INTEGRATIVE MASLAHAH PRICING THEORY: A POLICY FRAMEWORK FOR STABILITY AND ISLAMIC ECONOMIC GROWTH

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Abstract

Price formation is a central issue in Islamic economics because market efficiency must be balanced with justice and public welfare. This study develops the Integrative Maṣlaḥah Pricing Theory (IMPT) by synthesizing the pricing and market-governance ideas of Yaḥyā ibn ʿUmar and Ibn Taymiyyah. Using a qualitative, normative-conceptual, and theory-building approach, the study examines their primary works alongside relevant contemporary literature. The findings show that Yaḥyā ibn ʿUmar emphasizes ethical market conduct, market supervision, and the prevention of harmful practices, while Ibn Taymiyyah emphasizes market forces, fair pricing, and conditional government intervention when market distortions cause injustice. Their complementary insights are integrated into a four-stage framework: market formation, ethical filtering, institutional supervision, and proportionate corrective intervention. The study positions maṣlaḥah not merely as the ultimate objective of pricing policy but as an evaluative principle within the price-formation process. IMPT therefore provides a framework for reconciling market efficiency with justice and public welfare while offering a policy-oriented approach to price stability and inclusive Islamic economic growth. The study contributes a new conceptual foundation for Islamic price policy by connecting classical economic thought with contemporary policy challenges.

Keywords*:* Maṣlaḥah; Price Formation; Islamic Economics; Price Stability; Inclusive Growth

INTRODUCTION

Price stability sits at the center of economic policy because price movements ripple into purchasing power, production decisions, resource allocation, income distribution, and welfare broadly. In Indonesia the picture is not simple even when aggregate figures look calm. Consumer price inflation reached 3.34 percent year-on-year in June 2026, but volatile food prices ran considerably hotter than that headline number a reminder that price formation cannot be read off aggregate monetary variables alone. Supply conditions, production disruptions, distribution costs, market structure, demand, and the behavior of market participants all pull at prices simultaneously. From an Islamic economic lens, this gets more complicated. Price formation is not just an economic question, how prices emerge from market interaction but a normative one: under what conditions is a market price fair, and when does public authority have legitimate grounds to step in and correct it? The distinction matters because a rising price is not automatically evidence of injustice. It might just reflect real shifts in scarcity, demand, or production. Or it might not hoarding (iḥtikār), fraud (tadlīs), manipulation, monopoly, and asymmetric information all distort prices in ways that quietly move welfare from consumers and smaller producers toward whoever already dominates the market.

This tension is not new to Islamic economic thought. Long before modern economic theory existed, Muslim jurists were already writing about market conduct, price formation, supervision, and when government intervention is legitimate. Yaḥyā ibn ʿUmar al-Andalusī stands out here, his Aḥkām al-Sūq treats market regulation and commercial conduct within the institutional framework of ḥisbah, and his central claim still holds up: markets should run on legitimate exchange, but practices that cause social harm need supervision and correction. Recent scholarship keeps returning to his relevance for justice, transparency, market supervision, and the prevention of harmful practices (Hakim et al., 2023; Pusvisasari et al., 2023). He is not chosen here simply because he is an early scholar who happened to write about markets. What he offers is an ethical and institutional dimension that lets price formation be understood as inseparable from the integrity of transactions and the protection of public welfare, a point recent scholarship echoes when it locates his contribution specifically at the intersection of market mechanisms and government or community supervision (Pusvisasari et al., 2023).

The second figure, Ibn Taymiyyah, complements rather than repeats this. He gives a sharper analytical account of how market forces, price changes, fair pricing, and government intervention relate to one another and, notably, he refused to treat every price increase as proof of injustice. Prices could rise simply because goods became scarcer or demand intensified. A high price, on its own, was never enough to justify intervention for him; the causes behind the movement had to be examined first. Putting the two together is not arbitrary. Yaḥyā ibn ʿUmar contributes the ethical-institutional side of market governance; Ibn Taymiyyah contributes the market-mechanism and conditional-intervention side. Together they open a way past the tired binary of unrestricted market freedom versus heavy state price control. Market and state, in this framing, are not rivals by nature, they are complementary mechanisms, and which one should lead depends on whether market processes are generating maṣlaḥah or mafsadah.

