local economic phenomena, such as street markets in Peukan Baro Sub-district, can serve as a social laboratory for the practical application of Islamic economic law. A study of the practice of buying and selling electricity tokens opens up opportunities to strengthen public understanding of contemporary muamalah contracts. This analysis not only highlights economic aspects but also touches upon the realms of law and ethics. When the principles of Islamic law are applied in the micro-economy, it is hoped that a more stable and just economic system will emerge. The relevance of this research lies in the effort to ground Islamic legal norms within the dynamics of the people's economy.

The need for normative legal research in this context is becoming increasingly urgent as it encompasses both academic and social justice dimensions. Such a study can contribute to the development of Islamic economic law that is responsive to local dynamics. This research will explain how the theory of the *wakalah bil ujah* contract can be applied proportionately in a perfectly competitive market. It is hoped that this understanding will foster legal and moral awareness among micro-economic actors. The issue of electricity token pricing serves as a key entry point for reaffirming the relevance of Islamic law to the people's economy.

Data and Method

This research employs an empirical legal method with a qualitative approach to gain an in-depth understanding of the practice of setting profit margins for electricity tokens in street markets in Peukan Baro Sub-district, Pidie Regency, from the perspective of the *wakalah bil ujah* contract in a perfectly competitive market. The empirical juridical approach is used to examine how legal norms are applied in the community's economic behavior by collecting primary data through interviews and direct observation, as well as secondary data from a literature review of works on perfect-competition markets and the *wakalah bil ujah* contract in Islamic economic law. This research was conducted in Peukan Baro Sub-district, with informants selected through purposive sampling: electricity token vendors with direct knowledge and experience of pricing practices.

Data collection was carried out through structured interviews and field observations, supported by research instruments such as recording devices, cameras, and field notes. The data obtained were analyzed using qualitative and deductive descriptive techniques, namely by systematically describing empirical facts in the field and then drawing conclusions from general to specific aspects based on Islamic legal theory. This analysis aims to assess the compatibility of community economic practices with the principles of the *wakalah bil ujah* contract and the pricing mechanism in a perfectly competitive market, and to provide a normative foundation for the application of Islamic economic law in the micro-sector of society.

Results and Discussion

A. The Practice of Selling Electricity Tokens by Street Vendors in Peukan Baro Sub-district

The practice of selling electricity tokens in the street markets of Peukan Baro Sub-district, Pidie Regency, demonstrates the natural growth of microeconomic dynamics amidst the public's demand for prepaid electricity services. Street vendors straightforwardly conduct token sales and purchases, namely by facilitating purchases via mobile devices and digital payment systems. The transaction process involves entering the customer's meter number, selecting the token denomination, and sending the code to the service provider's system.¹⁰ Vendors profit from the difference between the selling price and the base price set by the main provider or distributor. This model reflects a modern commercial transaction with an agency element, akin to the *wakalah bil ujah* contract.

Street vendors in Peukan Baro are generally not official PLN agents, but act as sub-sellers who obtain token supplies through third parties. Their activities are based on trust between the agent and the vendor without a written contract. Vendors only need a digital balance and internet access to conduct transactions.¹¹ This mechanism demonstrates an informal form of *wakalah*, where the agent acts on their own behalf for economic purposes. This reality reflects a shift in contractual practices from an ideal form to an adaptive one in line with technological developments and market needs.

¹⁰ Results of observations at the Street Market in Peukan Baro Sub-district, on 2 July 2025.

¹¹ Findings from observations at the Street Market in Peukan Baro Sub-district, on 2 July 2025.

Interviews with traders indicate that there are no direct regulations from PLN governing the retail selling price of tokens. PLN only sets a base price charged to official agents. Once tokens leave the official system, pricing mechanisms are left to the market. Street vendors are free to determine their profit margins according to their economic needs and the level of competition in their vicinity. This situation leads to price variations between vendors even though the products sold are identical.¹² These differences reflect irregularities in a market structure that is supposed to operate perfectly.

