



Contents lists available at ScienceDirect

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

Critical insights into contemporary Islamic accounting

Rania Kamla

University of Dundee, School of Accounting & Finance, United Kingdom

ARTICLE INFO

Article history:

Received 12 May 2008

Received in revised form 20 October 2008

Accepted 18 January 2009

Keywords:

Islam

Accounting

Critical accounting

Islamic banking

Accounting and Auditing Organization for

Islamic Financial Institutions

AAOIFI

Islamic accounting research

ABSTRACT

Much of the theoretical, normative and prescriptive research in Islamic economics, finance and accounting emphasizes the social and moral character of these disciplines. Considering such emphases, this paper critically explores the potential of aspects of contemporary Islamic accounting research and practice to contribute to the critical accounting project in the latter's efforts to achieve more emancipatory and enabling forms of accounting. The paper concludes that minimal critical theorizing, as well as the narrow instrumental and mechanical emphasis of the majority of Islamic accounting research, are indications that Islamic accounting research is diverting from its primarily proclaimed social and moral roles. This is further exacerbated by the uncritical emulation and embracing of conventional accounting operations and standards by so-called Islamic ones. The paper also attempts to identify ways forward for Islamic banking and accounting research to realize more emancipatory praxis.

© 2009 Elsevier Ltd. All rights reserved.

1. Introduction and motivation: The contemporary emergence and expansion of Islamic finance, banking and accounting

A most defining aspect of this era is the return to the religious in all its different pretexts (Žižek, 2000; Pollack, 2008), a resurgence leading some to warn against the repressive nature of religion vis-à-vis modernity and the enlightenment (see, e.g., Grayling, 2006; Hitchens, 2007). In critical theorization, religion has more often than not been negatively portrayed as a threat to social justice and emancipation. Critical thinkers such as Adorno and Horkheimer have perceived religion and faith as a 'swindle' (Hind, 2007, p. 74). They argued that religion is often employed and exploited by the elite to achieve their goals and maximize their wealth. It is often used to protect the elite from public scrutiny and inquiry (Hind, 2007; see also Derrida, 2008). A number of thinkers, however, have argued that some core religious values, divorced from fundamentalism and corruption, constitute emancipatory aspects that if employed may contribute positively to social justice (see Žižek, 2000). Žižek (2000, p. 2), for instance, maintains that the 'substantive core' of Christianity has a significant lineage with Marxism and that both should join forces to fight against capitalism, repression and injustice. Islam, in particular, has been largely accused in the West of fostering fundamentalism and repression (Said, 1978, 1993, 1997; cf. Tinker, 2004; Kamla et al., 2006). It is often attacked in the Western political and cultural spheres on the grounds that its ideology constitutes threats to modernity and the enlightenment (Hind, 2007).

Nonetheless, Islamic revival in the Islamic world (where Muslims constitute a majority) may be appreciated from a political economy perspective, as a concern about social well-being and Islam's ways forward (Wardi, 2005). For many Muslims, both Western capitalism and socialism failed to address their poverty and social misery, enhancing wealth concentration amongst

E-mail address: r.kamla@dundee.ac.uk.

small social elites (Gambling and Karim, 1991; Wilson, 1997; Kuran, 2004).¹ Events are convincing many Muslims that an alternative to Western imperial capitalism is necessary and a key form of resistance. For many Muslims, modern interactions with the West have constituted imperialism, colonialism and entailed use of the military to defend Western privileges and ideology (Patel, 2004).² Equally, the spread and predominance of liberal capitalism is seen as on the back of violence (Patel, 2004). For many Muslims, the operations of multinationals, whose search for profits has entailed mobilization of Western governments using soft and/or hard force to serve mutual interests in, e.g., Iraq, reflects this (Patel, 2004; see also Hind, 2007). Such views add to calls for adoption of a comprehensive Islamic social, political and economic system (or such systems). Here, many Muslims perceive Islam to go beyond the spiritual dimension and bring society great blessings, promising a mobilization for justice and fairness, kindness, fulfilment and enlightenment (Sorush, 2002).

