

## An Assessment of Level of Compliance to Islamic Business Ethics among Muslim Bakers in Sokoto Metropolis

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**Abstract:** Islamic business ethics is a science that deals with proper conducts of business relationship in streamline with the guidelines of Islamic *Shari'ah*. Islam urges its followers to always strive to follow Islamic *Shari'ah* in the entire conduct of businesses to avoid harming other parties as stakeholders in the realms of business. This study qualitatively investigated the activities of Muslim bakers in production of bread for human consumption in Sokoto metropolis. The study used interview and observation and collected data from thirty bakeries industries in Sokoto metropolis. The study found out that there is no compliance between the activities of bakers in Sokoto metropolis and Islamic business ethics. It has been discovered that bakers used prohibited ingredients in the preparations of bakery products in Sokoto metropolis. Islamic religion prohibited using anything in preparation of food products that is considered harmful to human health. The study recommended that, bakers should fear Allah and avoid production of bakery product with contents of ingredients that are harmful to human health. This heinous practice is unethical and incompatible with the principles of Islamic business ethics.

**Keywords:** Assessment, Compliance, Islam, Business, Ethics, Bakers, Sokoto, Metropolis.

### INTRODUCTION

Islamic business ethics is an aspect of Islamic economics and Islamic Economics was brought about by Islamic resurgence. It is economics guided by the *Shariah*. It seeks to change the Muslim economic values and policies to conform to *Shariah*. It started in mid of the twentieth century. Since the emergence of the discipline many researches and conferences have been conducted in different areas of economics. For example, from the first international conference held in Jeddah to 12<sup>th</sup> International Conferences in Islamic Economics held in different countries across the world. However, there is still little knowledge about actual Muslim economic behaviour, specifically

Muslim entrepreneurs' business ethics. The present study is motivated by the need to understand the actual behaviours of Muslim entrepreneurs on Islamic business ethics. This is necessary if the desired change is to be achieved. It is only, if the actual business practice of Muslim entrepreneur's is understood, that policies could be designed to bring about the desired result. Again, another motivation for the study is that, the study area is home to Islam in Nigeria. It is the seat of the caliphate where Islam is the predominant religion. The founders of the caliphate, notably Sheikh Usmanu bin Fodiyo, Sheikh Abdullahi bin Fodiyo and Sultan Muhammad Bello have authored numerous books which codified the rules on trade and business (Malami, 1998). For example, Muhammad Bello said "*Muhtasib should*

*order the bakers and their likes that, each one of them should imprint a stamp upon their commodities so that evidence can be easily traced against them*". Again, in a strong word Muhammad Bello orders *Muhtasib* to "*break away whatever is below standard weight and measures or he said to Muhtasib undercooked and pour away anything adulterated*" There is the need to know whether Islam has any effect on the business dealings of the Muslim entrepreneurs in the area.

Researches on Islamic business ethics are scanty in Sokoto State. One of the few types of research conducted in the state on Islamic business ethics is that of Gatawa, (2006) the study compares business ethics between Muslims and non-Muslims retail traders in Sokoto metropolis. Another research conducted on Islamic business ethics is that of Aliero and Sokoto, (2016) and the study conducted on Muslim traders in Sokoto Central Market only. The previous studies also lack an in-depth investigation of the understanding of the concept of Islamic business ethics. This study attempts to bridge the gap and examine the Muslim entrepreneurs in manufacturing and processing enterprises in Sokoto state.

### Justification

The justification for this study can be seen in a number of ways. Firstly, ethical business conducts in production and processing of goods is an important and wide area which always customers want it to be free from any kind of dubious practices because it dealt directly with the life of

people. Therefore, patronisers want seem to want see the problem addressed to ensure their safety. But nobody appears to know all that supposed to be known in order to addressed the problem squarely. So, this kind of study which intends to find out the issues surrounding production and processing enterprises is a welcome development. Secondly, as mentioned previously only two studies conducted in the area is that of Gatawa, (2006) and Aliero and Sokoto, (2016) on Sokoto metropolis and Sokoto Central Market. But this study intends to divulge information on the activities producers and processors industries in Sokoto state entirely. Thirdly, if the information divulge may assist the government in formulating policies that may improve the activities of Muslim producers in Sokoto state and Nigeria at large.

## OBJECTIVES

The aim of this study is to find out the ethical and unethical activities of Muslim entrepreneurs in manufacturing and processing enterprise in Sokoto state.

### Specific Objectives:

1. To investigate the level compliance of bakers to Islamic business ethics.
2. To investigate the practices of bakers in the production of their products
3. To assess the compliance of these practices to Islamic business ethics

## RESEARCH QUESTIONS

1. What is the level of compliance of bakers to Islamic business ethics?
2. What are the practices of bakers in the production of their products?
3. How are these practices compatible to Islamic business ethics?