This finding highlights a weakness in the regulatory framework that leads to price inconsistencies at the retail level. From the perspective of Islamic economic law, this situation may give rise to potential injustice, as not all consumers have access to the same prices. The theory of perfect competition demands transparency of price information and freedom of entry and exit from the market.¹³ . The facts in Peukan Baro indicate that these principles have not yet been fulfilled because the distribution structure still relies on informal networks. Unregulated mechanisms create opportunities for economic practices that are not fully in line with the principles of Sharia justice.

Field observations reveal that some traders are not fully aware of the basis for the prices they set. Pricing decisions are more often influenced by intuition and custom than by calculations of operational costs.¹⁴ This lack of awareness leads to disproportionate profit margins among traders. From the perspective of fiqh muamalah, this situation can obscure the principle of certainty in a contract (*gharar*). When the parties involved do not understand the true value of the transaction, the contract's validity becomes questionable from a Sharia perspective.¹⁵

Analysis of interview data indicates that the requirements for becoming an electricity token seller are relatively straightforward and do not require formal authorization from PLN. Anyone can sell tokens provided they possess

¹² Khairul Ikbal, electricity token seller, interviewed on 21 October 2025.

¹³ Suardi, Mahdijal, and Muhammad Maulana. 2025. "The Management of Teuku Umar's Tomb in West Aceh Regency According to the Concept of Milk Al-Daulah and Government Regulation No. 27 of 2014 Concerning the Management of State Assets". *Al-Mudharabah: Journal of Islamic Economics and Finance* 6 (2):591-605. <https://doi.org/10.22373/al-mudharabah.v6i2.8331>

¹⁴ Results of observations at the Street Market in Peukan Baro Sub-district, on 2 July 2025.

¹⁵ Faiq Fatih Alwan, and Baidhowi Baidhowi. "The Validity of Contracts in Islamic Economics: A Fiqh Muamalah Perspective." *Academic Journal of Economics and Management*, vol. 2 no. 2 (2025): 293-305. DOI: <https://doi.org/10.61722/jaem.v2i2.4983>

digital capital and the necessary devices to facilitate transactions. Whilst this accessibility does enhance economic opportunities for the community, it also opens the door to unregulated economic practices.¹⁶ Within the context of Islamic law, such ease must be balanced by moral oversight to prevent the exploitation of excessive profits. Elements of justice and transparency must be upheld to protect consumers from unbalanced economic practices.

Most traders state that token sales are conducted without a formal contract with the primary provider.¹⁷ This practice highlights the weakness of the legal framework within agency relationships, which should be conducted based on a clear agreement between *the principal* and the agent. Islamic economic law requires clarity of contract in every transaction to avoid disputes. The absence of a written agreement can lead to disputes in the event of technical errors or unreasonable pricing. This reality demands legal reform to regulate the electricity token distribution system and align it with the principles of contractual justice.

Traders acknowledge that the variation in electricity token prices in Peukan Baro is caused by differences in the sources of digital balance acquisition. Agents who purchase directly from official distributors obtain lower prices compared to those who buy from other intermediaries. The multi-tiered distribution structure results in a longer price chain and leads to price increases at the consumer level.¹⁸ In the theory of perfect competition, this situation indicates the presence of information asymmetry and a hidden oligopolistic structure. From an Islamic legal perspective, such practices are regarded as deviations from the principles of justice and price equilibrium.

Field data indicates that traders prioritise transactional efficiency over compliance with Sharia law. Awareness of Islamic economic law remains limited to moral understanding, not yet reaching a normative level.¹⁹ This situation highlights the weak internalisation of Islamic legal values in societal commercial practices. Strengthening understanding of the *wakalah bil ujah* contract is necessary so that traders comprehend the bounds of justice in profit determination.

Within the context of the *wakalah bil ujah* contract theory, the token seller acts as an agent who receives remuneration for transaction services. The

¹⁶ Miftahul Hamdi, electricity token seller, interviewed on 21 October 2025.

¹⁷ Khairul Ikbal and Miftahul Hamdi, interviewed on 21 October 2025.

¹⁸ Khairul Ikbal, electricity token seller, interviewed on 21 October 2025.

