

## THE THEORY OF AL-MISBAH ON SUBSIDIZED GAS DISTRIBUTION: A Case study of Banda Raya sub-district, Banda Aceh, Indonesia

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### Abstract

The distribution of 3-kg subsidised LPG gas is part of the government's policy to meet the energy needs of low-income communities. However, in practice, this distribution often faces various problems such as mistargeted allocation, hoarding, and fraud within the supply chain. These conditions demand strict and continuous supervision from various parties, including distribution agents. This study aims to analyse the realisation of subsidised LPG gas distribution oversight by PT Mitra Alam Jaya in Banda Aceh from the perspective of *al-hisbah* theory. In Islam, *al-hisbah* provides a normative and structural framework for the function of economic supervision, ensuring justice and preventing wrongdoing. This research employs a descriptive qualitative method using a case study approach. Data were collected through in-depth interviews with the owners and managers of the distribution agency, as well as field observations and documentation. The results show that PT Mitra Alam Jaya has implemented a standardised distribution and supervision system, including distribution records, stock monitoring, and routine reporting. However, challenges remain, including weak oversight at lower levels, a lack of moral control among distribution actors, and limited synergy with independent supervisory institutions. From the perspective of *al-hisbah*, a systematic supervisory system reflects the principles of *amar ma'ruf nahi munkar* and distributive justice. This study recommends strengthening supervision based on *hisbah* values, increasing moral education, and enhancing transparency in distribution data to achieve fair LPG governance.

**Keywords:** al-hisbah, LPG subsidy distribution, supervision, market justice



### Abstrak

Pendistribusian gas elpiji bersubsidi 3 kg merupakan bagian dari kebijakan pemerintah untuk memenuhi kebutuhan energi bagi masyarakat berpenghasilan rendah. Namun, dalam praktiknya, distribusi ini sering menghadapi berbagai masalah seperti salah sasaran, penimbunan, dan penyelewengan di dalam rantai pasok. Kondisi ini menuntut adanya pengawasan yang ketat dan berkesinambungan dari berbagai pihak, termasuk dari pihak penyalur. Penelitian ini bertujuan untuk menganalisis realisasi pengawasan distribusi gas elpiji bersubsidi oleh PT Mitra Alam Jaya di Banda Aceh dalam perspektif teori *al-hisbah*. Dalam Islam, *al-hisbah* memberikan kerangka normatif dan struktural untuk fungsi pengawasan ekonomi, memastikan keadilan dan mencegah kezaliman. Penelitian ini menggunakan metode kualitatif deskriptif dengan pendekatan studi kasus. Data dikumpulkan melalui wawancara mendalam dengan pemilik dan manajer agen distribusi, serta observasi lapangan dan dokumentasi. Hasil penelitian menunjukkan bahwa PT Mitra Alam Jaya telah menerapkan sistem distribusi dan pengawasan yang terstandarisasi, termasuk pencatatan distribusi, pemantauan stok, dan pelaporan rutin. Namun demikian, masih terdapat beberapa tantangan, termasuk lemahnya pengawasan di tingkat bawah, kurangnya kontrol moral di antara para pelaku distribusi, dan terbatasnya sinergi dengan lembaga pengawas independen. Dari perspektif *al-hisbah*, sistem pengawasan yang sistematis mencerminkan prinsip-prinsip *amar ma'ruf nahi munkar* dan keadilan distributif. Studi ini merekomendasikan penguatan pengawasan berdasarkan nilai-nilai *hisbah*, peningkatan pendidikan akhlak, dan peningkatan transparansi data distribusi untuk mewujudkan tata kelola LPG yang berkeadilan.

**Kata kunci:** *al-hisbah*, distribusi subsidi LPG, pengawasan, keadilan pasar

### INTRODUCTION

The market, in the view of modern economics, is not just a place where sellers and buyers meet, but a complex social and economic system, where there is an exchange of goods, services, and interest values between economic actors. In this competitive market dynamic, unhealthy practices such as speculation, hoarding of goods, price manipulation, monopoly, and even control of distribution channels by parties with significant capital often occur.<sup>1</sup> This situation certainly harms small communities, who should be the primary

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<sup>1</sup> Siti Lestasi, Zaki Fuad, and Joni Farma, "Analysis of Income Distribution of Coffee Plantation Management from an Islamic Economic Perspective," *Journal of Sharia Economics and Business* 4, no. 2 (2020): 33–44, <https://doi.org/10.24042/febsy.v4i2.7322>



beneficiaries of the goods distribution system, including fundamental goods that are subsidized by the state, such as 3 kg of LPG gas. LPG 3 kg is a form of energy subsidy from the government for the poor and micro businesses, as part of social protection and fulfilment of people's fundamental rights to energy.<sup>2</sup>

However, in practice, it is not uncommon to find distribution imbalances, misallocation, and price irregularities that lead to subsidised gas not reaching the rightful parties.<sup>3</sup> To address these issues, a distribution monitoring system that is not only administrative but also moral and spiritual is needed. In Islam, this system is known as *al-hisbah*. This public oversight institution aims to enforce the principles of *amar ma'ruf nahi munkar* in the economic, social, and moral sectors of society.<sup>4</sup> *Hisbah* in Islamic history has a central function in ensuring the distribution of justice, the honesty of transactions, the availability of basic goods, as well as supervising market participants to prevent them from engaging in economic practices that harm many people.<sup>5</sup> According to Imam al-Mawardi, *hisbah* is an order to do good when it is neglected and to prevent evil if it is being committed.<sup>6</sup> This concept is particularly relevant in the context of monitoring the distribution of subsidised gas, as the substance of the subsidy favours economically disadvantaged groups of people.<sup>7</sup>

In the Islamic economic system, market supervision through *Hisbah* serves not only to ensure the conformity of transactions with Shari'ah but also to ensure distributive justice, prevent consumer exploitation, and avoid the

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<sup>2</sup> Republic of Indonesia, *Law Number 22 of 2001 concerning Oil and Gas*, (Jakarta: State Secretariat, 2001).

