CHAPTER III

PRODUCER AND CONSUMER RELATIONS IN BUSINESS

A. The Relations of Producer and Consumer

The producer is a business that specializes in the process of making production. Production is a process conducted by the producer who is the functional activity that must be undertaken by any company. This function creates a work item or service which aims to establish was added the value. The production's activity is philosophically includes several things, they are: what the products are made, why it was created, when it was made, for what is created, how to produce, and how much quantity that was created.¹

As for consumers that is a substantial stakeholder in modern business, i.e. the user goods production.² So business will not run without the consumers who use the products or services offered by the producer. The slogan "the customer is king" is not only intended to attract as many consumers. In this context it is not surprising if Peter Drucker underlined the central role of consumers stated that business can more accurately defined as "to create customer".³

Production and consumers is the cooperation that cannot be separated and need each other. The producers never got profits, if there are no people who need the product. So instead, the consumer would never have met the

¹ Muhammad and R. Lukman Fauroni, *Visi Al-Qur'an Tentang Etika dan Bisnis*, Salemba Diniyah, Jakarta, 2002, p. 103.

² Daryanto, Kamus Bahasa Indonesia, Apollo Lestari, Surabaya, 1997, p. 374

³ Muhammad and R. Lukman Fauroni, Visi.., p. 103

needs and desires, when there are no goods or services from producer.⁴ Thus, in producing an item must take into consideration the social reason of humanity, in addition the reasons that required by society as well the positive benefits of what will be obtained as a result produced an item. In addition the producer is also responsible for providing a safe product for consumers. In addition, producer also treat consumer with good. This is not only morally ethical demands, but also as an absolute requirement for achieving business success.

And then, there is a shift from the consumer to customer i.e. the consumer still becomes who determines to success of a business. In this context, the principle of the unity of business ethics can be understood, when between producers and consumers occur consistency and regularity overall. The producers will not apply greedy, because in the fact the treasure is mandate, and consumers don't necessarily want more ownership of their needs, so damage other consumers.⁵

The slogan "The customer is king" not guarantee in consumer satisfaction, because in fact it is in a limited position. He has no power to determine free choice of what will be determined. Sometimes the selling and buying that do occur with forced. Even what has been purchased is not necessarily the same as what it actually wants to bought. One of the factors the occurrence it is lack of information about the product, the absence of a channel for complaints of fraud or otherwise. This often happens on the activity of selling and buying online.

⁴ Dede Nurohman, *Memahami Dasar-dasar Ekonomi Islam*, Penerbit Teras, Yogyakarta, 2011, p. 113

⁵ Muhammad and R. Lukman Fauroni, *Visi...*, p. 105

Formally the relationship between producers and consumers is not a contractual relationship, i.e. including the rights and are owned by a person when it entered an agreement with other side. This relationship is different from a business cooperation relationship. In general, the relationship of producers and consumers is the interaction anonymously, where each side does not know for sure about specific individuals except based on assessment. Longer more complicated relations between both of them are often mediated by the many agents and resellers. It thus does not mean that between them have not right and obligation, because in reality their relationship is the social interaction that demands the existence of rights and obligations of each side who serves as controller. This controller include the rules of morality are ambedded in hearts and the rule of law as well as punishment.

In economics concept of Ibn Taymiyyah, guarantee of consumer is part of personal responsibility who was appointed as *Muḥtasib*,⁸ i.e. an expert (religion and economy) special duty to supervise the system economy comprehensively. The main tasks, first, to covering and meet availability needs in the market. Second, supervision to the industry i.e. oversees the standardization of products. Third, supervision of the service to maintain the deviation practices from professions such as doctors,

 $^{^6}$ In Contractual relationship both of side can reputed good and fair if know the essence and condition of treaty was agreed, there is not side given of wrong fact intentionally if doesn't with forced.

