

A Critique of Local Business Practices in Ilorin: The Islamic Economics Paradigm

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Abstract

Due to limited resources at human disposal, they interrelate and are interdependent on one another to have their needs satisfied through continuous engagement in various activities one of which is “business”, trade or commerce. Ilorin popularly known as city of Islamic heritage is also a center of commercial activities having numbers of major and minor markets. The participants in the marketplaces are dominantly Muslims. Their practices are under the two main influences of economic potential and religious values. There are some business practices known with Ilorin people which have been practised from time immemorial till the present day. Such practices include: *Paaro*, (exchange), *Madamada* (payment in installment), *Dilali* (third party business) among others. It is the aim of this research work to examine conditions of those business practices by identifying the area of conformity and the discrepancies between local business practices in Ilorin and Islamic values and ethics. Descriptive and field work methods are adopted via the use of primary and secondary sources. The practice of *paaro* is in line with Islamic general rule while *madamada* fluctuates between acceptance and rejection. *Dilal* attracts divergent opinions from scholars.

Keywords: Local Business; Ilorin; Islamic Economics; Paradigm.

Introduction

Exchange of goods and services for monetary values or their equivalent otherwise tagged as business, trade or commerce is one of continual practices in every human society (Khalid, 2009). It is through this interrelation and interdependence on one another that people have part of their unlimited needs, which keep on increasing every moment, satisfied. This practice is common to every human society regardless its cultural belief or religious affiliation. Another practice peculiar to human society is interaction with the Supreme Being through religion. Religion generally deals with human beings from the point view of their relationship with God and among themselves. The primary objective of religion is to shape human behavior in a broader perspective using divine instruction so that individual interest could be realized without affecting interest of other people or violating the rule of God (Kahf, nd). Islam has catered for human welfare through the establishment of harmony between the moral and material needs of human society. The scope of intended welfare extends beyond the present worldly existence and captures the well being in the hereafter. It cuts across economic, political, educational and socio-religious affairs of human beings. It designs ethics and values for every aspect of man. For instance, Islam permits and encourages ethical businesses that devoid of any form of injustice among men or violate the rule of Allah. (Q4:29). Muslims are obliged to adhere strictly to the standards set by Islam in their economic dealings. Those standards are decoded in the Quranic phrase as ‘لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ’ (Do not cheat or be cheated) (Q2:279). Thus, a Muslim is charged with double responsibilities of pursuance of worldly prosperity and securing a place in the paradise where unlimited and everlasting pleasure is attainable. A Muslim merchant would bear in mind that as he pursues “profit maximization”, religious values to retain his status of being a Muslim must not be compromised. It is on this note that Muslim responds simultaneously to two sets of stimuli (i.e the economic needs and religious commandments). In a community where Muslims are many, one will expect their activities to be religiously inclined.

Every community has her ethics, values and traditions which determine her socio-economic and political affairs. As every individual tends to acquire as much wealth as possible through available means at his disposal, there are links between his economic practices and cultural values. Ilorin which has been known as city of Islamic heritage, the socio-economic practices of her people are coloured with Islamic values. There are some business practices known with Ilorin people which have been practiced from time immemorial till present day. Such practices include: *Paaro*, (exchange), *Madamada* (payment in installment), *Agbaale* (advance payment) and *Dilali* (third party business) among others. It is the aim of this research work to investigate the practices with a view to determine their status according to the Islamic injunctions. The present situation of the business practices particularly in Ilorin put Muslims in a dilemma. They care less as to whether those practices are in line with the rules of the *Shari'ah* or not. The existing participants in such indigenous businesses as well as potential ones are not clear of what Islam rules on the

practices. Therefore, the purpose of this study is to assess the legality of the local business practices in Ilorin, using Islamic rules on transaction as yardstick. The specific objectives include the following:

- 1 to identify various economic activities in Ilorin
- 2 to review Islamic ethics and values on business practices
- 3 to examine present situation of local business practices in Ilorin.
- 4 to identify the area of conformity and discrepancies between local business practices in Ilorin and Islamic perspective.