<sup>3</sup> Muhammad Achyar et al., "ISLAMIC LAW REVIEW OF MONOPOLY PRACTICES IN MODERN ECONOMICS," *Al-Mudharabah: Jurnal Ekonomi Dan Keuangan Syariah* 5, no. 2 (2024): 288-308.

<sup>4</sup> Ibn Taymiyyah, *al-Hisbah fi al-Islam aw Wazifah al-Hukumah al-Islamiyyah*, Cet. I (Beirut: Dar al-Kutub al-'Ilmiyyah, 1992), 8.

<sup>5</sup> Muhammad Syafi'i Antonio, *Islamic Banking: From Theory to Practice* (Jakarta: Gema Insani, 2021), 143.

<sup>6</sup> Al-Mawardi, *al-Ahkam al-Sultaniyyah wa al-Wilayah al-Diniyyah*, Cet. III (Cairo: Matba'at Mustafa al-Babi al-Halabi, 1973), 240.

<sup>7</sup> Wahyu Akbar et al., "Optimization of Sharia Banking Regulations in Developing the Halal Cosmetic Industry in Indonesia," *Jurnal Ilmiah Al-Syir'ah* 22, no. 1 (2024): 1-12, <https://doi.org/10.30984/JIS.V22I1.2611>.



hoarding of goods (*ihdikār*) that can undermine market stability.<sup>8</sup> *Hisbah* also aims to avoid the practice of usury, fraud (*tadlīs*), *gharar* (uncertainty), and all forms of transactions that contain elements of injustice.<sup>9</sup> Abdul Azim Islahi also emphasises that *hisbah* is a detailed supervisory system that is not only limited to the implementation of the law, but also to the implementation of ethical and moral values in the economic system.<sup>10</sup> Therefore, the application of the *hisbah* system in monitoring the distribution of subsidised gas is critical to ensure that the subsidy policy does not deviate from the principles of justice and partiality to *mustahik* (eligible recipients).

PT Mitra Alam Jaya is one of the authorised agents appointed by Pertamina to distribute subsidised 3 kg LPG gas to the Banda Aceh City area. Based on an interview with the manager of PT Mitra Alam Jaya, the distribution process is carried out systematically through annual contract cooperation between agents and bases, a digital-based payment system (H-1), and the implementation of a sales input system based on the MOP (Monitoring Order Base) application.<sup>11</sup> Each base is required to input daily sales data by the number of tubes redeemed. Supervision is carried out through an online system by Pertamina and direct agent visits to the base at least once a month.<sup>12</sup> However, there are still some problems, such as late reporting, off-target sales, and a lack of assertiveness against violations committed by bases. This indicates that the existing supervision system is not fully capable of ensuring distribution in accordance with subsidy principles and Islamic ethics.<sup>13</sup>

In the structure of supervising subsidised LPG gas distribution, the role of supervisors, such as KPPU or local government officials, is limited to formal regulatory aspects. However, in the Islamic context, moral supervision is also

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<sup>8</sup> U. Arifah, N. Baroroh, and S. Muttoharoh, "Hisbah Institution in Islamic Business Economics," *Journal of Economics* 7, no. 1 (2023): 57-59, <https://doi.org/10.24014/jje.v7i1.22673>.

<sup>9</sup> M. Umer Chapra, *Islam and the Economic Challenge* (Leicester: The Islamic Foundation, 1992), 89-90.

<sup>10</sup> Abdul Azim Islahi in M.B. Hendrie Anto, *Introduction to Islamic Microeconomics* (Yogyakarta: Ekonisia, 2003), 126.

<sup>11</sup> Interview with Hasanuddin, Owner of PT Mitra Alam Jaya, conducted in Banda Aceh, April 25, 2025.

<sup>12</sup> *Ibid.*

<sup>13</sup> Chairul Fahmi, "THE DUTCH COLONIAL ECONOMIC'S POLICY ON NATIVES LAND PROPERTY OF INDONESIA," *PETITA: JURNAL KAJIAN ILMU HUKUM DAN SYARIAH* 5, no. 2 (2020), <https://doi.org/10.22373/petita.v5i2.99>.



needed, as carried out by the *hisbah* institution.<sup>14</sup> In *hisbah* practice, supervision is carried out on the form of transactions, market commodities, market actors, and market behaviour. This reflects that supervision is not only physical and administrative, but comprehensive in terms of intention, purpose, and the impact of transactions on society.<sup>15</sup> Thus, the realisation of supervision of subsidised gas distribution by PT Mitra Alam Jaya is interesting to study from the perspective of *al-hisbah* theory because it can be a foothold in building a distribution system that is not only effective and efficient, but also fair, transparent, and in accordance with Islamic law. In this context, this study aims to examine the extent to which the supervision of subsidized gas distribution by the agent has reflected the principles of *al-hisbah*, and how the implementation of such supervision can be a model in the distribution of other subsidized goods.

