

Islam, nature and accounting: Islamic principles and the notion of accounting for the environment

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Abstract

Islamic principles are suggestive of a variety of implications for governance and accounting. Reflecting upon Islamic principles, we here engage with the notion of accounting for the environment. Drawing from key Islamic texts and relevant prior literature, we elaborate and discuss key Islamic principles of relevance and delineate what they suggest for accounting. Our endeavours here are consistent with a concern to contribute to a critical theoretical project seeking to develop a progressive and emancipatory universalism that is respectful of difference, a project with its accounting implications. In concluding, we point, among other things, to the irony whereby Western transnational corporations have sought to promote their particular brand of corporate social (and environmental) responsibility accounting in Arab countries, variously influenced by Islam, with little to no mention of a notion of accounting for the environment integral to and deeply rooted in Islam.

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1. Introduction

‘Verily, in the creation of the heavens and the earth and the alternation of night and day, are Signs for people of inward understanding who remember Allah, standing and seated, and upon their sides, and ponder as to the creation of the heavens and the earth: Our Lord! Not for naught didst thou create this . . .’ (Quran 3: 190-191).¹

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¹ We use a number of translations of the Quran and Islamic texts in the paper so as to convey the best sense of the Arabic in English for our purposes. Details are available on request.

For Edward Said, Islam has more often than not been seen or portrayed in negative terms by the West, often being taken as a threat to worry about (Said, 1978, 1988, 1997, 2001a, 2001b; see Bahri, 2001; Tinker, 2004; cf. Gallhofer, Gibson, Haslam, McNicholas, & Takiari, 2000, p. 382). One of our concerns here, via a specific accounting focus, is to enable the West to see Islam in terms different from this negative conception. In effect, we seek to challenge the bad rhetoric and ideology vis-à-vis Islam evident in the West, a rhetoric and ideology substantively reflecting how Islam actually and potentially threatens the dominant socio-political order. In the context of globalisation, a more worrying threat is to Islam's benevolent actual and potential influence in the world (Tinker, 2004). We hope here to indicate to those of alternative religious persuasions, including those who put their faith in secularism and atheism, that Islamic principles may beneficially and variously challenge, enhance and refine their positions (cf. Abdel Haleem, 1998, p. 10; Gallhofer et al., 2000; Gallhofer and Haslam, 2004).² Consistent with Gallhofer et al. (2000) and Gallhofer and Haslam (2004), a concern of this paper is thus to acknowledge the value of insights from a variety of cultures and value and belief systems for the development of accounting and governance systems.³ The paper thus aims to overcome the insensitive Eurocentrism and cultural imperialism of actually existing accounting/environmental accounting thought and practice (Annissette & Neu, 2004; Gallhofer & Chew, 2000; Gallhofer & Haslam, 1997a, 1997b) by bringing insights from Islamic teachings and culture, which have a significant influence on the lives of millions of people. Further, we also hope here to encourage Muslim engagement in *Ijtihad* (reasoned struggle to understand and apply Islam) and *Fiqh* (development of Islamic law or *Sharia* to reflect dynamic principles of jurisprudence in a changing context) so as to contribute, in relation to the accounting focus, to conceptual development within Islam (cf. Haniffa, 2001, p. 4).⁴ Our endeavours here are consistent with a concern to contribute to a critical theoretical project seeking to develop a progressive and emancipatory universalism that is respectful of difference (Calhoun, 1996), a project with its accounting implications.⁵

The relationship between Islamic principles and the notion of accounting for the environment constitutes something of a new emphasis in the literature. Studies on Islam and accounting, as indeed in the case of the general work of Muslim scholars, have tended to neglect substantive dimensions of an environmental focus, in spite, as we shall see, of Islam's teachings thereon (Al-Qaradawi, 2005b). Prior studies of Islam and accounting have tended to focus on the following: accounting issues in relation to the calculation of Islamic *Zakat* (the financial sum to be given to the needy or worthy, a pre-determined rate applied to the value of net assets that cannot be altered by the government, Ibrahim, 2000)⁶; the implications for accounting of the Islamic prohibition of interest or usury; accounting in countries substantively influenced by Islam vis-à-vis global accounting harmonisation projects (although many of these do not specifically consider the Islamic

² As Tinker (2004) suggests, key alternative persuasions today are those shaped by an adherence to the (more problematic) version of the Enlightenment that came to dominate in the West. Tinker (2004, p. 452) points out that many Islamic values are consistent with the same ideals as those cherished in the 'original' Enlightenment.

³ Gallhofer and Haslam (2004) articulate the value of Liberation Theology for critical accounting projects.

⁴ We are a team of critical accounting researchers, one of whom is a Muslim and native Arabic speaker.

⁵ According to Tinker (2004, p. 454), those civilizations included in the Islamic Empire have aimed to reflect unity in diversity by drawing from all sources for development.

⁶ On the social dimension, the Quran (9: 60) has specified those who are eligible to receive *Zakat* payments from the *Zakat* fund. These include the poor, the deprived, those who are unable to pay their debts, destitute travellers and those on the path of Allah. Some religious scholars have justified the spending of *Zakat* on health and education as well as on some other services; however, this does not include the salaries and wages of those working in these sectors (Taheri, 2000).

dimension); and, Islamic concerns with social accountability in relation to social accounting (Abdel-Magid, 1981; Abdul-Rahman & Goddard, 2003; Adnan & Gaffikin, 1997; Allam, 1997; Askary & Clarke, 1997; Baydoun & Willett, 1994, 1997, 2000; Gambling & Karim, 1986, 1991; Hamat, 1994; Hamid, Craig, & Clarke, 1993; Haniffa, 2001, 2002; Haniffa & Cooke, 2005; Haniffa & Hudaib, 2002; Haniffa, Hudaib, & Mirza 2002; Hussain et al., 2002 Hussain, Islam, Gunasekran, & Maskooki, 2002; Ibrahim, 2000, 2001; Karim, 1999, 2001; Lewis, 2001; Maali, Casson, & Napier 2003; Mirza & Baydoun, 2000; Pomeranz, 1997; Rahman, 1995; Simpson & Willing, 1996; Taheri, 2000; Triyuwona & Gaffikin, 2001).⁷ To the extent that these studies are in effect concerned with at least some dimensions of a notion of accounting for the environment through an Islamic lens, they are drawn upon and referenced here. These studies, however, scarcely get beyond the social dimension of Islam's concern with the environment. There have been some studies that have given some attention to environmental accounting in countries influenced to some extent by Islam (e.g. Jahamani, 2003; Nuhoglu, 2003). These, however, scarcely reflect an appreciation of environmentalism from an Islamic perspective, rather relying on Western conceptions (indeed, the literature and the marketing of corporate social responsibility accounting in the Arab, largely Islamic, world has tended to see notions of environmental accounting as new and from the West, see *Arabic Middle East Information*, 2006).⁸ The concern we have here, to theorise the relevance of particular (here, Islamic) thought and practice to more universal development, is also scarcely evident in studies to date.⁹

The specific focus of the paper here is to reflect on the notion of accounting for the environment through engagement with Islamic principles. This constitutes a contribution to a more substantive appreciation of the relevance of Islamic principles for the re-orientation of dominant accounting thought and practice. Given increasing agreement on the existence of an environmental crisis and given that Islamic principles are not limited to the metaphysical but provide practical direction (Omar Naseef, 1998, p. 14), this is an especially worthy focus. Islamic teachings and Quranic verses can provide a significant insight into 'what matters' in our lives, including in relation to the environment. Drawing throughout from key Islamic texts and relevant prior literature, the structure of the paper is as follows: we elaborate and discuss key Islamic principles of relevance and delineate insights therefrom for a notion of accounting for the environment.

