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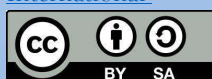
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## The Trade-Based Diversion of Three-Kilogram LPG Subsidies: A Contemporary Islamic Legal Perspective on Justice and Equity

**Abstract:** This article explores the phenomenon of misappropriation in the distribution of three-kilogram subsidized LPG through trade practices in West Sumatra, analyzed from the perspective of the Islamic law that focuses on the principles of justice (*‘adl*) and trustworthiness (*amanah*). The study also examines the mechanisms through which subsidized LPG diversion occurs in trade and how Islamic legal principles interpret such practices, particularly in the context of subsidy distribution inequality. A qualitative approach with a descriptive method was employed in this research. Primary data were collected through field observations and structured interviews with 20 sellers and 10 buyers directly involved in the trade of subsidized LPG. Secondary data were sourced from academic journals, scholarly articles, and policy reports concerning energy subsidy distribution. The findings reveal that the trade of subsidized LPG is driven by weak regulatory oversight, unequal distribution channels, and the widespread use of social media platforms for transactions. As a result, subsidies intended for low-income communities are often diverted to middle- and upper-income groups, exacerbating social inequality and increasing the economic burden on vulnerable populations. From an Islamic legal perspective, such practices violate the principles of justice and trustworthiness and may be classified as *ghasab*—the unlawful seizure of others’ rights. Therefore, the study emphasizes the urgent need for reform in the subsidized LPG distribution system through improved oversight, the utilization of digital technology, and public education on the importance of maintaining trust in state-subsidized resources.

**Keywords:** Consumer Protection, Energy Poverty, Islamic law, LPG Subsidies, Policy Reform.

## INTRODUCTION

State subsidy distribution is often one of the government's efforts to address social inequality and ensure the fulfillment of basic needs for the community. One significant form of subsidy in Indonesia is energy subsidies, particularly for liquefied petroleum gas (LPG) in three-kilogram (3 kg) containers. This program is designed to support underprivileged groups, including low-income households, microenterprises, farmers, and fishermen. With a lower price compared to non-subsidized LPG, the program aims to reduce the economic burden on vulnerable groups and ensure more equitable access to energy.<sup>1</sup> However, the implementation of this subsidy faces considerable challenges, ranging from uneven distribution to misuse by groups not entitled to receive it. One common phenomenon is the transfer of subsidies from low-income communities to the upper-middle class through the trade of subsidized 3 kg LPG cylinders. The emergence of advertisements for subsidized LPG sales on various social media platforms, such as Facebook and online marketplaces, indicates inaccuracies in the targeting of subsidy distribution. This condition not only reduces the effectiveness of the subsidy program but also raises questions about the fairness of state aid distribution and its impact on the poor, who are the primary targets of the subsidy.<sup>2</sup>

This phenomenon becomes even more complex due to the scarcity of subsidized LPG in certain areas. This scarcity triggers price speculation and the emergence of a black market for 3 kg subsidized LPG cylinders. Additionally, weak distribution oversight exacerbates this situation, resulting in subsidies intended for the poor being exploited by more economically

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<sup>1</sup> Anggito Abimanyu and Muhammad Handry Imansyah, "The Impact of Fuel Subsidy to the Income Distribution: The Case of Indonesia," *Indonesian Treasury Review: Jurnal Perbendaharaan, Keuangan Negara Dan Kebijakan Publik* 8, no. 3 (September 30, 2023): 189-203, <https://doi.org/10.33105/itrev.v8i3.932>.

<sup>2</sup> Ahmadi Murjani, "Assessing the Energy Subsidy Reform in Indonesia through Different Scenarios," *International Journal of Energy Economics and Policy* 10, no. 4 (May 16, 2020): 122-134, <https://www.econjournals.com.tr/index.php/ijeeep/article/view/9223>.

capable groups.<sup>3</sup> From an Islamic perspective, this phenomenon can also be seen as a violation of the principles of justice and trustworthiness that should be upheld in the management of public resources.<sup>4</sup> The study of LPG subsidies has developed into a multidimensional field, addressing policy design, socio-economic impacts, legal frameworks, and Islamic ethical considerations. From a policy perspective, research has extensively examined the mechanisms of distribution and the implementation challenges of subsidized LPG programs in Indonesia. Studies such as those by Beaton and Lonton (2010)<sup>5</sup> and Rizawan et al. (2023)<sup>6</sup> emphasize the persistent issues of subsidy leakage and governance complexity. Durand-Lasserve et al. (2015)<sup>7</sup> and Gobel et al. (2024)<sup>8</sup> further highlight the critical need for inclusive reforms to ensure equitable distribution and efficiency in logistics, as discussed by Subakdo and Nugroho (2016).<sup>9</sup>

In terms of socio-economic impact, LPG subsidies play a significant role in addressing energy poverty and promoting social justice. The work of Andadari et al. (2014)<sup>10</sup> illustrates how fuel-switching programs have successfully reduced energy poverty. However, Arze del

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<sup>3</sup> Naufal Noor Rochman, Azhar Kasim, and Andreo Wahyudi Atmoko, "Analysis of Governance Complexity on Subsidized LPG in Indonesia: A Three-Level Institutional Approach," *KnE Social Sciences* 8, no. 5 (March 6, 2023): 36-55, <https://doi.org/10.18502/kss.v8i5.12987>.

<sup>4</sup> Aroma Elmina Martha, Agus Triyanta, and Bayu Mogana Putra, "Theft Punishment in Islamic Law and Indonesian Criminal Law: Initiative for Harmonization from the Perspective of Sharur's Boundary Theory," *Malaysian Journal of Syariah and Law* 12, no. 2 (August 31, 2024): 436-446, <https://doi.org/10.33102/mjssl.vol12no2.663>.

<sup>5</sup> Christopher Beaton and Lucky Lonton, "Lessons Learned from Indonesia's Attempts to Reform Fossil-Fuel Subsidies," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, October 1, 2010), <https://papers.ssrn.com/abstract=1702880>.

<sup>6</sup> Rheto Rizawan, Patricia E. Suryaningsih, and Iskandar Iskandar, "The Juridical Analysis of Supervision in the Distribution of 3 Kg Liquefied Petroleum Gas (LPG) Based on Regulation of the Minister of Energy and Mineral Resources of the Republic of Indonesia Number 28 of 2021 Concerning Amendment to Regulation of the MI," *Bengkoelen Justice : Jurnal Ilmu Hukum* 13, no. 1 (May 31, 2023): 76-92, <https://doi.org/10.33369/jbengkoelenjust.v13i1.27802>.