### Literature Review

This section attempts to review relevant theoretical literature on Muslim entrepreneur's Practices of Islamic business ethics. The section covers different aspects of Islamic business ethics and Islamic entrepreneurship.

### The Concept of Bakery

Richardson, (2002) defined a bakery as an establishment that produces and sells flour-based food baked in an oven such as bread, cakes, pastries, and pies. Some retail bakeries are also cafés, serving coffee and tea to customers who wish to consume the baked goods on the premises. While, Meriam-Webster Dictionary defined Bakery as a

place where bread, cakes, cookies, and other baked foods are made.

Business owners in bakery industries used the following ingredients in preparation of bread; they include; flour, salt, vegetable oil, water and preservatives. While, other ingredients are used to add good test to bread. These include; egg, butter, coconut, flavouring agents, colouring agents and sweeteners.

### Islamic Business Ethics

Islam as a religion and a way of life has prescribed desirable and undesirable ways of conducting business dealings. It enjoins truthfulness, trustworthiness, and fair treatment of workers, honesty, and fairness, honouring and fulfilling obligations. It also prohibits dealings in unlawful items, speculation, hoarding of food stuff, exploitation, cheating and fraud in business transactions (Azmi, 2012). Business misconducts, such as giving short measure, short weight, adulteration, deception, cheating, and concealment of defects mixing good and bad products are illegal ways of conducting business and hence prohibited. In Islamic business transaction both the buyer and the seller have the responsibility to abide by buying/selling rules and regulations, they would be rewarded for telling the truth about their good and punishment awaits falsehood from either of them (Irfan, 1995). In business transaction, it is forbidden to do anything that is dishonest, therefore, dealings in usury, gambling, shady deals and hoarding are illegal and unfair method of business, and hence justice and fair play must govern all transaction (Hussain, 1974).

### Muslim Producer and Ethical Production in Islam

According to Beekun, (1996), Muslim scholars have outlined a number of characteristics to be practice by Muslim producer. Among these practices is honesty, truthfulness, justice, love of Allah more than the business, humbleness, to be consultative and to avoid corruption. In addition to this, Ahmad, (2001) said, it is important for a Muslim producer to be generous and have zeal and motivation to help others. Additionally, Muslim producer must be knowledgeable, compassionate. While, according to Nooh and Sabri, (2005) Muslim producers must ensure that they conduct activities within the spirit of Islamic rules in the exercise of their activities. They should possess the ability to carry out their business properly, transparently, and fairly by staying away from all prohibitions as prescribed by Islam, in a

more elaborative explanation Fadzillah, Kamsah and Zakariya, (2008) explain Muslim producer as an individual whose action and way of interaction is based on Islamic values. This involves the tendency, the ambitions, intuition and preparation, mentally, emotionally and physically to determine one's behaviour when interacting with his environment.

The ultimate objective of Muslim producer in Islamic economic system is to produce goods and services, which enable human being to live a dignified existence in accordance with the requirement of their status as vicegerent of Allah on earth (Chapra, 1984). Moreover, according to Sattar, (1988), a producer who produces goods in accordance with the guidelines of Islamic *Shari'ah* will certainly attain *Falah*. Consequently, attainment of *Falah* should be the ultimate goal of a producer as an Islamic agent, so that he will achieve well-being in the present world and hereafter.

## METHODOLOGY

This section was structured into three sections, section one described the method of data collection. Section two explained the sampling techniques and sample size, then, section three captured the method of data analysis.

### Method of Data Collection

The study used two methods of data collection. These methods include; observation and interview. The researcher believed that, these methods are the appropriate method for data collection in empirical qualitative research. The essence of applying these methods in qualitative study is to generate much information from respondents by interacting face-to-face between the researcher and interviewee.

### Interview

The researcher applied semi-structured interview as one of the method of data collection in this study. The researcher to meet the respondents personally in their various business organisations or companies and conducted interview with them. The individuals interviewed in each company constituted the manager or his agent. Therefore, 40 minutes was allocated to each interview with a single respondent and 5 minutes was also allocated to roundup the interview. The researcher recorded down the interview responses by using a cell phone.

The interview was conducted across four (4) local governments located in Sokoto metropolis.

These local governments comprise Sokoto North, Sokoto south, Wamakko and Dange Shuni local government. Ten factories were selected in Sokoto North, Ten in Sokoto South, Five in Wamakko and Five in Dange Shuni local government. This completed thirty samples of factories consulted in Sokoto metropolis.

### Observation

Based on the above views, the researcher used observation as another stage of data collection. Moreover, during the course of interview the researcher observed some important issues within and outside the factory. these issues include; the sanitary condition of the production site, the nature of the production environment, the sanitary condition of the working tools and other aspects relevance to the study.

