



Challenges of the Application of Islamic Economic System in Business Activities among Muslims in Northwestern Nigeria and the Way-out

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ABSTRACT

Many business activities revolve mostly on usury and other forms of exploitation that retarded the progress of most businesses and was responsible for their collapse, which may not be far from the poor and corrupt economic policies adopted and as a result of some challenges related to the application of Islamic economic system in Northwestern Nigeria. Thus, the research intended to reveals the relevance of Islamic economic system to the promotion of business activities, assess the challenges of application of Islamic economic system and proffer way out. The research elucidated the concept of Islamic economic system, and its principles. Also, concept of business activities and its ethics in Islam was discussed. In view of the research objectives, three states were selected, namely: Kano, Kaduna and Zamfara; where 650 questionnaires were distributed to business men, farmers, artisans, bankers, contractors and Islamic scholars. The finding reveals that, many Muslims in Northwestern Nigeria are careless of having the necessary Islamic knowledge about a kind of transaction before going into it. Thus, Islamic economic system and business ethics, does not always determine business activities among them. Greediness and eagerness of some Muslims to get rich, lack of orientation and proper understanding of Islamic economic system, dominant of secular system in markets and financial institutions pose challenges to the application of Islamic economic system in business activities. The study therefore recommends that, Muslims should always seek for the ruling of an action before going into it and fear Allah by avoiding any unlawful transaction. The government, Muslims organizations and wealthy individual Muslims in the society should tackle the challenges of the application of Islamic economic system in business activities through supportive policies, adoption of Shari'ah compliant financial institutions and practicing of Islamic teaching as the case may be. Islamic scholars should broadcast more on the need for fully embracement of Islamic economic system at different levels and its ability of solving many contemporary socioeconomic problems, while revealing the consequences of noncompliance with Islamic economic system in business activities among Muslims in Northwestern Nigeria.

ARTICLE INFO

Article History

Received: May, 2025

Received in revised form: June, 2025

Accepted: July, 2025

Published online: September, 2025

KEYWORDS

Challenges, Application, Islamic Economic System, Business Activities, Muslims,

INTRODUCTION

People involve in business activities since the caveman era, although toward the advent of the Prophet (S.A.W) it was

characterized with fraud, injustice, deception and exploitation, often led to feuds and conflicts. Islam as a religion that regulates and directs life in its entire facets clearly forbade any businesses or

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contract that may leads to exploitation and injustice. It shuns all activities which may cause harm on the contracting parties and promotes all economic activities that gear toward the promotion of wellbeing. Islam recognizes both spiritual and material well-being, laying emphasis on dual composition of man; here and hereafter. The growth and value of a Muslim faith depends largely on his source of consumptions and living which must be lawful (*halal*). He would be held accountable for how he earned and used his wealth.

Apparently, many verses and *Ahadith* portray economic activities and Muslim economist discovered principles and values in relation to business activities through thorough study of such verses and *Ahadith*. This aspect was comprehensively discussed under Islamic jurisprudence, precisely in *fiqh mua'malat*. The set rules and regulations in this regard are to free all business activities from deceptions, exploitations, fraud and all other forms of corruptions or harm, also to promote business activities. However, the rules and regulations were poorly practiced as profiteering and hoarding were rampant in the Northwestern part of Nigeria. Thus, this study reveals the relevance of Islamic economic system to the promotion of business activities and assesses the challenges of its application among Muslims in Northwestern Nigeria.

Concept of Islamic Economic System

Economic is anything connected with trade, industry and development of a country, an area or a state wealth. In its literal meaning, it has to do with means of living, resources and wealth of a country, the system of production, distribution, consumption and their management (Collins Dictionary, 2013). According to Marshall (1999) economics is a social science that study man in the ordinary business of life; wealth and mankind. It is a social science which study how people and society choose, with or without the use of money, to employ scarce productive resources which could have alternative uses, to produce various commodities over time and distribute them for consumption now and in the future. Thus, economics involve the study of resources and

wealth and how people use them in responding to incentives, scarcity, production, distribution, consumption and decision-making in earning a living. The four key items in economic concepts include: scarcity, supply and demand, costs and benefits, and incentives.