This combination has been tried before, which matters for locating exactly where the gap is. Pusvisasari, Janwari, and Ridwan (2023) compared the two scholars' price mechanisms directly and found both emphasized fairness and transparency, but with different weight,

Yaḥyā ibn ʿUmar leaning toward government and community supervision, Ibn Taymiyyah leaning toward market freedom conditional on the absence of fraud and distortion. Hakim et al. (2023) looked at both scholars' relevance to the halal industry and found a similar split: market orientation on one side, healthy competition and prudent intervention on the other. These studies are a genuine foundation, but they also expose the gap this research is built around. What previous work has done describe, compare, apply these two scholars to specific contexts is not the same as turning their complementary insights into one unified theory of price formation, a theory that specifies the market mechanism, ethical constraints, institutional supervision, conditions for corrective intervention, and the end goal of maṣlaḥah all at once. The gap is not a missing body of research on either scholar, or even missing comparative work. It is the absence of a framework that actually converts their complementary insights into one working mechanism.

A 2026 bibliometric study reviewing 78 Scopus-indexed publications from 2010–2025 adds weight to this. It found three clusters in the literature, normative work on fair pricing and state intervention, applied work on market distortions and price stability, and emerging work on sustainability, halal supply chains, and digital transformation and pointed to a continuing need for stronger operationalization of Islamic market principles (Juniyanti et al., 2026). The literature, in other words, has grown considerably. The bridge between normative principle and operational pricing framework has not grown with it.

This study responds with the Integrative Maṣlaḥah Pricing Theory (IMPT). Its starting proposition: a price cannot be judged solely by whether it emerged from supply and demand. Market interaction remains the primary mechanism under normal, competitive conditions but the price that results still has to pass an ethical and institutional test. Is the market free of significant manipulation, hoarding, fraud, or coercion? Is information transparent enough? Does the resulting distribution of benefits and burdens still sit compatible with maṣlaḥah? Where markets function normally, intervention should stay minimal. Where distortion produces real mafsadah, correction becomes legitimate. This is not administrative price control by another name. IMPT does not replace market mechanisms with state-set prices. It proposes four connected dimensions instead: market formation (how prices emerge from supply, demand, scarcity, need), ethical filtering (whether the process is free of prohibited or harmful conduct), institutional supervision (whether market norms are actually enforced), and corrective intervention (which only becomes relevant once distortion threatens public welfare or fair competition). Maṣlaḥah runs through all four not as an external goal tacked onto the theory, but as the evaluative principle operating inside the pricing mechanism itself.

This also repositions Islamic pricing theory within live policy debates. Conventional economic theory already explains market equilibrium and price allocation with considerable sophistication; what this study argues is that an Islamic framework needs an additional institutional and ethical layer on top of that. The live question is not whether to accept or reject market mechanisms it is how to embed them in a normative and institutional structure that keeps efficiency intact while heading off socially harmful outcomes. That question has real policy stakes. Price instability can come from monetary, supply-side, distributional, or behavioral sources, which means no single policy lever will handle it. In Indonesia specifically, price stability depends on coordination between monetary authorities, fiscal authorities, and the institutions that manage food supply and distribution precisely the kind of actionable, governance-oriented research the 2026 JIMF/12th International Islamic

Monetary Economics and Finance Conference CFP is asking for, particularly around inclusive growth, policy coordination, stability, and institutional innovation.

IMPT is not offered as a replacement for contemporary monetary policy. It is an Islamic normative-institutional framework for evaluating how prices form and how they get corrected, most useful precisely where price movements hit vulnerable groups, essential commodities, food security, or market competition. What it can do is help separate price increases that should be left alone, because they reflect legitimate market conditions, from price increases that warrant regulatory attention, because they come from distortion and generate real public harm. The contribution, then, runs three ways. Theoretically, it reconstructs Yaḥyā ibn ʿUmar's and Ibn Taymiyyah's complementary ideas into one integrated theory of price formation, rather than leaving them as a comparison. Conceptually, it repositions maṣlaḥah as a mechanism working inside the process of price formation and correction, not just a general objective sitting above Islamic economics. And from a policy standpoint, it builds a framework connecting market freedom, ethical constraints, institutional supervision, and conditional government intervention to price stability and inclusive economic welfare.

Three questions follow from this: how the price mechanism in Yaḥyā ibn ʿUmar's and Ibn Taymiyyah's thought can be reconstructed within Islamic economics; what points of convergence between their ideas can be synthesized into an integrative maṣlaḥah-based framework; and how the Integrative Maṣlaḥah Pricing Theory can be formulated as a policy framework supporting price stability and inclusive Islamic economic growth.