¹⁹ Results of observations at the Street Market in Peukan Baro Sub-district, on 26 July 2025.

remuneration or *ujrah* must be determined fairly and proportionally in accordance with the benefits provided. When traders set profit margins without a clear basis, the contract loses its perfection from a Sharia perspective.²⁰ The principle of *wakalah* requires clarity regarding the value of the *ujrah* from the outset to avoid uncertainty in the transaction. Practices observed in Peukan Baro highlight the need to reconstruct the understanding of *wakalah* within the context of the digital economy.

Field findings also show that there is no price control mechanism among traders. The absence of a monitoring system results in unpredictable price fluctuations. Consumers often lack the bargaining power to refuse higher prices due to the urgent nature of energy needs.²¹ This situation gives rise to a form of economic injustice that contradicts the principle of distributive justice in Islam. The establishment of a community-based price control body could be a solution to create more rational price stability.

Another field finding is that the practice of street vendors selling electricity tokens in Peukan Baro highlights issues regarding the fulfillment of the principles of *'adl* (justice) and *bayan* (clarity) in Islamic economics. The principle of *'adl* demands a balance of rights and obligations between business operators and consumers, including fairness in price setting. Significant price variations between traders for identical products reflect the absence of distributive justice standards, as consumers do not receive equal treatment in pricing under the same conditions of need. At the same time, traders' weak understanding of the basis for setting profit margins indicates a failure to fulfil the principle of *bayan*, namely clarity of information in contracts. When prices and fees are determined intuitively without transparency regarding costs and the benefits of the service, the *wakalah bil ujah* contract loses its openness. This situation has the potential to create an imbalance in bargaining power and shift the contract away from its ethical purpose as an instrument of public welfare towards a one-sided profit orientation.

From a *maslahah* perspective, the practice of street vendors selling electricity tokens inherently holds social utility as it facilitates access to energy for the public, particularly in areas far from official agents. However, this *maslahah* becomes imperfect when not accompanied by price control mechanisms and business ethics oversight. When profit margins are set without clear normative limits, the potential for *gharar* arises, whether in the

²⁰ Siti Nur Soleha, Achmad Nursobah, and Anwar Ma'rufi. "Implementation of the *Wakalah Bil Ujah* Contract....", p. 93.

²¹ Miftahul Hamdi, electricity token seller, interviewed on 21 October 2025.

form of uncertainty regarding the fee or the value of the transaction for the consumer. Gharar in this context is not merely technical but also structural, as consumers lack sufficient information to compare prices rationally.

Practice in Peukan Baro demonstrates that Islamic law has great potential to regulate microeconomic transactions ethically and efficiently. The application of the principles of justice and transparency in *wakalah bil ujah* contracts can provide a solution to the price disparities that occur. When the principles of Islamic law are consistently implemented, the market structure will move towards equilibrium. Street vendors can form part of the Sharia economic system if they are equipped with an understanding of Islamic contracts and business ethics.

The phenomenon of price discrepancies for electricity tokens in Peukan Baro also reflects a regulatory vacuum in the oversight of digital transactions at the micro-level. Islamic law requires restrictions on practices of excessive profit to prevent harm²². When economic practices proceed without normative boundaries, the potential for inequality grows. This study highlights the importance of establishing new legal norms regulating profit margins in digital service-based transactions.

An analysis of the theory of perfect competition confirms that an ideal market can only form if price information is transparent and there are numerous market participants.²³ The reality in Peukan Baro shows that the market remains concentrated among a few major agents, meaning prices are determined unilaterally. Under Islamic economic law, such conditions can be categorised as a form of *ikhtikar* or unfair market dominance.²⁴

Based on the research findings, the practice of street vendors selling electricity tokens in Peukan Baro Sub-district suggests that this microeconomic activity is adapting to community needs and advances in digital technology. Vendors act as unofficial intermediaries within a *wakalah bil ujah* scheme; however, the practices carried out remain informal, lacking price standards, written contracts, and adequate oversight mechanisms. These conditions lead to significant price variations between vendors despite the homogeneous

²² Yusnaldi Kamaruzzaman. "Al-Ribhu (Profit) and its provisions in Islamic Jurisprudence." *Jurnal El-Hadhanah: Indonesian Journal of Family Law and Islamic Law*, vol. 2 no. 1 (2022). DOI: <https://doi.org/10.22373/hadhanah.v2i1.1702>

²³ Novita Lidyana. "Perfect Competition in Islam." *Iqtishodiyah: Journal of Islamic Economics and Business*, vol. 2, no. 1 (2016): 65-78. DOI: <https://doi.org/10.55210/iqtishodiyah.v2i1.209>

²⁴ Results of observations at the Street Market in Peukan Baro Sub-district, on 26 July 2025.

nature of the product being traded. From the perspective of Islamic economic law, this reality reflects the failure to fully fulfil the principles of 'adl and bayan, as price fairness and clarity of information in the contract are not guaranteed for consumers, particularly in situations of urgent electricity need.