<sup>7</sup> Olivier Durand-Lasserve et al., "Modelling of Distributional Impacts of Energy Subsidy Reforms: An Illustration with Indonesia," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, July 20, 2015), <https://doi.org/10.2139/ssrn.2633472>.

<sup>8</sup> Ruddy Kaharudin Gobel et al., "Equity and Efficiency: An Examination of Indonesia's Energy Subsidy Policy and Pathways to Inclusive Reform," *Sustainability* 16, no. 1 (January 2024): 407, <https://doi.org/10.3390/su16010407>.

<sup>9</sup> Wawan Ardi Subakdo and Yuwono Ario Nugroho, "In-Bound dan Out-Bound Logistic Pada Distribusi LPG 3kg di Indonesia," *Prosiding Semnastek*, no. 0 (November 8, 2016), <https://jurnal.umj.ac.id/index.php/semnastek/article/view/749>.

<sup>10</sup> Roos Kities Andadari, Peter Mulder, and Piet Rietveld, "Energy Poverty Reduction by Fuel Switching. Impact Evaluation of the LPG Conversion Program in Indonesia," *Energy Policy* 66 (March 1, 2014): 436-449, <https://doi.org/10.1016/j.enpol.2013.11.021>.

Granado et al. (2012)<sup>11</sup> warn that the benefits of subsidies are often skewed toward wealthier populations, raising questions about their distributive equity. Studies by Prabowo et al. (2022)<sup>12</sup> and Thoday et al. (2018)<sup>13</sup> explore strategies to optimize economic outcomes and the sustainability of such programs while balancing the needs of vulnerable groups.

From a legal standpoint, the focus has been on addressing regulatory gaps and safeguarding consumer rights. Research by Chandra (2023)<sup>14</sup> and Simbolon and Rosmidah (2020)<sup>15</sup> emphasizes the importance of stringent law enforcement in preventing subsidy abuse and protecting consumers from overpricing. Similarly, Suryani et al. (2023)<sup>16</sup> and Baskoro (2019)<sup>17</sup> analyze the effectiveness of existing regulations and identify persistent challenges in the oversight of LPG distribution. Islamic perspectives offer an ethical framework for evaluating LPG subsidies, particularly through principles such as *maslahah* (public interest) and distributive justice. Hasyim et al. (2020)<sup>18</sup> and Daipon et al. (2023)<sup>19</sup> propose that Islamic economic

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<sup>11</sup> Francisco Javier Arze del Granado, David Coady, and Robert Gillingham, "The Unequal Benefits of Fuel Subsidies: A Review of Evidence for Developing Countries," *World Development* 40, no. 11 (November 1, 2012): 2234-2248, <https://doi.org/10.1016/j.worlddev.2012.05.005>.

<sup>12</sup> Eddy Prabowo et al., "The Economic Price of Liquid Petroleum Gas, Poverty and Subsidy Removal Compensation Scenario in Indonesia," *International Journal of Energy Economics and Policy* 12, no. 5 (September 27, 2022): 169-177, <https://doi.org/10.32479/ijeep.13356>.

<sup>13</sup> Katharine Thoday et al., "The Mega Conversion Program from Kerosene to LPG in Indonesia: Lessons Learned and Recommendations for Future Clean Cooking Energy Expansion," *Energy for Sustainable Development, Scaling Up Clean Fuel Cooking Programs*, 46 (October 1, 2018): 71-81, <https://doi.org/10.1016/j.esd.2018.05.011>.

<sup>14</sup> Tofik Chandra, "Law Enforcement Against Criminal Acts of Subsidized Liquefied Petroleum Gas Abuse in Indonesia," *Research Horizon* 3, no. 4 (August 31, 2023): 410-420, <https://journal.lifescifi.com/index.php/RH/article/view/150>.

<sup>15</sup> Yosephine Mory Kezia Simbolon and Rosmidah Rosmidah, "Perlindungan Hukum Bagi Konsumen Pengguna Gas LPG 3 Kg Menurut Undang-Undang Perlindungan Konsumen," *Zaaken: Journal of Civil and Business Law* 1, no. 2 (September 30, 2020): 302-323, <https://doi.org/10.22437/zaaken.v1i2.9390>.

<sup>16</sup> Fitri Suryani, Arif Rahman, and Fatahillah Fatahillah, "Perlindungan Hukum Bagi Konsumen Dalam Transaksi Jual Beli Gas Elpiji Bersubsidi Melebihi Harga Eceran Tertinggi," *Jurnal Ilmiah Mahasiswa Fakultas Hukum Universitas Malikussaleh* 6, no. 2 (August 23, 2023): 122-136, <https://doi.org/10.29103/jimfh.v6i2.9243>.

<sup>17</sup> Gusti Agung Baskoro, "Aspek Hukum Kenaikan Harga Gas Lpg 3kg Yang Dilakukan Oleh Pangkalan Terhadap Konsumen (Studi Di Pangkalan Gas Misya)" (Thesis, Universitas Muhammadiyah Sumatera Utara, 2019), <https://repository.umsu.ac.id/handle/123456789/1284>.

<sup>18</sup> Nurhasnah Hasyim et al., "Analisis Maṣlahât Terhadap Praktik Penetapan Harga Eceran Tertinggi LPG 3 Kg di Panca Lautang Kab. Sidrap," *DIKTUM: Jurnal Syariah dan Hukum* 18, no. 1 (July 30, 2020): 129-153, <https://doi.org/10.35905/diktum.v18i1.1054>.

<sup>19</sup> Dahyul Daipon et al., "Pricing in Buying and Buying Plant Seends in Shariah Economic Law (Study of Buying and Buying Lime Seedlings in Nagari Padang Ganting)," *Al-Amwal: Journal of Islamic*

principles can offer a more just approach to pricing and subsidy allocation, thereby ensuring protection for low-income consumers. Kusumastuti (2015)<sup>20</sup> and related works suggest that integrating these ethical considerations could enhance the moral and social dimensions of subsidy policies.