⁷ Muhammad, Etika Bisnis Islami, UPP-AMP YKPN, Yogyakarta, 2004.p. 160

⁸ Hisbah institution called the muhtasib. These institutions since the time of Muhammad already exists although it is more used during the next. This agency has the function first, a system that generally described implementation of the virtues and liabilities by muhtasib and deals with juridical and religious aspects in dealing. The two, described as practice and surveillance techniques in detail, including the control of ats products, commerce, administrative demands, quality and product standards.

pharmacists, teachers, and so on. Fourth, supervision over trade which includes surveillance measures, weights, the quality of the product and others all of which boils down to ensure that the purpose of the consumer is not harmed.⁹

B. The Rule of Producer in Islamic Business View

1. Production in Islam

Production activity has been around since the Prophet Muhammad, as his utterance from Sahl said: "Rasulullah sent to a woman (he said): 'the son of a Carpenter had commanded it to make backrest to my seat, so that I could sit on it'." (Al-Bukhari). At the time of Prophet, ordinary people to produce the goods, and he silence of their activity. So his silence showed that there were recognition ($taqr\bar{t}r$) from him about their production activity. ¹⁰

Production in economics refers to activities that create utility either in the present or in the future.¹¹ There are experts that defines production as creating wealth through the exploitation of human beings against the resources of the environment.¹² In Islam, the production can be defined as human efforts to improve the physical condition of the material and morality as the means to achieve the

⁹ Muhammad and R. Lukman Fauroni, *Visi..*, p. 106

¹⁰ Taqyuddin An-Nabhani, *Membangun Sistem Ekonomi Alternatif Perspektif Islam*, Risalah Gusti, Surabaya, 1996, p. 151

¹¹ Mustafa Edwin Nasution.,et al, *Pengenalan Eksklusif: Ekonomi Islam*, KENCANA PRENADA MEDIA GROUP, Jakarta, 2006, p. 104

¹² Muhammad, Etika Bisnis Islami..., p. 103

goal of living according the Islamic jurisprudence, the happiness of the world and the hereafter. 13

The motive of production is to create benefits or individual welfare (self interest) and collective welfare (social interest). While according to Umar Chapra, the motive of production is to meet the needs of each individual and ensures everyone has a human standard of living, respectable and in accordance with human dignity as the Caliph. Leconomic motives in Islam not only maximize the world, but the benefits in the hereafter and uphold moral values. The utterance of God Almighty in the Qur'an *Al-Qaṣāṣ* verse 77:

وَٱبۡتَغِ فِيمَاۤ ءَاتَنكَ ٱللَّهُ ٱلدَّارَ ٱلْأَخِرَة ۗ وَلَا تَنسَ نَصِيبَكَ مِنَ ٱللَّهُ إِلَيْكَ ۖ وَلَا تَبْغِ مِنَ ٱللَّهُ إِلَيْكَ ۖ وَلَا تَبْغِ اللَّهُ اللَّهُ اللَّهُ إِلَيْكَ ۖ وَلَا تَبْغِ ٱلْفَصَادَ فِي ٱلْأَرْضَ ۚ إِنَّ ٱللَّهَ لَا يُحِبُّ ٱلْمُفْسِدِينَ ﴿

" but seek, with the (wealth) which Allah has bestowed on you, the Home of the hereafter, nor forget your portion in this world: but do you good, as Allah has been good to you, and seek not (occasions for) mischief in the land: for Allah loves not those who do mischief." ¹⁵

Islam gives freedom to every human to make the rules accordance with the level of creativity, scientific knowledge, situation and conditions. This is part of the affairs in the world are constantly

¹³ Abdul Aziz, *Etika Bisnis Perspektif Islam*, Alfabeta, Bandung, 2013, p. 142

¹⁴ Abdul Aziz, *Etika Bisnis*, p. 147-148. Taken from: Umar Chapra, *Masa Depan Ilmu Ekonomi Sebuah Tinjaun Islam*, Gema Insani Press, Jakarta, 2001.