On the other hand, this practice still holds value in terms of public interest as it expands public access to prepaid electricity services, particularly in areas far from official agents. However, this public interest is compromised by the potential for gharar and the imbalance in bargaining power between traders and consumers. The absence of regulations covering the informal distribution chain, coupled with the weak internalization of fiqh muamalah values, means that economic practices are driven more by market logic than by Sharia ethics.

B. Mechanisms for Setting Prices and Profits in Sales Transactions Electricity Tokens

Field research shows that the mechanism for setting electricity token prices by street vendors in Peukan Baro Sub-district is informal and based on micro-market practices. Based on interviews, vendors determine the selling price by considering the cost of acquiring digital credit from agents, their living expenses, and the level of competition in their respective locations. The tiered distribution structure causes the difference between official agent prices and retail prices to tend to shrink when there are many intermediaries. The use of applications and digital payment systems facilitates transactions but does not automatically create price transparency for consumers.²⁵ This phenomenon indicates a combination of market mechanisms and local social dynamics in price formation.

Interviews with traders revealed that the majority do not use a formal formula to calculate profit but instead employ a fixed nominal amount or a small, reasonable percentage. Profit per transaction is relatively small, yet the high sales frequency makes it economically viable at the micro level for small business operators. Factors determining the margin include top-up costs, communication costs, time costs, and the risk of failed transactions.²⁶ Such practices resemble the ijarah model for micro-services, where agents receive an ujarah for token top-up services. The limitations of formal calculations imply a potential for distributive injustice if margins are disproportionate to the services provided.

²⁵ Khairul Ikbal, electricity token seller, interviewed on 21 October 2025.

²⁶ Miftahul Hamdi, electricity token seller, interviewed on 21 October 2025.

Interview findings also confirm that PLN does not regulate retail token prices at the street vendor level, as the company’s policy only governs cost prices and authorized agents. PLN’s regulations focus more on electricity tariffs and official prices for certified agents, rather than on sales practices in the informal market. The absence of specific regulations allows for significant price variations among vendors. PLN’s technical regulations regarding token codes and purchasing mechanisms constitute the sole formal guidelines followed by vendors.²⁷

Field findings indicate a clear difference in pricing between traders who receive direct supplies from authorised agents and those who purchase through intermediaries. Traders with direct access tend to offer more competitive prices compared to those reliant on lengthy distribution chains. This difference in the source of digital balances creates price inconsistencies that directly impact public purchasing power.²⁸ Information asymmetry among market participants makes it difficult for consumers to compare prices quickly and accurately. This situation is important to analyse within the context of a perfectly competitive market, which requires transparency of information.

These findings indicate that an uneven distribution structure creates price disparities due to differences in the costs of acquiring digital balances, meaning that market mechanisms do not fully reflect the efficiency assumed in the perfect competition market model. The information asymmetry that occurs weakens consumers’ bargaining power and hinders market transparency, thereby potentially causing distortions in the formation of fair and rational prices.

Table 1: Differences in Electricity Token Prices and Retailers’ Profit Margin Patterns

Nominal Token (Rp)	Official Price (Rp)	Trader A’s Price (Rp)	Trader B’s Price (Rp)	Trader C’s Price (Rp)	Profit Margin Range (Rp)
20,000	20,000	22,000	21,500	23,000	1,500–3,000
50,000	50,000	53,000	52,000	55,000	2,000–5,000

²⁷ Miftahul Hamdi, electricity token seller, interviewed on 21 October 2025.

²⁸ Results of observations and interviews with electricity token sellers.