The methods adopted for this study is descriptive, narrative and analytical. Data were collected through oral interview, personal observation as well as library and internet sources.

Concept of Business Practices in Islam

According to Oxford Advanced Learner's Dictionary, business is the activity of making, buying, selling or supplying goods or services for money (Hornby, 2001). It is synonymous to trade except that the former has, in legal phraseology, a wider variety of meaning. Hence, it is safe to say that every trade is business but not all business activities are trade. Evarard and Shift cited by Adewale (2004) also define business as “an organization that produce or distributes a good or service”. The effort of people to produce and distribute the goods and services that are requisite for their well-being, comfort, safety and happiness and which are of benefit to society as a whole are referred to as business (Adewale). Therefore, man is social by nature; he cannot live in solitude like other animals, but he is in need of co-operation with his fellow men in order to promote a human society. Looking for the exact equivalent words for “business” or “commerce” in the classical Arabic language, one may not find many of them (Muhammad Shafi, 2000). In the Qur’an, different words are used to describe the concept of business. Some of which are described in the following paragraphs:

1. *Ishtira* (purchasing, buying or exchanging): This word, in its various forms is used in the Qur’an about twenty-five times some of which connote worldly and spiritual bargains. The pursuit of the momentary gains and worldly comforts and conveniences should never be at the expense of the ultimate success in the Hereafter. Typical example is:

إِنَّ الَّذِينَ يَكْتُمُونَ مَا أَنْزَلَ اللَّهُ مِنَ الْكِتَابِ وَيَشْتَرُونَ بِهِ ثَمَنًا قَلِيلًا أُولَئِكَ مَا يَأْكُلُونَ فِي بُطُونِهِمْ إِلَّا النَّارَ وَلَا يُكَلِّمُهُمُ اللَّهُ يَوْمَ الْقِيَامَةِ وَلَا يُزَكِّيهِمْ وَلَهُمْ عَذَابٌ أَلِيمٌ * أُولَئِكَ الَّذِينَ اشْتَرُوا الضَّلَالََةَ بِالْهُدَى وَالْعَذَابُ بِالْمَغْفِرَةِ فَمَا أَصْبَرَهُمْ عَلَى النَّارِ *

Verily, those who conceal what Allah has sent down of the Book, and purchases a small gain therewith (of worldly things); they eat into their bellies nothing but Fire. Allah will not speak to them on the Day of Resurrection, nor purify them, and theirs will be a painful torment. Those are they who have purchased error at the price of guidance, and torment at the price of Forgiveness. So how bold they are (for evil deeds which will push them) to the Fire. (Q2:174-175)

2. *Bay'* (selling/buying): This word, in its various forms, appears in the Qur’an about eleven times. For example:

قُلْ لِعِبَادِيَ الَّذِينَ آمَنُوا يُقِيمُوا الصَّلَاةَ وَيُنْفِقُوا مِمَّا رَزَقْنَاهُمْ سِرًّا وَعَلَانِيَةً مِنْ قَبْلِ أَنْ يَأْتِيَ يَوْمٌ لَا بَيْعَ فِيهِ وَلَا خَالٍ

Say (O Muhammad) to *Ibadi* (My slaves) who have believed, that they should perform *As-Salât* (*Iqâmat-as-Salât*), and spend In charity out of the sustenance We have given them, secretly and openly, before the coming of a Day on which there will be neither mutual bargaining nor befriending. (Q14:31)

3. *Tijarah* (Trade, Transaction and Commerce): The word occurs in about nine places in the Qur’an. For instance, Allah says:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا * وَمَنْ يَفْعَلْ ذَلِكَ عُذُّوْنَا وَظَلْمًا فَسَوْفَ نُصَلِّيهِ نَارًا وَكَانَ ذَلِكَ عَلَى اللَّهِ يَسِيرًا

O You who believe! Eat not up your property among yourselves unjustly except it is a trade amongst you, by mutual consent. And do not kill yourselves (nor kill one another). Surely, Allah is Most Merciful to you. And whoever commits that through aggression and injustice, We shall cast Him into the Fire, and that is easy for Allah. (Q4:29-30)