Although previous research on subsidized LPG distribution is abundant, most focus only on technical aspects, such as price disparities, geographical distribution, or supervision at the agent level. Few explore the moral, legal, and social aspects of subsidy transfers through trade. Existing studies also have not specifically analyzed this phenomenon within the framework of Islamic law, which emphasizes principles of justice, trustworthiness, and the prohibition of unjustly consuming others' rights (QS. An-Nisa: 29). This article fills that gap by combining Islamic legal analysis of the trade of subsidized 3 kg LPG, which should be allocated for the poor but is instead enjoyed by the upper-middle class. Additionally, this study highlights the role of social media as a platform accelerating the subsidy transfer process. This approach offers a unique perspective by linking socio-economic issues with moral and ethical values in Islam.

This study aims to examine the phenomenon of recipients of state subsidies in the form of 3kg gas transferring to other communities who are not classified as subsidy recipients by selling 3 kg LPG cylinders, and to analyze this practice in Islamic law. In addition, this research aims to educate the public on the importance of maintaining trust and fairness in utilizing public resources in a manner compliant with Islamic principles. Thus, this article is relevant not only to academics and policymakers but also to the wider community involved in the distribution and consumption chain of subsidized LPG. In addition, this article is urgent because of the buying and selling of state subsidies in the form of 3kg gas cylinders, which were originally for the poor, but with the buying and selling of 3kg gas cylinders, there was a shift in the recipients of state subsidies from the poor to the middle and upper class

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*Economic Law* 8, no. 2 (November 25, 2023): 155–170, <https://doi.org/10.24256/alw.v8i2.4212>; Shevira Arista Achmanda, “Review of Islamic Law on the Practice of ‘Paylater’ in Buying and Selling Transactions,” *Al-Hurriyah: Jurnal Hukum Islam* 8, no. 1 (June 30, 2023): 75–82, <https://doi.org/10.30983/al>.

<sup>20</sup> Dora Kusumastuti, “Kajian Terhadap Kebijakan Pemerintah Dalam Pemberian Subsidi Di Sektor Perumahan,” *Yustisia* 4, no. 3 (December 1, 2015): 541–557, <https://doi.org/10.20961/yustisia.v4i3.8686>.

## METHODS

This study employs a qualitative approach with descriptive methods to examine the phenomenon of subsidized 3 kg LPG cylinder trade in West Sumatra. This approach is chosen because it can provide in-depth insights into community practices, particularly in the context of energy subsidy distribution. Data are collected through field research, including direct observations and structured interviews with buyers, sellers, and other relevant parties.<sup>21</sup> The primary data sources were garnered from 20 sellers and 10 buyers of 3 kg subsidized LPG cylinders, selected through purposive sampling. This technique allows researchers to select respondents who are relevant and possess specific information related to the phenomenon investigated. Additionally, secondary data is obtained from journals, scientific articles, and policy reports pertinent to the topic of subsidy transfer.

Data analysis is conducted descriptively to identify patterns, causes, and impacts of subsidized LPG trading practices. The findings are analyzed to develop a comprehensive understanding that can explain the social, economic, and legal implications of this phenomenon. This method ensures that the study not only produces empirical descriptions but also provides conceptual contributions to understanding the fairness of subsidy distribution from an Islamic legal perspective.<sup>22</sup>

## RESULTS AND DISCUSSION

### The Practice of Trading State-Subsidized 3-Kilogram LPG Cylinders in West Sumatra

The 3-kg LPG subsidy program initiated by the government is part of the kerosene-to-LPG conversion program aimed at reducing the use of subsidized kerosene for cooking. This program aligns with Presidential Decree No. 9 of 2006, which emphasizes the need to reduce dependency on fuel oil, particularly kerosene, by transitioning to LPG. The government supervises the distribution of subsidized 3-kg LPG cylinders to ensure equitable access to energy and improve budget efficiency, as LPG is

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<sup>21</sup> Norman K Denzin and Yvonna S. Lincoln, *Handbook of Qualitative Research* (Yogyakarta: Pustaka Pelajar, 2009).

<sup>22</sup> John W. Creswell and Cheryl N. Poth, *Qualitative Inquiry and Research Design: Choosing Among Five Approaches* (London: SAGE Publications, 2016).



considered safer and more economical than kerosene.<sup>23</sup> However, the implementation of this program faces significant challenges, particularly in distribution. The main issues include unauthorized sales outside designated areas, hoarding of LPG cylinders by distributors, and inflated prices charged by retailers.<sup>24</sup> These practices make it difficult for local communities to access subsidized LPG. Additionally, the increased demand for 3-kg LPG has created supply strain, with consumption rising sharply from eight million metric tons in 2022 to an estimated 8.15 million metric tons by mid-2023—an increase of 15-20%. By May 2023, consumption had already reached 3.32 million metric tons, accounting for 41.5% of the allocated quota.<sup>25</sup>

To address these challenges, the government introduced a registration system to limit consumption and ensure that subsidies reach the rightful recipients. Consumers are required to register by submitting official documents such as ID cards and family cards. This registration, which runs until December 31, 2023, is intended to verify eligibility and limit subsidies to low-income households, small fishermen, and farmers. The government has also begun using digital applications to monitor distribution and regulate purchases at authorized Pertamina bases. However, when people purchase subsidized 3kg LPG gas at small stalls, this does not apply, allowing the upper middle class to own subsidized 3kg gas cylinders and reap the benefits of buying subsidized LPG gas at prices they do not deserve.<sup>26</sup> Despite these efforts, the subsidized LPG program continues to face misuse. Subsidized 3-kg LPG cylinders remain widely accessible and are often sold through informal channels, including social media platforms like Facebook and online marketplaces. Sellers exploit these platforms to advertise and trade the cylinders at

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<sup>23</sup> Beaton and Lonton, “Lessons Learned from Indonesia’s Attempts to Reform Fossil-Fuel Subsidies.”

<sup>24</sup> Roos Kities Andadari et al., “State-Owned Companies and Innovative Ecosystem: A Case of 3-Kg LPG,” in *A Guide to Planning and Managing Open Innovative Ecosystems*, ed. João Leitão, Vanessa Ratten, and Jean Barroca (Emerald Publishing Limited, 2020), 169-184, <https://doi.org/10.1108/978-1-78973-409-620201012>.

<sup>25</sup> Chandra, “Law Enforcement Against Criminal Acts of Subsidized Liquefied Petroleum Gas Abuse in Indonesia.”