## RESEARCH METHOD

This research uses a descriptive qualitative approach because it aims to describe in depth the process of supervising the distribution of subsidized LPG gas by PT Mitra Alam Jaya in Banda Aceh City and analyze it in the perspective of *al-hisbah* theory in Islamic economics. The qualitative approach was chosen because it allows researchers to understand social phenomena thoroughly based on the views of the subjects involved, as well as explore the processes, values, and meanings contained in the practice of distribution supervision.<sup>16</sup> Qualitative research does not focus on numbers, but rather puts forward descriptive data in the form of spoken or written words from people and observable behavior.<sup>17</sup>

This type of research is a *case study* with a single research object, namely PT Mitra Alam Jaya as an authorized agent of subsidized LPG distribution in Banda Aceh. Case studies were chosen because they are able to provide a deep

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<sup>14</sup> Herianto, Didin Hafidhuddin, and Irfan Syauqi Beik, "Analysis of the Economic Supervision of Al-Hisbah and its Role in Business Competition," *Journal of Islamic Economics* 10, no. 1 (2017): 68-85

<sup>15</sup> Zulfaqar bin Mamat, "Hisbah Institution in Islamic Market Supervision," *Journal of Muamalat* 3 (2010): 113-137

<sup>16</sup> Lexy J. Moleong, *Qualitative Research Methodology*, revised ed. (Bandung: Remaja Rosdakarya, 2021), 6.

<sup>17</sup> Sugiyono, *Qualitative, Quantitative and R&D Research Methods* (Bandung: Alfabeta, 2022), 15.



and comprehensive understanding of a particular phenomenon in the context of real life, especially when the boundaries between the phenomenon and its context are not clearly visible.<sup>18</sup> With case studies, researchers can explore how supervisory practices are carried out by agents, how patterns of interaction with bases, and how the distribution system is monitored and evaluated. The research location is the office of PT Mitra Alam Jaya, which is located at Jl. Tgk. Di Lhong II, Lhong Raya Village, Banda Raya Sub-district, Banda Aceh City. This location was chosen purposively because it is the center of administrative and operational activities for the distribution of subsidized LPG involving a network of official bases spread across several sub-districts in Banda Aceh. The purposive determination of location and subject was done by considering the relevance of the information possessed by the subject and its relation to the research focus.<sup>19</sup>

The data sources in this research are categorised into two types: primary and secondary data. Primary data was obtained through in-depth interviews with the management of PT Mitra Alam Jaya, including the operations manager, distribution staff, and the owners of several bases under the agency. Interviews were conducted in a semi-structured manner, allowing both researchers and respondents flexibility to explore broad and in-depth information.<sup>20</sup> Meanwhile, secondary data were collected from official company documents, including distribution SOPs, base sales reports, MOP (*Monitoring Order Base*) data, as well as policy documents from PT Pertamina and government regulations related to subsidised LPG distribution. In addition, researchers also utilised literature in the form of Islamic economic books, national scientific journals, fatwa documents, and classical fiqh as a basis for comparison and normative analysis. Data collection methods included observation, interviews, and documentation. Observation is conducted by directly observing the distribution and monitoring activities in the field, including visits to several bases of agent partners. These observations aimed to capture real-world practices in the field and avoid data based on perceptions.<sup>21</sup> Interviews were used to capture the views, experiences and

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<sup>18</sup> Robert K. Yin, *Case Studies: Design and Methods* (Jakarta: Rajawali Pers, 2018), 16.

<sup>19</sup> Burhan Bungin, *Qualitative Research Methodology: Methodological Actualization Towards Contemporary Variants* (Jakarta: RajaGrafindo Persada, 2020), 97.

<sup>20</sup> John W. Creswell and Cheryl N. Poth, *Qualitative Inquiry & Research Design: Choosing Among Five Approaches*, 4th ed. (Los Angeles: SAGE Publications, 2018), 164

<sup>21</sup> Nana Syaodih Sukmadinata, *Educational Research Methods* (Bandung: Remaja Rosdakarya, 2021), 220



perceptions of subjects who play a role in the supervision and distribution of subsidised LPG. Meanwhile, documentation was used to gather written and visual data, thereby strengthening the findings from observations and interviews.<sup>22</sup>

For data analysis techniques, researchers used an interactive qualitative analysis model developed by Miles, Huberman, and Saldana, which consists of three steps: data reduction, data presentation, and conclusion drawing/verification.<sup>23</sup> Data that has been obtained from the field is reduced by selecting and simplifying relevant data, and then presented in the form of narratives, tables, or matrices. After that, conclusions are drawn by linking the empirical data found with *al-hisbah* theory as a normative framework. This research uses data validity testing through source triangulation and technical triangulation. Source triangulation is done by comparing information from various informants and different documents, while technique triangulation is done by comparing the results of interviews, observations, and documentation to avoid bias.<sup>24</sup> This technique aims to ensure that the data obtained is correct, valid, and can be scientifically accounted for. With this methodology, it is hoped that the research will produce a comprehensive picture of the realisation of supervision of subsidised gas distribution by PT Mitra Alam Jaya and make a theoretical contribution to the development of *al-hisbah* implementation in the context of supervising the distribution of public goods in the Islamic economic system.