REVIEW OF LITERATURE

Market Mechanism and Price Formation in Islamic Economics

The literature on Islamic market mechanisms starts from a fairly settled point: Islam does not reject market exchange or the spontaneous formation of prices. What it insists on is a normative frame around that exchange fairness, transparency, mutual consent, and the absence of practices that cause unjustified harm. That framing is what separates Islamic economics from both unrestricted laissez-faire and systems that lean on administrative price-setting. A price that emerges from supply and demand can be legitimate in an Islamic market, but only when the transactions producing it are fair and free of coercion, fraud, manipulation, or other distortion. This matters because the Islamic conception of price is not just about equilibrium. Permana (2019) ties price formation in Islamic microeconomics to justice and al-maṣlaḥah, arguing that government intervention becomes relevant once market inequality starts harming one party particularly when market conditions themselves are blocking a fair outcome from emerging naturally. The implication: an Islamic pricing framework needs two levels of analysis, not one. The first is the formation mechanism itself, supply, demand, scarcity, consumer needs. The second is the ethical and institutional conditions surrounding that mechanism. A price can be perfectly explainable in economic terms and still be problematic from an Islamic standpoint, if it comes from manipulation, concealed information, hoarding, or coercive market power. That distinction formation versus evaluation is foundational to this study, because it lets the two be treated as related but analytically separate.

Classical Islamic Thought: From Market Freedom to Market Governance.

These ideas trace back to classical scholarship. Ibn Taymiyyah occupies a particularly important spot here, because his analysis holds two things together that are often treated as

opposites: an appreciation for market forces and a conditional case for intervention. Modern scholarship reads him as understanding prices to be shaped by what contemporary economics would call demand and supply, alongside scarcity and shifting needs. Islahi's reconstruction of his economic thought (1985) is especially useful because it puts just price, market mechanisms, and price regulation into one analytical discussion instead of treating them as separate issues. What makes Ibn Taymiyyah useful for this study specifically is that balance. He cannot be reduced to either pure market liberalism or permanent state price control. Markets should run freely under normal conditions; intervention becomes relevant once distortion sets in, or once particular actors act in ways that undermine justice. Recent scholarship keeps reading him this way, tying fair pricing, healthy market mechanisms, and conditional state intervention together (Abdut Tawwab et al., 2024).

But this line of thought leaves a real question open. If market freedom is the default and intervention needs justification, what normative principle actually marks the line between the two? Existing discussions gesture at justice, public interest, or harm avoidance, but rarely turn these into a structured way of evaluating a price. This study places maṣlaḥah at exactly that transition point between ordinary market operation and corrective policy.

Yaḥyā ibn ʿUmar and the Ethical-Institutional Dimension of Pricing.

Yaḥyā ibn ʿUmar's Aḥkām al-Sūq adds something different. Where Ibn Taymiyyah gives a fairly explicit analytical account of market forces and when to intervene, Yaḥyā ibn ʿUmar gives a strong institutional and ethical account of market conduct closely tied to ḥisbah, commercial supervision, preventing harmful practices, and protecting legitimate market activity. Literature comparing the two confirms they share core principles while emphasizing different things. Pusvisasari et al. (2023) find both scholars value fairness and transparency, but Yaḥyā ibn ʿUmar leans toward government and community supervision, while Ibn Taymiyyah leans toward letting markets run once fraud and distortion are absent. That difference is productive, not a contradiction to resolve. Yaḥyā ibn ʿUmar supplies exactly the institutional piece that stops a market mechanism from being read as entirely self-regulating his work implies that market freedom needs an institutional environment able to spot and correct conduct that undermines exchange. Markets, on this reading, are neither inherently just nor inherently unjust; the outcome depends partly on the institutional and ethical conditions they operate under.

Ḥisbah reinforces this. Historically it worked not just as punishment but as an institutional arrangement meant to maintain reasonable conduct, protect participants, and pull prices back toward equilibrium when conditions turned abnormal. Kusumawati (2015) stresses its role in maintaining fair conduct and restoring price equilibrium specifically when normal market conditions break down. Put the two scholars together and a division of labor emerges: Ibn Taymiyyah explains when intervention is justified, Yaḥyā ibn ʿUmar explains how market integrity gets maintained institutionally before intervention is even needed. Complementary, not competing.

From Fair Price to Maṣlaḥah-Oriented Price Formation.

"Fair price" is a recurring theme in this literature, but it usually gets treated as a normative endpoint rather than a mechanism with actual stages. That leaves a conceptual gap: saying prices should be fair doesn't explain how fairness gets assessed, who assesses it, or what should happen when a price fails the test. Irawan (2016), comparing al-Ghazālī and Ibn Taymiyyah, makes a similar point from a different angle, Islamic market mechanisms can produce fair prices under ideal conditions, but real markets, prone to fraud and injustice,

need corrective principles layered on top. This opens space for maṣlaḥah to work as more than a broad objective of Islamic economics as an evaluative criterion sitting inside the price mechanism itself. The question stops being just "has the market reached equilibrium" and becomes "does the process that produced this price preserve legitimate interests, avoid substantial harm, and keep essential goods and services fairly accessible."

This distinction has real policy weight. Treat maṣlaḥah only as a final goal, and it stays hard to translate into an operational decision rule. Treat it as an evaluative mechanism instead, and it can sort prices into at least three categories: those that should be left to form naturally, those that need monitoring because distortion is starting to threaten fairness, and those that need correction because market conduct is already causing substantial public harm.

Contemporary Research and the Remaining Theoretical Gap

Recent work is pushing this literature toward contemporary territory market distortion, price stability, regulation, sustainability, digital transformation. A bibliometric study of Islamic market mechanisms and economic justice found clusters around fair pricing and state intervention, market distortion and price stability, and emerging issues like sustainability, halal supply chains, and digital transformation (Juniyanti et al., 2026). That's a sign the research agenda has moved past simply documenting classical thought. But the field is still fragmented: one group of studies reconstructs individual scholars historically, another works at a general conceptual level, another looks at government intervention and regulation, and a newer group chases contemporary applications. What none of them fully build is a unified theoretical architecture connecting all of it.

That's the gap the Integrative Maṣlaḥah Pricing Theory (IMPT) is built to close. Unlike studies that stop at comparing classical scholars, IMPT treats Yaḥyā ibn ʿUmar and Ibn Taymiyyah as complementary building blocks: Ibn Taymiyyah supplies the logic of market formation and conditional intervention, Yaḥyā ibn ʿUmar supplies ethical governance and institutional supervision, ḥisbah supplies the institutional channel for maintaining market integrity, and maṣlaḥah supplies the evaluative principle connecting market outcomes to public welfare. The resulting claim: an Islamic price is neither a purely market-determined price nor an administratively imposed one. It is a market-generated price run through an ethical-institutional filter, with corrective intervention available where needed. The market stays the primary mechanism under normal conditions; institutional supervision and government intervention scale up only as distortion and public harm grow.

This is the central theoretical contribution of the study. The literature already establishes that Islamic economics accepts market mechanisms, that Ibn Taymiyyah addressed market forces and conditional intervention, and that Yaḥyā ibn ʿUmar emphasized supervision and ethical conduct. What stays unresolved is how to turn these separate insights into one coherent theory, one that can say when a market should be left alone, when it should be watched, and when it should be corrected. That is the question IMPT is built to answer.

RESEARCH METHOD

This study takes a qualitative, normative-conceptual, theory-building approach to reconstructing and synthesizing Yaḥyā ibn ʿUmar's and Ibn Taymiyyah's ideas on price formation and market governance. The aim goes beyond describing what the two scholars thought the goal is turning their complementary insights into a coherent theoretical framework usable for contemporary Islamic economic policy. Primary sources are Yaḥyā ibn ʿUmar's Aḥkām al-Sūq and Ibn Taymiyyah's Al-Ḥisbah fī al-Islām and Al-Siyāsah al-

Sharʿiyyah; secondary sources are peer-reviewed journal articles, books on Islamic economics, and relevant contemporary policy literature. The analysis moves through four stages. It starts by reconstructing each scholar's concepts of price, market mechanism, market conduct, supervision, and government intervention on their own terms. From there, a comparative thematic analysis identifies where the two converge, diverge, and complement each other particularly on market freedom, ethical constraints, iḥtikār, market supervision, fair pricing, and corrective intervention. Those findings then get synthesized through maṣlaḥah, justice, prevention of harm (dafʿ al-ḍarar), and market integrity, which is where the conceptual components of the Integrative Maṣlaḥah Pricing Theory (IMPT) actually take shape. Finally, those components are organized into a policy-oriented framework distinguishing three zones: normal market formation, ethical and institutional monitoring, and corrective intervention once distortions start generating real public harm. Source triangulation anchors the theoretical construction's validity the primary classical texts get read against established scholarship and contemporary policy literature, not in isolation. What the analysis is after is the logical relationships among market forces, ethical conduct, institutional supervision, maṣlaḥah, and state intervention, not a restatement of classical arguments for their own sake. What comes out of it is a new conceptual model of price formation: one that says when markets should run on their own, when they need institutional supervision, and when corrective public intervention becomes justified. That is what lets this study move from historical interpretation into theory building and policy formulation, and it is the analytical foundation the rest of the paper uses to evaluate IMPT's relevance to price stability and inclusive Islamic economic growth.