Islamic economic system is a set of values, teachings, rules and standards that guide economic life in Islam, based on the teachings found in the Quran and *Sunnah*, which intended to create a moral, ethical and perfect economy for the benefit of all. According to Chapra (2016) "Islamic economic system is a branch of knowledge that promotes human well-being through the allocation and distribution of scarce resources in accordance with Islamic teachings, without excessively restricting individual freedom or causing macroeconomic or ecological imbalances". Hasan (2015) sees Islamic economic system as the study of human behavior in relation to the scarcity of resources with alternative uses, aiming to maximize *falah*, which encompasses well-being in both the present world and the hereafter. It is also defined as a social science that explores human behavior concerning the acquisition, distribution, and utilization of resources to fulfill human needs in accordance with *Shari'ah* guidelines (Aliyu, 2019).

The central issue in the above definitions is proper utilization of resources, achieving wellbeing and adhering to *Shari'ah* guidelines. Islamic economic system tries to solve economic problems based on Islamic values, norms, laws, and teachings. It is the science that studies the best possible way of utilizing resources for the production of maximum output of *halal* good(s) and services within the framework of *Shari'ah* and its intends. Nevertheless, *fiqh* is an integral aspect of Islamic economic science which closely intertwined with Islamic economic system, particularly in formulating rules for relations (*mu'āmalāt*) (Kahf, 2013).

Principles of Islamic Economic System

The basic principles of Islamic economic system emphasize the importance of maintaining a balance between the life of this world and the hereafter, offering both material and ethical

advantages. The principles shape Islamic economic system approach and make it to be exceptional as follows:

1- Allah determines Right and Wrong:

All economic activities including ownership, selling and buying, working time, modes of work, etc. have to be in line with Allah's commands. Allah determines what lawful (*Halal*) and unlawful (*haram*); none but He possess this right. In fact, doing so is one the greater sins. Allah commands:

وَلَا تَقُولُوا لِمَا تَصِفُ أَلْسِنَتُكُمُ الْكَذِبَ هَذَا حَلَالٌ وَهَذَا حَرَامٌ لِنَقْتَرُوا عَلَى اللَّهِ الْكَذِبَ ۚ إِنَّ الَّذِينَ يَفْتَرُونَ عَلَى اللَّهِ الْكَذِبَ لَا يَفْلَحُونَ. النحل: ١١٦

And do not say about what your tongues assert of untruth, "This is lawful and this is unlawful," to invent falsehood about Allah. Indeed, those who invent falsehood about Allah will not succeed (116). [An-Nahl: 116].

Therefore, one must be very truthful and cautious when discussing matters of *halal* and *haram*, and avoid the invention of falsehoods that may mislead others and distort the teachings of Islam.

2- Principle of Ownership and Accountability:

Allah (S.W.T) is the real owner of wealth while human beings were only given the opportunity to make the best use of it. As a result, Islam recognizes private, state, and community ownership. However, this ownership is restrictive, not absolute. It is not entirely theirs or the result of their hard work, but rather a mandate and trust given to them by Allah and must be managed, properly used, maintained and safeguarded as demanded by Allah, the real owner. As a result, the trustees would be held accountable for whatsoever he has been given as a trust. The Prophet (S.A.W) stated in a Hadith:

لا تزول قدما عبد يوم القيامة حتى يسأل عن عمره فيما أفناه، وعن علمه فيما فعل فيه، وعن ماله أين اكتسبه، وفيما أنفقه، وعن جسمه فيما أبلاه. (رواه الترمذي: 2417)

"Man's feet will not move on the Day of Resurrection before he is asked about his life, how

did he consume it, his knowledge, what did he do with it, his wealth, how did he earn it and how did he dispose of it, and about his body, how did he wear it out" (At-Tirmidhi, 2417).

Everybody is accountable for how he earns and disposes his wealth. Therefore, Muslims, as required by Islam, have to question their actions or hold themselves accountable before being held accountable by Allah in the Day of Judgment for what they have done in their life.

3- Principle of *Halal* (lawful) and *Haram* (unlawful)

Halal is something that is allowed by Islamic law, while *haram* is something that is forbidden. These concepts are important principles in Islam that govern all aspects of Muslims' life: food, drinks, clothing, behavior, business transactions, social interaction and so on. In regard to being cautiousness of *halal* and *haram*, the Prophet (S.A.W) said:

إن الحلال بين وإن الحرام بين، وبينهما أمور مشتبهات، لا يعلمهن كثير من الناس، فمن اتقى الشبهات فقد استبرأ لدينه وعرضه، ومن وقع في الشبهات وقع في الحرام. كالراعي يرعى حول الحمى يوشك أن يترع فيه، ألا وإن لكل ملك حمى، ألا وإن حمى الله محارمه" (رواه مسلم: 1599).