¹⁵ 'Abdullah Yusuf 'Ali, *The Holy Qur'an: Text And Translation, Islamic Book Trust,* Kuala Lumpur, 2005, p. 478-479.

changing and evolving. That is the thing that intended prophet by stating "You more know about the affairs of your world". 16

According to Islamic teachings, the production had be done because the man is *khalifatullah* in the world and the obligation to create a prosperous earth and all of its contents with the worship of Him, as His utterance in Qur'an *Al-An'ām* verse 165:

"It is He Who has made you (His) agents, inheritors of the earth: He has raised you in ranks, some above others: that He may try you in the gifts He has given you: for your Lord in quick in punishment: yet He is indeed Oft-Forgiving, Most Merciful." ¹⁷

Those match too with His utterance in Qur'an Yunus verse 14:

¹⁶ Yusuf Qardhawi, *Norma dan Etika Ekonomi Islam (Daurul Qiyam wal Akhlaq fil Iqtishadil Islami*) terj. Zainal Arifin dan Dahlia Husain, Gema Insani Press, Jakarta, 1997, p. 98

¹⁷ 'Abdullah Yusuf 'Ali, The Holy Qur'an..., p. 167

"Then We made you heirs in the land after them, to see how you would behave!." 18

Islam taught that the best person is a person who has many benefits for other people or society. As the *khalifatullah* that he was bringing *rahmatan lil 'ālamīn*, a producer certainly will not ignore the problem of externalities such as pollution. They definitely care about our fellow creatures, whether human, animal or plant/environment.

For Islam, producing something is just not for his own consumption or for sale to the market. That motivations not yet because it is still limited in the function of the economy. Specifically in Islam emphasizes that every production also embody the social functions. This is reflected in the Qur'an *Al-ḥadīd* verse 7:

"believe in Allah and His Messenger, and spend (in charity) out of the (substance) whereof He has made you heirs. For, those of you who believe and spend (in charity)- for them is a great reward." 19

Be able to carry social functions optimally, the production must pass over its surplus for satisfied consumtive purposes and achieve financial benefits, so that it can contribute to social life.

¹⁸ 'Abdullah Yusuf 'Ali, The Holy Qur'an..., p. 236

¹⁹ 'Abdullah Yusuf 'Ali, The Holy Qur'an..., p. 683

2. The Aims of Production

The producers execute their production has many purposes, neither to now or future. The aims of production, i.e:²⁰

- a. Realizing the optimal profit.
- b. Realization of adequacy of individuals and families.
- c. Do not rely on others.
- d. Protecting the property and develop it.
- e. Explore the resources of the economy and prepare it for the exploited.
- f. Liberation from *taglīd* of the economy.²¹
- g. Tagarrub to God Almighty.

Based on conventional view, usually the production views from three points, namely: what is produced, how to produce it, and for whom the goods or services produced.

If this production based on International Standard, then it should be based on International standard recognized, for example ISO 9000 about the improved quality of production or ISO 14000 about increased environmentally production patterns, build a factory,

 $^{^{20}}$ Jaribah bin Ahmad Al-Haritsi, *Fikih Ekonomi Umar Bin Al-Khattab*, terj. H. Asmuni Solihan Zamakhsyari, Khalifa, Jakarta, 2006, p. 50

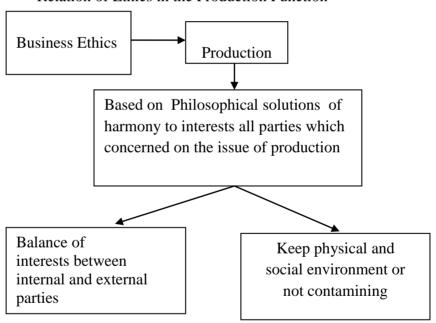
The intent of the exemption from the dependency of the economy here does not mean the economy of Islam should be exclusive and do nothave ties with other economies, because of the difficulty of realizing the adequacy of all needs. For all the countries of the world, in part requires some others. But his liberation here with a sense that the Islamic countries should rely on themselves by living within the limits of the source, and perekonomiannya was able to meet a variety of needs, either byproducing it themselves, or by developing its income from the path that is not required of others, so that a strong economy that is being freed from the intervention of another person and from any form of submission.

or a company that is environmentally friendly with a goal on safety, health and the environment with zero waste.²²

3. Producer Behavior

The Islamic economic system is described as the building with the roof of the building are morals. Morals will underlie the whole economic activities including economic production. According to Qardhawi, said that "The morals are principal thing in the production that must be observed by the Muslims, both individually and jointly, that is working on permitted scope by Allah, and do not go beyond what is harm".²³

Relation of Ethics in the Production Function



²² Agus Arijanto, *Etika Bisnis Bagi Pelaku Bisnis*, Rajawali Pers, Jakarta, 2012, p. 52

²³ Muhammad, *Ekonomi Mikro Dalam Perspektif Islam*, BPFE, Yogyakarta, 2004, p. 230. Taken from: Dr. Yusuf Qardhawi, *Norma dan Etika Ekonomi Islam (Daurul Qiyam Wal Akhlaq Fil Iqtishadil Islami)*, terj. Zainal Arifin and Dahlia Husin, Gema Insani Press, Jakarta, 1997, p. 117

Factors of production an Islamic perspective according to Fahim Khan including elements of productivity, production capability, skills and entrepreneurship.²⁴

Some basic principles of producers behavior as the realization of the Islamic human are as follows:²⁵

- a. The producer not only reactive but also proactive, creative and innovative to make the product, but creativity needs to be restricted by the values of Islam which is educating consumers.
- b. Orientation of product creation is virtue, just not anyone sold (get profit) although survivebility of producers determined by their profit from sold of it products, it is not that producers freed to make random products in the society. In Islamic norms in addition there are items or something explicitly forbidden for consumption (means also produced), Islam also recommends that products contain maslahah to society. So the orientations of producers not only get profit but also keep peace.
- c. Hold the principle of efficiency. Efficiency is essential in the production process. This means that the producer must apply these principles in a variety of production activity side. In the determination of product quantity, for example, the producer should be used to measure how the strength of the

²⁴ Dede Nurohman, *Memahami Dasar-dasar Ekonomi Islam*, Teras, Yogyakarta, 2011, p. 114. Taken from: Fahim Khan, *Essay in Islamic Economics*, The Islamic Foundation, Leicester, United Kingdom, 1995, p. 135-157

²⁵ Dede Nurohman, *Memahami Dasar-dasar...*, p. 114

- public in consuming a product. This is determines how many producer to make products he had created.
- d. Be able to anticipate and predict the excesses of negative from the product to be made. So in the make of products, producer should be careful and vigilant with regard to all the possibilities that will occur at the consumer. prepare a material good, doing technical or producer must medical test, monitoring in the production process, preparing experts, conduct experiments, for example to ensure that the products he made not endanger consumers. Including lists several related information sharing rules, expiration time, the side effects there of and other warnings that became the basis for the knowledge of the producer before buying the product. This is important, because the reality is the reality of consumer ignorance will product.
- e. Keep sociability to the environment. As like in previous point, the producer must first consider the possibility of the danger arising from the production process. Therefore, the producer must undertake studies and research on materials, chemical substances, and manage the process of discharge so that the production not effected to environmental pollution. The producer must keep the balance of nature and green production.

As for the rules or obligations to be met by producer (including supplier and distributor) against its customers, i.e:

a. The producer obligated to meet all the provisions attaching to either on the products offered or in advertisements about the

product.²⁶ Generally people buy a product because it is interested in information pertaining to products which were directly either provided on the product or on its advertising. So in this case all provisons about products that have to be met, such as the validity period of the product, it did not create addiction, halal, safety, elements or chemical components, and more. Everything should be clear and in accordance with what is stated on the product advertising. If it does not fit, then consumers can sue the producer because it has been doing deception.