RESULTS AND DISCUSSION

Reconstruction of the Price Mechanism in the Thought of Yaḥyā ibn ʿUmar and Ibn Taymiyyah

Yaḥyā ibn ʿUmar and Ibn Taymiyyah start from the same premise: Islam does not reject market mechanisms, but those mechanisms have to operate under conditions that protect justice and prevent harmful conduct. Where they differ is not over whether markets are legitimate it's over which dimension of the market each one chose to focus on. Yaḥyā ibn ʿUmar leans into market conduct and institutional supervision; Ibn Taymiyyah gives a more explicit account of price movements, market forces, and when corrective intervention becomes legitimate. That distinction matters for building a contemporary theory. Read separately, Yaḥyā ibn ʿUmar looks mainly like a scholar of market supervision, and Ibn Taymiyyah mainly like a theorist of market mechanisms and price regulation. Read together, within one analytical frame, they turn into complementary components of a single, broader theory of price formation.

Yaḥyā ibn ʿUmar: Price Formation within an Ethical Market Order

Yaḥyā ibn ʿUmar's contribution comes into focus through the institutional setting of Aḥkām al-Sūq. His concern is not simply whether buyers and sellers are free to transact it's whether the market stays an environment where transactions can happen without deception, harmful manipulation, or conduct that undermines other participants. That requires rules and supervision capable of preserving the integrity of exchange. This puts market ethics ahead of market outcomes. A price cannot be judged apart from the conduct that produced it. When traders manipulate information, conceal defects, hoard goods, or exploit market conditions some other way, the resulting price may no longer represent an ordinary market outcome at

all. The problem is not necessarily the number itself it's the process that generated it. This reading lines up with the broader literature on ḥisbah. Kusumawati (2015) explains its role in the Islamic market mechanism as ensuring participants behave reasonably and fairly, and as a way of restoring equilibrium once normal market conditions turn abnormal.

Yaḥyā ibn ʿUmar's contribution to the proposed theory, then, comes down to three elements: the ethical integrity of market transactions, institutional supervision of market conduct, and protection of public welfare when market behavior turns harmful. Together they say something specific markets don't automatically produce just outcomes on their own. Market freedom needs institutional conditions that stop that freedom from becoming a tool for exploitation.

Ibn Taymiyyah: Market Forces, Fair Pricing, and Conditional Intervention

Ibn Taymiyyah adds a different dimension: the distinction between price movements from ordinar y market forces and price increases tied to unjust conduct. Modern reconstructions of his economic thought point to his emphasis on supply and demand in price formation, and his recognition that prices can shift naturally as market conditions shift (Islahi, 1988). What matters here is the implication a high price is not, by itself, evidence of injustice. That has real policy weight. If prices rise because supply drops, demand climbs, or production and distribution conditions change, slapping on a price ceiling automatically can interfere with markets doing what they're supposed to do. If the increase comes from manipulation, hoarding, monopoly, or other distortion, on the other hand, correction becomes far easier to justify. Recent research applying this framework to rising rice prices in Indonesia draws the same line separating price movements from market forces from those rooted in market injustice and concludes that the right response usually isn't direct price fixing, but intervening in the conditions generating the price, especially when shortages or distortions threaten public welfare (Bella et al., 2024).

This distinction earns its keep by ruling out two opposite policy mistakes. One is market absolutism accepting every price outcome simply because the market produced it. The other is administrative interventionism treating every price increase as market failure. Ibn Taymiyyah's framework threads between them: let markets run under normal conditions, correct them when injustice or serious distortion undermines their legitimate function.

Convergence and Complementarity between the Two Scholars

The comparison confirms something worth stating plainly: these two scholars are not best read as opposing theories of the market. They read better as complementary layers of market governance. Pusvisasari et al. (2023) compared the two directly and found both emphasize justice and transparency, differing mainly in weight Yaḥyā ibn ʿUmar toward government and community supervision, Ibn Taymiyyah toward market forces operating free of fraud. This study pushes that finding one step further. Instead of treating the difference as a reason to pick one scholar over the other, it treats the difference as the basis for theoretical integration.