### Sampling Techniques and Sample Size

The sampling techniques used in this study is non-probability sampling in the form of purposive sampling method. The sample size used was based on the rule of thumb postulated by Cresswell, (2007) that, a researcher using semi-structured interview as method of data collection should conduct about 25-30 interviews. Therefore, in this study the researcher selected 30 factories from bakery industry as samples for this study, the interviews were conducted with the owners or managers in each factory. The interview laid emphasis on using harmful ingredients in production of bread for human consumption. It is worthy to note that, bakery industries owners had to inscribed on bread pack that, it is bromate and saccharine free to guarantee customers safety of their life. Other ethical issue discovered was the hygienic nature of the production environment and sanitation of working tools and bread pan for healthy production.

### Method of Data Analysis

The researcher analysed data generated in this study by using the narrative method of data analysis. Therefore, the researcher read the interview and observation transcript, and then joined different themes and concepts together and formed the analysis.

### An analysis of Compliance of Bakery Owners to Islamic Business Ethics

The result of the compliance of Muslim bakers to Islamic business ethics was generated from the views of respondents from four local governments that constitutes Sokoto metropolis. These local governments are Sokoto South, Sokoto North,

Wamakko and Dange Shuni local government. From the analysis of the major finding, the study discovered using harmful ingredients in bread production. These harmful ingredients are saccharine and bromate used by some bakers as substitute to sugar and yeast.

Before going into detail, it is important to explain the language used by bakers when referring to saccharine or bromate. They invariably called these two ingredients “tablets or promote”. So whenever “tablet” is mentioned, they refer to saccharine and if called “promote” it also refers to as bromate.

From the result of interviews and observation, it is doubtful if bakers are complying with Islamic business ethics in their production. To start with, some bakers are not convinced that the prohibited ingredients such as bromate and saccharine are harmful for human consumption. For example, some bakers reported that, their fathers have been using bromate and saccharine in bread production since when they are young. But in the present time they have never seen or hear any person who die as a result of consuming bread produced with saccharine and bromate. Furthermore, it is added that they also consumed from the bread produce and therefore no any harmful effect inflicts them for consuming it.

In a related development, another baker disclosed that, in Sokoto State with more than 300 bakery industries it is hard to find ten bakeries that are not genuinely using “promote or tablet” in bread production. In fact, a bread that contain “promote and tablet” is found to be very big and cheap. So, any bread found to possess these qualities is suspected to contain “promote and tablet”.

One of the bakers explained how they substitute sugar with saccharine and save money as a professional bread maker. According to him, one tablet of saccharine is equivalent to one tier of sugar. And each 50kg bag of flour require 80 grams of sugar by three (80x3) equivalents to is 240 grams of sugar. Therefore, most of the bakers using “promote and tablet” in conjunction with only 80 grams of sugar and added two tablets of saccharine. Then, two tablets of saccharine are equivalent to 160 grams of sugar. From sugar alone, a bakery owner using “tablet” saved two tiers of sugar, in which two tiers is ₦ 2,000 x 2 = ₦ 4,000 for sugar alone. Then, the use of “promote” is also equal to half bag of flour of 50kg, it has the potential to produce bread

equivalent to one bag of flour of 50kg, this is highly profitable for the bakers. In similar statement another baker narrates that, bakers were secretly using promote in preparation of bread.

A member of baker’s association of the Sokoto chapter confirms that, some bakers used saccharine and bromate in bread production. This is because the ingredients “promote and tablets” are always available in the market which the bakers can freely purchase them in the market. He also clarifies issues related to prohibited potassium bromate and the approved improver EDC 2000. According to him the prohibited potassium bromate is much better than the approved improver EDC 2000. This is because bread prepared with EDC 2000 may not last long compared to bread prepared with prohibited improver the “promote”. From experience he said, bread prepared with EDC may not exceed the period of one or two days to start developing mildew, but bread prepared with prohibited bromate “promote” may take up to four to five days without showing any sign of decay.

Finally, observation revealed that, no single employer or employee found in any of the bakeries visited wearing personal protective equipment (PPE). Again, majority of the bakery factories visited were concern with the sanitation of their factories which is ethical and compliance with Islamic business ethics. Some factories also were furnished with tiles in some strategic areas. More also, some bakery owners pay much attention on hygiene as observed, they always clean some strategic areas such as toilet, the packaging room, cloakroom and store. While, some few bakeries were found wanting on cleanliness and personal hygiene.