- b. The producer has a duty to disclose all information that needs to be known by all consumers about a product.²⁷ So in this case the producer must disclose all important information products, such as levels of alcohol, halal, chemical elements in fact regarding the safety and security risk in using a particular product. For example, medicinal products should be described and the possibilities of user age limit the risks that can be encountered.
- c. Obligation to say be honest about the truth of the products offered. This liability is much louder than the two above other obligations due in the incorrect thing to say about a product already clearly contained elements of fraud. There is a conscious intent to deceive the consumer. Whereas in the first

 $^{^{26}}$ A. Sony Keraf, *Etika Bisnis Tuntutan dan Relevansinya*, Penerbit Kanisius, Yogyakarta, 1998, p. 187

²⁷ A. Sony Keraf, Etika Bisnis..., p. 188

and second obligation, there could be accidental negligence (when mixing raw materials, there is the fallacy of counting or there is forgetfulness in conveying information was revealed). However, it says that is not true or a lie is an act of deliberate basis to deceive consumers.²⁸

Of these three obligations can be seen that the information about the products is an important role. In many cases, information is the basic for the consumer to decide to buy a product or not.

Efforts to maximize profits, making conventional economic system idolize the productivity, and efficiency when producing. This attitude often makes them ignore the problems of externalities, or the detrimental impacts of production processes that are usually quite more befell a group of communities that have nothing to do with the product being made, both as consumers and as part of a factor of production.

A believer will enjoy this life with quiet soul, inner peace, and open ended. No doubt, the peace of the quiet soul as it had a positive impact to productivity. Behold the man who is confused and jealous, spiteful with neighbour rarely produce a satisfactory product.²⁹

Ethical principles in the production that must be implemented by every muslim either individual or community is a hold on all that God permitted and not cross the line.

Among the products are strictly prohibited to circulate is a destructive product of belief, ethics, and moral human being, such

²⁸ A. Sony Keraf, Etika Bisnis..., p. 188

²⁹ Yusuf Qardhawi, *Norma dan Etika..*, p. 115

as product-related pornography and sadism in opera, film and music. The negative impact of this product as more dangerous than marijuana and narcotics, although casualty due to narcotics is very visible. Because pornography and sadism ruin souls, while narcotics and drug just the ruining of body.³⁰

C. The Rule of Consumer in Islamic Business View

1. The rules of Consumer

In the legislation of the Republic of Indonesia number: 8 of 1999 on the Protection of the Consumer, definition of consumer is "Any person user goods or services that are available in the community, both for the benefit of themselves, their families, other people, as well as other creatures and not to be trade". 31

While in Islam, the various aspects that need to be protected with respect to consumer protection can be seen from the maqasid al-Sharī'ah, that is the purpose to be in effect of Islamic teachings the staple for men set out Allah SWT. These include aspects of religion $(d\bar{\imath}n)$, soul (nafs), intellect ('aql), descent (nasl), and treasure $(m\bar{a}l)$.

Islamic concept of the existence of *an-nafs al-muţmainnah* (a quiet soul). This quiet soul of course does not mean that ignoring the demands in material aspects of life. Of course it still needs all the physiological needs of fulfillment as well as comforts. But the gratification of needs has to be coupled with a moral force, the

³⁰ Yusuf Qardhawi, Norma dan Etika.., p, 118

³¹ Muhammad Djakfar, *Etika Bisnis dalam Perspektif Islam*, Uin-Malang Press, Malang, 2007, p. 110

³² Muhammad Djakfar, Etika Bisnis..., p. 157

absence of inner pressure (tension) and the existence of harmony relations between fellow human beings in a society.³³

To sufficing requirement and not to fulfill the satisfaction or desire is the goal of the Islamic economic activity and achievement of goals that is one of the obligations in the religion.