<sup>26</sup> BBC News Indonesia, “Beli gas elpiji 3 kilogram pakai KTP, antara subsidi tepat sasaran dan masalah pemantauan,” BBC News Indonesia, December 28, 2022, <https://www.bbc.com/indonesia/articles/c3g7pv4360eo>.

inflated prices. For instance, a single purchase of a 3-kg cylinder, including gas, may cost Rp. 8,000 more than the official price.<sup>27</sup>

The subsidy program is governed by the Ministerial Decree of Energy and Mineral Resources (ESDM) issued on February 27, 2023. This regulation mandates that 3-kg LPG cylinders be purchased exclusively at official Pertamina bases and specifies eligibility criteria for consumers, as outlined in Ministerial Decree No. 37.K/MG.01/MEM.M/2023.<sup>28</sup>

Table 1: Buying and Selling Prices of Subsidized 3-kg LPG Cylinders in West Sumatra

| No | Area        | Bargaining Price for Empty Cylinders (Rp) | Buying and Selling Price for Empty Cylinders (Rp) |
|----|-------------|---|---|
| 1  | Bukittinggi | 200,000                                   | 190,000   |
| 2  | Solok       | 190,000                                   | 180,000   |
| 3  | Padang      | 200,000                                   | 170,000   |
| 4  | Payakumbuh  | 200,000                                   | 165,000   |

Source: Author's Interpretation

Field observations conducted between May and August 2023 revealed discrepancies in the prices of subsidized 3-kg LPG cylinders. As shown in Table 1, the selling prices vary significantly across regions, ranging from Rp. 165,000 to Rp. 190,000 for empty cylinders. This data was corroborated by interviews with buyers and sellers actively involved in the trade. These findings highlight the prevalence of unauthorized trading practices, including price markups and sales outside official channels, which undermine the program's objectives and disproportionately burden low-income communities.

<sup>27</sup> Rochman, Kasim, and Atmoko, "Analysis of Governance Complexity on Subsidized LPG in Indonesia."

<sup>28</sup> Subakdo and Nugroho, "In-Bound dan Out-Bound Logistic Pada Distribusi LPG 3kg di Indonesia."



## The Transfer Scheme of State-Subsidized 3 Kg LPG Cylinders in West Sumatra

In West Sumatra, the practice of buying and selling state-subsidized 3 kg LPG cylinders is prevalent.<sup>29</sup> This activity arises primarily due to the scarcity of subsidized 3 kg LPG and the economic incentive it provides. While these gas cylinders are intended for underprivileged households, they are often sold informally on social media platforms, such as Facebook and online marketplaces, to middle- and upper-class buyers.<sup>30</sup> This practice involves several stages:

1. Subsidy recipients offer the 3 kg LPG gas cylinders for sale on social media.
2. Bargaining occurs between sellers and buyers.
3. An agreement on price is reached, leading to the sale of the gas cylinders to middle- or upper-class buyers.
4. The subsidized gas cylinders are transferred from the underprivileged community to wealthier individuals.
5. These gas cylinders are subsequently utilized by upper-class households, contrary to the intended purpose of the subsidy.

Table 2: Cycle of Subsidy Transfer in 3 Kg LPG Gas Cylinder Sales

| No | Stage Description  | Actors Involved                  |
|----|--|----------------------------------|
| 1  | Subsidy recipients offer subsidized gas cylinders online | Subsidy recipients (lower class) |
| 2  | Bargaining over the price                                | Buyers and sellers               |
| 3  | Price agreement and transaction                          | Middle- or upper-class buyers    |
| 4  | Transfer of subsidized cylinders                         | From lower to upper class        |
| 5  | Use of subsidized cylinders by upper-class buyers        | Middle- or upper-class users     |

Source: Author's Interpretation

This process demonstrates how state subsidies intended for underprivileged households are diverted and consumed by those outside the targeted groups. The

<sup>29</sup> Anggito Abimanyu, Muhammad Handry Imansyah, and Muhammad Adisurya Pratama, "Will Indonesia Enter the 2023 Financial Crisis? Application of Early Warning Model System," *Economic Journal of Emerging Markets*, April 10, 2023, 28-41, <https://doi.org/10.20885/ejem.vol15.iss1.art3>.

<sup>30</sup> Andadari et al., "State-Owned Companies and Innovative Ecosystem."

economic benefit of using subsidized 3 kg LPG cylinders compared to non-subsidized ones is significant. The table below illustrates the cost savings:

Table 3: Cost Savings from Using Subsidized 3 Kg LPG Gas Cylinders

| No | Number of Cylinders | Non-Subsidized Price (Rp) | Subsidized Price (Rp) | Savings Per Cylinder (Rp) | Yearly Savings (Rp)<br>(Assumes 1 Cylinder Lasts 2 Weeks) |
|----|---------------------|---------------------------|-----------------------|---------------------------|---|
| 1  | 1                   | 29,000-30,000             | 21,000-22,000         | 8,000-9,000               | 208,000   |
| 2  | 10                  | 29,000-30,000             | 21,000-22,000         | 8,000-9,000               | 2,080,000   |
| 3  | 50                  | 29,000-30,000             | 21,000-22,000         | 8,000-9,000               | 10,400,000  |
| 4  | 100                 | 29,000-30,000             | 21,000-22,000         | 8,000-9,000               | 20,800,000  |

Source: Author's Interpretation

Table 3 shows that the savings per cylinder can reach Rp. 8,000. Over a year, a household using one cylinder every two weeks can save approximately Rp. 208,000. If the household uses 10 cylinders, the savings increase to Rp. 2,080,000 annually. The economic incentive often drives the informal trading of these cylinders, especially among middle- and upper-class buyers.<sup>31</sup> The practice of selling subsidized 3-kg LPG cylinders to people from different social backgrounds reveals irregularities in the distribution of government subsidies. Cylinders meant for the poor often change hands to wealthier groups through buy-and-sell transactions.<sup>32</sup> Consequently, the subsidy intended for low-income groups is indirectly transferred to wealthier individuals. In Islamic principles, government subsidies specifically designated for certain groups should not be used by those outside the intended category. If 3-kg LPG cylinders are reserved for low-income communities, their use must be restricted to that group. In Islam, individuals categorized

<sup>31</sup> Andadari, Mulder, and Rietveld, "Energy Poverty Reduction by Fuel Switching. Impact Evaluation of the LPG Conversion Program in Indonesia."