Indeed, what is lawful is clear, and what is clear. And between the two there is a *syubhat* (vague) thing, which most people do not know. So whoever shuns the cause of *syubhat*, he has indeed saved his religion and honor. Whoever falls into the matter of *shubhat*, he has indeed fallen into unlawful matter, like a shepherd who herds around the forbidden land, he almost falls into it. Remember that every king has a forbidden land and remember that Allah's prohibitions are His forbidden land (Muslim, 1599).

In the context of Islamic economic system, certain means of earning livelihood, wealth, and transacting, have been declared as *Haram*. For example, interest, bribe, betting, deceptive and uncertain business (*Bay'ul Gharar*), short weighing/measuring, and all such of business malpractices. Similarly in the regard to consumption, some kinds of food and drinks are

haram, such as dead animals, blood, pork, animals slaughtered in the name other than Allah, alcohol, intoxicant substances, etc. In regard to services, practices and transactions; usury, hoarding, debauchery, prostitution, pornography, obscenity, etc. are also *haram*.

4- Principle of Justice

Islamic principle of justice operates in every sphere of human activity, be it legal, social, political or economic. Islamic economic system is based upon the principle of justice which governs all the aspects of economy. It emphasizes the establishment of a just and equitable society, where economic transactions and distribution of wealth are guided by Islamic ethical principles (Bhuiyan et al., 2020). Justice, fairness, kindness, among other Islamic ethics and moral standards must be applied in any business relationships, whereby the rights and welfare of every one will be considered. Allah says:

وَلَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ وَتُدُلُّوا بِهَا إِلَى الْحُكَّامِ
لِتَأْكُلُوا فَرِيقًا مِّنْ أَمْوَالِ النَّاسِ بِالْإِثْمِ وَأَنْتُمْ تَعْلَمُونَ
البقرة: ١٨٨

And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful]. [AlBaqara: 188]

Nobody is exploited by the other and nobody acquires wealth by unjust, unfair, unlawful and fraudulent means. Wealth can only be acquired through just and fair means, not through bribery, corruption, embezzlement, stealing, robbery, gambling, exploitation, usury, fraud, hoarding, business malpractices, etc. The principle of justice in Islamic economic system also extends to the protection of labour rights, whereby it emphasizes fair treatment and just compensation for workers. The Prophet (S.A.W) said:

أَعْطُوا الْأَجِيرَ أَجْرَهُ قَبْلَ أَنْ يَجْفَ عَرَقُهُ. (رواه ابن ماجه
2443).

Give the worker his wages before his sweat dries. (Ibn Majah, 2443).

In fact, it is recommended to treat employer with kindness "*Ihsan*", respect, and fairness. Workers are entitled to receive a just wage for their labour, and exploitation or unfair treatment of workers is strongly discouraged. It is important to note that the application of the principle of justice in Islam may vary across different contexts and interpretations. Islamic scholars and jurists have engaged in extensive discussions and debates on how to implement justice in various economic and social spheres (Mahmood, 2020).

Concept of Business Activities

Business has to do with profiting actions, transactions and exchange of goods and services. Its synonyms include trade, commerce, buying and selling, dealing, etc. It involves engagement in trading, commercial or industrial activities to produce and sell goods or services, in order to generate profits by satisfying consumer needs and demands (Chapra, 2000). Business activities encompass all actions which typically involve generating revenue and profits. It is fundamentally an economic activity, thus, business and economy are intricately linked; business activities drive economic growth, while the overall health and stability of the economy significantly impact businesses. In essence, businesses are the engines of economy and the economic environment is the road on which they travel. However, the concept of business in Islam is guided by the principles outlined in the Qur'an and the *Sunnah*, with an emphasis on ethical conducts, fairness and human welfare. Ethical values in business dealings are more strictly enjoined by Islam than any other religion.