## RESULTS AND DISCUSSION

### A. General Description of PT Mitra Alam Jaya

PT Mitra Alam Jaya is a private company engaged in energy distribution, specifically in the distribution of Liquefied Petroleum Gas (LPG) subsidised 3-kg cylinders in the Banda Aceh area and its surrounding areas. The company was officially established in 2017 and has obtained business legality based on a notary deed of establishment and ratification from the Ministry of Law and Human Rights of the Republic of Indonesia. In addition,

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<sup>22</sup> Muhammad Siddiq Armia, *PENENTUAN METODE & PENDEKATAN PENELITIAN HUKUM*, ed. Chairul Fahmi (Lembaga Kajian Konstitusi Indonesia, 2022).

<sup>23</sup> Matthew B. Miles, A. Michael Huberman, and Johnny Saldaña, *Qualitative Data Analysis: A Methods Sourcebook*, 4th ed. (Los Angeles: SAGE Publications, 2020), 16-19

<sup>24</sup> Moleong, *Qualitative Research Methodology*, 130



PT Mitra Alam Jaya also holds an official permit as an LPG agent from PT Pertamina (Persero), a state-owned enterprise that has sole authority in the distribution and supervision of energy in Indonesia, particularly subsidised gas fuel. The company's legality includes a trading business license (SIUP), business identification number (NIB), and company registration mark (TDP), all of which are mandatory requirements for carrying out distribution activities within the corridors of national law in accordance with the provisions of Law No. 22 of 2001 concerning Oil and Gas.<sup>25</sup>

In carrying out its duties as a distribution agent, PT Mitra Alam Jaya has a relatively simple but effective organisational structure, given the scale of 3 kg LPG distribution that requires strict logistical supervision. The company's organisational structure is led by a General Manager who oversees several important divisions, including the Operations Division, Monitoring and Reporting Division, Logistics Division, and Public Relations and Base Division. The Operations Division is responsible for daily distribution planning and execution, while the Logistics Division manages the transportation fleet and distribution scheduling. The Monitoring and Reporting Division serves as a quality controller in the implementation of the distribution, including reporting the distribution realisation to Pertamina and the local government. This structure enables efficient and measurable distribution management, making it easier to identify and address problems that may arise in the field.<sup>26</sup>

PT Mitra Alam Jaya is specifically engaged as an authorised agent for the distribution of 3 kg subsidised LPG intended for poor households and micro businesses. This business focus is part of the Government of Indonesia's program to ensure access to cheap and sustainable energy to low-income communities. 3 kg of LPG itself is categorised as a subsidised good, so that its distribution must follow the quota and the highest retail price (HET) set by the government. Therefore, the company is responsible not only for the logistics aspect but also for ensuring that the distribution runs in accordance with the principles of justice, equity, and impartiality to the small community. In practice, PT Mitra Alam Jaya works closely with LPG bases and local

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<sup>25</sup> Republic of Indonesia, *Law Number 22 of 2001 concerning Oil and Gas* (Jakarta: State Secretariat, 2001), Article 9.

<sup>26</sup> Interview with Ferdian, Manager of PT Mitra Alam Jaya, conducted in Banda Aceh, April 25, 2025.



governments to curb distribution abuses, such as gas copying, sales above the price ceiling, and distribution to non-subsidised sectors.<sup>27</sup>

PT Mitra Alam Jaya's distribution area encompasses several sub-districts in Banda Aceh City, including Kuta Alam, Kuta Raja, Meuraxa, and Syiah Kuala sub-districts. Within this area, the company has a distribution network of more than 60 authorised bases spread across various gampong (villages). Each base has a fixed quota determined based on consumption data and community needs, as verified by the Banda Aceh City Industry and Trade Office. This number of bases is sufficient to reach all target communities, but still requires strict supervision to prevent distribution leakage into the hands of unauthorised parties. Based on an interview with the Manager of PT Mitra Alam Jaya, the daily distribution reaches more than 1,500 3 kg LPG cylinders, which are distributed through the company's special fleet.<sup>28</sup>

## **B. Distribution System of 3 Kg LPG Gas by PT Mitra Alam Jaya**

The subsidised 3 kg LPG distribution system, run by PT Mitra Alam Jaya, is part of the national energy supply chain, supervised by PT Pertamina (Persero) as the primary distribution holder. In this system, PT Mitra Alam Jaya acts as an authorised agent that receives 3 kg of LPG from the LPG Bulk Filling Station (SPBE), then distributes it to authorised bases spread across its working area. The distribution process is carried out using a fleet of specialised trucks that have been certified and meet the safety standards set by the government and Pertamina. The base serves as the spearhead in distributing LPG to end consumers, specifically to low-income households and microenterprises, through provisions for subsidy recipients.<sup>29</sup>

The distribution flow begins with the filling of LPG by SPBE into empty 3 kg cylinders owned by agents, followed by a quality and quantity check by officers. After that, the LPG is transported by the transportation fleet to the bases according to the distribution schedule. This process is accompanied by a delivery document stating the quantity, delivery time, and destination

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<sup>27</sup> Siti Lestasi, Zaki Fuad, and Joni Farma, "Analysis of Income Distribution of Coffee Plantation Management from an Islamic Economic Perspective," *Journal of Sharia Economics and Business* 4, no. 2 (2020): 33–44, <https://doi.org/10.24042/febsy.v4i2.7322>.