100,000	100,000	105,000	103,000	107,000	3,000–7,000
200,000	200,000	210,000	208,000	215,000	8,000–15,000

The table above shows variations in electricity token prices across retailers, even though the token denominations and the provider's official prices are uniform. These differences reflect a pattern of profit margins that are neither standardized nor determined unilaterally by each retailer. The widening margin range for higher token denominations indicates a tendency towards increased profits that are not always commensurate with the intermediary services (*ujrah*) provided.

From an Islamic economic perspective, this variation in margins raises normative issues regarding the principles of price justice (*'adl*) and transparency (*bayan*). The lack of transparency about the basis for setting profit levels risks placing consumers in a weak bargaining position, particularly when the need for electricity is urgent. Consequently, this data visualization highlights a disparity between empirical practices on the ground and the ideal principles of the *wakalah bil ujah* contract, which demands clarity regarding service remuneration and prohibits practices that may disadvantage one party.

Empirical analysis reveals a key weakness: a lack of price transparency for consumers in street markets. The majority of consumers are unaware of the actual base price of tokens, making it difficult to assess the reasonableness of the mark-up charged by traders. The absence of price labels or clear margin lists weakens consumers' bargaining position.²⁹ From the perspective of Islamic economic law, such conditions may give rise to an element of *gharar* due to the lack of clarity regarding pricing. Increased price transparency is a key factor in improving the fairness of transactions between traders and consumers.

Another technical weakness identified relates to the documentation of agreements between agents and traders, which are rarely in written form. The cooperative relationship between agents and traders operates verbally on the basis of trust. The absence of a written agreement creates the risk of disputes in the event of distribution errors, failed transactions, or differing

²⁹ Results of observations at the street market in Peukan Baro Sub-district, on 26 July 2025.

interpretations regarding margin sharing.³⁰ The perspective of the *wakalah bil ujah* contract emphasises the importance of clarity in the agreement, including the agreed amount of *ujrah*. Updating contractual practices can minimise risks whilst upholding legal certainty within the electricity token distribution system.

Analysis of field data indicates a clear separation of roles between technical distribution functions and customer service functions. Agents and intermediaries focus more on the availability of digital balances, whilst merchants play a role in swiftly meeting public needs. This division of roles resembles the principal-agent model, which is vulnerable to moral hazard if supervision is not adequately carried out.³¹ In muamalah theory, the principle of *amanah* requires that an agent act in the best interests of the principal without exploiting their position. The implementation of an internal oversight system within the distribution network can minimise the risk of such deviations.

Interview data indicate that the urgency of consumer needs often influences pricing. In certain situations, traders increase their margins when demand rises or when consumers are in urgent need. Such behaviour carries exploitative potential that contradicts the principle of justice in Islamic law. Previous studies on pricing ethics in muamalah affirm the prohibition against taking profits that may cause harm to others. Social regulations based on local solidarity can curb opportunistic practices in such emergency situations.

Research findings also reveal the impact of third-party applications on cost structures and profit margins. Digital transaction costs, which are not always transparent, force traders to adjust selling prices to cover these additional costs. This cost uncertainty creates price fluctuations that are difficult for consumers to predict.³² Interviews also indicate differing perceptions between traders and consumers regarding the fairness of profit margins. Sellers view small margins as compensation for services and risk,³³ whilst consumers often perceive these price mark-ups as a form of exploitation.

³⁰ Khairul Ikbal, electricity token seller, interviewed on 21 October 2025.

³¹ Zulfajrin, M. Wahyuddin Abdullah, and Ziana Asyifa. "The Theory of Islamic Agency as the Driving Force Behind Moral Hazard and Adverse Selection." *Jurnal Asy-Syarikah: Journal of Islamic Finance, Economics and Business*, vol. 4 no. 2 (2022): 120-131. DOI: <https://doi.org/10.47435/asy-syarikah.v4i2.1047>

³² Khairul Ikbal, electricity token seller, interviewed on 21 October 2025.

³³ Miftahul Hamdi, an electricity token seller, interviewed on 21 October 2025.