<sup>32</sup> Baskoro, "Aspek Hukum Kenaikan Harga Gas Lpg 3kg Yang Dilakukan Oleh Pangkalan Terhadap Konsumen (Studi Di Pangkalan Gas Misyra)."

as underprivileged are those unable to meet their basic needs. Therefore, subsidies should prioritize those genuinely in need.<sup>33</sup>

The purchasing procedure for subsidized 3-kg LPG cylinders is regulated to ensure accurate distribution. According to existing regulations, Indonesian citizens with a valid ID card and family card are eligible to purchase 3-kg LPG, particularly for groups such as micro, small, and medium enterprises (MSMEs), fishermen, and other qualified individuals. This is emphasized in the Minister of Energy and Mineral Resources Regulation No. 37.L/MG.01/MEM/2023<sup>34</sup> and the Director General of Oil and Gas Regulation No. 99.K/MG.05/DJM/2023,<sup>35</sup> which mandate that 3-kg LPG users must be recorded by name and address. Presidential Regulation No. 104 of 2007<sup>36</sup> specifies that subsidized LPG is intended for micro-businesses, defined as independent productive economic entities operated by individuals or small businesses without ties to medium or large enterprises, as outlined in Law No. 20 of 2008.<sup>37</sup> Hence, users failing to meet these criteria, such as large-scale restaurants or high-demand users, should not access these subsidies.

The 3-kg LPG subsidy is also specifically intended for underprivileged communities, as reaffirmed in Circular Letter No. B-2461/MG.05/DJM/2022 issued by the Director General of Oil and Gas.<sup>38</sup> This program aims to fulfill citizens' rights to a

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<sup>33</sup> Chandra, "Law Enforcement Against Criminal Acts of Subsidized Liquefied Petroleum Gas Abuse in Indonesia."

<sup>34</sup> Media Justitia, "Keputusan Menteri Energi Dan Sumber Daya Mineral Nomor 37.K/MG.01/MEM.M/2023 Tentang Petunjuk Teknis Pendistribusian Isi Ulang Liquefied Petroleum Gas Tertentu Tepat Sasaran," Media Justitia, July 6, 2023, <https://www.mediajustitia.com/data-center/keputusan-menteri-energi-dan-sumber-daya-mineral-nomor-37-k-mg-01-mem-m-2023-tentang-petunjuk-teknis-pendistribusian-isi-ulang-liquefied-petroleum-gas-tertentu-tepat-sasaran/>.

<sup>35</sup> Paralegal.id, "Keputusan Menteri Energi dan Sumber Daya Mineral Nomor 37.K/MG.01/MEM.M/2023," Paralegal.id, 2023, <https://paralegal.id/peraturan/keputusan-menteri-energi-dan-sumber-daya-mineral-nomor-37-k-mg-01-mem-m-2023/>.

<sup>36</sup> JDIH BPK, "PERPRES No. 104 Tahun 2007," Database Peraturan, 2007, <http://peraturan.bpk.go.id/Details/42150/perpres-no-104-tahun-2007>.

<sup>37</sup> JDIH BPK, "UU No. 20 Tahun 2008," Database Peraturan, 2008, <http://peraturan.bpk.go.id/Details/39653/uu-no-20-tahun-2008>.

<sup>38</sup> Directorate General of Oil and Gas, "Kendalikan Pengguna LPG 3 Kg, Pemerintah Minta Pemda Bantu Lakukan Pengawasan," The Ministry of Energy and Mineral, 2022, <https://www.esdm.go.id/en/media-center/berita-unit/kendalikan-pengguna-lpg-3-kg-pemerintah-minta-pemda-bantu-lakukan-pengawasan>.

decent living as stipulated in Article 27, Paragraph 2 of the 1945 Constitution. It also represents one of the President's promises during the 2019 presidential campaign to promote equitable welfare. The term “subsidy” itself refers to assistance provided to reduce certain burdens for individuals or businesses. Interviews with several subsidy recipients reveal that the scarcity of 3-kg LPG is a major issue. One recipient, “R”, explained, *“I received 3-kg gas assistance from the government in 2022. Until now, the cylinder can still be used, but throughout 2023, there has often been a shortage. Even to refill, we can only do it once every two weeks, while for our family, one 3-kg cylinder is essential for cooking.”*

Similarly, “J”, an MSME owner, shared, *“To run my business, I need at least two 3-kg gas cylinders daily. Due to the difficulty in obtaining subsidized LPG, I am forced to purchase non-subsidized LPG refills, which significantly increases my operational costs.”* Meanwhile, “P”, a porter, mentioned that he had to go to another area to refill his 3-kg cylinder. He stated, *“It’s hard to find 3-kg gas cylinders in my area. I have to travel to another region, incurring additional costs that sometimes exceed the price difference between subsidized and non-subsidized LPG”.*

On the other hand, buyers like “A” explained their motivation for purchasing subsidized 3-kg LPG cylinders. He said, *“I buy subsidized gas cylinders to save costs. If I use non-subsidized cylinders, I usually pay Rp29,000–30,000 per refill, whereas subsidized cylinders cost only Rp21,000–22,000. The Rp8,000 savings per refill helps me a lot. Over a year, I can save up to Rp416,000 for one cylinder. Since I own five cylinders, my total savings amount to Rp2,080,000 annually”.* This analysis highlights the need to improve the distribution mechanism of 3-kg LPG subsidies to ensure that they are only accessed by eligible groups. Strengthening regulations, supervision, and public education are crucial steps in addressing this issue and supporting the government's objective of assisting underprivileged communities.

### **Islamic Legal Analysis of the Trade of Subsidized LPG Cylinders**

The practice of trading subsidized LPG cylinders in West Sumatra reflects the transfer of subsidies from low-income communities to the middle class. From the

perspective of Islamic law, this phenomenon can be analyzed through various aspects, including the pillars and conditions of trade, contract validity, the concept of *ghasab*,<sup>39</sup> and trust (*amanah*).<sup>40</sup> Additionally, the principles of social justice and distribution outlined in the Qur'an and Hadith serve as essential foundations for assessing this practice.