2. Islam and nature: some key guiding principles

'... unity, trusteeship and accountability. . . the three central concepts of Islam, are also the pillars of the environmental ethics of Islam' (Omar Naseef, 1998, p. 13).

⁷ In these papers, there is some appreciation of Islamic unity between the sacred and secular and relatedly the significance of Islamic ethics for accounting, including social accounting (see, for instance, Karim, 2001, pp. 169, 173; Lewis, 2001, pp. 113, 126; Maali et al., 2003, p. 31; Haniffa, 2001, pp. 18–19; Haniffa et al., 2002, p. 1; see also Hamid et al., 1993). There have been a number of studies on accounting in countries that are substantively influenced by Islam that have not dealt with the Islamic dimension (e.g. Hussain et al., 2002; Joshi and Ramadhan, 2002; McKee et al., 1999; Naser and Abu-Baker, 1999). Accounting in Islamic countries is often in effect portrayed as underdeveloped, ironic given the conclusion of studies such as Hamid, Craig, and Clarke (1995).

⁸ Haniffa et al. (2002) do make reference to the need to attend to environmental matters in accounting consistent with Islam but scarcely develop this point.

⁹ Hayashi (1989) has a parallel theme in pointing to the future impact of Islamic accounting upon Western accounting, although this pays little attention to wider environmental issues.

The relationship between Islam and the natural world is relatively unexplored. The rapid deterioration of the environment can closely be connected to a crisis of values: Manzoor (2003) maintains that the environmental crisis we are witnessing today is actually the most striking manifestation of the development of Western civilisation, in the context of which modern science and technology has provided us with a literal and physical capacity to completely destroy ourselves. Yet, relatively little work has been done to reflect Islamic perspectives as opposed to those of the West (Al-Qaradawi, 2005b). And it is of note in this respect, as Al-Qaradawi (2000)¹⁰ elucidates, that safeguarding, protecting and caring for the environment scarcely constitutes a new or a Western concept: rather, such concerns for the environment are deeply rooted in all fields of Islamic teaching and culture (see also Sardar, 1984; Khalid & O'Brian, 1992).

The environment is central in Islam. Many Islamic concepts or principles in the Quran and in the words and actions of the Prophet, such as *Tawheed* (Unity of God), *Khilafah* (vicegerency), *Umma* (community), *Adl* (justice), *Ihsan* (kindness), *Hikma* (wisdom) and *Tawadu* (modesty), carry substantive implications concerning the relationship between humankind and the natural environment. And the Islamic *Sharia* that guides Muslims reflects such concerns (Al-Qaradawi, 2005a). Insights from the life and sayings of the Prophet Muhammad enable us to 'construct an authentic Islamic environmental ethics . . . [and] . . . open a wide avenue of creative and innovative solutions in the contemporary context' (Denny, 1998). Furthermore, the Quranic emphasis on the environment and the Earth is an indication of how critical the relationship is between humankind and the Earth and Universe in Islamic discourse. The need to care for the Earth and the environment, and a related need to spread virtue and good deeds, are repeatedly demanded in the Quran: 'That Home of the Hereafter We shall give to those who intend not high-handedness or mischief on earth: and the end is (best) for the righteous' (Quran 28: 83). Furthermore, Denny (1998) explains that the colour green is the most blessed of all colours for Muslims. It represents a 'profound sense' of the value of nature for God and Muslims (and is reflected in the flags of many nations variously influenced by Islam): 'Do you not observe that God sends down rain from the sky, so that in the morning the earth becomes green?' (Quran 22: 63).

Below, we elaborate the environmental dimension of a number of key guiding principles of Islam (Unity of God, Trusteeship, Community Principles, The Boundless Scope of Islamic Concern, Appreciation of the Beauty of Nature) and go on to delineate the accounting implications. In Islam there is no separation between the sacred and the secular and emphasis on this eschews abstraction from the guiding ethics in pursuit of, for instance, a secular and instrumentalist materialism: as we shall indicate, that is why Islam is so potentially threatening to a capitalistic socio-political order. Muslims cannot in good faith 'compartmentalise their behaviour into religious and secular dimensions, and their actions are always bound by the *shari'a*' (Lewis, 2001, p. 104; see Ibrahim, 2000; Haniffa, 2001; Haniffa et al., 2002; Tinker, 2004). Islam and Islamic *Sharia*, therefore, do not merely represent a 'personal' religion, they also imply a mode of organising society and its institutions, as well as serving as a guide for the conduct of individuals within the institutional and social context (Tinker, 2004, p. 452). Thus, accounting as social institution and practice in an Islamic context would reflect the range of Islamic principles of relevance (Lewis, 2001; Tinker, 2004), offering general insights.

¹⁰ Yusuf Al-Qaradawi is one of the most prominent Islamic Scholars. In the Arab world, he has been the most influential Islamic scholar over the last two decades. He memorised the Quran as a child, and was educated at Al-Azhar, the famous Egyptian Islamic school. He has established many research centres for Islamic studies in the Arab world, and has been considered the most influential Islamic personality for four years running by the Dubai Islamic Society of the Holy Quran.

2.1. Unity of God

‘Seest thou not that to Allah bow down in worship all things that are in the heavens and on earth,- the sun, the moon, the stars; the hills, the trees, the animals; and a great number among mankind?’ (Quran, 22: 18).

‘His trustees are responsible for maintaining the unity of His creation, the integrity of the earth, its flora and fauna, its wildlife and natural environment. Unity cannot be had by discord, by setting one need against another; it is maintained by balance and harmony’ (Omar Naseef, 1998, p. 13).

A most important concept of Islam’s philosophy of nature is the central Islamic concept of *Tawheed* (Unity of God) (De Chatel, 2003; Omar Naseef, 1998, p. 13). The concept implies the unity and equality of all God’s creations in the worship of God and their equality as partners in terms of the due respectful recognition of the existence of all and the due appreciation of interdependency and interconnectedness between all. The latter is properly deemed reflective of mutuality and a universal common good to which all contribute (Al-Qaradawi, 2000; Begader, El-Sabbag, Al-Glayand, Samarraï, & Llewellyn, 2005; De Chatel, 2003; Quran, 16: 48–49; see also Quranic verses 13: 15; 59: 1; 64: 1; 17: 44).¹¹ There is thus an equilibrium ruling the natural world, and all God’s creations are understood to be in balance or in harmony in this respect, having been created in a measured way or by measure, a measure not to exceed or to fall short of (Al-Qaradawi, 2000; Begader et al., 2005; Hobson, 1998; Taib, 2002):

‘Verily, all things have We created in proportion and measure’ (Quran 54: 49).

And:

‘The sun and the moon are made punctual. The stars and the trees adore. And the sky he hath uplifted. And He hath set the measure. That ye exceed not the measure. But observe the measure strictly, nor fall short thereof’ (Quran 55: 5–9).¹²

The equilibrium should ‘not be transgressed at any level, whether at that of the harmony of nature or in the spheres of human justice, morality or everyday commerce . . . the principle of balance, measure and moderation is all-pervasive . . .’ (Hobson, 1998, p. 41).