The contemporary phenomenon with the 'banner of Islamic finance' (El-Gamal, 2006a, p xi) developed capitalizing on the desire of many Muslims for an Islamic socio-economic and political way (see Choudhury, 1986; Wilson, 1997; El-Gamal, 2006a). Yet several scholars here suspect this phenomenon as it has manifested (see Kuran, 2004; Patel, 2004; El-Gamal, 2006a, 2006b, 2007). Contemporary Islamic finance, banking and accounting practices and institutions have indeed been described as 'ideologically driven by liberalism and the common opposition to socialism that Saudi Arabia and the US shared' (Wardi, 2005, p. 43). Many ostensibly Islamic financial institutions and the research driving them are funded by oil-rich Gulf States, especially Saudi Arabia (Choudhury, 1986).³ Consequently, cooperation between Muslim businessmen and experts in Western business environments to promote and operate financial institutions under the banner of Islam manifested. The UK and US, rather than the Middle East or the Islamic world, became the centres for Islamic financial organizations and research, not denying the significant role played by large Muslim states such as Malaysia and Indonesia in promoting Islamic finance globally (Wardi, 2005). Islamic finance, especially banking, has today become one of the fastest growing financial sectors globally (Rad, 2006). Thus, research has explored the most suitable accounting methods for the operations of Islamic financial institutions. Further, accounting and auditing standards have been developed to help legitimize and standardize these methods. On behalf of these Islamic banking and accounting manifestations, basic conceptual adherence to Islam's moral and social code is substantively claimed.

This paper's objective is to critically appraise contemporary research and practices of Islamic banking and accounting against these social and moral claims. It explores the potential of these contemporary manifestations to address Muslims' calls for a more just and equitable society inspired by Islam. Here, the paper offers critique of the limited scope of Islamic banking and accounting practices and research. It pinpoints their obsession with technical and instrumental matters related to the interest ban and Zakah calculations. The paper discusses how these instrumental emphases are displacing more enabling and emancipatory potentials of Islamic banking and accounting informed by broader and more enabling dimensions of Islam's teachings: Islam's holistic approach to life; its concentration on social justice and the central message of the importance of seeking knowledge. The analysis builds on the critical school's use of 'immanent criticism' and the importance of interdisciplinary dimensions and theorization (see Held, 1980).⁴ The paper, furthermore, goes beyond highlighting contradictions and negativity in Islamic finance and accounting practices and research. It engages with praxis through identifying practices that would better achieve emancipation, inspired by aspects of Islam's teachings and the broader Islamic social agenda. According to Kuran (2004), critical writings in Islamic economics literature are rare. And it is rare to find substantial critique of Islamic accounting in the literature and an aligning of Islamic accounting with critical accounting theorizing and research. This paper attempts to help fill gaps in the literature and encourage research bringing the Islamic accounting agenda closer to the critical accounting project.

The paper's objectives and themes are developed in the following sections. Section two elaborates the emancipatory potential of religion, with a specific focus on Islam, to contribute to an enabling accounting project. It relates Islam's emancipatory potential for the critical accounting school agenda and highlights the obstacles imposed by narrow capitalist ideology to Islamic or other faith-based approaches to accounting and business. Section three critically discusses the nature, work and role of Islamic banking and the AAOIFI (Accounting and Auditing Organisation for Islamic Financial Institutions). It addresses contradictions between what these institutions claim to encompass in respect to Islamic values and what they actually

¹ Iran's Islamic revolution was itself largely a result of the discontent of the less well-off social classes with the West backed politico-economic system dominating Iran under the Shah (Gambling and Karim, 1991).

² After Israel's creation in Palestine and the 1967 Arab defeat in war to a West backed Israel, many Arabs were convinced that an Islamic State would counter failing nationalist Arab governments (Wardi, 2005). A search for an Islamic identity and the desire to tighten Muslim communal bonds, especially in the Indian subcontinent, have enhanced the search and desire for Islamic politics and economics (Kuran, 2004). Invasion of Iraq and Afghanistan and the continued assaults on Lebanon and the Palestinian people as part of the proclaimed 'war on terror' (with Muslims and Islam focus of hostility and suspicion in the West), increase support for Islamic politico-economic movements (Wardi, 2005).

³ For Kuran (2004), claims that much of the 'economic Islamisation' campaign substantively emerged after 1967 because Saudi and other Gulf States sensed growing Muslim dissatisfaction with their own failings to support Islam and their silence on poverty in the Islamic world. Cautious not to disturb relations with the West by military action, Gulf elites sought to show commitment to Islam via establishing and funding research, schools and organizations dedicated to Islamic economics and finance (Wardi, 2005). Yet factors in the spread of Islamic economics and finance are more complex and interrelated. Immigration of many Muslims from the Indian subcontinent and the Middle East to the West and Muslim desire to practice financial activities according to religion are key factors (see Choudhury, 1986; Wardi, 2005; Kuran, 2004).

⁴ Immanent criticism begins by reexamining an object's conceptual principles and assessing its implications and consequences. Critique here is undertaken from within, highlighting contradictions inherent in the object (or ideology) (Held, 1980). This aims to adjust the object's view of itself. It aspires to open up the object, through assessment and reflection, to the possibility of radical change (Held, 1980).

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات