

BOOK REVIEW

Handbook of Research on Islamic Business Ethics

Edited by ABBAS J. ALI (Cheltenham and Northampton, MA: Edward Elgar Publishing, 2015. Research Handbooks in Business and Management Series), xv + 318 pp. Price HB £120.00. EAN 978-1781009444.

Islamic economics is not based on only legal principles and mathematical calculations. Many Qur'ānic verses and *ahādīth* emphasize the importance of ethics in economics. This fed a sizeable literature on Islamic ethics including such classics as al-Ghazālī's *Iḥyā' 'ulūm al-dīn* and al-Māwardī's *Adab al-dunyā wa-l-dīn*. However, Islamic ethics and their relationship with economic activities are not dealt with adequately in modern scholarship, as most studies focus on technical and legal aspects of Islamic economics and Islamic finance. Accordingly, this *Handbook of Research on Islamic Business Ethics* is a valuable contribution to the field.

The fifteen articles in this collection are divided into six parts: 'The ethics of knowledge and individual rights' (chs. 2 and 3), 'The ethical system' (chs. 4–6), 'Marketing ethics' (chs. 7–8), 'Ethics and power' (chs. 9–10), 'Islamic ethics and financial conduct' (chs. 11–13), and 'Islamic work ethic' (chs. 14–15). As these headings show, the book deals with many dimensions of Islamic business ethics and the environment supportive of them. In the Introduction, the editor emphasizes the importance of ethics and their intimate relationship with other areas of life. He stresses that the two major foundations of business ethics in Islam, namely excellence in conduct (*iḥsān*) and the seeking of the beneficial together with avoidance of the harmful, are valid in all situations.

Chapter 2 focuses on the ethics of knowledge and the responsibility of scholars in particular. The author argues that, in addition to general values such as neutrality, prudence and humility, the scholar should encompass at least these six principles: not seeking to profit from his/her knowledge, independent thinking, refraining from putting others down, tolerance of different views, admitting ignorance on matters of which they have insufficient knowledge, and practising what they preach (pp. 24–7). He invites the scholars in Muslim-majority countries to rethink their role in society and rediscover the behavioural preferences of those scholars who made such a difference during the first centuries of Islam. He shows that the merging of Muslim-majority countries into the global capitalist system and uncritical adoption of Western concepts and attitudes has detached Muslims from their cultural roots, separated the scholars from their traditional role as moral counsellors and consolers, which has led to

failures in the ethos of Muslim society, including a diminished status for scholars just when their presence is most needed (p. 28).

Chapter 3 centres on five points; the absence of moral relativism in the core values of Islam; right action in the individual's self interest (importance of honesty, trustworthiness, etc.); methodological individualism—the balance in Islam between welfare of the individual and society with a stress on the former); rights and responsibilities (they go together); the application of these values to management. The author (Imad-ad-Dean Ahmad) encourages Muslims to adopt the good governance practices that have developed in the modern West, and to favour the ethical imperatives of Islam over the legal ones. I would concur that when Muslims, in the past, gave more weight to ethics, they were more successful in establishing a just social order.

Chapter 4 deals with equity and justice in relation to the structure of work, the economy, social class and mobility in the context of the Islamic sociocultural system. The authors (Hasan Shahpari and Tahereh Alavi Hojjat) deal with work environment, justice and the role of the ulema, ethics of the work–life balance, economic development, professionalism and the ethic of hard work, and Islamic taxation. They rightly point out that the central aim of Islam is to establish a just and moral social order; that Muslim societies should be concerned about health and safety conditions for working men and women, pay more attention to society-wide economic prosperity and open new ways for young populations to be educated and trained so that they progress economically.

In ch. 5 (on the nature of business social ethics in mainstream and Islamic worldviews), Masudul Alam Choudhury tries to identify the epistemological foundations of behavioural aspects of business and economics in comparative cultural perspective. His principal objective is to formalize a theory of business social ethics in the epistemological context of a participatory, interlinked and unified worldview. He presents empirical evidence from Islamic banking sectors in Malaysia, Indonesia, Bangladesh and the Middle East. He observes correctly that the study and practice of societal concerns is practically absent from the literature on Islamic business ethics (p. 95).

Legal and ethical concepts are not sharply divided in Islamic history. In ch. 6 the relation between ethics and jurisprudence and their technical concepts are the subject of discussion. Said Elfakhani and Yusuf M. Sidani approach uncertainty (*gharar*) from an ethical perspective and rightly call to mind the Qur'ānic imperative: 'Do not consume one another's wealth unjustly but only [in lawful] business by mutual consent ...' (Q. 4:29). The authors define and juxtapose different views and explain different forms of *gharar*. They also explore some alternatives to it, duly pointing out that the role of Islamic jurists is to adhere to the core objectives of Shari'a—fairness, truthfulness, transparency and justice—without either blocking the development of the business community or suffocating Muslims' legitimate needs for licit financing (p. 138).

Muslims have a deep business culture in their history and today's world has learnt a lot from that history. Jonathan A. J. Wilson (ch. 7, 'Brand Islam and the marketing of Muslim ethics to a global audience'), points out that establishing an Islamic paradigm while harmonizing classical jurisprudence with contemporary

experience is very important. He focuses on Islamic marketing and *ḥalāl* branding. To explain the relevant foundations of Islamic ontological arguments and ethics, he refers to classical Islamic texts, and recounts some of the history of ancient markets, silk roads and spice routes. He remarks that Muslims, with their young and growing population, have a huge economic potential.