Such holism makes substantive allusions to, and has a variety of implications for, the environment. The suggestion is of a delicate balance constituting the natural world, a fragile eco-balance. The ‘measure’ may allow for several possibilities consistent with ‘moderation’ but it is important that more extreme limits are not transgressed. The resonance of the concept takes on further significance once its implications in respect of human beings are more fully appreciated. A concern about people is integral to the vision and practice of caring for the natural environment in accordance with Islamic teaching: people are themselves part of their environment. And, in this regard,

¹¹ In other words, there is a ‘cosmic symbiosis’ (*takaful*) involving all God’s creations. For Omar Naseef (1998, p. 13), Allah is Unity and this Unity is reflected in the Unity of humankind and the Unity of the Human and Nature.

¹² In this text ‘adore’ is in the sense of bow down in admiration or worship. Many Suras in the Quran remind us that God has created things in the right balance and some imply a celestial accounting in this respect: ‘With Him are the keys (to the treasures) of the Unseen that no one knows but He knows whatever is on the earth and in the sea. Not a leaf falls but with His knowledge: there is not a grain in the earth’s shadows, not a thing, freshly green or withered, but it is (inscribed) in a clear record’ (Quran 6: 59).

observing the measure or maintaining the balance implies being modest, just and fair in Islam. There is yet a challenge here to anthropocentric orientation: there is a concern to give an equal respect to all the flora and fauna of God's creation, with no special respect to human beings, as part of and in the sense of maintaining the balance (Omar Naseef, 1998, p. 16). The common good between humanity and the Universe is re-inforced by the Islamic portrayal of other living creatures as 'peoples or communities' (Quran 6: 38): 'There is not an animal in the earth, nor a creature flying on two wings, but they are nations like you' (6: 38).¹³ This, then, implies a respect for the cosmos and within this a respect for all life, creatures and people (Islam, for instance, explicitly promotes helping the needy and buying slaves out of bondage). The Islamic principle of kindness (*Ihsan*) associated with the prohibition of abuse and the respect for all, may be understood as integral to the *Tawheed* concept. Muslims must be 'sincere to the truth and justice, and ethical . . . to God's creation' (Al-Qaradawi, 2000). Al-Qaradawi (2000) maintains that the environmental crisis we are facing today is due to humankind's losing sight of the common good of the universe and its interconnectedness. Unless humankind realises the equal right of all creatures to exist in the universe in the right balance, its actions will result in the destruction of these creatures and, therefore, the destruction of the universal balance. Consumerism, profit obsession and utility (without morality) has driven human nations to destroy other nations and themselves and conveys 'ingratitude to God's creations' and God's gift of balancing this universe (Al-Qaradawi, 2000). A failure to observe God's measure, or a tendency to lose balance, is understood to engender action with detrimental consequences for the environment: it may, for instance, be akin to disturbing the eco-balance or exhausting the earth's resources (Al-Qaradawi, 2000).¹⁴ As well as the possibility of failing to observe the measure as it properly is, there is also the possibility of effectively failing to observe the measure through cheating and creating false measure. By telling lies or keeping silence about a problematic mode of measuring or its outcome one may mislead others about the measure (Al-Qaradawi, 2000; cf. Lewis, 2001, p. 110).¹⁵

2.2. Trusteeship

'It is he that has appointed you as regents in the earth' (Quran 35: 39).

¹³ The following is from the Sura entitled The Bees: 'And thy Lord taught the Bee to build its cells in hills, on trees, and in (men's) habitations; Then to eat of all the produce (of the earth), and find with skill the spacious paths of its Lord: there issues from within their bodies a drink of varying colours, wherein is healing for men: verily in this is a Sign for those who give thought' (16: 68–69). These verses indicate that God's communication is not only with humans but also with other creatures. Here Bees are portrayed as a nation that is capable of learning and listening to God's inspirations and following His commands. The contribution of the nation of Bees to the universe and human life by producing a drink (honey) that is useful to and heals humans is indicated, further emphasising the interdependence of God's creations.

¹⁴ Balance in the Quran includes the 'ecological balance' but there is an extension to the social: balance is to be effected in social life including in terms of the Balance of Justice (Abdel Haleem, 1998, p. 7). White (1967) blames Christianity for the degradation of the environment by sanctioning 'Man's conquest of nature'. Manzoor (2003) argues that in this context 'Islam, as usual, hardly figured in this discussion [of trusteeship] as if it were a religion from the moon and the living reality of one billion Muslims merely a statistical illusion'. It was taken for granted that Islam, like Marxism, was a Judaeo-Christian heresy. Closer analysis of Islamic teachings, however, provides a different perspective to that dominant in Judaeo-Christianity thought. Despite the common 'monotheistic' vocabulary between Islam and Judaeo-Christianity, Quranic teachings in respect of the common purpose of the creation of humankind and the rest of God's creations, as well as the relationship between mankind and nature, differs from that of the *Bible* (Manzoor, 2003).

¹⁵ What may be called Greenwash or Whitewash in social reporting, forms of corporate propaganda, are types of cheating or creating false measure (Collison, 2003).

‘The world is sweet and verdant green, and Allah appoints you to be His regents in it, and will see how you acquit yourselves . . .’ (Hadith, quoted in Hobson, 1998, p. 34).

There is considerable emphasis on Trusteeship in Islam. While Islam, following *Tawheed*, envisions people as integral to the environment, it gives them a special role of Trusteeship in relation to the environment. The human being is appointed a trustee (steward, guardian) or *Khalifah* (Lewis, 2001, p. 110)¹⁶ and is charged with looking after or governing the self and others, where the conception of others extends beyond people to the wider environment or creation (Abdel Haleem, 1998, p. 9). The burden of this trusteeship is not underestimated even by God: this is articulated in Islam in terms, for instance, of the Trusteeship being offered to the mountains and others, and humankind being understood to have taken the charge in their ‘folly’ (Abdel Haseem, 1998, p. 9). Trusteeship is never to be detached from Islamic values, irrespective of whether or not the *Khalifah* is seen as an expert or scientist.¹⁷ This ‘trusteeship’ of the human on Earth does not mean that she or he has been given a privilege to abuse Earth for her or his own purposes.¹⁸ On the contrary, Al-Qaradawi (2000) explains that this trusteeship demands the spreading of justice, truth, good deeds and virtue by humankind.¹⁹ People need to impose limits to their actions (to maintain balance, *supra*) in this respect, as they have a choice (Khalid, 1998, p. 20). As a trustee for the environment, the Muslim must safeguard the environment but also cultivate it—consistent with maintaining the balance. Thus, what is involved here is safeguarding nature and the planet, including its people, and cultivating it to the highest point consistent with sustainability. This

¹⁶ The notion is derived from a principle of *Khilafah* or vicegerency. Man is the vicegerent (Khalifah) of God and is accountable for all her/his actions to God and will be judged and rewarded or punished in the hereafter according to these actions (Haniffa, 2002; Ibrahim, 2000).