### Islamic Legal Perspective on the Trade of Subsidized LPG Cylinders

In Islam, a trade transaction is considered valid if it fulfills its pillars and conditions. The pillars of the trade include the parties involved (seller and buyer), the object of trade (goods or services), the price, and the contract (*ijab* and *qabul*).<sup>41</sup> In the case of subsidized LPG cylinder trade, sellers and buyers technically meet these pillars.<sup>42</sup> The sellers and buyers are mentally sound and mature; the object of the transaction is the subsidized LPG cylinder, and the price is agreed upon by both parties. However, when linked to the conditions for the validity of trade, this practice raises issues. In Islamic law, the conditions for a valid trade include the permissibility (*halal*) of the goods and the seller's lawful ownership. The government provides subsidized LPG cylinders to low-income communities to meet their basic needs.<sup>43</sup> When subsidy recipients sell these

<sup>39</sup> Asmuni Asmuni, YUSDANI YUSDANI, and Januariansyah Arfaizar, "Dynamics Response of Indonesian Islamic Law to the Protection of Intellectual Property Rights," *Ulumuna* 27, no. 2 (2023): 876–904, <https://doi.org/10.20414/ujis.v27i2.749>.

<sup>40</sup> Muhammad Sarim Tahir, "Concept of Usurpation (Ghasab) and Its Remedies in Islamic Law of Torts and Its Remedies," SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, February 5, 2024), <https://doi.org/10.2139/ssrn.4871685>; Ramon Nofrial et al., "The Consumer Protection in The Balance of Business Actors and Consumers: A Paradigm of Justice," *Jurnal Hukum* 41, no. 1 (March 1, 2025): 73–91, <https://jurnal.unissula.ac.id/index.php/jurnalhukum/article/view/43967>; Beni Firdaus et al., "Buy Now Pay Later Transactions (BNPL) in Indonesia: Implications for Maqāṣid Sharia in the Digital Era," *Islam Realitas: Journal of Islamic and Social Studies* 10, no. 2 (December 30, 2024): 130–146, [https://doi.org/10.30983/islam\\_realitas.v10i2.8690](https://doi.org/10.30983/islam_realitas.v10i2.8690).

<sup>41</sup> Ani Yumarni et al., "The Meaning of 'Amānah' and 'Trust' in the Appointment of Nāẓhir in Indonesian Endowment Regulations," *Al'Adalah* 20, no. 1 (June 10, 2023): 115–136, <https://doi.org/10.24042/adalah.v20i1.14517>.

<sup>42</sup> Mohammad Hashim Kamali, "Theft (Sariqah)," in *Crime and Punishment in Islamic Law: A Fresh Interpretation*, ed. Mohammad Hashim Kamali (Oxford University Press, 2019), <https://doi.org/10.1093/oso/9780190910648.003.0006>.

<sup>43</sup> Zarul Arifin, "The Distribution Mechanism of Subsidized Liquid Petroleum Gas in Sajak District West Kalimantan: An Investigation Based on Islamic Law," *Al-Manahij: Jurnal Kajian Hukum Islam* 15, no. 1 (June 10, 2021): 1–18, <https://doi.org/10.24090/mnh.v15i1.3960>; Herlambang Herlambang et

cylinders to others, especially those who do not qualify as subsidy recipients, it deviates from the original purpose of the aid.<sup>44</sup> Therefore, the item cannot be lawfully sold under Shariah as it violates the condition of lawful ownership.

Contracts in Islam also come under scrutiny in this case. A contract (*aqad*) is an agreement between the seller and buyer that forms the essence of the transaction. In this trade practice, although the contract is formally conducted with mutual consent (*ridha bi ridha*), the objective of the contract contradicts Islamic principles. The government, as the subsidy provider, does not authorize the sale of subsidized goods, rendering the contract defective. As stated in the fiqh maxim, “*Al-ghunmu bil ghurmi*,” profit must be accompanied by responsibility.<sup>45</sup> Selling subsidized LPG cylinders without permission violates the responsibility of subsidy recipients to use the goods as intended.

### **The Concept of Ghasab and Trust (*Amanah*) in Islam**

In Islam, *ghasab* is defined as taking or using another person's rights without permission. In the context of trading subsidized LPG cylinders, the transfer of subsidies from low-income groups to the middle class can be categorized as *ghasab*.<sup>46</sup> Although sellers and buyers may not realize that their actions fall under this category, the fact remains that government subsidies intended to help the poor have been diverted and enjoyed by unauthorized groups. The concept of *amanah* is also relevant in this case. *Amanah* in Islam refers to the moral responsibility and obligation to safeguard and utilize

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al., “The Idea of Privatization and Self-Financing of Prison Management in Positive Law and Islamic Law,” *Al-Istinbath: Jurnal Hukum Islam* 9, no. 1 (May 30, 2024): 101–120, <https://doi.org/10.29240/jhi.v9i1.9055>.

<sup>44</sup> Ja’Afar Agaji Abdullahi and Shafi’U Nuhu, “The Juristic Approach to the Concept of Theft (Sariqah) and Its Punishments,” *IOSR Journal of Humanities and Social Science (IOSR/JHSS)* 27, no. 4 (2022): 41–49, <https://doi.org/10.9790/0837-2704074149>; Khairudin Khairudin et al., “Cyber Security and Legal Protection for Dropshipping Transactions in Indonesia: Between State Law and Islamic Law,” *JURIS (Jurnal Ilmiah Syariah)* 23, no. 1 (June 21, 2024): 81–92, <https://doi.org/10.31958/juris.v23i1.11786>.

<sup>45</sup> Erik Nugraha and Audita Setiawan, “Non Performing Financing Factor in Syaria Commercial Banking in Indonesia,” *International Journal of Commerce and Finance* 4, no. 1 (May 9, 2018): 27–39, <https://ijcf.ticaret.edu.tr/index.php/ijcf/article/view/64>.

<sup>46</sup> Zulfiani Ayu Astutik et al., “Theft under Islamic and Indonesian Criminal Law,” *Indonesian Comparative Law Review* 5, no. 1 (December 26, 2022): 23–30, <https://doi.org/10.18196/iclr.v5i1.15124>.

something according to its intended purpose.<sup>47</sup> When the government provides 3 kg LPG subsidies to low-income communities, the subsidy is an *amanah* that must be used to meet the basic needs of the recipients. Selling subsidized LPG cylinders constitutes a betrayal of this trust, as goods meant to assist the poor are instead exploited by others for personal gain or financial profit.