The above verses and other ones show relevance of the Qur'an to socio-economic activities of the people. They also form foundation for economic thinking of Muslim philosophers which end up bringing about the evolution of concept of Islamic economics. Exchange of goods and services for money or its equivalent has been accepted from the beginning of human civilization as a means through which people have their needs satisfied. Through this practice, people give what they have and take what they lack, thereby leading to resource distribution among them (Khalid, 2009). Business practices are not peculiar to a particular place or region, they are concerns of every human society. For instance, in the pre-Islamic Arabia, market was unique economic institution where demand and supply of goods and services centralized, and played a very important role in socio-economic life of the Arab. (Rahim, 2001). As the Messenger of Allah whose mission was to guide man to have faith in Allah and to live excellent and honorable life, Prophet Muhammad (S.A.W) concerned himself with commercial activities of his people. He did not only preach economic ideals but also participated actively in the business practices. Report shows that he was involved in business transactions before and after his appointment as the Messenger of Allah (S.A.W). He was entrepreneur, a partner and an agent in business (Ahmad, 1996).

Upon the establishment of Islamic State in Madinah, the Prophet (S.A.W) promulgated many laws for Muslims regarding their involvement in the business transaction. Duties of good and punishment of wicked merchants as well as prohibitions of certain transactions were explicitly spelled out. Dos and don'ts in the market places were highlighted (Raheemson, 2003). There are some other business practices which were banned by the Prophet (S.A.W) on account of the element of uncertainty and injustice in them. They include the following: *Bai' u-l-muzabanah*: (sale of goods with unknown weight, size or number for another commodity with a definite measure, weight or number); *Bai' u-l-mu'awamah*: (sale of good which are not yet in existence at the time of the contract); *Bai' u-l-munabadha*: (sale of unseen or not testing goods); *Bai' u-l-gharar*: (sale involving uncertainty and deceit) (Kareem and Khalid, 2013). The establishment of commercial laws, extension of property right to women, prohibition of fraud, call for the establishment of clear standard of weights and measures were put in place. This, however, pushed the Islamic organization to the front of the world economic stage and made Muslim world the defining force in international trade for more than eight centuries. Islam has laid down some rules to guide commercial activities of Muslims for the actualization of socio-economic justice and brotherhood in human society. Some of these are: Validity of contract, validity of contractual conditions mutually agreed upon, avoidance of *dhulmu* (injustice), Avoidance of *gharar* (uncertainty), avoidance of *riba* (interest), avoidance of *maysir* (gambling), ensuring honest and trustfulness, blocking means to frauds and injustice among others.

Ilorin and its Economic Practices

Ilorin, the capital of Kwara State, which is situated at the mid-way between the northern and western parts of Nigeria, is from the on-set, a Muslim dominated town having the population of over 90 percent of Muslims. Hence, with this population, the place is known to have been greatly influenced by Islamic teachings. The socio-economic and political structures are tailored towards Islamic heritage. The settlement comprises of Yoruba, Hausa-Fulani and other ethnic groups each having her own traditional values side by side with the Islamic value. On economic practices, Ilorin is a center of commercial activities having numbers of major and minor markets. The participants in the marketplaces are majorly Muslims. Their practices are under two main influences, namely: economic potential and religious values. However, under certain circumstances, people find it difficult to satisfy the influential needs especially when Ilorin is in conflict between the economic pursuit and religious demands. Many of these practices, therefore, fluctuate in compliance with Islamic ethics and values.