The Nature of Business activities in Islam

Business in Islam is characterized by adherence to Islamic ethical and moral principles, Muslims are expected to be absolutely just and honest, liberally giving other people their due. Islam vehemently condemned commercial dishonesty, all sorts of deceitful dealings, and illegal profits were denounced in the strongest possible terms. A careful study of *Ahadiith* pertaining to business transactions will reveal the fact that the Prophet (S.A.W) based business

dealings strictly on truth and justice. He has strongly disapproved all transactions which involve any kind of injustice or hardship to the buyer or the seller. He wanted that both, the buyer and the seller, should be truly sympathetic and considerate towards each other. One should not take undue advantage of the simplicity or ignorance of the other. The Prophet (SAW) says:

رحم الله عبدا سمحا إذا باع سمحا إذا اشترى سمحا إذا
أقضى. (ابن ماجه: 2203)

May Allah have mercy on a person who is lenient when he sells, lenient when he buys, and lenient when he asks for payment. (Ibn Majah, 2203).

Furthermore, a Muslim who makes up his mind to adopt trade as a profession or to set up his own business should first acquire a thorough understanding of the rules of business transactions codified in the Islamic *Shari'ah*. Without such understanding he will go astray and fail into serious lapses making his earning unlawful (Ghazali, 1999). The Prophet (S.A.W) was not only disapproved certain forms of business transactions, but has also laid down some basic conditions that should be fulfilled in every transaction if it is to be lawful. The following are major conditions (Ibn Qudamah, 1981):

1. The things sold and the money to be offered as their price should both be lawfully acquired and clearly specified. One is not allow to trade goods which he has stolen or which he acquired in a fraudulent manner nor should he purchase anything with the money which he accepted as illegal gratification or acquired in some other deceitful way.
2. Goods not to be sold before obtaining their possession. The Prophet (S.A.W) warned Muslims against indulging in forward transactions which means selling goods before obtaining their possession. He (S.A.W) said:

لا يحل سلف وبيع ولا شرطان في بيع ولا ربح من لم يضمن
ولا بيع ما ليس عندك. (أبو داود: 3504).

The condition of a loan combined with a sale is not lawful, now two conditions relating to one transaction, nor the profit arising from something

which is not in one's charge, nor selling what is not in your possession." [Abu Dawood, 3504].

According to Ibn 'Abbas, what applies to cereals also applies to other categories of goods.

3. Goods and commodities for sale should go into the open market, and the seller or his agents must be aware of the state of the market before proposals are made for the purchase by the buyers. The Prophet (S.A.W) said:

لا يبيع حاضر لباد دعوا الناس يرزق الله بعضهم من بعض.
(رواه الترمذي)

The dweller of the town is not to sell for the Bedouin, leave the people; Allah provides for some of them through others. (Jami' atTirmidhi: 1223)

4. No trade and traffic in things, the use of which is prohibited by Islam. A Muslim can trade in those goods and commodities only the use of which has been declared to be lawful (*Halal*). There can be no trade and traffic in things the use of which is prohibited by Islam. For example, there can be no trade in wine, swine, idols, etc.

Business Ethics in Islam

Islamic teaching in regard to business activities was full of instructions that promotes ethical business practices and emphasizes fair dealings, mutual benefit, and avoidance of activities that could cause harm. Some of the business ethics can be outline as follows:

1- Pure/Sincere intention

Reward and sin are based on intention; the value and weight of deeds are judged by the amount of sincerity/purity with which they are performed. The noble *Sahabah* are the front line of Muslims, the reason why their deeds was superior and higher than that of others was their very perfection of *'iman* (faith) and perfection of *ikhlas* (sincerity). Therefore, a Muslim entrepreneur should ensure that his real intention in business activities is to serve a noble purpose and to gain the pleasure of Allah. These in turn inspire him in adhering to Islamic business ethics.

1-Avoiding usury (Ribā)

Ribā is among the heinous sins (*al-sab'u al-mubiqat*), namely; shirk, magic, suicide, consuming *Riba*, unlawful taking of orphan money, fleeing from battle field, and accusing chaste believing women. The practice of usury is forbidden in Islam as it leads to oppression and inequality. Taking interest is a form of exploitation and unfair enrichment; instead, Islam encourages profit-sharing models like *Mudarabah* and *Musharakah*, where risks and rewards are shared among all parties. Allah (S.W.T) commands to desist from practicing *Ribā*

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَذَرُوا مَا بَقِيَ مِنَ الرِّبَا إِن كُنْتُمْ مُؤْمِنِينَ

النساء: ٢٧٨

O you who believed, fear Allah and give up what remains (due to you) of interest, if you should be believer. (Q2: 278)

Verses in the glorious Qur'an explained and clearly stated the prohibition of practicing *Ribā* in Islam, stated its consequences and declare such practice as causer of Allah's anger.