The producer must be loyal with the rules in sufficing that requirement. The buyer should receive a good stuff, not defective or damaged, as well as reasonable prices. Islam forbids all business practices that damage to consumers, among others:³⁴

a. The use of weights or sizes are not correct. Allah said in Qur'an *Ash-Shu'ara* 181-183

"Give just measure, and cause no loss (to others by fraud). And weigh with scales true and upright. And withhold not things justly due to men, nor do evil in the land, working mischief". 35

b. The accumulation of goods and price manipulations

As asserted by Al-Qardawi was quoted by Choirul Fuad, that "Islam teaches a free market system, but in Islam

³³ Mustafa Edwin Nasution., et al, Pengenalan..., p. 62

 $^{^{34}}$ Choirul Fuad Yusuf, *Etika Bisnis Islam: Sebuah Perspektif Lingkungan Global*, Jurnal Ulumul Qur'an No. 3 VII/1997, p. 10-11

^{35 &#}x27;Abdullah Yusuf 'Ali, The Holy Qur'an..., p. 452

does not tolerate that a system screwing up the market system, for example: the accumulation of goods or manipulate and play the price. However Islam allow the price control in an effort to meet the needs of community and prohibit greed".³⁶

c. Falsification of Product

Islam forbids all forms of cheating, fraud, falsification and various adverse actions within a transaction or business, either when selling or buying. Muslim businessman to be honest at all times. Umar Ibn Khattab punishes a person who sells milk that is mixed with water. He also punished, and actually this milk still healthy to drink, but because buyers don't know the relative levels of milk and water. So, the ethics of Islam teaches Muslim businessmen in order to act honestly.³⁷

d. Perjury

Perjury in order to persuade a prospective buyer is prohibited from Islam or sinful.

e. Trading swag

Muslim businessmen are prohibited from buying or selling swag, either for themselves or for resale. The punishment for that case consciously is the same punishment against crime of robbery. As the Prophet Muhammad said: "Anyone who knowingly buy swag, then obtain a sin same steal".

³⁶ Choirul Fuad Yusuf, Etika Bisnis Islam..., p. 18

³⁷ Choirul Fuad Yusuf, Etika Bisnis Islam..., p. 18

f. Usury (Ribā)

Islam encouraging businessmen to increase the capital of business or trade. However, explicitly in Islam prohibits adding the capital through the practice of lending on interest. Allah said in the Qur'an *Al-Baqarah* verse 275:

"...that is because they say: "Trade is like usury," but Allah has permitted trade and forbidden usury." 38

After consumers make transactions of trade, then their needs have been met. Where in the fulfillment of the consumer will gain some *maslahah*, among them:³⁹

- a. Benefits materials, namely in the form of acquired additional property or wealth for consumers as a result of a purchase of goods or services. The benefits of this material, like low of this material can shaped low price, low transport costs, and so on.
- b. Physical and psychological benefits, namely in the form of physical needs or satisfy the human psychic, like hunger, thirst, health and so on.

³⁸ 'Abdullah Yusuf 'Ali, *The Holy Qur'an...*, p. 50

³⁹ M. Nur Rianto Al-Arif, *Dasar-dasar Ekonomi Islam*, PT. Era Adicitra Intermedia, Solo, 2011, p. 156

- c. Benefits of intellectual, namely in the form of the human intellect needs be met when he bought the goods or services.
- d. Benefits to the environment (Intergeneration), which is the form of existence of positive externalities from a purchase of goods or services or benefits that, can be felt by other than the buyer in the same generation.
- e. Long term benefits that satisfy the needs of long term temporal or awaked his future generations against losses resulting from not buying an item or service.

2. Rights and Obligations of Consumers

- a. The rights of consumers must be met to the producer, namely:⁴⁰
 - 1) Consumers the right to get information completely and correctly. There should be no cover up or manipulated information to encouraging them to buy a product.
 - 2) Consumers have the right to get replacement for damage products or services even if unintended by the producer.
 - 3) Consumers have the right to consume goods and services securely. Then, a product safety must be fully heeded, in particular concerning children's toys, food, electronic goods, and others.
 - 4) Consumers have the right to freely determine its options in buying certain products without being forced either subtly or overtly.