Ilorin as a commercial center and an industrial city where varieties of economic activities take place, young and old people will have one or other enterprise through which they earn their sources of livelihood. From time immemorial Ilorin had a peculiarly high concentration of markets both inside the city and the districts. The economic potentiality of Ilorin led the government to choose the city as the capital of the state. Akanbi, cited by Raji, Olumah and Adejide (2013), submits as follows:

When Kwara State was created in 1967 and Ilorin was made the capital, we had very high hope. We dreamt dreams. We saw vision of a state capital that would be second to none, at least, in what used to be known as northern Nigeria. We saw vision of a people who would be in the vanguard of a progressive, prosperous and flourishing center of commerce, industry, economic activities, architecture, scientific agriculture, philosophy and learning. We dreamt in dreams of a society that will be a beacon of light and hope for the poor and the less privileged of society. We dreamt dreams that our leaders will use their God-given talents and ingenuity to eradicate poverty, want and squalor in our midst. We dreamt that our society will throw up visionary leaders who will lead us to greater heights.

The location of Ilorin in Nigeria has contributed immensely to the growth of economy in the city. People from the South Western Nigeria and the Northern part took Ilorin as points of convergence where they exchange their goods. Though, trade takes a large percentage in the economy of Ilorin, there are other economic activities known with Ilorin people, which are: Weaving Industry, Craft Making, Bead-Making and Jewelries, Soap Making, Livestock production among others. The economic activities of Ilorin are not limited to the above but increases with the passage of time; there are many other practices in which people of Ilorin take bright chance.

Local Business Practices in Ilorin

As mentioned earlier, Business is one of the lucrative economic activities that engaged attention of the people of Ilorin. They actively participate in market places as sellers, buyers and service renders. The specific form of business practices by Ilorin people include long distance trading, short distance trading, domestic trading, wholesales and retails trading and hawking or street trading. Most trading activities are often conducted in major markets, road sides, and in-house shop. The trading activities are more pronounced during the day than in the night (Raji, Olumah and Adejide). Some sections of the market were known with specific goods e.g. *Iso Ata* (pepper stall), *Iso Apo* (palm oil stall), *Iso Alubosa* (onion stall), *Iso Aso* (cloth stall), *Iso Oje* (food stuff stall) e.t.c are available in most markets.

Paaro (Exchange)

Paaro is one of the local business practices among the people of Ilorin. The word *paaro* is derived from Yoruba language which ordinarily means 'exchange' implying 'trade by barter' in commercial parlance. This type of business practice is only applicable to women and they deal only with cloth material. Perhaps, this makes some people to refer to the practice as *aso atunta* (used cloth to re-sell) (Ajara Razaq) Another practice of *paaro* which is not as common as cloth is exchange of plastic container for pack of matches or plastic plates for used foot wears. This is carried out by Hausa men who will be patronizing prospective places with following poetic stanza:

*Bata meji roba kan
bata kan ishana kan*

Meaning

Two pairs of shoes for a plastic plate
One pair is for one passel of matches

In the process of *paaro* business, the business women would need to patronize people in exchange of cloth for plastic container. But according to a source, they give out anything that can be useful for women such as stove, food flask, plastic container, e.t.c. (Ajara Razaq) The quality and quantity of items of exchange would depend on the negotiation between parties. The cloth to collect would be sorted out according to their nature and quality grade and each would be sold at another quarter where demand for the item is available. In most cases, the clothes given out for exchange are those that the givers are no longer interested in its use (Iya Aila.). Hence to them they lose nothing and care less to compare cost of the item received in return. As for the *paaro* business women, they would ensure profit realization

since they can compare cost of plastic or other item given out for cloth; they definitely sell those clothes with profit margin. In Islam, the *paaro* business is lawful provided the condition for validity of any business as in any other normal transaction is ascertained. Such conditions include: consent of the two parties, honest, truthfulness, and avoidance of uncertainty among others. This could be justified with general principle mentioned in the following tradition:

Both parties in a business transaction have the right to accept or reject the deal as long as they have not separated. If they tell the truth and make everything clear to each other, their transaction will be blessed. If they conceal anything and lie to each other, the blessing of their transaction will be eliminated (Khan, 1994).