2- Avoiding scams element

Islam shun any activities which may cause harm to the two contracting parties and avoid incidence of injustice, deception in and counterfeit in transactions, that may lead to malice and controversy among contracting parties. Both producer and consumer must ensure that their transaction has no any element of fraud and deception (*gharar*), such as selling things which one does not possess, not under one control, not clearly known to the buyer or involve game of chance. Speculative ventures that could lead to instability or harm to others must be avoided. In the Qur'an and *Ahadith*, traders were repeatedly reminding to be honest, while fraud and corruption were strictly prohibiting. Allah says:

وَأَوْفُوا الْكَيْلَ إِذَا كِلْتُمْ وَزَنُوا بِالْقِسْطَاسِ الْمُسْتَقِيمِ ۚ ذَلِكَ خَيْرٌ وَأَحْسَنُ تَأْوِيلًا

الإسراء: ٣٥

And give full measure when you measure, and weigh with an even balance. That is the best [way] and best in result (35). [Israel: 35]

Accurate measurements, fair pricing, adhering to stipulated conditions and terms, and just dealings are mandatory. A merchant who is trustworthy and honest will be with the prophets, the truthful, and the martyrs as related in hadith. Allah (S.W.T) also says:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ ۚ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

النساء: ٢٩

O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful. [AnNisaa: 29]

Allah prohibits illegally acquiring of each other's property using any dishonest methods such as *Riba*, gambling and other wicked methods that appear to be illicit. Thus, ethics are an endogenous component of Islamic business activities, while fraud, exploitation and deception from all fronts are illegal.

4- Justice (*al-'Adl*) and Trust

A Muslim must be just in his business activities and temperate in all dealing. Rights and entitlements must be given to contracting parties as due. Justice means putting things in the right place. Allah says:

إِنَّ اللَّهَ يَأْمُرُ بِالْعَدْلِ وَالْإِحْسَانِ وَإِيتَاءِ ذِي الْقُرْبَىٰ وَيَنْهَىٰ عَنِ الْفَحْشَاءِ وَالْمُنْكَرِ وَالْبَغْيِ ۚ يَعِظُكُمْ لَعَلَّكُمْ تَذَكَّرُونَ

النحل: ٩٠

Indeed, Allah orders justice and good conduct and giving to relatives and forbids immorality and bad conduct and oppression. He admonishes you that perhaps you will be reminded. (al-Nahl: 90).

Islam emphasizes justice in all dealings, meanwhile, business activities will continue to progress and yield if justice was maintained in all business activities. Also, trust and honesty are

fundamental principles in Islamic business ethics, emphasizing the necessity of fulfilling contract conditions /stipulations, and avoiding any form of cheating, disappointment or deception. A trader or entrepreneur should not cheat, betray customers, or delay payments unnecessarily. „Trusts” embrace all the responsibilities which are imparted to someone because he is trusted, all obligations arising out of an agreement or covenant as a result of dealing, which might also consist secrets must be fulfilled. Allah says:

يٰۤاَيُّهَا الَّذِيْنَ ءَامَنُوْا لَا تَخُوْنُوْا اللّٰهَ وَالرَّسُوْلَ وَتَخُوْنُوْا
اٰمَنَاتِكُمْ وَاَنْتُمْ تَعْلَمُوْنَ
الْاَنْفَال: ٢٧

"O you who believe! Do not betray (trust) in Allah and His Messenger, and (do) not betray your trusts while you know (them)" (Surat al-Anfal: 27).

Entrepreneurs who fear Allah will always be committed to act piously in their business activities

in order to realize a holistic and balanced entrepreneurship. This is important to ensure the interest of the community in order to secure from all the elements that can trigger conflict, injustice, oppression and a sense of dissatisfaction (Nor, 2012). Thus, ethics in business operations should be undertaken to establish, develop and promote business activities.

METHODOLOGY

Mixed method was employed; the qualitative method was employed where content analysis is applicable, conceptually and rationally. While quantitative method was used to collect and analyze numerical data. The sampled population within Northwestern states are; Kaduna, Kano and Zamfara with business men, farmers, artisans, bankers, contractors and Islamic scholars as the target group. Table 1 shows the sample of the study.