A review of perfect competition theory confirms that an ideal market must have many sellers, homogeneous products, and perfect price information.³⁴ Market conditions for electricity tokens in Peukan Baro do not yet meet these criteria, as information asymmetry and price differences among traders persist. The lengthy distribution structure causes the market to tend towards micro-oligopsony³⁵. Policies that promote price transparency and direct access to official agents can restore healthy market functioning. This approach aligns with the principles of justice and balance in Islamic economic law.

When considered in relation to the mechanism for setting electricity token prices in Peukan Baro, it is evident that the market formed is more accurately described by the theory of monopolistic rather than perfect competition. Although the products sold are technically homogeneous—namely, electricity tokens with the same denomination and function—on-the-ground practices reveal non-product differentiation in vendor location, service speed, balance availability, and social proximity to consumers. This differentiation allows vendors to set different prices without losing all their customers, meaning each market participant possesses limited market power. This situation explains why price variations persist despite the relatively large number of vendors. In this context, claims about the failure of perfect competition are more accurate when reconstructed as the limitations of a monopolistically competitive market that lacks sufficient information transparency and ethical pricing standards.

On the other hand, the tiered and concentrated distribution structure of digital balances, centered on a few major agents, also exhibits characteristics of micro-oligopsony, where the number of major buyers (balance agents or distributors) is relatively small, whilst sellers at the lower tier (street vendors) are quite numerous. Traders' dependence on specific balance sources limits their bargaining power and indirectly influences the selling price to end consumers. This micro-oligopsony creates price distortions that are not entirely determined by free-market mechanisms, but rather by structural forces within the distribution chain. From the perspective of Islamic economic

³⁴ Ni'matul Fitria Mukaroma and Temmy Wijaya. "Perfectly competitive markets and imperfectly competitive markets from an Islamic perspective." *PROFIT: Journal of Islamic Economics and Banking Studies*, vol. 4, no. 2 (2020): 1-16. DOI: <https://doi.org/10.33650/profit.v4i2.1621>

³⁵ Yuli Fidayani, and Tri Wisudawati. "Analysis of the soybean market structure in Grobogan Regency." *Journal of Science, Innovation and Technology (SINTECH)*, vol. 1 no. 01 (2020): 13-21.

law, such a structure has the potential to cause price injustice if not balanced by ethical regulation and oversight.

Based on the research findings, the mechanisms for setting prices and profits in the sale of electricity tokens by street vendors in Peukan Baro Sub-district operate informally and are heavily influenced by the distribution structure of digital balance, local competitive dynamics, and the economic needs of micro-entrepreneurs. Profit margins are determined without standard calculations and often rely on intuition, demand urgency, and the vendor's position in the distribution chain. The price variations observed among vendors indicate that the electricity token market does not operate under perfect competition but rather reflects the characteristics of a monopolistically competitive market, reinforced by a micro-oligopsony structure at the supply side. This situation leads to information asymmetry and imbalances in bargaining power, both among vendors and between vendors and consumers, meaning that price transparency has not yet been optimally realized.

From the perspective of Islamic economic law, such pricing and profit-taking practices raise normative issues concerning the principles of 'adl, bayan, and the avoidance of gharar in wakalah bil ujah contracts. The absence of ujah standards, weak price transparency, and the lack of contractual oversight have the potential to lead to distributive injustice and exploitative practices, particularly in situations of urgent electricity need. Although this practice has a maslahah value, as it facilitates public access to prepaid electricity services, this maslahah has not been fully safeguarded without regulatory support and the internalization of Islamic business ethics.

C. The Relevance of Applying the *Wakalah Bil Ujah* Contract in a Competitive Market Context Perfect

The research findings indicate that the practice of selling electricity tokens in the street markets of Peukan Baro Sub-district essentially reflects the indirect application of *the wakalah bil ujah* contract. Traders act as agents of the official PLN agency, authorised to sell tokens to the public in exchange for a specific profit. The element of wakalah is evident in the delegation of authority to sell digital products that do not belong directly to the traders, whilst the element of ujah is evident in the margin obtained for transaction services. This relationship is reciprocal between the principal and the agent and is agreed upon socially, without a written contract. This reality indicates that market

mechanisms at the micro level still operate based on the principles of trust and local traditions.