<sup>28</sup> *Ibid.*

<sup>29</sup> Herianto, Didin Hafidhuddin, and Irfan Syauqi Beik, "Analysis of the Economic Supervision of Al-Hisbah and its Role in Business Competition," *Journal of Islamic Economics* 10, no. 1 (2017): 71.



location. The base officer must sign the document as proof of goods handover and the basis for reporting.<sup>30</sup>

Each agent, including PT Mitra Alam Jaya, receives a distribution quota set by Pertamina through a need's calculation mechanism based on consumer data validated by the local government. This quota is fixed and can only be changed upon receipt of an official request accompanied by justification of additional needs. The quota given to PT Mitra Alam Jaya generally covers thousands of 3 kg LPG cylinders each month, which are then divided into daily and weekly distribution schedules for each of the company's bases.<sup>31</sup>

The determination of the distribution schedule takes into account various factors, such as the volume of demand, the distance of base locations, and the availability of fleets and labour. This schedule is designed systematically to prevent the accumulation of deliveries on certain days and ensure an even availability of LPG throughout the week. Scheduling is also flexible for emergency conditions such as extreme weather or supply disruptions from SPBE, but such changes must still be reported and approved by the local Pertamina.<sup>32</sup>

The management of 3 kg LPG distribution at PT Mitra Alam Jaya is carried out by implementing manual and digital recording systems in parallel. Each distribution transaction is recorded in a daily delivery document, which contains data on the type of goods, the number of cylinders, the transport vehicle number, the distribution time, and the identity of the destination base. Additionally, the company has implemented an information system-based reporting application that is integrated with Pertamina's monitoring system, allowing for real-time monitoring.<sup>33</sup>

Supervision is carried out internally by the distribution supervision team and externally by a team from Pertamina and the local Trade Office. Supervision aims to prevent irregular practices such as distribution to

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<sup>30</sup> Zulfaqar bin Mamat, "Hisbah Institution in Islamic Market Supervision," *Journal of Muamalat* 3 (2010): 117-119.

<sup>31</sup> Ministry of Energy and Mineral Resources, "Guidelines for the Distribution of 3 Kg LPG for Households and Micro Enterprises," Directorate General of Oil and Gas, 2021, <https://www.esdm.go.id>.

<sup>32</sup> Nurhayati, Euis Amalia, and Muhammad Ridwan, "Analysis of Subsidized LPG Distribution in Banjarsari District, Ciamis City," *Journal of Economics and Development* 15, no. 1 (2022): 63-65

<sup>33</sup> Pertamina, "Guide for LPG 3 Kg Agents and Bases," Pertamina Retail & LPG Division, 2023.



unauthorised parties, hoarding, and sales above the highest retail price (HET). At the end of each week and month, PT Mitra Alam Jaya is required to submit a distribution recapitulation report to Pertamina and the local government. This report serves as a basis for evaluating agent performance and as a reference for license renewal or distribution quota revision.<sup>34</sup>

In carrying out the task of distributing subsidised 3 kg LPG gas, PT Mitra Alam Jaya collaborates closely with various parties, especially Pertamina and the local government. Pertamina plays a role in technical supervision, quota provision, and coaching of agents and bases, while the local government plays a role in field supervision and validation of consumer data. This collaboration is realised through regular meetings between agents, bases, and relevant authorities, as well as periodic training on transparent and equitable distribution governance.<sup>35</sup>

In addition, in emergency situations such as supply shortages or increased demand during religious holidays, PT Mitra Alam Jaya collaborates with the city government to conduct market operations or implement additional distribution through a direct subsidy scheme. This form of synergy is crucial in maintaining supply stability and preventing hoarding practices or price speculation that can harm the community.<sup>36</sup>

### **C. Distribution Supervision Practices by PT Mitra Alam Jaya**

The supervision of 3 kg LPG distribution by PT Mitra Alam Jaya as an authorised agent appointed by Pertamina is an integral part of efforts to maintain the accuracy of energy subsidy distribution targets. This supervision mechanism is implemented in two primary forms: internal supervision conducted by the company's management, and external supervision by government agencies, such as the Department of Industry and Trade (Disperindag), as well as supervisory apparatus from Pertamina.

The internal monitoring mechanism begins with the monitoring process of gas deliveries from the central warehouse to the officially registered bases. Each delivery is recorded digitally and manually through Pertamina's information system-based application, the Digitalisation of LPG Agents

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<sup>34</sup> Arifah, U., N. Baroroh, and S. Muttaharoh, "Hisbah Institution in Islamic Business Economics," *Journal of Economics* 7, no. 1 (2023): 58, <https://doi.org/10.24014/jie.v7i1.22673>

<sup>35</sup> Aceh Trade Office, "Evaluation Report of LPG 3 Kg Distribution for the First Semester of 2024," Banda Aceh: Government of Aceh, 2024.