A point worthy of notice is that items exchanged under the business of *paaro* are of different kind. This makes it free from being likened with *riba-l-fadl* (interest on cash sales). In *riba fadl*, items of the same kinds but of different quantity are exchanged and as a result, one party takes advantages over the other. Therefore, Islam rules that if such similar items are to be exchanged certain conditions must be fulfilled as contained in the tradition below

Gold is to be paid for gold, silver by silver, wheat by wheat, barley by barley, dates by dates, salt by salt, like for like and equal for equal, payment being made hand in hand. If these classes differ, then sell as you wish if payment is made hand to hand (Khan, 1994).

From the above, the application is not confined to the aforementioned six items alone but it can be generalised to include other commodities.

Madamada (Payment by Installment)

Perhaps the word *madamada* is derived from practices of continuous payment. In Ilorin, the practice is applicable to various kinds of transactions: such as purchases of land, house, cloth and food stuff among others (Hawawu Gambari, 2015). At start, buyer may be required to pay substantial part of the cost while the balance will be made by installment. Likewise, a flat payment at specific intervals may be determined at the beginning of the bargain (Olowokere, 2015). Findings through our respondents show that many people who do involve in *Madamada* prefer the practice even when they have surplus to buy with cash on the spot. They claim that the system allows them getting their needs satisfied at all times with utmost convenience. They do ignore any increment that the practice may incur (Iya Aisha, 2015). It is essential for every Muslim to weigh his income and needs in order to make adequate budget for his expenditure. This will afford him opportunity to achieve parts of his wants without buying on credit. Islam adopts different approaches to discourage debt. For instance, the Prophet (S.A.W) was reported to have said:

I swear by who owns Muhammad's life; if a man is killed on the path of Allah and he survived after then and got killed once again and he has debt on him, he will never enter Paradise until his debt is settled (Al-Bukhārī, 1987).

In another report, the Prophet (S.A.W) was on reported to have refused observing funeral prayer on a deceased Muslim on the basis that he had unsettled debt (Al-Bukhārī). One of the common prayers of the Prophet (S.A.W) also include: 'Oh Allah I seek refuge with you against...and heavy debt...' (An-Nawawi, 1999). The bad effect of debt is not peculiar to an individual alone but to society that lives on debt (Al-Qaradawi, 1995). However, if a Muslim takes or buys on credit, Islam adjudicates prompt re-payment of debt as at when due. Unnecessary delay of debt settlement by a capable debtor is an injustice and offensive act. The Prophet (S.A.W) was reported to have said: 'Delay of debt re-payment by a rich is an injustice' ((Al-Bukhārī). In another tradition, he said: 'Delay by a capable debtor to refund would call for public assault and punishment' (Muslim, nd). This shows that a debtor who is capable of re-payment but refuses to do so should be punished in the court of law. Apart from the above *hadith*, the Prophet (S.A.W) also emphasized that:

One of the greatest offences before Allah that a man could commit apart from the major sins which Allah forbids is for a man to die having debt on him and leaving nothing behind to settle it' (Al-Bukhārī).

Whichever be the case, Islam permits transaction on credit once it does not violate any of its principles such as assurance of consent of the two parties involved in the deal. The approval of its legality falls under the general rule contained in the verses below:

يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا تَدَايَنْتُمْ بِدَيْنٍ إِلَىٰ أَجَلٍ مُّسَمًّى فَاكْتُبُوهُ وَلْيَكْتُب بَيْنَكُمْ كَاتِبٌ بِالْعَدْلِ وَلَا يَأْبَ كَاتِبٌ أَنْ يَكْتُبَ
كَمَا عَلَّمَهُ اللَّهُ فَلْيَكْتُبْ وَلْيَمْلِكِ الَّذِي عَلَيْهِ الْحَقُّ ...