Table 1: The sample of the study

S/No	State	Business Men	Farmers	Artisans	Bankers Contractors	Islamic (Market)	Scholars
1.	Kaduna	95	20	45	27	12	15
2.	Kano	120	25	50	30	15	20
3.	Zamfara	70	30	40	18	8	10
	Total	285	75	135	75	35	45
	Grand Total		650				

A well-structured questionnaire was employed for data collection and data was

analysed using descriptive statistical method of frequency and percentages.

Table 2: Data Presentation

S/NO	ITEMS	SA	A	D	SD
1	Most of the Muslims in Northwestern Nigeria do not intensely understand Islamic ruling on business activities	127 (20.4%)	284 (45.6%)	117 (18.8%)	95 (15.2%)
2	Most of the Muslims are careless of having the necessary Islamic knowledge about a kind of transaction before going into it	328 (52.6%)	163 (26.2%)	86 (13.8%)	46 (7.4%)
3	Most of the Muslim business men are not concern with the lawfulness of transaction before going into it	142 (22.8%)	149 (23.9%)	170 (27.3%)	162 (26.0%)
4	Islamic economic system determines business activities among Northwestern Muslims of Nigeria	122 (19.6%)	167 (26.8%)	201 (32.3%)	133 (21.3%)
5	Many Muslims of Northwestern Nigeria do not appreciate the principle of Islamic economic system and business ethics.	95 (15.3%)	227 (36.4%)	198 (31.8%)	103 (16.5%)

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S/NO	ITEMS	SA	A	D	SD
6	Greediness and eagerness to get rich poses challenges to the application of Islamic economic system in business activities	132 (21.2%)	314 (50.4%)	107 (17.2%)	70 (11.2%)
7	Lack of orientation and proper understanding of Islamic economic system poses major challenges to its application	185 (29.7%)	296 (47.5%)	96 (15.4%)	46 (7.4%)
8	Environmental issues and dominant of secular system in our markets and financial institutions.	182 (29.2%)	266 (42.7%)	123 (19.8%)	52 (8.3%)
9	Many business men are unaware of the Islamic economic concept of <i>Mudarabah</i> (profitsharing) and <i>Musharakah</i> (joint venture), <i>Qardhan hasana</i> (Interest free loan), etc.	198 (31.8%)	333 (53.4%)	77 (12.4%)	15 (2.4%)
11	The influence of globalized capitalism discourages businesses from fully adoption of Islamic economic practices.	135 (21.7%)	193 (31.0%)	164 (26.3%)	131 (21.0%)
12	The perception that applications of Islamic economic principles are less profitable hinders its fully and wider application.	209 (33.5%)	194 (31.1%)	96 (15.4%)	124 (20.0%)
13	Some wealthy Muslim business men prefer secular business dealings than <i>Mudarabah</i> (profit-sharing), <i>Musharakah</i> (joint venture), <i>Qardhan Hasana</i> (interest free loan) etc.	197 (31.6%)	224 (36.0%)	99 (15.9%)	103 (16.5%)
14	Lack of <i>Hisbah</i> to monitor transactions for it compliance with Islamic economic principles and business ethics in our societies	227 (36.5%)	184 (29.5%)	108 (17.3%)	104 (16.7%)
15	Islamic scholars give less attention to admonition and teaching on adherence to Islamic economic system and business ethics	142 (22.8%)	155 (24.9%)	167 (26.8%)	159 (25.5%)

SUMMARY OF MAJOR FINDINGS

1. Some Muslims in Northwestern Nigeria do not intensely understand Islamic ruling on business activities, as they are careless of having the necessary Islamic knowledge about a kind of transaction before going into it and less concern with its lawfulness.
2. Islamic economic system did not always determine business activities among Northwestern Muslims of Nigeria; thus, the principle of Islamic economic system and business ethics are not well appreciated and properly regard.
3. Greediness and eagerness of some Muslims to get rich and the perception that application of Islamic economic principles is less profitable are challenges to the application of Islamic economic system in business activities among muslims in Northwestern Nigeria.
4. Lack of orientation and proper understanding of Islamic economic system such as *Mudarabah*, *Musharakah* or *Qardhan hasana* are also challenges.

5. Environmental issues, dominant of secular system in markets and financial institutions, the influence of globalized capitalism, lack of *Hisbah* to monitor transactions and the need for more admonition and teaching on Islamic economic system and business ethics are also challenges.