The application of the *wakalah bil ujah* contract requires clarity regarding the object, the service, and the remuneration provided, so that the transaction proceeds in accordance with Sharia principles.³⁶ Electricity token traders have performed an intermediary function that is valid under fiqh, yet the aspect of determining the *ujrah* remains unclear and unquantifiable. In Islamic economic law theory, clarity regarding the *ujrah* is a prerequisite for the validity of the contract, so as not to give rise to *gharar* in the transaction. The lack of clarity regarding the margin in token sales creates the potential for an imbalance of interests between traders and consumers.³⁷ Islamic legal norms require that the value of the *ujrah* be proportional to the service provided and not lead to price exploitation.

The context of a perfectly competitive market provides an important framework for assessing the extent to which the application of the *wakalah bil ujah* contract aligns with the principles of market justice. An ideal market requires the presence of many participants, price transparency, and freedom of information among the parties. Practices in Peukan Baro have not yet met these criteria because traders set prices individually based on personal considerations without a standard pricing mechanism. This situation creates information asymmetry between consumers and traders, which may undermine the fair distribution of benefits. Sharia principles reject economic practices that lead to inequality due to one party's dominance in price information.

Empirical findings indicate that traders do not understand the concept of the '*wakalah bil ujah*' contract, although in practice they have been performing its functions. Their relationship with agents is based solely on verbal agreements without a written agreement regarding profit margins. The absence of a formal contract leads to legal uncertainty regarding the '*ujrah*' mechanism received by traders.³⁸ In the theory of *fiqh muamalah*, verbal agreements remain valid provided they fulfil the essential elements and

³⁶ Muhammad Yunus, Muhamad Maulana Darsono, and Mohamad Anton Athoillah. "The Wakalah Bil Ujah Agreement in the Compilation of Sharia Economic Law, DSN-MUI Fatwas and Qanun." *al-Afkar, Journal for Islamic Studies*, vol. 6 no. 3 (2023): 389–399. DOI: <https://doi.org/10.31943/afkarjournal.v6i3.800>

³⁷ Atik Devi Kusuma, et al. "Gharar in Economic Transactions: An Analysis of Islamic Law and Its Implications." *Journal of General Studies and Research*, vol. 2 no. 6 (2024): 140–152. DOI: <https://doi.org/10.47861/jkpu-nalanda.v2i6.1413>

³⁸ Results of observations and interviews with electricity token sellers.

conditions; however, a written form better ensures legal certainty and protection. The relevance of this contract can be strengthened through the application of a simple contract tailored to the capabilities of micro-economic actors.

Legal analysis indicates that the *wakalah bil ujah* contract in this context functions as a distribution instrument enabling the public to access electricity services easily. *Wakalah* creates efficiency as the agent need not reach every consumer, whilst the trader receives remuneration for their services.³⁹ However, weaknesses arise when traders unilaterally determine the *ujrah* without transparent guidelines from the principal. Such imbalances contradict the principles of justice (*al-'adl*) and mutual assistance (*ta'awun*), which form the basis of commercial relations. Improving contractual literacy among traders is an urgent necessity to ensure that Sharia principles are properly implemented.

The connection between *wakalah bil ujah* and the theory of perfect competition lies in the principle of economic freedom governed by justice and morality. Islam does not reject market competition provided it does not involve fraud, monopoly, or exploitation.⁴⁰ The market in Peukan Baro demonstrates competitive dynamics, but has not yet achieved an ideal equilibrium as there are still practices of varying prices without ethical standards. Price differences should reflect the quality of service, not stem from consumers' lack of knowledge regarding the cost price of goods. Market regulation based on Sharia values can improve the system for determining *ujrah* so that it aligns with the principle of distributive justice.

Field data also indicates that traders do not fully understand their moral responsibilities as agents representing clients in sales. The practice of excessively raising prices in certain situations demonstrates a lack of awareness regarding the trust involved in agency. Under Islamic law, an agent is obliged to safeguard the interests of the principal and must not abuse the authority granted. The discrepancy between traders' behaviour and the norms of agency highlights a gap between what ought to be and what actually is.