Table 1.
Theoretical Integration

Dimension	Yaḥyā ibn ʿUmar	Ibn Taymiyyah	Integrated Implication
Basic market orientation	Accepts market exchange	Accepts market forces	Market mechanism remains primary

Main concern	Market conduct	Price formation and market conditions	Price and conduct must be analyzed togheter
Ethical principle	Fairness and transparency	Justice and absence of injustice	Ethical integrity becomes a pricing condition
Market supervision	Strong institutional emphasis	Conditional regulatory role	Continuous monitoring with proportional intervention
Distortion	Harmful practices must be controlled	Intervention justified where injustices exist	Distortion activates corrective mechanisms
State role	Supervisory and corrective	Conditional and proportionate	State acts as market guardian, not permanent price setter
Ultimate objective	Public welfare and orderly exchange	Justice and prevention of harm	Maslahah becomes the integrating criterion

Source: Compiled by the author based on

The synthesis points to an important theoretical proposition: market and state should not be conceptualized as substitutes for one another. The market is the primary mechanism for price discovery; institutions provide the conditions that let that mechanism stay fair. Government intervention, then, is not the starting point of the pricing process; it's a corrective mechanism, activated once market conditions stop satisfying the requirements of justice and public welfare. This lines up with the broader Islamic microeconomic literature. Permana (2019) argues that price formation in Islamic economics stays tied to market mechanisms but gets evaluated through justice and al-maṣlaḥah, with government intervention becoming legitimate once market inequality starts harming one of the parties.

From Fair Price to Integrative Maṣlaḥah Pricing

The central theoretical result here is that maṣlaḥah should not be treated merely as pricing policy's final objective. It can work as an evaluative principle running through the entire pricing process. Conventional market analysis generally asks whether a price reflects supply, demand, scarcity, costs, and consumer preference. Those variables still matter in an Islamic framework but they fall short once the market is touched by information asymmetry, manipulation, hoarding, monopoly, coercion, or other distortion. The theory proposed here adds a further evaluative layer on top: a price runs through three analytical questions. First: how was the price formed? This concerns supply, demand, scarcity, production, distribution, and consumer needs. Second: was the market process legitimate? This concerns fraud, hoarding, manipulation, monopoly, information disclosure, and other market conduct. Third: does the resulting price generate substantial public harm, or undermine legitimate welfare? This concerns maṣlaḥah and mafsadah. Run through this sequence, price legitimacy looks more complete than it does under conventional analysis. A market price isn't automatically unjust just because it's high. A low price isn't automatically just just because it benefits consumers. What actually matters is the relationship between the price, the conditions that produced it, the conduct involved, and the welfare that results. This is where maṣlaḥah earns its theoretical weight it's the principle connecting individual market transactions to broader social outcomes. A price gets judged not just by what it means for sellers or buyers, but by whether the whole process stays consistent with justice and the avoidance of substantial harm.

The Integrative Maṣlaḥah Pricing Theory (IMPT)

Building on this reconstruction, the study proposes the Integrative Maṣlaḥah Pricing Theory (IMPT) as a new conceptual framework for Islamic price formation, built on four connected stages.

Stage 1, Market Formation. Ordinary market forces operate first. Prices emerge from supply, demand, scarcity, production conditions, distribution costs, and consumer needs interacting with each other. State intervention should stay limited at this stage a price increase by itself is not sufficient evidence of injustice. This tracks the Ibn Taymiyyah–based literature, which separates naturally generated price changes from increases tied to market distortion (Islahi, 1988; Bella et al., 2024).

Stage 2, Ethical Filtering. Here the question shifts to whether the market process itself was ethically legitimate: Is there iḥtikār? Is there tadlīs or deception? Is information being deliberately withheld? Is market power being abused? Is supply being manipulated? Is competition being substantially restricted? A clean answer across these questions means the market can generally keep operating undisturbed. A significant distortion on any of them means the resulting price can no longer be treated as a neutral market outcome.

Stage 3, Institutional Supervision. This stage draws specifically on Yaḥyā ibn ʿUmar's market governance and the broader ḥisbah tradition. Supervision here does not mean controlling every price its job is protecting the conditions under which fair exchange can actually happen. That means regulators should look first at what's causing the distortion rather than reaching immediately for a price ceiling. Relevant instruments include monitoring market concentration, preventing hoarding, ensuring truthful product information, preventing fraudulent transactions, monitoring essential commodity supply, improving market transparency, and enforcing competition rules. This matches the literature identifying ḥisbah as an institution built to maintain fair market conduct and restore equilibrium when conditions turn abnormal (Kusumawati, 2015).