¹⁷ The Western scientist in the secular context is often seen as neutral, beyond the politico-ethical. This misconception arises less often in the Islamic context given this Islamic principle. For Manzoor (2003), the Islamic approach to science differs from the Western, in ways having implications for the environment. While the relationship between Islam and natural science still awaits proper enquiry, science in Islam did not lead to the same kind of development that transpired in the West, because it was never detached from values. Famous Muslim scientists and scholars such as Muhi Al-deen Ibn Al-Arabi, Ibn Jarir al-Tabari, Ibrahim Haqqi of Erzurum, Ibn Sina and Jabir Ibn Hayyan (a founder of algebra and chemistry) have combined mainstream science with Sufism and/or Quranic spirituality. A Muslim Scholar of the ninth century articulated Sufism as follows: ‘Sufism consists of entering every exalted quality (khalq) and leaving behind every despicable quality’ (Godlas, 2006). Spirituality and getting closer to God have been key aspects in Muslim scientists’ tendencies and desires to observe, research and contemplate nature (The Way to Truth, 2006). Western science’s tendency to marginalise and to abandon the spiritual and religious aspects, argues Manzoor (2003), has resulted in a moral and value crisis that is allowing the abuse and depletion of earth and the universe.

¹⁸ The concept of *Khilafah* in Islam does not give mankind an unlimited control and access to God’s resources. Begader et al. (2005) explain that ‘man has been granted stewardship to manage the earth in accordance with the purpose intended by its creator; to utilise it for his own benefit and the benefit of other created beings, and for the fulfilment of his interests and of theirs’. In other words, he is trusted to maintain and care for what he has been entrusted with. Ownership of land in Islam is connected and conditioned by the ability of the owner to sustain and nourish this land. One of the prophet’s companions and the fourth Caliph in Islamic history said to a man who had developed and reclaimed abandoned land: ‘Partake of it gladly, so long as you are a benefactor, not a despoiler; a cultivator, not a destroyer’ (Begader et al., 2005). Therefore, wealth is not the key objective of owners in Islam, but the ability to sustain and bring benefit to self and others from land. In addition, the concept is different to a Western one where ownership entails freedom to deal with what is owned, regardless of what is done with it. Ownership is subject to land being sustained and not despoiled.

¹⁹ The Quran calls to Prophet David: ‘(And it was said unto him): O David! Lo! We have set thee as a viceroy in the earth; therefore judge aright between mankind, and follow not desire that it beguile thee from the way of Allah’ (38: 26). God also reminds mankind that He created them from earth, and gives them the duty to build it: ‘He brought you forth from the earth and hath made you husband it’ (11: 61). Al-Qaradawi (2000) explains that what is meant by ‘husband’ here is that humans should plant, build and spread virtue and avoid harm and destruction.

includes by spreading the Islamic values of justice, truth, good deeds, virtue and modesty so that the concerns of *Khalifah* extend to all.

2.3. Community principles

‘... And act justly. Truly, God loves those who are just’ (Quran, 43: 9).

‘None of you is a true believer until and unless he loves for his fellow man what he loves for his own self’ (The Prophet, quoted in Islam online 2003).

‘All Muslims, are like a single body if one part is hurt, the whole body feels the pain’ (The Prophet, quoted by Anonymous, 2002a).

We have given some stress already to the notion that integral to Islam’s concern for the environment are concerns about people. We can add to this here by elaborating that, as well as translating into concerns about individual people (the emphasis is upon the development of innate capacities), concerns about people also translate into concerns about the community (*Umma*) or community principles emphasising social justice (*Adl*), social welfare and the countering of oppression (Haniffa, 2001; Lewis, 2001; Rahman, 2000). These concerns are emphasised by Islamic scholars:

‘to promote the welfare of the people, which lies in safeguarding their faith, their life, their intellect, their prosperity and their wealth’ (the objective of *Sharia* according to Al-Gazzali, a famous Muslim philosopher of the eleventh Century, quoted in Ibrahim, 2000, p. 62).

And:

‘... the Sharia basis is wisdom and welfare of the people in this world as well as the Hereafter which lies in the complete justice, mercy, well-being and wisdom. Anything which operates from justice to oppression, mercy to harshness, welfare to misery and from wisdom to folly, has nothing to do with the Sharia’ (according to the philosopher Ibn Al Qayim al-Jawziyyah, quoted in Ibrahim, 2000, p. 57).

Thus, as individuals and as a collectivity, people are very much part of nature and thus in Islam are to be deeply respected. As part of the balance, there is an awareness here that respecting people is related to respecting the wider environment: given the interrelatedness, good leads to good. Again here there is a notion of developing the community to the highest point that is sustainable. There is enhancing, or cultivating, as well as safeguarding. Developments of the intellect, wisdom and knowledge (*Ilm*), especially self-knowledge, are key (Tinker, 2004). More generally, life, prosperity, well-being and wealth are to be safeguarded and enhanced through mercy and justice—implying here a position of ennoblement beyond oppression or the oppression of oppression.

The concern to realise social justice is central to Islam:

‘We sent aforesaid Our messengers with Clear Signs and sent down then The Book and the Balance (of right and wrong), that mankind may establish Justice’ (Quran 57: 25).

‘Allah commands justice, the doing of good (equity), and charity to kith and kin, and He forbids all shameful deeds and injustice and rebellion: He instructs you, that you may receive admonition’ (Quran 16: 90).

The Muslim is not to be free from care for others. The *Umma* principle counters an excessive selfishness and individualism beyond morality. Sharing and distributing takes a preference over individual excess, which is seen as a moral corruption. In this regard, Islam generally prohibits waste and avarice: The Quran states: ‘Lo! The squanderers were ever brothers of the devil and the devil was ever an ingrate to his Lord’ (17: 27); and ‘Eat and drink, but waste not by excess; Verily He loves not the excessive’ (Quran 7: 31). Excess, waste, avarice and corruption are matters that ought to burden the Muslim conscience (Al-Qaradawi, 2000; Begader et al., 2005).²⁰ The protective or safeguarding dimension is given great emphasis in Islamic community principles and this extends to protecting the environment: ‘avoiding harm is paramount to achieving utility’ (The Prophet, quoted in Al-Qaradawi, 2000). Islam generally prohibits, in this respect, waste and avarice in society. Within this emphasis on protection there is a further emphasis on protecting the relatively weak. Islam’s community principles give some emphasis to how employees are treated by their employers and thus the nature of their working conditions. More generally, similar principles are relevant to the functioning of business and business management.²¹ While Islamic positions tolerate the making of profit (and the possession of private property), consistent with the Muslim’s concern to be fair, honest and just towards others (Lewis, 2001, p. 108), Islamic positions do not want to see profit being made to excess and do not want the process of making profit to involve harm to others (e.g. as well as in terms of poor working conditions and unfair wages, selling things that harm people, engendering ill health, destruction of valued local culture). The very notion of making profit (above inflation) without earning it through work (mental or physical) is an issue for Islam in that in some interpretations it is akin to gaining interest on loans (usury is condemned), with the latter being more especially an issue where the loan is to the poor and obviously disadvantaged.²² One can see here how the substance of Islam may challenge the capitalistic. Monopolistic practice – taking advantage of weaker others through the improper exercise of economic power – is similarly deemed inconsistent with Islam (Abdel Haleem, 1998, p. 8; Lewis, 2001). In point of principle, it would be reasonable to suggest at least that to the extent Islam comes to terms with capitalism it places little to no emphasis on the maximisation of profit (or shareholder wealth) – and specifically sees greed or *tamaa* as a negative value to be avoided, while moderation (*iqtisad*) is seen as a positive value (Lewis, 2001, p. 108; see Rahman, 1994) – and substantive emphasis on the need to satisfy constraints reflective of Islamic principles in the context of any profit orientation.²³

²⁰ Islam discourages luxurious and lavish living. ‘Muslims see the existence of luxury as an expression of social injustice, as few can afford luxurious items at the expense of the deprived masses’ (Smith, 2006).