<sup>36</sup> BPH Migas, "Strategy for Monitoring Subsidized LPG in 2024," Jakarta: Downstream Oil and Gas Regulatory Agency, 2024



(DAG). This system allows agents to enter data on the number of cylinders delivered, delivery time, vehicle identity, and field officers in charge of distributing the gas to the base. The use of this system aims to prevent distribution irregularities and ensure data transparency among all parties involved in the subsidised LPG distribution chain.<sup>37</sup>

At the end of each day or week, PT Mitra Alam Jaya prepares a distribution realisation report that is sent to Pertamina and the local Trade Office. The report includes the number of quotas realised, active bases, and technical problems that occur during delivery. In addition, stock monitoring is carried out at random bases, especially for bases that have a record of unstable distribution or have complaints from the public.<sup>38</sup> This form of supervision adheres to the principle of hisbah in Islam, which aims to protect individuals' rights to public goods, thereby preventing hoarding, cheating on doses, and unfair distribution.<sup>39</sup>

External supervision is carried out by the Banda Aceh City Industry and Trade Office, in coordination with Pertamina and the police, during unannounced inspections at the bases. These checks are conducted to ensure that bases do not sell gas at a price higher than the highest retail price (HET), do not distribute it to non-target parties, and do not engage in hoarding. Some monitoring results indicated that inactive bases continued to receive distributions, raising concerns for further monitoring.<sup>40</sup> Additionally, the kelurahan and kecamatan are also involved as social supervisors, receiving complaints from the community regarding the scarcity or misuse of distribution.<sup>41</sup>

However, in practice, there are several obstacles to distribution supervision, both in terms of technical, human resource, and moral aspects of distribution actors. Technical constraints include limited digitisation infrastructure and a lack of signal in peripheral distribution areas, so reporting

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<sup>37</sup> Ministry of Energy and Mineral Resources, *Guidelines for LPG Agent Digitalization System*, (Jakarta: Directorate General of Oil and Gas, 2022), 15-18.

<sup>38</sup> PT Pertamina Patra Niaga, *SOP for Subsidized LPG Agents and Daily Reporting Mechanism*, (Jakarta: Pertamina Retail Division, 2023), 8-12.

<sup>39</sup> Irfan Syauqi Beik, *Islamic Economics and Business Ethics* (Depok: Rajagrafindo Persada, 2019), 91.

<sup>40</sup> Banda Aceh City Trade Office, *Evaluation Report of LPG 3 Kg Supervision for the First Quarter of 2024*, (Banda Aceh: City Trade Office, 2024), 6.

<sup>41</sup> Tarmizi, "The Role of Village Governments in Monitoring Subsidized Goods: A Case Study of 3 Kg LPG," *Aceh Journal of Public Administration* 3, no. 2 (2023): 43-47.



cannot be done in real-time. In terms of resources, the limited number of supervisory personnel on the part of both agents and local governments means that not all distributions can be directly monitored daily. Morality issues, such as unscrupulous bases or retailers reselling 3 kg LPG to non-subsidised consumers or raising prices above the price ceiling, remain a serious challenge.<sup>42</sup>

Nevertheless, routine and layered supervision has had a positive impact on the smooth distribution. Communities that previously experienced gas cylinder scarcity can now more easily obtain 3 kg LPG at authorised bases, at prices that comply with regulations. In addition, the level of reporting and data transparency has increased, which also has an impact on increasing public confidence in the distribution system run by PT Mitra Alam Jaya.<sup>43</sup>

#### **D. Analysis of *Al-Hisbah* Theory on Distribution Supervision**

The concept of *al-hisbah* is a system of social supervision in Islam that aims to maintain public order, uphold justice in economic activity, and protect people's rights from all forms of fraud, manipulation, and exploitation. Etymologically, the word *hisbah* originates from the root words *ḥasaba-yaḥsubu-ḥisāban*, which mean "to count" or "to supervise" with the aim of improvement. In the context of the governance of the distribution of goods and services, including the distribution of 3 kg LPG as a state-subsidised good, *hisbah* becomes an essential instrument in ensuring that market mechanisms operate fairly and responsibly in accordance with Sharia principles.<sup>44</sup>

According to Al-Mawardi, a *muhtasib* (market supervisor) is responsible for enforcing *amar ma'ruf nahi munkar* in the public sphere, including in buying and selling practices, weighing, distribution of goods, and price stability so that no party is harmed.<sup>45</sup> In the modern context, this supervisory function is also represented by institutions and business actors responsible for maintaining the distribution of essential goods and services. PT Mitra Alam Jaya, as the official agent for distributing 3 kg of LPG in Banda

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<sup>42</sup> Nia Safitri and Ahmad Rasyid, "Subsidized LPG Distribution and Moral Economic Problems in Urban Communities," *Journal of Popular Economy* 5, no. 1 (2023): 59-70.

<sup>43</sup> Rizky Maulana, "Evaluation of LPG Agent Performance in Sumatra: An Impact Study of Digital Surveillance System," *Journal of Logistics and Distribution* 8, no. 2 (2022): 23-34.

<sup>44</sup> Ibn Taymiyyah, *al-Hisbah fi al-Islam aw Wazifah al-Hukumah al-Islamiyyah*, Cet. I (Beirut: Dar al-Kutub al-'Ilmiyyah, 1992), 8.