Stage 4, Corrective Intervention. This stage activates once distortion becomes serious enough to threaten public welfare, and the guiding principle throughout is proportionality. The state should try correcting the source of the distortion first: if prices are rising from supply shortages, increasing supply usually beats an artificial price ceiling; if the problem is hoarding, enforcement against hoarding usually beats blanket price control; if the problem is information asymmetry, transparency requirements usually beat either. This is one of the theory's more important implications price policy should target the cause of distortion, not just its visible numerical symptom.

The Four-Level Policy Architecture

Table 2.
The Four-Level Policy Architecture

Market Condition	Market Response	Institutional Response	Policy Orientation
Normal competition	Price discovery	Minimal supervision	Allow market mechanism
Emerging distortion	Price monitoring	Increased ḥisbah/regulatory oversight	Prevent escalation

Significant distortion	Market correction	Targeted intervention	Remove distortion
Severe public harm	Temporary corrective measures	Strong but proportional intervention	Protect maṣlaḥah

Source: Compiled by the author based on

This is what separates the architecture from the tired binary of "free market" versus "price control" it builds a graduated model instead. Distortion that runs deeper and harm that spreads wider earns a stronger case for intervention. Markets that stay competitive and transparent earn the opposite: intervention stays minimal.

That proportionality matters for real price-stability policy. A government is not stuck choosing between leaving markets entirely alone and fixing prices administratively it can step in at different levels depending on what the problem actually is and how bad it has gotten.

Why IMPT Is Different from Conventional Price Theory

IMPT does not set out to reject conventional price analysis. Supply, demand, scarcity, costs, and market competition all remain relevant the theory's contribution is adding an ethical-institutional layer on top of that mechanism, not replacing it. Here is where the two diverge:

Table 3.
The Difference between Conventional Price Theory and IMPT

Conventional price perspective	Integrative Maṣlaḥah Pricing Theory
Focuses primarily on price formation	Focuses on formation and legitimacy
Supply and demand are central	Supply and demand remain central
Efficiency is a major concern	Efficiency and justice are combined
Market failure justifies intervention	Distortion and mafsadah trigger intervention
Ethics often treated externally	Ethics incorporated into market evaluation
State intervention is policy-dependent	Intervention follows proportional maṣlaḥah assessment
Price is primarily an economic signal	Price is an economic signal and social outcome

Source: Compiled by the author based on

This doesn't mean conventional economics is incapable of considering ethics or welfare. What the proposed theory does is make ethical legitimacy and public welfare constitutive elements of price evaluation within an Islamic framework not a rejection of market economics, but a normative extension of it.

IMPT and Price Stability

The theory also draws a useful line between price stability and price rigidity. Stability does not mean every price stays frozen. In a working market, prices have to adjust to changes in supply, demand, production, and distribution trying to stop every price movement can itself generate shortages or other distortions. The real objective is preventing volatility that is both unjustified and socially harmful. This matters most for essential commodities. Recent research on Indonesian rice prices using Ibn Taymiyyah's framework makes the point concretely: when price increases reflect market forces, direct price fixing usually isn't the right response attention belongs on the underlying market conditions and supply availability instead (Bella et al., 2024).

Under this reading, IMPT treats price stability as a condition where market prices stay responsive to legitimate changes in economic conditions, participants are protected from significant manipulation, essential goods remain reasonably accessible, market competition holds up, and corrective intervention is available when distortion produces substantial harm. That is a more honest fit with Islamic market governance than a rigid, frozen conception of stability would be.

IMPT and Inclusive Economic Growth

The theory's implications reach beyond stability. Prices determine how economic welfare gets split between producers, traders, consumers, and intermediaries, so a distorted price mechanism affects more than efficiency it affects who gets economic opportunity and who doesn't. Persistent hoarding, for instance, can benefit a small group of traders while raising costs for everyone else. Heavy market concentration can weaken smaller producers. Information asymmetry can quietly move welfare from less-informed consumers to better-informed sellers. In each case the price mechanism becomes the channel through which market power reshapes distribution. IMPT's maṣlaḥah dimension responds to exactly this price policy has to weigh distributional consequences alongside aggregate efficiency, not instead of it. The chain runs: market integrity leads to fairer access, which leads to a broader distribution of economic benefits. This matters for contemporary Islamic economic policy because development can't be reduced to aggregate output. A market can grow the economy while producing severe inequality in access to essential goods at the same time an Islamic pricing framework has to ask whether growth comes with real social welfare attached, not assume it does.