²¹ It should here be added that in many actual existing jurisdictions in the Islamic world, secular and sacred laws co-exist, so the position is not easy to unravel (see Lewis, 2001, p. 107).

²² Where business owners make an uncertain gain from a productive transformation of resources, Islam does find legitimacy subject to the satisfaction of the other principles (Lewis, 2001, p. 111). Similar concerns about gain without work exist in the case of inherited wealth in Islam, which is – in relative terms – quite strictly regulated so as to effect wider wealth distribution (Lewis, 2001, p. 109).

²³ On both counts mainstream finance texts in the West reflect a lack (at least an underdeveloped position) from the perspective of dominant Islamic thought. Khalid (1998) offers an analysis which stresses how Western thought and a (related) capitalistic excess are key to understanding today’s environmental problems. In an analysis consistent with Tinker (2004), Khalid (1998) suggests that Cartesian thought ‘added impetus to burgeoning secularism which has today marginalised belief systems popularly called religions’ (p. 23) and this came to have significant effect (p. 24). And motivated by relaxation in usury laws outside Islam, Khalid (1998) suggests that the making of loans as a multiple of deposits by the banking system contributed to an economic development now dangerously out of control (p. 28). Economic progress and material gain (measured by accounting for Gross National Product) now ‘takes precedence over everything else’ (Khalid, 1998, p. 16). Some real world predominantly Muslim societies (e.g. Libya, Syria) have embraced socialist polity although in doing so they have arguably been substantively influenced by Eurocentric rather than Islamic

2.4. The boundless scope of Islamic concern: holism and the future

The Prophet is quoted as saying: ‘... do not leave those who come after you a burden (of your doings) to deal with’ (Al-Qaradawi, 2000).

With regard to the wider, including ecological, environment, Islam is concerned to look after the environment or to protect and enhance it consistent with maintaining the balance. Islamic holism in this respect extends to a concern about the survival but also the well-being of future generations. Al-Qaradawi (2000, 2005a) explains that one of the most important Islamic concepts is the solidarity of Islamic generations one with the other (see also Taib, 2002). A concern to safeguard the ecological as well as the more general environment flows from this identification with future generations. Islam extends its concerns beyond an anthropocentric focus, towards the well-being or balance of the eco-system and general flora and fauna (Al-Qaradawi, 2000).²⁴ Al-Qaradawi (2000) explains that it is not allowed for one generation to have a monopoly of prosperity derived from nature and God’s creations at the expense of future generations.²⁵ This Islamic principle has the most evident linkage to notions of sustainable development. It is a principle that emphasises the negativity of waste, obsessive extravagance (*Israf*), excessive consumerism and conspicuous consumption.

The Prophet teaches us how to be modest in our consumption. He demanded that we do not waste water even when we are washing before prayer. Today, one of the most cited causes for the environmental crisis is the prevalence of wasteful consumer societies (Al-Qaradawi, 2005a; Begader et al., 2005). Excessive consumerism in Islam is considered to be a form of corruption, whereby the Earth suffers, that is forbidden by Islam (Begader et al., 2005): ‘... and do not follow the bidding of the excessive, who causes corruption in the earth, and do not work good’; and ‘And do not cause corruption in the earth, when it has been set in order’ (Quran 26: 151–152).

Especially because the concern here is to protect and enhance the well-being of future generations, Islam also specifically warns against the negativity of spoiling the environment, which includes polluting it or being aggressive to it. Al-Qaradawi (2005a) notes that the Quran mentions

conceptions. One can see in any case that the Islamic stance may be less easily implemented with any substantive effect in the context of a developing and capitalistic globalisation in the absence of a global governance that would respect the reasoning integral to the stance (see Gallhofer and Haslam, in press).

²⁴ Man’s responsibility towards nature is not only related to benefits for himself, his society and future generations, it extends to the valuation of nature itself irrespective of man’s or other creatures’ use of it. The Prophet said: ‘When doomsday comes, if someone has a palm shoot in his hand, he should plant it’ suggesting that even when all hope is lost for mankind, one should sustain nature’s growth. He believed that nature remains a good in itself, even if man does not benefit from it (De Chatel, 2003). The Earth is mentioned in the Quran 453 times. The Quran reminds us that humankind shares with all animals an origin in the common substance of water (Quran 25: 45, cited in Denny, 1998). It also reminds us that we are all created from the earth and will return to earth (in the sense of ashes to ashes) (Denny, 1998). Note also here, again, that the trusteeship or stewardship role was ‘refused by the mountains and all of creation but taken on by humanity in their folly’ (Abdel Haseem, 1998, p. 9).

²⁵ Al-Qaradawi (2005a) maintains that *Sharia* is mainly concerned with preserving five important dimensions of people’s lives: religion, oneself, future generations, wealth, and mind. The natural environment is connected with all these issues. If we spoil the environment we are negatively affecting our beliefs, selves, future generations and natural wealth (Al-Qaradawi, 2005a). The word *Sharia* itself is closely related to an important natural element: water. It is included in early Arab dictionaries and originally meant “the place from which one descends to water.” Before the advent of Islam in Arabia, the *Sharia* was, in fact, a series of rules about water use: the *shir’at al-maa’* were the permits that gave right to drinking water (De Chatel, 2004). After the emergence of Islam, the term *Sharia* was technically developed to include the body of laws and rules given by God for people to live by (De Chatel, 2004).

a number of times that humans should not engage in acts that entail spoiling the Earth, which Allah has created as suitable and well-prepared for successive generations. According to Al-Qaradawi (2005a), the Quran forbids spoiling or abusing the Earth in any way that would make it deviate from the purpose God created it for: ‘They hasten about the Earth, to do mischief there; and God loves not the workers of mischief’ (5: 64). While the West and scientists still negotiate whether we have an environmental crisis or not and the validity of the global warming phenomenon, Islam, some 1427 years ago, thus warned against mischief and mistreatment to the Earth.

As we have suggested, there is a notion of sustainable development in Islamic thought beyond a basic concern that things are sustainable. Caring and solidarity with future generations are not limited to the prohibition of waste and harm to the Earth and natural resources, but extended to working towards improving and progressing the environment for future generations. The Prophet instructed the faithful that any Muslim who plants crops that feed others, including those coming after him, people, animals or birds, will receive a reward in paradise (Smith, 2006).²⁶ Thus there is a concern to enact progress for future generations within the limits of what is sustainable.

2.5. *Appreciation of the beauty of nature*

‘Such as remember Allah, standing, sitting, and reclining, and consider the creation of the heavens and the earth, (and say): Our Lord! Thou createdst not this in vain. Glory be to Thee!’ (3: 191).

‘Behold! in the creation of the heavens and the earth, and the alternation of night and day,- there are indeed Signs for those who understand’ (2: 190).