This transfer of subsidies also violates the principle of distributive justice in Islam. In the Qur'an, social justice is a crucial pillar in resource management. Allah SWT states in Surah An-Nisa (4:58), "*Indeed, Allah commands you to render trusts to whom they are due and when you judge between people to judge with justice.*" This verse emphasizes the importance of ensuring that aid or trusts are given only to those who are entitled. In this case, the intended subsidy for the poor has been misused, resulting in social injustice. The Qur'an and Hadith provide clear guidance on the importance of protecting the rights of the poor and shielding them from exploitation. In Surah An-Nisa (4:29), Allah says, "*O you who have believed, do not consume one another's wealth unjustly but only [in lawful] trade by mutual consent.*" This verse warns that transactions involving the usurpation of others' rights, such as the transfer of 3 kg LPG subsidies to unauthorized parties, fall under the category of consuming wealth unlawfully.

In a hadith, the Prophet Muhammad (peace be upon him) said, "*Help your brother, whether he is an oppressor or is oppressed.*" When the companions asked how to help an oppressor, the Prophet replied, "*By preventing him from oppressing others.*"<sup>48</sup> The practice of trading subsidized LPG cylinders, which leads to unequal distribution, can be seen as a form of oppression, as it deprives the poor of their rightful aid.<sup>49</sup> Therefore, stopping this practice is part of upholding social justice as taught by Islam. Furthermore, the Prophet also said, "*Whoever takes the right of another unlawfully will be held accountable on the Day of*

<sup>47</sup> Muhammad Ikram Ullah, Sami ul Haq, and Badshah Rehman, "Punishment of Theft in Islam and Its Enforcement In Pakistan," *Journal of Islamic and Religious Studies* 5, no. 1 (June 30, 2020): 115–30, <https://doi.org/10.36476/JIRS.5:1.06.2020.19>.

<sup>48</sup> Imam al-Bukhariy, *Shahih Al-Bukhariy* (Beirut: Dar Al-kutub Al-Ilmiyah, 1992), Book 237, Number 38622.

<sup>49</sup> Abd Al-Salam Atwa Al-Fendi and Anas Salah Al-Din Sabri, "Prophetic Methods In Developing Skill Values And Their Role In Building The Islamic Character," *Journal of Positive School Psychology* 6, no. 8 (September 8, 2022): 9801–9820, <https://mail.journalppw.com/index.php/jpsp/article/view/11586>.



*Judgment.*"<sup>50</sup> This hadith underscores the importance of safeguarding others' rights and emphasizes that the wrongful appropriation of rights, whether directly or indirectly, will have spiritual and moral consequences. In the context of LPG subsidies, those involved in such trade must realize that their actions harm the poor and carry moral and spiritual implications.

### Policy Implications and Islamic Values

Islamic values, including justice, *amanah*, and responsibility, must serve as the foundation for designing subsidy distribution policies. The government must ensure that 3 kg LPG subsidies are distributed only to eligible recipients through transparent systems and strict oversight. Digital technology, such as using apps to record subsidy recipients, can provide a solution to reduce misuse. Additionally, educating the public on the importance of preserving *amanah* and justice in Islam should be strengthened. The community needs to understand that subsidies are a form of trust from the government that must be used for their intended purpose.<sup>51</sup> Through this approach, it is hoped that the misdirected trade of subsidized LPG cylinders can be minimized, thereby ensuring social justice and achieving the primary objectives of the subsidy.<sup>52</sup>

Overall, the Islamic legal analysis of the trade of subsidized LPG cylinders demonstrates that this practice violates the fundamental principles of justice, *amanah*, and responsibility in Islam.<sup>53</sup> Therefore, joint efforts by the government, society, and scholars are necessary to halt this practice and ensure that subsidies genuinely benefit those who are most in need.

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<sup>50</sup> al-Bukhariy, *Shahih Al-Bukhariy*, Volume 9, Book 89, Number 252.

<sup>51</sup> Moh Fadhil et al., "Navigating the Tensions Between Sharia and Human Rights in Regional Legislation," *De Jure: Jurnal Hukum Dan Syar'iah* 16, no. 2 (December 30, 2024): 406-431, <https://doi.org/10.18860/j-fsh.v16i2.29031>.

<sup>52</sup> Saidati Alifia Hidayat, "Review of Jinayah Fiqh and the Criminal Code Regarding Sanctions for Theft Committed by Minors.," *DELICTUM: Jurnal Hukum Pidana Islam* 2, no. 2 (February 25, 2024): 26-39, <https://doi.org/10.35905/delictum.v2i2.7655>.

<sup>53</sup> Dedisyah Putra and Nuriza Acela, "Human Rights Protection in the Islamic Family Law: A Case Study Concerning Domestic Violences," *ElUssrah: Jurnal Hukum Keluarga* 6, no. 1 (September 26, 2023): 1-16, <https://doi.org/10.22373/ujhk.v6i1.18511>.

## Social Implications and Policy Recommendations

### Social Impact

The misallocation of the 3 kg subsidized LPG in West Sumatra has significant social impacts, particularly in exacerbating social inequality. The subsidized LPG program is designed to alleviate the economic burden of low-income groups by providing affordable energy sources. However, in reality, the upper-middle economic class has taken advantage of this subsidy by buying and selling subsidized LPG cylinders. As a result, low-income communities lose their access to the subsidy that is rightfully theirs.<sup>54</sup> Social inequality deepens as the poor face shortages of subsidized LPG. They often cannot meet their daily needs because they cannot afford the more expensive non-subsidized LPG. Conversely, the upper-middle class, who should not rely on subsidies, benefit financially from purchasing subsidized LPG. This phenomenon highlights the injustice in subsidy distribution, leading to the marginalization of the poor.<sup>55</sup> In some cases, as found in field research, low-income communities must incur additional costs to obtain subsidized LPG from other regions due to uneven distribution.

The economic effects of this phenomenon are also highly detrimental to low-income communities. The price of subsidized LPG, which is intended to help reduce household expenses, instead becomes an additional burden due to its scarcity. One research respondent revealed that to obtain subsidized LPG cylinders, they had to pay extra for transportation to distant areas.<sup>56</sup> Additionally, they could often only afford to buy one cylinder every two weeks, which is insufficient to meet daily cooking needs.<sup>57</sup> This situation not only reduces the purchasing power of the poor but also worsens their quality of life. This misallocation also creates psychological impacts on the poor, who feel deprived of their right to subsidies. When

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<sup>54</sup> Beaton and Lonton, "Lessons Learned from Indonesia's Attempts to Reform Fossil-Fuel Subsidies."