⁴⁰ A. Sony Keraf, Etika Bisnis.., p. 189-190

5) Consumers have the right to get adequate service either during or after buying a particular product.

b. Obligations of the consumer (article 5)⁴¹, namely:

- 1) Read and follow instructions of information and procedures usage or utilization of goods and services.
- 2) Good behaved in doing transaction purchase of goods and services.
- 3) Pay in accordance with the agreed exchange rate.
- 4) Follow the efforts to settlement of the legal dispute in consumer protection properly.

3. Consumer Behavior

The theory of consumer behavior learning about how humans choose among the various options faced with utilizing the resource that it owns.

If seen from consumer behavior in taking an item differentiated into two kinds, namely rational consumer behavior and irrational consumer behavior.⁴²

Rational Consumer Behavior.

Consumption can be said to be rationally if noting the following points:⁴³

- 1) Those goods can provide optimal usability for consumers.
- 2) Those goods actually needed consumers.

⁴¹ Muhammad Djakfar, *Etika Bisnis Menangkap Ajaran Langit dan Pesan Moral Ajaran Bumi*, Penebar Plus, Depok, 2012, p. 143

⁴² https://id.wikipedia.org/wiki/Konsumen, date: April 30, 2016, at. 10.05 am

⁴³ https://id.wikipedia.org/wiki/Konsumen

- 3) Guaranteed of goods quality.
- 4) Price in accordance with the capability of consumer.

b. Irrational Consumer Behavior

Behavior in consuming can be said to be irrational if consumers bought goods with no thought of its use in advance. For example, there are:⁴⁴

- 1) Interested with promotions or advertising in both the print and electronic media.
- 2) Has a brand that is already known to many consumers.
- 3) There is a stock sale or bonus and many discounts.
- 4) Prestige

D. The Impacts of Relation between Production and Consumer

The quality of product can be seen from how the production process, the materials used and the results perceived by the consumers. From there, the consumer can judge whether or not the product is. Therefore, consumers should be careful in choosing a product.

In this modern era, many products such as product of cosmetic, medicines, food, drinks and other products from the outside looks very interesting but the content and the effect obtained is extremely disappointing. In this case, it is usually more influential to the health such as cancer of the skin, lungs, impotence and many other impacts.

Beside the consumer, the environment which is a source of livelihood for humans also needs to be aware of. The science of ecology and understanding about natural systems are interlinked helps us to understand how humans dependent on ecosystems. If for the time being we thought that

⁴⁴ https://id.wikipedia.org/wiki/Konsumen

the rubbish pushed up in the ground will poison the groundwater and contaminated drinking water in a wide area and a long period of time.⁴⁵

Challenge to the narrow view on corporate social responsibility is not foreign anymore. Various market failures, most of which involve environmental issues, indicating that the market solution was inadequate. One of the example is the existence of externalities, e.g. is environmental pollution. Because of the cost of things like air pollution, contamination and depletion of ground water, soil erosion, and the disposal of nuclear waste are borne by the "external" of economic exchange (an example is the people who live around the industry, the environment, future generations), exchange the free market does not guarantee optimal results.⁴⁶

In Islam, the Prophet Muhammad said:

عَنْ عَبْدِ اللهِ بْنِ حَبِيْبٌ، عَنْ أَبِيْهِ – قَالَ: كُناً فِي مَجْلِسِ، فَطَلَعَ عَلَيْنَا رَسُوْلُ اللهِ – صَلَّى اللهُ عَلَيْهِ وَسَلَّمَ – وَعَلَى رَأْسِهِ أَثَرُ مَاءٍ، فَقُلْنَا: يَارَسُوْلُ اللهِ، نَرَاكَ طيبُ النَّفْسِ، قَالَ: ((أَجَلْ)) ثُمُّ حَاضُ الْقَوْمِ فِي ذِكْرِ الْغِنَى، فَقَالَ رَسُوْلُ اللهِ – صَلَّى اللهُ عَلَيْهِ وَسَلَّمَ –: ((لأَبَأْسَ بِالْغِنَى لِمَنِ النَّهَ عَلَيْهِ وَسَلَّمَ عَنْ النَّعَمِ)) . لِمَنِ اتَّقَى اللهَ خَيْرٌ مِنَ الْغِنَى، وَطيبُ النَّفْسِ مِنَ النَّعَمِ)) .