‘Glorify the name of thy Guardian-Lord Most High, Who hath created, and further, Given order and proportion; Who hath ordained laws. And granted guidance’ (87: 1–5) (Al-Qaradawi, 2000; Begader et al., 2005).

‘Will they not regard the camels, how they are created? And the heaven, how it is raised? And the hills, how they are set up? And the earth, how it is spread?’ (88: 17–20).

In Islam, appreciation of the beauty of nature provides inspiration for a trusteeship that would properly look after the environment. Muslims are encouraged to look deeply into God’s great creation of the Universe and to enjoy and reflectively meditate on its beauty, encompassing its order, proportion, flora and fauna. Al-Qaradawi (2005a) explains that animals are described in the Quran for their beauty and as a sign of God. For instance, the following refers to the beauty of livestock: ‘And in which is beauty for you, when you bring them home and when you take them out to pasture’ (16: 6). The Prophet had particular consideration for horses and camels—for him they were ‘valiant companions’ in his journeys and he found great ‘solace and wisdom in their presence’ (De Chatel, 2003). Nature’s beauty here signifies moral standing and propriety. The Quran (88: 11–12) equates the waters of Paradise with moral uprightness: ‘In the garden is no idle talk; there is a gushing fountain’ (quoted in De Chatel, 2004). This inspires loving care for nature consistent with a higher morality and enhanced capacity for trusteeship. God’s beauty

²⁶ The prophet is quoted as saying: ‘No Muslim, who plants a shoot, except that whatever is eaten or stolen from it [whether a person, an animal or a bird] is considered like paying almsgiving on his behalf until the Day of Judgment’ (quoted in Al-Qaradawi, 2000; Anonymous, 2002b).

is to be reflected in social action, including in respect of the environment (Al-Qaradawi, 2000; Begader et al., 2005; Denny, 1998).

3. Islam and nature: insights for the development of environmental accounting

We may properly seek to elaborate insights from the key Islamic principles reviewed for the development of the notion of accounting for the environment, whereby accounting can contribute to the enhancement of a moral responsibility influenced by Islamic principles.²⁷ We apply a critical theoretical perspective that is properly reflexive, open and non-dogmatic in this endeavour. As part of this, the perspective's delineation of accounting goes beyond narrow conceptions and manifestations. By accounting here, then, we refer to a broadly conceived system of informing. This implicates, for instance, the financial and the non-financial, social statistical systems and systems of monitoring and accountability. And it does this at a comprehensive array of levels, covering, for instance, informing at the macro-level; external informing at the micro-level, e.g. at the level of organisations and individuals; and, internal systems of informing within organisations.

By exploring what Islam is suggestive of in relation to this broad conception of accounting, we can gain insights for the development of the notion of accounting for the environment. Initially, we can approach this task by recognising the centrality of the principle of Trusteeship (*khilafah*) to an Islamic environmental ethics that would implicate accounting. It is difficult to conceive of a meaningful notion of accounting abstracted from a notion of governance in its broader sense (including, for instance, the idea of management at the micro-level). Governance clearly overlaps with notions of steering, stewarding or looking after: it hence has a close correspondence with the notion of Trusteeship (which is also about cultivating as well as safeguarding), which we have seen is so central to Islam. The meaning of Trusteeship in Islam is clearly constituted by reference to the other Islamic principles that we have considered and underpinned by the core Unity of God or *Tawheed* principle. This has its implications in terms of the insights for accounting that we are interested in deriving and elaborating here.

Islamic principles help problematise the dichotomy sacred–secular (see Lewis, 2005). Hence, by intention, Islamic law is prescriptive in a holistic sense including in relation to accounting. The holism of Islam, evident in the *Tawheed* principle, and the concern to look after the Earth, are suggestive of a macro-level governance, incorporating planning and control, and associated accountings. At the same time, the need for attention to detail and co-ordination would suggest derivative systems of governing and associated accountings at the more micro-level.

Aside from the various stakeholders amongst the public at large envisaged as using and benefiting from the system of informing – or set of such systems – integral to this governance system, trustees may themselves benefit from their being required to disclose consistent with an accountability inspired by an Islamic sense of morality and responsibility. This is not only in the general sense of being part of the community but also in the more specific sense that they may at least be reassured of their efforts to pursue worthy principles.

With regard to system objectives that clearly constitute an important element of the system of governance, *Tawheed* suggests that the notion of protecting the environmental position, maintaining balance and keeping within the appropriate limits should be central here. In this respect, Al-Qaradawi (2000) advocates imposing constraints on the activities of large multinational or

²⁷ In a Muslim context this has some affinity with *Fiqh—Fuqaha*, or jurists, would in this context trace out the accounting implications in a changing world.

transnational companies so that overall their activities are channelled more towards what is deemed the social good. Within the limits or constraints (maintaining balance) there is a positive notion of enhancing or cultivating the environmental (including the social) and Islam places a value here on the eco-system, general flora and fauna, spirituality, being happy in one's submission to God, wisdom, prosperity, wealth, mercy (distinct from harshness) and justice (distinct from oppression) (*supra*). These desiderata imply a governance system implicating constraints and involving inducements and encouragements, with associated accountings at the various levels of the system. Islamic community principles are suggestive of a system of informing and disclosing to the *Umma* that is explicitly orientated to the public interest (*Istislah*), here seen integral to a broad ranging interest in the safeguarding and cultivating of the environment. The community principles encompass a governance or management project or a set of such projects with associated accounting implications at the various levels.²⁸ In Islam, God demands that society should try to put in order a system whereby people are encouraged to do good and stay away from the bad (Begader et al., 2005).²⁹ Thus there is a sense of collective as well as individual responsibility. This principle needs also, therefore, to be reflected in accounting at the various levels (see Ibrahim, 2000, p. 55).

It is not difficult to envisage accounting's significance through an Islamic lens on governance. Accountability to God and the notion of people having an account book with God are central tenets and presumptions of Islam (see, for instance, Quran 6: 5: 'Not a leaf falls but with His knowledge: there is not a grain in the earth's shadows, not a thing, freshly green or withered, but it is (inscribed) in a clear record'). Several commentators indeed stress that there is a strong emphasis on accountability in Islam (Omar Naseef, 1998; Lewis, 2001; Maali et al., 2003).

Further exploration does suggest that the accountant, and hence accounting, is actually given a very key role – and one that reflects a more holistic notion of accounting than is conventional today – in relation to the Islamic principle of Trusteeship. The person that is described as accountant or *Muhtasib* in Islam is the one responsible for making sure that business is not harming the community. It was the *Muhtasib's* task, among other things, to ensure that business activities such as baking and tanning were situated in areas where they did not have a negative impact on the community through the emissions and smells they produced. Furthermore, the *Muhtasib* was charged with checking that businesses were not disposing their waste in a way that was harmful to the community surrounding them. The *Muhtasib* during the Islamic rule of the 15th and 16th century is reported to have made sudden visits to these business locations to control that their activities were in compliance with the best interests of the *Umma* (Al-Qaradawi, 2000). The *Muhtasib's* role in respect of accountability in an Islamic society, therefore, was not limited to technical and financial traditions. It was a social role, whereby the *Muhtasib's* accountability extended to making sure that *Sharia's* social rules in respect of *Umma's* welfare and interests were enforced and

²⁸ Such an interrelated relationship between the welfare of the individual and the welfare of society entails the duty of each part to protect, conserve and develop the natural environment and natural resources (Begader et al., 2005). Accounting can be part of the fulfilment of this duty if it is considered from the social and social justice point of view. As Gallhofer et al. (2000, p. 397) explain, accountings 'help construct reality'. In this sense, accounting can be employed to establish a prosperous reality through following the Quranic teachings that call for 'establish right and eradicate wrong, such are they who shall prosper'.