<sup>55</sup> M. Wildan Humaidi, Hariyanto Hariyanto, and Mabarroh Azizah, "Green Philanthropy: Islamic Activism on Indonesia's Environmental Democracy," *Ijtihad : Jurnal Wacana Hukum Islam Dan Kemanusiaan* 24, no. 2 (December 28, 2024): 167-91, <https://doi.org/10.18326/ijtihad.v24i2.167-191>.

<sup>56</sup> Diyan Budiarto and Slamet Kyswantoro, "Analisis Faktor-Faktor Yg Mempengaruhi Pendapatan Usaha Pangkalan Elpiji 3 Kg Di Kecamatan Dander Kabupaten Bojonegoro," *JEMeS - Jurnal Ekonomi Manajemen Dan Sosial* 4, no. 1 (January 22, 2021): 27-35, <https://doi.org/10.56071/jemes.v4i1.256>.

<sup>57</sup> Annisa Permatasari, "Elasticity of Islamic Law in Social Dynamics (Analysis of E-Commerce A Fiqh Perspective)," *MILRev: Metro Islamic Law Review* 1, no. 1 (December 26, 2022): 34-53, <https://doi.org/10.32332/milrev.v1i1.6189>.

the subsidies intended to assist them are instead enjoyed by wealthier groups, a sense of injustice and distrust toward the government arises. In the long term, this condition can weaken social solidarity and public trust in the subsidy distribution system.

### **Policy Recommendations**

To mitigate the negative impacts of the misallocation of the 3 kg LPG subsidy, comprehensive and technology-based policy measures are required. A primary step is to strengthen oversight of subsidy distribution. The government needs to enhance supervision at the base level, including sub-agents and small retailers, to ensure that subsidized LPG is sold only to eligible groups. This oversight can be conducted by forming special monitoring teams or collaborating with independent parties with credibility in ensuring distribution follows regulations. In addition to direct oversight, the government should adopt digital or technology-based distribution systems to ensure subsidies are properly targeted. The use of applications or integrated digital platforms can help record subsidy recipient data in real time and verify their identities. This system allows each subsidized LPG purchase to be made based on registered data, thereby reducing the likelihood of misuse. For example, implementing technology that utilizes national ID cards (KTP) and family cards (KK) to access subsidies can help minimize the practice of transferring subsidies to unauthorized parties. This technology can also provide transparent reports on subsidized LPG distribution, which both the government and the public can audit.

The government must also educate the public on the values of justice and trust in using subsidies. Subsidies represent a form of trust from the state to those in need. Therefore, educational campaigns explaining the importance of using subsidies properly are necessary. The public must understand that selling or misusing subsidies harms poorer groups who need them most. These campaigns can be conducted through social media, television programs, or even community activities involving local leaders and religious scholars to provide insight from both religious and social perspectives. Furthermore, the government should consider comprehensive reforms to its energy subsidy policy. One potential option is to shift direct subsidies to low-income groups in the form of cash assistance integrated with other social protection programs. This model can reduce community dependence on subsidized goods, which are prone to

misuse. Additionally, cash subsidies offer recipients the flexibility to meet their basic needs according to their priorities.

This policy should also be accompanied by increased public awareness to encourage those who are financially capable to switch to non-subsidized LPG. The government can offer incentives to upper-middle-class households to switch to non-subsidized LPG, such as price discounts for initial purchases or installment programs for non-subsidized LPG cylinders. This measure is expected to alleviate pressure on subsidized LPG distribution, making it easier for low-income individuals to access the product. With a combination of strict oversight measures, technology implementation, public education, and policy reform, it is hoped that the distribution of subsidized LPG can be properly targeted again. These steps aim not only to address technical issues in subsidy distribution but also to strengthen the social justice principles that underpin the program. In the long term, policies grounded in justice and trust will foster public confidence in the government and promote a more inclusive and sustainable distribution system.

## CONCLUSION

The trade in subsidized 3 kg LPG cylinders in West Sumatra reflects the unequal distribution of subsidies intended for low-income communities. The diversion of subsidy entitlements through such trading not only undermines the principles of social justice but also contradicts the values of trust in Islamic law. The main causes of subsidy fraud are weak distribution supervision, uneven supply, and the role of social media as an informal trading platform. These factors prevent the poor from accessing the subsidies to which they are entitled, exacerbating social inequalities and increasing the economic burden on vulnerable groups. These practices violate the principles of justice (*'adl*) and trust (*amanah*), as emphasized in the Qur'an and Hadith. In Islam, subsidies are a state responsibility that must be managed and distributed fairly to those entitled to receive them. The practice of trading subsidized LPG involving the middle and upper classes can be classified as *ghasab*—taking the rights of others illegally, thus contradicting Islamic teachings that emphasize the importance of protecting the rights of the underprivileged. Islam views the distribution of public resources as a trust that must be managed

responsibly and must not be misused for personal gain. Therefore, this article highlights and suggests the need for reforms in the LPG 3 kg subsidy distribution system, including strengthening supervision, utilizing digital technology, and increasing public awareness of the importance of upholding trust in the utilization of subsidies.

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## AUTHOR CONTRIBUTIONS STATEMENT

Dahyul daipon was responsible for formulating the main objectives of the research, and helped integrate the findings within the broader academic discourse and oversaw the overall progress of the research. Miswardi contributed significantly to the development of the research methodology and conducted data analysis. Bustamar conducted an extensive literature review and compiled the theoretical background.

Hoirol bin Mak Din managed the data collection process, ensured the validation and reliability of the data, and actively participated in drafting the initial part of the manuscript. Mhd Asyraf Badri critically revised the manuscript, provided substantive academic input, improved substantive academics, enhanced the coherence of the arguments, and finalized the manuscript for submission. All authors made meaningful contributions to the discussion of results, provided valuable intellectual input, reviewed and approved the final version of the manuscript, and agreed to take responsibility for all aspects of the work.

## CONFLICT OF INTEREST

This article is written objectively, free from individual conflicts of interest. The author declares to have no affiliations, professional, or personal that could influence the content or conclusions of this article. All information is sourced from credible references, maintaining transparency, integrity, and fairness to ensure this article is a reliable resource for readers and academics.

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