A friend said: "when we sat down coming Prophet. Former water and look on him. We said, 'O Messenger of Allah, we see thou take airy. 'The Prophet said: "of course". Then we talk about wealth. Then Prophet said: nothing wrong with rich, if piety to God. However, for those who are righteous before God, health is better than wealth and gracefullyis better than all the pleasure." 47

⁴⁵ Laura Hartman dan Joe DesJardins, *Etika Bisnis Pengambilan Keputusan untuk Integritas Pribadi dan Tanggung Jawab Sosial*, terj. Danti Pujiati, Penerbit Erlangga, Jakarta, 2011, p. 396

⁴⁶ Laura Hartman dan Joe DesJardins, *Etika...*, p. 400

⁴⁷ Yusuf Qardhawi, *Norma...*, p. 66

As it is written in the above Hadith, that health is more worth than the property. Because people who are sick could not enjoy his possessions. Better than it is open end human beings because this is an eternal grace. With open end, people will always give back the results which it enjoyed not only felt in the world, but to the life of the hereafter.

If prosperity increases, consumption will grow anyway and if consumption increases, inevitably increasing volume of junk anyway. That is an inescapable spiral motion. And there can be doubt, garbage is a most important factor in causing the pollution and destruction of the environment on our earth.⁴⁸

1. The Positive Impact of Production

There are some positive impacts of production, either for producer or consumer, i.e.:⁴⁹

- a. To getting profits.
- b. Defend the continuation of efforts with the improving production process continuously.
- c. Meet the requirements/consumer demand.
- d. Raise a trade capital.
- e. Reducing the quantity of unemployment, especially in around the factory. Because the company is able to create big jobs to absorb employee especially those from factory or enterprise environment.⁵⁰

⁴⁸ K. Bertens, *Pespektif Etika*, Kanisius, Yogyakarta, 2001, p. 140

⁴⁹ http://brainly.co.id/tugas/246458, date: May 12, 2016, at. 10.35 AM

⁵⁰http://azanulahyan.blogspot.co.id/2016/01/dampak-kegiatan-produksi-terhadap-

- f. Increase the income of society around the factory. The rising income of society means increasing the standard society's economic life so becomes prosperous, life becomes feasible, high levels of education and health.⁵¹
- g. Assist Government in accelerating development, because the Government get foreign exchange from the production activities.⁵²

2. The Negative Impact of production

While the negative impacts of production activities, i.e.:⁵³

- a. Air pollution because of the smoke from factory and material such as piece of dusts during the production activities going on, especially at the cement factory. This air pollution can cause the several of respiratory disorders, such as asthma and shortness of breath. In add smoke and dust coming out of the chimney bringing on rising temperatures.
- b. Sound Pollution. This pollution comes from factory machinery during production activities going on, so that will make the noisiness and than it cause disturbance on ear of population around the factory.
- c. Water pollution. Water quality is declining because of the liquid waste was dumped into the river. Waste can also be a freelance material was throwed into the river so that

⁵¹<u>http://azanulahyan.blogspot.co.id/2016/01/dampak-kegiatan-produksi-terhadap-lingkungan.html</u>

 $^{^{52} \}underline{\text{http://azanulahyan.blogspot.co.id/2016/01/dampak-kegiatan-produksi-terhadap-lingkungan.html}}$

 $^{^{53} \}underline{\text{http://azanulahyan.blogspot.co.id/2016/01/dampak-kegiatan-produksi-terhadap-lingkungan.html}}$

the cause of shallowness on the river. These wastes can disrupt the ecosystem water and itching on residents who live on the banks of the river.

In addition to the above, the impact of production activities can also cause soil contamination, damage to the flora and fauna as well as others.