²⁹ Haniffa (2001, p. 14) highlights types of information that should be disclosed by organisations adhering to Islamic *Sharia* to meet the needs of Islamic societies. These include, the provision of information regarding lawful and unlawful activities undertaken, reasons for undertaking the latter activities and how the organisation is/will deal with them. Other types of information include employee policy, debtors and creditors, the use of resources and protection of the environment. These disclosures comply with the Islamic principles such as vicegerency, justice and *Umma* (Haniffa, 2001).

complied with.³⁰ The accountant thus might seek to ensure through a system of informing that the safeguarding and cultivating of the environment is appropriately manifest in practice. The accountant may be concerned, among other things, to try to guarantee that individuals, organisations and societies are held to account in relation to the desiderata.

Islam's concerns in respect of cheating and creating false measure, a dimension of the broader concern integral to the *Tawheed* principle to maintain balance or maintain the measure and keep within appropriate limits, are suggestive of forms of governance and accounting regulation. Full and relevant disclosure in this context constitutes Islamic principles of accounting (Lewis, 2001, p. 114). Concerns about cheating and creating false measure underscore the need for openness in law and policy-making governing accounting as broadly conceived, in that such openness may mitigate some potentially corrupting influences on the processes involved and thus counter tendencies towards cheating and creating false measure. And it re-inforces the desiderata of an explicit public commitment to reasonable and comprehensible accounting – full and relevant disclosure – in the public interest, as such an explicit commitment becomes a charge in relation to which those formally regulating accounting can be held accountable. It also indicates the need for explicit attention to the phenomenon of cheating and creating false measure as a substantive ethical issue in the context of systems of educating and training accountants and auditors—and indeed, more broadly, in the context of regulating professional accountancy practices. Auditors, or specialist auditors of a particular kind, might extend activities towards assessing cheating and the creating of false measure – e.g. assessing whether an accountee is engaging in 'greenwash' in ostensibly publishing environmental accounts, whether an accounting of a given form and content, the inclusions and the silences, constitutes a reasonable and legitimate accounting and whether a given accountee as been engaged in efforts to problematically influence regulatory processes – and bringing evidence to support their claim. In relation to false measure and the integrity of accounting, Tinker (2004, p. 465) refers to the promotion of 'individual and social development by enhancing the integrity of accounting information' as an Islamic way and the trial system indicated may be thought of as an Islamic approach to effecting this that has a wide ranging applicability and potential.

The Islamic principles considered are suggestive of a variety in accounting content at the macro- and micro-societal levels, whether in external or internal accountings. There is nothing to restrict the form of accounting: for instance, reflecting holism, and the principle of moderation the accounting would not be delimited to a financial or materialistic basis. From an appreciation of the *Tawheed* principle accounting might properly be concerned to monitor, report and act upon changes in flora and fauna and ecological phenomena more generally at a macro-level. Derivatively, it would be desirable to assess the impact, for instance, of a business organisation's activity upon the eco-system to ensure that this is within target limits consistent with the measure. Internally, in line with this, accounting targets within organisations may be set to reflect objectives at the macro-level to maintain balance. These accounting conceptions, as such, are not restricted to Islam and are not new either as conceptions or as practices, although it may be reasonably concluded that they are not always so well operationalised, especially not in the way reflective of

³⁰ The accountant (Muhtasib) in Islam had had an important role to play in Islamic history. Al-Qaradawi (2005a) explains that the Al-Muhtasib (accountant) in the history of Islamic civilisation had a high responsibility in society to make sure that people, the environment and God's creations were not harmed by the business or other individuals' interests and activities. For instance, the Al-Muhtasib used to be responsible for making sure that traders do not load up animals with more than they can bear (specifically reflecting Islam's care for animals).

the deep respect for nature that is implied in *Tawheed*.³¹ Extending the principle of challenging the cheating and creating of false measure (*supra*) further, an accounting influenced by Islamic principles may also manifest as an anti-establishment accounting challenging Western hegemony. Such an accounting may, for instance, attempt to convey at a broad systemic level the sense in which Western materialism engenders injustice and the sense in which consumerism and profit (or shareholder wealth) maximisation or orientation drives people to destroy self and others. The sense in which the destruction amounts to environmental, including basic ecological, destruction, may be explicitly brought out. Further, to more generally promote notions of anti-establishment or ‘challenging’ accounting it would be in keeping with the Islamic principles we have reviewed, which point to an openness and full and relevant disclosure with regard to all matters of concern to Islam.

That *Sharia* be adhered to, in terms, for instance, of *Umma* principles and the principle to look out for future generations, is suggestive of a substantial number of specific disclosures or accountings reflective of the particular or specific concerns involved. Accountability to the *Umma*, to be reflected in accounting, clearly goes beyond the concern to account to owners with narrow interests in financial risk and return, as Lewis (2001, p. 113) has emphasised. At the same time Lewis (2001, p. 114) points out that financial economic disclosure is also highly relevant in Islam and should reflect amounts properly available for distribution: the calculation of *Zakat* requires in turn the calculation of net asset value and this points, for Lewis, to a full and relevant disclosure that is ‘balanced’ (between an optimistic overstatement and a pessimistic understatement). Further, the *Umma* or social community principles are clearly suggestive of other types of monitoring and disclosing of economic activity. Accounts may properly seek to assess whether the profit made by the business is actually earned, is fair or excessive and is reflective of a monopolistic position (see Hussain, 1999; Lewis, 2001, p. 110). Accounts would also properly indicate specifically whether the Islamic *Riba* (usury) principle had been applied.

With regard to Al-Qaradawi’s concern (*supra*) that business organisations keep between the social as well as environmental limits suggested by the notion of maintaining balance, the activities of business organisations would be properly monitored and reported on so as to reflect this. The social dimension of the environmental concern is suggestive of disclosures specifically covering faith or spirituality (reflecting a concern to assess spiritual health), happiness and well-being, intellectual development (more substantively, the development of wisdom), prosperity, wealth, justice (opposing oppression, which the accounting or auditing trial lawyers referred to above could to seek to find and evidence) and mercy (as opposed to harshness), suggesting similar possibilities as with the case of justice. The Islamic perspective on the business organisation is suggestive of accountings, further to the above, covering the legitimacy of business trade (a kind of monitoring of the ethics of business activity, akin to ethical investment processes: harmful trade, when understood a such, being forbidden, Abdel Haleem, 1998, p. 8), whether business is fulfilling its (*Zakat*) obligations to help the needy (it is an Islamic principle that wealth be shared in this context) and the negative impacts of the organisation upon the environment as well as the positive. Accountings more generally properly give attention to such diverse matters as the health status of the community and the impact of activities of a business, for instance, on valued local culture. In helping inform the wider community of the broad range of relevant developments, accounting

³¹ In the context of a discussion of accounting influenced by Islamic principles, we might mention that the ‘balance’ sheet in some ways rhetorically suggests a notion of balance beyond its logical calculation. Aside from this, the notion of balance conventionally indicated by ‘balance’ sheet is very far from the notion of balance as understood by Muslims.

influenced by Islamic principles may properly help to enhance knowledge (*Ilm*)—it would help constitute a kind of social knowledge that is so relevant to personal and social development in Islam.