<sup>45</sup> Al-Mawardi, *al-Ahkam al-Sultaniyyah wa al-Wilayah al-Diniyyah*, Cet. III (Cairo: Matba'at Mustafa al-Babi al-Halabi, 1973), 240.



Aceh, can be studied within the framework of hisbah due to its strategic role in maintaining fairness in the distribution of subsidised goods.<sup>46</sup>

The first principle of hisbah that is relevant in monitoring distribution is justice ('is). In the distribution of subsidised LPG, the principle of justice demands that the gas be distributed evenly and on target, especially to the poor who are entitled to receive it. PT Mitra Alam Jaya prepares a daily and weekly distribution schedule to some fixed bases, based on the quota set by Pertamina and the Trade Office. This aligns with the principle of hisbah, which promotes justice and balance in the economy.<sup>47</sup> However, the annual report from the Trade Office states that there are still problems with uneven distribution on certain days, especially ahead of religious holidays.<sup>48</sup>

The second principle is *amar ma'ruf* and *nahi munkar*. In practice, PT Mitra Alam Jaya has implemented internal monitoring of shipments, stock realisation, and supervision at bases to prevent violations such as overpricing, copying, or hoarding. However, there are still moral challenges in the field, mainly when bases are sold to unauthorised parties or serve businesses that are not the intended target of subsidies. According to Rizky Maulana, this kind of practice, if not dealt with firmly, falls into the category of economic munkar and is contrary to the spirit of hisbah.<sup>49</sup>

The third principle of hisbah is the protection of consumer rights, especially in small communities. Islam firmly upholds the security of the *mustadh'afin* (weak), including in the economic context.<sup>50</sup> By managing the distribution of subsidised LPG, PT Mitra Alam Jaya bears the moral and social responsibility to ensure that fraudulent practices do not compromise the rights of the poor, prevent price manipulation, or benefit the gas mafia. In hisbah-based supervision, every distribution agent should also be part of the public protection system, not just a business actor.

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<sup>46</sup> Chairul Fahmi et al., "THE ROLE OF COURTS IN RESOLVING CASES OF BANKRUPTCY OF ISLAMIC BANK CUSTOMERS," *JURISTA: JURNAL HUKUM DAN KEADILAN* 6, no. 2 (2023): 2.

<sup>47</sup> M. Umer Chapra, *Islam and the Economic Challenge* (Leicester: The Islamic Foundation, 1992), 89-90.

<sup>48</sup> Banda Aceh City Trade Office, *Evaluation Report on the Supervision of LPG 3 Kg for the First Quarter of 2024* (Banda Aceh: Disperindag, 2024), 6.

<sup>49</sup> Rizky Maulana, "Evaluation of LPG Agent Performance in Sumatra: An Impact Study of Digital Surveillance System," *Journal of Logistics and Distribution* 8, no. 2 (2022): 25.

<sup>50</sup> Irfan Syauqi Beik, *Islamic Economics and Business Ethics* (Depok: Rajagrafindo Persada, 2019), 141.



Finally, an analysis of efforts to prevent fraud, such as hoarding, copying, or off-target distribution, is fundamental from a hisbah perspective. PT Mitra Alam Jaya, in its distribution SOP, includes sanctions for bases that do not report stock transparently or sell above the HET (Highest Retail Price). Additionally, the digital reporting system to Pertamina is also a form of modern accountability in maintaining distribution integrity.<sup>51</sup> However, not all bases have the technological capacity or administrative discipline to report data accurately and on time.<sup>52</sup>

In the Hisbah framework, supervision encompasses not only administrative control but also ethical and spiritual dimensions. Therefore, the effectiveness of the distribution supervision system by PT Mitra Alam Jaya needs to be continuously improved, both in terms of technical and moral implementation. Involving local government, religious institutions, and civil society in the supervision system can be a collective effort towards fairly and beneficially managing the distribution of 3 kg of LPG to the people.

### **E. Evaluation and Policy Implications**

The effectiveness of PT Mitra Alam Jaya's supervision of 3 kg LPG gas distribution is evident from several key indicators, including smooth distribution, accurate targeting, and low field violations. Based on interviews with company management and documentation of distribution reporting, it was found that internal supervision is carried out routinely through a daily digital recording system and base stock control, which is conducted through field visits by the agent supervision team. Additionally, the company consistently maintains external accountability through periodic reporting to Pertamina and the Trade Office. However, there are technical obstacles, such as limited supervisory human resources and geographical constraints, that cause mismatches in distribution schedules in some remote areas. Base morality is also a challenge, as there are indications of quota diversion to the non-subsidised sector in some cases.<sup>53</sup>

The compatibility between government regulations governing the distribution of subsidised LPG and the principle of hisbah in Islam has a strong

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<sup>51</sup> Pertamina Patra Niaga, SOP for Subsidized LPG Agents and Daily Reporting Mechanism (Jakarta: Pertamina Retail Division, 2023), 12.

<sup>52</sup> Safitri, Nia, and Ahmad Rashid. "Subsidized LPG Distribution and Moral Economic Issues in Urban Communities," *Journal of Popular Economy* 5, no. 1 (2023): 60.