O ye who believe! When ye contract a debt for a fixed term, record it in writing. Let a scribe record it in writing between you in (terms of) equity. No script should refuse to write as Allah hath taught him, so let him write, and let him who incurreth the debt dictate... (Q2:282)

The Prophet (S.A.W) was categorical on this when he said: ‘Muslims are bound to their contractual conditions’. It is also noticed that most sellers in Ilorin do increase the price of their goods as a result of the mode of payment. For instance, goods sold at the rate of #10,000 with prompt payment may be sold at rate of #11,000 if the payment would be on installment. Sale with installment without increment is encouraged and praised on the basis of *ihsan* (kindness). However, such sale with increment in price attracts divergent views from scholars of different schools of jurisprudence. Ahmad gives example of such a practice when the seller says: I sell this cloth, for example, with 10,000 if you pay at spot and 10,500 if payment would be in later time. In the view of Ahmad (2008) the practice is allowed with specification on either of the two options. He writes:

Sale on installment with increment in price is allowed if both party (seller and buyer) conclude on either to pay on the spot or delay: but if the two depart without specification on either of two alternatives it is not allowed due to unknown specification.

The practices of *madamada* in Ilorin, through our investigation, does not fall in to the second alternative opined by Ahmad above as the specification of mode of payment has always been decided at the commencement of transaction. This suggests that the practice as being operated in Ilorin is in conformity with Islamic legal injunction. However, one may advise that exorbitant charges should be avoided to make the practice more rewarding in line with the tradition quoted above under the content of *ihsan* (kindness). Finding shows that the contract of *madamada* usually has proper documentation by both parties. The seller always documents each payment on paper while some buyers make their record on the walls of their houses. This documentation of the buyer is just to mark his/her regular payment of flat rate. However, some do not have record at all (Olowo-Okere, 2015). To document transaction of this nature is called for in Islam; the lengthiest verse of the Qur’an was dedicated to that effect (Q2:282).

In the case of death of the buyer before the settlement of his debt, the seller is at liberty to either collect or overlook the balance to be made by his deceased customer. It is found that the sellers in most cases do overlook especially when the payment is small. In addition, there are some instances where seller may demand part of the debt from the family of his/her deceased customer. This is when the former considered the amount unaffordable for him to pardon. Primarily, the seller has right to demand for his due which ought to be fulfilled from the estate of the deceased. Islam rules that the debt of a deceased Muslim must be given priority before distribution of his estate; this is according to the verse that says: مِنْ بَعْدِ وَصِيَّةٍ يُوصِي بِهَا أَوْ دَيْنٍ (Q4:11-12). The traditions recorded on the authority of Ali bn Abi Talib from the Prophet (S.A.W) also buttress this. The prophet (S.A.W) was reported to have settled debt before execution of bequest (Khalifah, 2005). Similarly, in the case of death of seller the family has absolute right to demand for the credit of their deceased relative from his debtors. Our finding shows that the relative of the deceased seller do not always demand for such but they are ready to receive if the debtors voluntarily turn out to pay. This, in our view, is inappropriate especially in the interest of impoverished heirs who are not in a position to demand for their rights. In most cases of dispute over the payment or the buyer defaults to make the payment as agreed upon at the beginning of the contract, the creditor and debtor result to faith.

Dilali (Business Agent)

The term *dilali* is a Hausa word supposedly derived from Arabic *ad-dillal* which Al-Fayruzabadi (1999) describes as (a person who connects between two transacting parties (seller and buyer) and invites customers for sale through

continuous persuasion. The same source refers to another derivative, *ad-dilalah*, as a term used for commission received by *dilali*. This suggests that the practice is well known even to the Arabs. In the Ilorin context, it refers to a third party who sells on behalf of another trader.¹ The practice is similar to a practice called *gbada* in Yoruba language where an agent searches for customers and sells on behalf of a particular trader (Sege, 2015). However, the little difference between *gbada* and *dilali* is that the former may not necessarily involve *laada* (profit) once the agent is satisfied with profit he makes from additional price while the latter makes payment of *laada* mandatory. Other terms used for the same practice are *shari* and *alabata*. As the latter is original Yoruba word, the former is said to have been from Hausa origin which was borrowed from Arabic- *Sharih* (interpreter) (AbdulMutallib, 2015). The *dilali* serve as trade agents or brokers to long distant merchants who came to Ilorin. In several cases, he receives commission called *laada* at the end of every successful transaction from the buyer (Banwo, 1988). This does not include the initial profit the *dilali* agent had made from the merchant and the prospective buyers through the process of price manipulation (Ibrahim, 2006). The *dilali* may prefer not to sell goods at normal price even if the customer is ready to buy at the expense of his *laada*. The inflation of price by the *dilali* is also tagged as *jaawo* by some other merchants (Bello, 2015). This is similar to what Ibrahim (2006) called *tepatepa* in the following:

Another process of income was through the manipulation of the bargaining process, *Tepatepa*, which could be translated as an over-due profit. The broker would agree on a price with prospective buyer but tell the seller that the buyer agreed to a certain price. If the seller agreed, the broker would then pronounce a new price to the buyer that has taken care of his profit margin without the knowledge of the seller. In other words, he would add to the part pretending that the addition has been done by the buyer.

The *laada* has been in practice from the time immemorial. Initially, *dilali* served as interpreter between a northern merchant and buyer who do not understand Hausa Language. The *dilali* is at liberty to make as much profit as he could depend how manipulative he is in terms of price negotiation. Clarke cited by Banwo (2006) submits as follows:

In trading the people are keen and shrewd and well understood how to make large profits even at the expense of truth. Two, three and five hundred percent are not too heavy profits to make on an individual who is ignorant enough to place himself in their clutches.

This practice is common to bulk goods such as onion and pepper. Other goods include animals like cattle, goat or cow and sales of land among others. The amount charged varies depending on the nature and quantity of goods and negotiation ability. Involvement of a third party in a deal such as *dilali* is not allowed in Islam. For example, the Prophet forbade a city dweller to buy goods brought by a stranger who wants to sell in the market at higher price than the current price. He said:

A city dweller should not sell for a rural dweller. Leave the people; for Allah provides sustenance to some of them through others (Al-Bukhārī, 1987).

In another tradition, he warned against buying the goods brought by the caravan at the outskirts of the town in order to sell them as one wishes. He was reported to have said: “” (Do not meet the Caravan (outside town), and a city dweller should not sell goods for a rural dweller (Al-Bukhārī). However, some of our interviewed personalities especially among the cattle sellers claimed that the *dilali* renders service as interpreter which qualifies him for payment. In this case, his service ought to be determined and bargained before the transaction and who demands for such service should be known and charged appropriately. This would make the transaction free from ‘two sales in one transaction’ as mentioned above. In addition, an extra charge added to the real price made by *dilali* is an unjust practice which is unacceptable in Islamic teachings because the buyer is ignorant of actual market price. Allah says:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ

O You who believe! Eat not up your property among yourselves unjustly except it is a trade amongst you, by mutual consent.

Agbaale (Advance Payment)

Agbaale is one of the local business practices among the people of Ilorin. The word *agbaale* is Yoruba language which means “advance payment”. This practice usually occurs when they want to have uniform cloth (*aso-ebi*) for

certain ceremony such as: wedding ceremony, naming ceremony, graduation ceremony to mention but view (Khadijah, 2015). The merchant would liaise with ceremony organizers some months before the event to be collecting money, by installment in advance, for buying a specific cloth for the ceremony. The contribution always has proper documentation with the merchant. Once the contribution has been made, the intending buyers have no choice regarding any change in price or quality of the cloth. In case of dispute over the payment or quality of good received, they do settle among themselves (Mariam, 2015). It is Islamically allowed to make a contract of sale with advance payment technically called “*as-salam* or *as-salaf*”. This is a situation where a buyer pays in advance for known and specific goods to be delivered in later time (Al-Jaziri, 2006). This is according to the Prophet’s (S.A.W) approval on such deal as reported in the *hadith* that says:

Those who pay in advance for a good must do so for a specific measurement, a specific weight and for a specific time (Al- Bukhāri)

From the above tradition; this type of sale is valid under the following conditions:

- (i) The price should be in currency.
- (ii) The description of good should be specific.
- (iii) The time of payment should be determined.