Accounting possibilities reflecting the Islamic orientation to the future and future generations are various. Macro- and micro-level accountings may be co-ordinated in an attempt to answer the question whether activity is sustainable. Accounting reports may properly disclose on issues such as waste and conspicuous consumption and related internal control systems could be implemented. An accounting that reflects a governance project concerned to progress future generations within limits of sustainability may be developed. Islam's position beyond anthropocentrism could be reflected in accounting systems, with the kind of disclosures we have suggested above to reflect *Tawheed* (in respect of flora and fauna) gaining in influence.

Accounting possibilities reflecting the appreciation of the beauty of nature are also various, albeit that the main rationale for this principle in relation to environmental ethics is that it may enhance and refine trusteeship more generally. Following this Islamic principle, accounting may aim to reflect appreciation of the beauty of nature, helping people to connect with nature. Such an accounting would gain distinctiveness from a problematic materialistic rhetoric. A related dimension is that accounting may become a mode of informing that may help us better see what matters in life, in a more holistic sense, enhancing well-being. An accounting project informed by the connection between spiritual fulfilment and natural beauty can begin to realise that 'what is of value is often non-financial in character' (Gallhofer et al., 2000). Accountants and auditors may refer to the company's position in relation to the protection and appreciation of the beauty of nature. This may involve making specific reference to a commitment to the love of nature (cf. Gallhofer et al., 2000 on practice reflective of Maori indigenous culture). The value of nature, the senses in which it matters, would be reflected in the accountings at the various levels.

4. Concluding comments

'With Him are the keys (to the treasures) of the Unseen that no one knows but He knows whatever is on the earth and in the sea. Not a leaf falls but with His knowledge: there is not a grain in the earth's shadows, not a thing, freshly green or withered, but it is (inscribed) in a clear record' (Quran 6: 59).

Islam has a deeply rooted concern with the environment from a holistic perspective. There are clear principles to work out in terms of implications for accounting and governance following *Ijtihad* and we would hope that our contribution here encourages further substantive work within Islam. This is of clear relevance to Muslims. Further, we have sought to argue that the Islamic principles have a very general relevance in respect of concerns to govern our environment with its accounting implications. Reflection on these principles problematises Western ways, enhances and refines existing counter hegemonic positions and suggests new ways forward.

How ironic it is that when major Western companies such as Shell, BP and MacDonaldis attempted to market their particular brands of social responsibility accounting to countries variously influenced by Islam, ostensibly giving emphasis to sustainable development, they scarcely made any mention of the principles of Islam.³² The first Middle East Corporate Social Responsi-

³² Failure to mention the principles of Islam is a habit of the West, even where those principles have influenced Western development, as they have done so historically (Tinker, 2004, pp. 453–454).

bility Summit was held in Dubai (UAE) in April 2003.³³ The summit aimed at bringing ‘together the region’s business leaders, government officials and NGOs, to discuss the necessity and benefits of implementing CSR as well as setting out a framework to do so’. The summit aimed also at examining ‘the emerging liability and accountability issues through various standards and regulations and suggesting ways in which companies in the region can improve their social, ethical and environmental performance thereby increasing brand awareness, customer loyalty and employee retention’ (IIRME, 2004). The summit was sponsored by Shell, British American Tobacco and McDonalds. Key contributors included: Marks & Spencers; BT; Standard Chartered Bank; Sustainability and GRI. There were few Arab companies or bodies attending compared to the large numbers of Western companies and Organisations (see IIRME, 2004). Contributors and speakers at the summit concentrated on promoting CSR to Arab companies and businesses on the grounds that CSR would enhance company’s profitability, management control and image. One speaker explained to the audience:

‘CSR is really a defensive mechanism for effective brand management ... Without a strategy for ensuring consistency and accountability, companies are exposed to risks that can, at best, hurt their stock price and, at worst, result in years of litigation with hostile jurors.’ (Simon Bryceson, an independent consultant, AMEINFO, 2004).

The summit highlighted examples of best practices from companies such as Shell, British American Tobacco, Barclays and Kraft (see AMEINFO, 2004; IIRME, 2004). GRI guidelines were promoted, with a number of sessions devoted to explaining the importance of this international initiative. Reporting according to the GRI guidelines, the summit concluded, ‘can have many benefits, such as generating pride and motivation amongst employees; enhancing trust and acceptance of the brand through displaying openness and transparency; and improving internal performance through the process of issue identification, performance measurement and communication’ (IIRME, 2004).

The summit did not seem to incorporate any mention of cultural particularism and the relationship between Islam and corporate social responsibility, the environment or social reporting. The summit concentrated mainly on the business case for promoting a business-led, Western, voluntary form of accounting, where in actuality corporate social responsibility and social accounting are captured by narrow management control objectives and mobilised for the enhancement of problematic capitalistic interests (see Owen, Swift, Humphery, & Boweermna, 2000). The latter can be seen as cheating and creating false measure (*supra*). Such excluding of Islamic and cultural particularism from the promotion of corporate social responsibility in the Arab world highlights the imperialist and Eurocentric nature of these promotions. The relative exclusion of Islamic influence, especially Islam’s strong emphasis on social justice and the environment, problematises the attempts of international organisations and MNCs, which have in effect silenced and displace Islamic principles from the global stage. Tinker (2004, p. 452) explains that Islam, until recently, ‘has managed to stand apart from capitalism, and has thus preserved some independence and identity’. This capacity to resist assimilation, Tinker (2004) explains, poses a special threat to capitalism, and thus its ‘demonisation is predictable’. Islam in Orientalists’ discourse is still presented largely as a threat to civilisation rather than a contributor to its betterment.

The displacement of the already heavily repressed cultural and Islamic values that the promotion of Western corporate values in the Arab world undermines serious efforts to promote

³³ Since then the Summit ran every year in Dubai, United Arab Emirates (see www.ameinfo.com).

corporate social responsibility in this context. Social responsibility promoted according to the Islamic and cultural characteristics of Arab societies may be more convincing to Arabs including to Arab accountants, as it represent social responsibility as an integral practice of Muslims' everyday lives.

Islamic principles constitute a love of nature, and of people: the self and others, and an awareness of the importance of balance and the need to take reasoned actions to preserve this balance. Maybe this is the real threat of Islam: is it too much for those who may be termed corrupted by the socio-political order and its rhetoric, including accountants? Those whose perceived interests fuse with problematic hegemonic forces suffer from an obsessive irrationalism manifest in a tendency to destroy and reconstruct rather than engage in rational progressive development. As such they are more to be pitied than demonised. Yet, their destructive possibilities carry a huge environmental threat as environmentally destructive action and thought dominate today's world (Omar Naseef, 1998, p. 75). Still, there is hope in all things and, of all things, in accounting too, which Islam also teaches.³⁴

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³⁴ We do not wish to imply in the text that Islamic countries have simply accepted or are in the process of simply accepting accounting and governance principles of the West without resistance. There have been struggles and there are on-going struggles (see Hamid et al., 1993).

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