DISCUSSION OF THE FINDINGS

Seeking knowledge is obligatory upon every Muslim. Islamic scholars unanimously agreed that, a Muslim should not perform an action until he knew the Islamic ruling of such action. Unfortunately, many buyers and sellers, contracting parties, fail act according to this. A Muslim who makes up his mind to adopt trade as a profession or to involve in such dealing should first acquire a thorough understanding of the rules and regulations of the business transaction codified in the Islamic *Shari'ah*. Instead, such Muslims are more concern with what they are going to earn and less concern with Islamic teachings in such regard. This leads to the fact that, deception, fraud, among other are not always



frown at in the society, and Islamic economic system /business ethics do not always determine business activities among them.

Furthermore, greed is a disease of the heart that causes a person to disobey Allah in their pursuit of personal pleasure. Most of the common societal problems were built on greed. When religion and morality are cast aside for the sake of personal desire and pleasure, this creates a society that is sick at its core. It is important to note that Islam does not discourage a Muslim from seeking wealth or permissible pleasure, but balance and moderation is necessary. The Qur'an and *Sunnah* are full of guidance and warnings about greed. The Prophet (S.A.W) said:

إياكم والشح فإنما هلك من كان قبلكم بالشح أمرهم بالبخل فبخلوا، وأمرهم بالقطيعة فقطعوا، وأمرهم بالفجور ففجرو.

Beware of greed, for it was only greed that destroyed those before you. It commanded them to be miserly and they did so. It commanded them to sever their family ties and they did so. It commanded them to behave wickedly, and they did so. (Abu Dāwūd 1698)

Perhaps, this led to the perception that applications of Islamic economic principles are less profitable and inability to exercise patience with the *halal* gain and earning. The lack of orientation, proper understanding or misapplication of some Islamic economic cocepts such as *Mudarabah*, *Musharakah* or *Qardhan hasana*, etc. are also do to the failure of some Muslims to acquire the needed knowledge. Poverty, lack of sympathy among other environmental issues and dominant of secular system in markets and financial institutions are to be combat with *istiḳāmah*. A Muslim is expected to maintain consistent and unwavering adherence to the teachings of his faith, resisting temptations and societal norms that contradict Islamic principles. In various sphere of life, it well known that, Muslims need to remain steadfastness, because of the rampant corruption in the society. In this regard, Islamic scholars need to continuously admonish people to remain steadfast in all their religious practice, and *Hisbah* personnel

should monitor transactions most especially in our markets.

The Prophet once made a visit to a market and found that there were plenty of deceptions committed by the traders for the sake of getting profit deceitfully, then he appointed Sa'id bin Sa'id bin al-As to supervise the markets (Ibn Hajar, 1999). This practice was well-known throughout the history of Islam. In the Northwestern Nigerian context, the *Hisbah* members were more concern with drug abuse and illicit activities. Their attention is direly needed in our market and transactions. Though, they are not enforcement agent per se, but they have a duty to guide Muslims to the right way and act as a supportive enforcement agency.

CONCLUSION

The factors responsible for noncompliance with the Islamic economic system in business activities among Northwestern Nigeria Muslims was primarily greed and eager to get rich mindless of the source and lawfulness of the money. Many Muslims do not intensely understand Islamic ruling on business activities and were careless of having the necessary knowledge. The consequences of this, was the rampant unlawful business dealings and economic practices.

Whatever the situation, Muslims need to remain steadfastness and their Lord would always stand by their side. If Muslims really act according to Islamic economic principles and business ethics many socio-economic problems may not aroused and would have been solved. Noncompliance to Islamic economic system therefore leads to destabilized economic system and rampant financial problems that strike the society. This also resulted to hardship, high cost of living, dependency and begging.

RECOMMENDATIONS

1. Muslims should always seek for the ruling of an action before going into it and firmly believe that whoever keep his duty to Allah, He will suffice him, provide his need and bless his earning.



2. The government, Muslims organizations and wealthy individual Muslims in the society should tackle the challenges of the application of Islamic economic system in business activities through supportive policies, adoption of *Shari'ah* compliant financial institutions and practicing the Islamic teaching as the case may be.
 3. Muslims organizations and market leaders in collaboration with the government and Islamic scholars should continuously organize seminars/lectures on the need for proper application of Islamic economic system and business ethics, while revealing it relevance to economic development of the state.
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