In ch. 8 Luqman Zakariyah explains Islamic approaches to marketing financial products in general. He summarizes ethical approaches to marketing in Islamic law based on belief in the unity of God and practised as honesty, transparency, trust and leniency (of particular relevance when it comes to easing or forgiving the burden of debt). He looks specifically at the Islamic Bank of Britain (IBB) and provides concrete information about it with the aim of assessing how far its Islamic products are in fact marketed according to Islamic perspectives. He concludes that even IBB as a leading institution is not sufficiently successful in following well-known Islamic ethical guidelines.

Chapter 9, another by the editor, Abbas Ali, is on ethical foundations of leadership. He addresses the theory and practice of leadership in the context of Islamic ethics. The current situation of Muslims is closely related to the nature and qualities of their leadership. In the light of theoretical approaches, he offers some perspectives on the nature of leadership in the modern world. He urges internalization of Islamic teachings on leadership because this will strengthen the moral imperative to do good deeds and meet social interests. He deploys authoritative source-texts (Qurʾān and *aḥādīth*) effectively, while also referring to classical resources such as al-Māwardī and Ibn Khaldūn. In ch. 10, the same author focuses on power and authority from the Ten Commandments perspective. He presents the Islamic Ten Commandments and compares them to the Jewish and Christian version. He highlights the centrality of power and authority in all three traditions of the Ten Commandments and their implications for business organizations. He also emphasizes once more the responsibility of scholars to encourage business ethics.

The fifth part of the book examines the quality of the relationship between legal rules, ethical principles, and the demand for social justice in relation to Islamic finance. Raza Mir and Muqtedar Khan (ch. 11) focus on Islamic finance from the social justice point of view. They discuss Islamic finance in light of the economic principles fundamental to Islamic politics and jurisprudence and they argue that the practice of Islamic finance does not live up to the promise and prescriptions of its principles. They propose a new focusing of Islamic finance that will honour the egalitarian traditions of Islam. In essence, as they underline, the success of Islamic finance should be judged by its contribution to social justice and reducing inequality, and by its encouragement to right conduct and spiritual awareness.

Despite the impressive growth of the Islamic finance market, little attention has been paid to the management of its institutions so that they serve a better social role. In ch. 12, Hussain G. Rammal discusses the ethical aspects of Islamic banking and finance, highlighting the role Islamic financial institutions could (but do not) play in bringing about social justice. He details the management issues

these institutions have, and the role of Shari'a advisors in ensuring compliance of the institution's operations with Islamic teachings (p. 256).

Despite the importance of accountancy in respect of an Islamic approach to economic action, there has been very little study of its structure and historical development in an Islamic framework. Yusuf M. Sidani (ch. 13), on the ethics of Islamic accounting, starts with reference to the Prophet Yūsuf (sūra 12) and notes that *hisāb* (reckoning or accounting) occurs over 80 times in various contexts in the Qur'ān. He builds his religious insight into accounting ethics on this approach (p. 260). He says that Islamic accounting must mean more than the technicalities of *how* it is performed. In treating the main elements of Islamic accounting, he deals with *ribā*, *zakāh* and *gharar*. He also says the major contributions of Islamic accounting are wider reporting opportunities and better harmonization of standards across Muslim countries. The development of Islamic accounting will provide new alternatives for non-Muslims as well as Muslims.

The sixth part (Islamic work ethic) contains two country-based case studies: ch. 14 is on the GCC (Gulf Cooperation Council) countries which differ from other Arab countries in a number of respects. Yusuf M. Sidani focuses on topics like work segregation, dependence on foreign labour, negative impacts of oil revenues, nationalization strategy in the workforce, divergent human resource practices, entitlement, stereotyping of citizens, and female development and growth. Sidani offers three managerial tips: capitalize on the local talent, do more reforms and continue working on several fronts within the institutional context. In ch. 15, Saad G. Yaseen, Dima Dajani and Sama Mazen al-Tae, study the Islamic work ethic and its relationship with organizational commitment in Jordanian Islamic banks. Their empirical research focuses mainly on the analysis of in-depth interviews made with managers of Islamic banks in Jordan. They conclude from their study that formal worship, effort, cooperation and moral responsibility have positive impact on organizational commitment.

Today, Muslims criticize the current global system as being unethical, unjust, selfish and materialistic, and they claim there are better alternatives in Islam. In this sense, the kind of book under review is useful. The authors, with their strong and diverse academic backgrounds, have approached the different dimensions of business ethics from different perspectives. The tables and charts in the book are helpful. Abbas Ali has done a great job in bringing this collection together, and I recommend this handbook not only to theorists and practitioners of Islamic economics and finance but to all scholars who focus on the social aspects of Islam and today's Muslim world. In any future edition, I hope the editor/producer of the book would consider the inclusion of a few chapters on the classical Islamic literature on ethics—the tradition is especially rich on this subject, does not separate ethics from economics, politics and jurisprudence, and it covers well a great many of the problems and situations which we think of today as new.

Ismail Cebeci

Marmara University

E-mail: ismail.cebeci@marmara.edu.tr

doi:10.1093/jis/etx075