Theoretical Proposition of the Study

The analysis converges on one central proposition: a price is consistent with the Integrative Maṣlaḥah Pricing Theory when it emerges from legitimate market interaction, stays free of significant distortion and unethical conduct, is subject to proportionate institutional supervision, and produces an outcome compatible with justice and public welfare. Four subsidiary propositions follow from that. Proposition 1, Market Autonomy. When supply, demand, competition, information, and market conduct are all functioning normally, price formation should mostly be left to market forces. Proposition 2, Ethical Constraint. That autonomy holds only as long as significant violations of market integrity hoarding, fraud, manipulation, abusive market power stay absent. Proposition 3, Institutional Correction. Once distortions appear, supervision should target their source first, rather than reaching automatically for administrative prices. Proposition 4, Maṣlaḥah-Based Intervention. Once distortion produces substantial public harm, proportionate state intervention becomes legitimate to restore market justice and protect public welfare.

Together, these four propositions turn Yaḥyā ibn ʿUmar's and Ibn Taymiyyah's classical insights into a structured theoretical model.

Theoretical Contribution and Policy Implications

The main contribution here is not discovering that Yaḥyā ibn ʿUmar and Ibn Taymiyyah discussed prices that much was already established, including in Pusvisasari et al.'s (2023) direct comparative study. The contribution is in what this study does with those ideas. It turns two historically separate strands of thought into one integrated pricing framework. It places maṣlaḥah inside the price mechanism itself, rather than treating it as a general objective sitting above Islamic economics. It offers a graduated model of intervention that avoids both unrestricted market absolutism and permanent administrative price control. It builds a bridge between classical Islamic economic thought and contemporary price-stability policy. And it gives a conceptual basis for examining essential commodities, food-price volatility, digital marketplaces, market concentration, and other pricing problems that classical scholars never had to face directly. In this sense, IMPT is a theory of conditional market governance: the market is the normal mechanism, ethics determine the legitimacy of market conduct, institutional supervision protects market integrity, and corrective intervention activates when distortion threatens maṣlaḥah. That is the study's principal result, and the basis for positioning IMPT as a new policy-oriented paradigm for Islamic price formation.

CONCLUSION

This study lands on a middle position: the price mechanism in Islamic economics is neither unrestricted market freedom nor permanent government price control. Reconstructing Yaḥyā ibn ʿUmar and Ibn Taymiyyah shows why that middle ground holds up their ideas turn out to be complementary rather than competing. Yaḥyā ibn ʿUmar supplies the ethical and institutional dimension, through market supervision, prevention of harmful practices, and protection of public interests. Ibn Taymiyyah supplies the analytical distinction between legitimate market-driven price changes and prices distorted by injustice or harmful conduct. Out of that combination comes the Integrative Maṣlaḥah Pricing Theory (IMPT). Market interaction remains the primary mechanism of price formation, but market integrity, ethical conduct, institutional supervision, and maṣlaḥah become the conditions that determine whether a resulting price is legitimate. Government intervention is not automatic under this theory it becomes justified once distortion generates significant harm, and even then it should aim at the source of the distortion, not just suppress the visible price. What IMPT contributes, at its core, is a graduated model: let the market run under normal conditions, watch for emerging distortion, correct harmful practices, intervene proportionately once public welfare is seriously threatened. That model connects classical Islamic economic thought to live concerns price stability, market fairness, inclusive growth and it moves maṣlaḥah from being a general objective floating above Islamic economics into an operational principle working inside the price-formation process itself.

Three policy directions follow. Policymakers need to separate legitimate price movements driven by supply, demand, scarcity, distribution from increases driven by manipulation, hoarding, fraud, or abusive market power; conflating the two leads to the wrong response every time. Price policy should reach for market supervision, transparency, competition, and removing supply-side distortions before it reaches for direct price intervention. And Islamic economic and monetary institutions should treat IMPT as a live

policy framework for essential commodities, particularly during food-price volatility while building measurable maṣlaḥah indicators that can actually signal when corrective intervention is warranted, rather than leaving that judgment to intuition. Future research should put IMPT to an empirical test, using Indonesian commodity-price data, and compare what it predicts against conventional price-stability frameworks. That is the step that would tell us whether the theory can move past its normative and conceptual foundation and become something empirically assessable not just something argued for.

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