## DISCUSSION OF THE MAJOR FINDING

From the data so far examined and presented, it is obvious that the concept under discussion has been exhaustively analyzed. The objectives of this study have been achieved, the larger percentage of responses of bakery owners indicated that, bakers still use banned substances in bread production. This act of bakers is incompatible with Islamic business ethics and equally prohibited in Islam. The responses of the bakers under discussion indicated that, bakers were not complying with the principles of Islamic business ethics. This is because, these ingredients have been banned for use as result of their harmful effect to human body. The National Agency for Foods and Drugs Administration and Control (NAFDAC) is

the relevant agency mandated to checkmate the activities of defaulters using harmful ingredients in production. The activities of NAFDAC are in conformity with Islamic guidelines in production. Islam does not allow the use of anything harmful to human health in production of goods and services.

Consequently, it is worthy to note that, during the reign of Muhammad Bello son of Shehu Usman Danfodiyo “orders *Muhtasib* to break away what is below standard weight and measure”. He also orders *Muhtasib* to “undercooked and pour away anything adulterated”. Accordingly, NAFDAC mandated bakers to inscribed on each pack of loaf that, the bread content is saccharine and bromate free. But unfortunately, with the inscription written on the pack bakers systematically use the prohibited ingredients in production. This is unethical Islam and another form of deception just for financial gain. In Islam, deceiving customers is unethical business in Islam and against the saying of the Prophet (S.A.W.) that reported to have said, *he who deceive us is not of us* (Ibn Majah 3: 2224). In another tradition Prophet (S.A.W.) said: *'Traders are wicked people'*. The Companions asked: 'O Messenger, has Allah not permitted business?' The Messenger replied: “*Of course He has declared trading lawful. But they* (i.e., the traders) *will swear by Allah and do evil, they will not speak but tell lies*” (Ahmad, 14982). From the above assertions, it can be argued that, the inscription on the pack (written saccharine and bromate free) is an oath testifying the safety of the products for consumption. But surprisingly, bakers' assertion from the result of the major finding indicated that hardly to find ten (10) bakery factories in Sokoto metropolis that produce saccharine and bromate free products. This indicates that bakers practice in Sokoto metropolis is incompatible with the principles of Islamic business ethics.

Again, the practices were also characterized as accumulation of wealth through illegal trading which was also condemned in the Glorious *Qur'an* where Allah says: “*Do not devour another's property wrongfully unless it be by trade based on mutual consent*” (*Qur'an*, 4:29). Finally, the above delineation is referred to as injustice and devious practices in business. They are all part of *dhulmu* in the Glorious *Qur'an*. *Dhulmu* is a broad term for all kinds of injustice known to customers or not known. In production of goods penetrating what could be injurious to one's life, property and integrity are all forms of injustice (*Qur'an*, 11:100); while doing similar to fellow human

being whether he knows or not is also considered form of *dhulmu* (*Qur'an*, 31:13). This evil act must be shunned away by producers of goods and services in order to be rewarded accordingly and attain *Falah* in the next world.

## CONCLUSION

The paper discussed the compliance of bakers to Islamic business ethics in Sokoto metropolis. The study used two qualitative methods of data collection in the form of interview and observation.

The interview was conducted among thirty Bakeries business owners in Sokoto metropolis. The result of the major finding revealed that, majority of bakery industries in Sokoto metropolis used saccharine and bromate in bread production. Therefore, Muslim business owners should note that,

Islamic business ethics are part and parcel of the overall Islamic faith of a Muslim and observing them is necessary. This because, it will not only lead a Muslim to a joyful life in this world but also holds the reward of multiple returns in the Hereafter.

## RECOMMENDATIONS

From what has been discussed, the study recommended that:

Bakers should fear Allah, in the course of interview it has been discovered that some bakeries were located in hidden locations which is hardly to be located by NAFDAC. Some bakers described the activities of these types of bakery factories to be suspicious. They may be very likely to engage in using harmful ingredients such as saccharine and bromate in bread production. It was also observed that these factories use ordinary white nylon for packaging their products. The nylon contains no any level of ingredients, no address. No state of production. These types of factories are prone to use prohibited ingredients such as saccharine and bromate. This practice is incompatible with the principles of Islamic business ethics.

Bakers should bear in mind that, generating much profit is not the only motive for engaging into business. They should know that doing business is part of *ibadah*. So, business must be done in accordance with its guidelines as enshrined by Islamic *Shari'ah*. This is the best way of conducting business to avoid generating ill-gotten wealth from the business income.

So, operating business in accordance with the guidelines of the *Shari'ah* is the highest form of ethical business conducts in Islam.

Bakers should be up to the task in making their environment clean and tidy. Most significantly, the working tools need to be always clean and tidy, the premises and the entire factory in general. This is because, hygienic production is very important to avoid risking the life of consumers. Cleanness was also described as part of *Iman* and adhering to it always is part of ethical business conducts in Islam.

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