³⁹ Dhiyaul Haq, and Ach Mus'if. "The Relevance of the Wakalah Contract Concept in the Tapera Programme: A Fiqh Muamalah Review." *Jurnal Mediasas: Media for Shari'ah and Personal Status Studies*, vol. 7 no. 2 (2024): 604–620. DOI: <https://doi.org/10.58824/mediasas.v7i2.230>

⁴⁰ Muhammad Farhan Afdhal, and Anggie Yolanda Ritonga. 2025. "Product Sales Using an Affiliate System Among Students in Banda Aceh via the TikTok App: A Perspective from Fiqh Muamalah". *Al-Mudharabah: Journal of Islamic Economics and Finance*, vol. 6 no. 1, p. 299. <https://doi.org/10.22373/al-mudharabah.v6i1.8267>.

Strengthening the value of trust through religious guidance can serve as a social instrument in improving the economic behaviour of society.

This study also found that the relationship between the agent and the trader is not entirely based on the principle of *musyarakah* or partnership, but rather on a *wakalah* relationship with a specific fee. This difference in the nature of the contract is significant as it determines the legal responsibilities of each party. In a *wakalah bil ujarah* contract, the risk of loss lies with the principal, whilst the agent is only liable for negligence. However, practice in the field shows that merchants often bear the risk themselves in the event of technical errors or transaction failures.

The dynamics of today's digital society necessitate innovation in technology-based economic contracts. The *wakalah bil ujarah* contract can be adapted into a digital format using applications that automatically record transactions. This electronic contract system can strengthen transparency and legal certainty for the parties involved. The implementation of digital contracts will also minimise the potential for disputes as the entire process is systematically recorded. Adapting the law to technology is a strategic step in bridging rapidly evolving socio-economic changes.

The application of the *wakalah bil ujarah* contract within the context of a perfectly competitive market holds strategic value for strengthening the Islamic economy at the local level. This contract underscores the importance of balancing economic efficiency with transactional morality. The enforcement of principles of transparency, justice, and accountability forms the foundation for establishing a healthy pricing system. The transformation of traditional markets into Islamic markets requires collaboration between local governments, religious institutions, and micro-enterprises. Legal reforms responsive to social realities are key to ensuring that Islamic legal values can be realised in contemporary economic practice.

The increasingly complex changes in society demand flexibility in Islamic law without abandoning its core values. The relevance of the *wakalah bil ujarah* contract in the digital age underscores that Islamic law possesses a high capacity for adaptation to changes in market structures. Legal reform must be directed towards strengthening ethical norms, contractual standards, and technology-based oversight systems. The principles of justice and the public interest must remain the central focus of every legal innovation undertaken. A reformulation of regulations that integrates normative and empirical aspects will make the *wakalah bil ujarah* contract more contextually relevant and effective in addressing modern economic challenges.

Conclusion

The practice of selling electricity tokens by street vendors in Peukan Baro Sub-district highlights a gap between normative provisions and empirical realities on the ground. The sale of tokens is generally conducted through an informal agency system without a written agreement with PLN, leaving the vendors in a legally vulnerable position from the perspective of the *wakalah bil ujah* contract. Pricing is determined independently based on the base price set by official agents, but with varying profit margins among vendors, reflecting weak oversight and a lack of price transparency at the micro-level.

The mechanisms for setting prices and profits in the practice of electricity token sales do not yet fully reflect the principle of justice as stipulated in Islamic economic law. The prices set often adjust to market conditions and public demand, rather than being based on a proportional profit margin in line with the value of the *ujrah* in the *wakalah* contract. This phenomenon leads to price disparities among traders and creates opportunities for economic exploitation of consumers, particularly in areas with limited access to information and technology. This reality highlights the importance of stricter regulation and oversight to ensure that the principles of *maslahah* and economic justice are realised.

The relevance of the *wakalah bil ujah* contract within the context of a perfectly competitive market underscores that the practice of electricity token sales agency should operate within the framework of transparency, efficiency, and a balance of profits. This contract demands clarity regarding responsibilities, agreement on *ujrah*, and openness regarding price information to prevent imbalances between the agent and the principal. In the context of a dynamic market, the application of this contract needs to be normatively reconstructed so that it can adapt to the socio-economic changes of an increasingly digital society. Islamic economic law should respond to these developments through the establishment of standard rules that guarantee price fairness, consumer protection, and the professionalism of agents in carrying out their *wakalah* functions.

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