<sup>53</sup> Interview with Ferdian, Manager of PT Mitra Alam Jaya, conducted in Banda Aceh, April 25, 2025.



point of convergence. Law No. 22/2001 on Oil and Gas emphasises that the state has a strategic role in ensuring the availability and distribution of energy to the community, especially the most vulnerable members.<sup>54</sup> This is in line with the principle of hisbah, which prioritises justice ('is), the protection of public interest (*maslahah' ammah*), and preventive efforts against unjust practices in the market, such as hoarding, copying, and price injustice.<sup>55</sup> Hisbah is tasked with ensuring *amar ma'ruf* and *nahi munkar* in the economic dimension, including in the management and supervision of the distribution of basic goods such as energy.<sup>56</sup> In this context, PT Mitra Alam Jaya's efforts to implement digital distribution control, daily quota audits, and field inspections can be categorised as part of Hisbah practices in the modern economic system.<sup>57</sup>

The implications of effective monitoring of subsidised LPG distribution are significant in strengthening the household energy security of small communities, particularly in Banda Aceh City. The existence of active bases that are evenly distributed and accountable stock control allows the poor to continue to access LPG at affordable prices. This is particularly important given that LPG is a staple in daily household activities and an indicator of micro socio-economic stability.<sup>58</sup> Without strong oversight, distribution can suffer from market distortions, where subsidized LPG is enjoyed by middle and upper-middle class businesses or leaked outside the distribution area. In the long run, this can undermine public confidence in energy subsidy policies and lead to economic inequality between communities.

In order to strengthen the effectiveness of supervision, the author recommends strengthening supervisory institutions based on the values of hisbah. This can be realized through the establishment of an independent supervisory unit at the city/district level that involves elements of local government, MUI, Islamic organizations, and representatives of civil society.

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<sup>54</sup> Republic of Indonesia, *Law Number 22 of 2001 concerning Oil and Gas* (Jakarta: State Secretariat, 2001).

<sup>55</sup> Ibn Taymiyyah, *al-Hisbah fi al-Islam aw Wazifah al-Hukumah al-Islamiyyah*, Cet. I (Beirut: Dar al-Kutub al-'Ilmiyyah, 1992), 8.

<sup>56</sup> Al-Mawardi, *al-Ahkam al-Sultaniyyah wa al-Wilayah al-Diniyyah*, Cet. III (Cairo: Matba'at Mustafa al-Babi al-Halabi, 1973), 240.

<sup>57</sup> Chairul Fahmi et al., "The State's Business Upon Indigenous Land in Indonesia: A Legacy from Dutch Colonial Regime to Modern Indonesian State," *Samarah: Jurnal Hukum Keluarga Dan Hukum Islam* 8, no. 3 (2024): 3, <https://doi.org/10.22373/sjhk.v8i3.19992>.

<sup>58</sup> Siti Fadilah and Burhanuddin Yusuf, "The Role of 3 Kg LPG in the Energy Security of Poor Households in Aceh," *Journal of Energy and Regional Development* 11, no. 2 (2023): 51



This spiritual and social-based supervision is believed to be more effective than purely administrative supervision, because it contains the values of moral accountability and distributive justice.<sup>59</sup> In addition, periodic education to bases and agents through training on Islamic distribution ethics is also important, so that LPG distribution is not only physically targeted, but also in line with maqashid sharia principles in the protection of life and property.<sup>60</sup> With an integrative and participatory supervisory approach, it is hoped that the management of subsidised gas distribution in Banda Aceh can become a model of successful distribution based on Islamic ethics and social justice.

## CONCLUSION

The distribution system implemented by PT Mitra Alam Jaya has demonstrated a systematic control structure, with the implementation of stock recording, distribution reporting, and cooperation with the government and Pertamina. Nevertheless, the distribution of subsidised 3 kg LPG still faces various obstacles in the field, especially in the form of technical limitations, lack of human resources, and weak moral awareness of distribution actors at the lower levels. Actions such as hoarding, copying and distribution that are not on target are real challenges that have not been fully resolved. Within the framework of *al-hisbah* theory, PT Mitra Alam Jaya's supervision has addressed fundamental principles, including *amar ma'ruf wa nahi munkar*, justice, and the protection of small communities. Still, its implementation is not entirely optimal without the support of a strong educational and spiritual approach as taught by classical hisbah scholars such as Ibn Taymiyyah and al-Mawardi.

To enhance the effectiveness of supervision and order in the distribution of subsidised LPG, it is essential to strengthen the synergy among agents, local governments, and independent monitoring institutions. Training programs for agents and bases based on hisbah values, maintaining transparency of distribution information, and regular evaluation by relevant institutions are essential steps in reforming the distribution system. This approach emphasises not only technical and regulatory aspects but also moral, social, and religious values. These recommendations are expected to

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<sup>59</sup> Didin Hafidhuddin and Irfan Syauqi Beik, "Strengthening Hisbah in the Subsidized Goods Distribution Supervision System," *Journal of Madani Islamic Economics* 5, no. 1 (2022): 88.

<sup>60</sup> Arif Rahman Hakim, *Maqashid Syariah in Islamic Economics and Finance* (Yogyakarta: UII Press, 2021), 121-123.



strengthen energy security for vulnerable groups in society and establish a distribution governance system that is efficient, fair, and in accordance with the principles of *maqashid al-syariah*.

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