In addition, the following regulations must be followed in a sale of preference with advance payment:

- (i) Credit should be within a period in which price fluctuation is possible.
- (ii) The credit term should be for a period in which the sold merchandise is likely to be readily available.
- (iii) If the specific delivery point of merchandise has not been mentioned in the contract, then its delivery should take place where the contract is finalized.
- (iv) It should be properly documented and witnessed (Al-Jaziri, 2006).

Islam also requests that any contract with advance payment and/or advance delivery should be properly documented and witnessed. This is in line with (Q2:282). The verse quoted makes it inevitably necessary to document every transaction in which either the payment or delivery of good would be postponed.

Conclusions

The people of Ilorin do engage in various economic practices. The city provides enabling atmosphere for commerce where people transact freely on different forms of business. The city has from time immemorial adopted series of approach in the business. Those approaches are tagged local business practices. The local business practices in Ilorin studied in this work include: *paaro*, *madamada*, *dilali* and *agbaale*. From this research, our findings show that the practice of *paaro* is in line with the rule of Islam once other requirements of legality are met. The practice is free from *riba-l-fadl* (items of the same kind but of different qualities) since the items exchanged are not the same. Islam discourages but permits debt incurment and call for prompt re-payment as at when due. This makes the practices of *madamada* acceptable on the proviso that there is proper documentation. That Islam encourages the practices without exorbitant increment in price of goods brought the process of *madamada* in Ilorin in conformity with Islamic ethical values. Initially, the role of *dilali* is to serve as interpreter between the two parties of different languages. It is found that *dilali* usually makes their profit from two ways. They inflate the price of goods charged by the real merchant with or without his knowledge but not disclosed to buyers. After the sales, the *dilali* would also demand for commission called *laada* from the buyer. The two means are in contradiction to Islamic teachings. If he needs payment for his service as interpreter, the contract ought to be bargained separately. The practice of *agbaale* tally with concept of *bay^c salam* which gains acceptability in Islam. However, the traders must ensure compliance with conditions earlier mentioned.

Recommendations

Based on the finding of this research work, the followings are recommended:

- (i) The business of *paaro* should be permitted and allowed to include other items apart from cloth being exchanged for plastic containers since it is possible with other items.

- (ii) Though, the practice of *madamada* with increment in price is allowed in Islam as practiced in Ilorin, the price margin should not be exorbitant in order not to affect the poor people.
- (iii) In the practices of *agbaale*, people should keep to their terms and conditions. The intended goods must be specific which must equally be ensured not to unjustly consume the wealth of one another.
- (iv) Proper documentation of any transaction where payment/ delivery would be delayed must be ensured.

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List of Interviews

- An Interview with Ajara Rasaq, 30years Old Cloth Seller in her Shop 46 Ojatuntun, Ilorin, on 3rd/February, 2015 by 2:30pm
- An Interview with Alhaji Masudi Sege 40 years Business Man in his House on 3rd/ April, 2015 by 10am
- An Interview with Aminullahi Khadijat, 30years Cream Seller in her house 7 iya kewu Compound Alore Ilorin, on 6th/ February, 2015, by 12:00pm
- An Interview with Hawawu Gambari, 37years, a Provision and Food Stuff Seller, 22 Kamaldeen Street Okekere, Ilorin, on 5th/February, 2015 by 2:00pm
- An Interview with Iya Aila, 65years, Old Cloth Seller in her Shop 44 Ojatuntun, Ilorin, on 3rd/February, 2015 by 2:45pm
- An Interview with Iya Aisha 40years, Cloths and Bags Seller, 7 Omodada Street Abemi, Ilorin, on 5th/ February, 2015 by 2:40pm.
- An Interview with Khadijat Abdulkareem, 25years, Cloth Seller, 14, Ajetumobi Compound Ilorin, on 2nd/April, 2015, by 9:50am
- An Interview with Mallam AbdulMutallib, 41years, a Beans Seller, in his Shop at Ago, Itanmo, Ilorin, on 10th / February, 2015 by 2:30pm
- An Interview with Olowo-okere Mariam 27years, Vain Seller, 42 Omodada Street Alore, Ilorin, on 5th/February, 2015 by 2:30pm