

THE ISLAMIC PERSPECTIVE ON THE CONSTRUCTION OF ACCOUNTING DISCIPLINE

Iwan Triyuwono

The study attempts to elaborate critically the construction of accounting discipline that is based on Islamic values, especially in the aspects of ontology and epistemology.

The analysis of the study begins with discussing a debate of modernism and postmodernism. Under this discussion, it is argued that modern knowledge (for example, accounting) which is constructed based on modern methodology has philosophical weaknesses and is now attacked by postmodernism.

The discussion of postmodernism leads us to Islamic perspective of knowledge that is the future orientation of how Shari'ate (Islamic) accounting discipline should be constructed.

Keywords: Islamic perspective; modernism; postmodernism; *shari'ah* accounting

Introduction

Ethics has recently become an interesting topic in the accounting arena (see, for example, Francis 1990; Alam 1991; Gambling and Karim 1991; Chua and Degeling 1993; Schweiker 1993). The authors, in essence, argue that ethics should be cohesively implanted in accounting practices, because ethics clearly signal and distinguish right from wrong, good from bad, and justice from injustice; thus, the importance of its presence in accounting is primarily in its real effects on the life of individuals in society.

In this regard, Chua and Degeling (1993: 292; see also Morgan 1988; Francis 1990: 7) point out that accounting practices not only simply rule how numbers are recorded in books of account and financial statements, but they have powerful influence on changing the ways in which people see, think, talk and relate to others. This means that accounting is not value-free. It is a social construction which develops and changes in the social sphere. Or in other words, the appearance of accounting is greatly influenced by the values in which it socially grows and is practiced (Davis et al. 1982; Morgan 1988; Dillard 1991).

Predicated upon this view, this study in essence has an assumption that accounting (both in terms of discipline and practice) is not value-free. Therefore, the study attempts to suggest critically the construction of *Shari'ate* accounting that is based on *Shari'ate* (Islamic) values especially in the aspects of ontology and epistemology. To begin with, the study will discuss a debate of modernism and postmodernism. Under this discussion, it is elaborated that modern knowledge (for example, accounting) which is constructed based on modern methodology is now attacked by the

movement of postmodernism. The discussion of postmodernism then leads us to the Islamic perspective of knowledge that is the future orientation of how accounting knowledge should be constructed.

Questioning the Modern Knowledge and Culture

Observing our today culture, Seidman (1994:1) asserts that "this [modern] culture is now in a state of crisis." In viewing the culture—especially in the fundamental aspect of the culture, that is, methodology of knowledge—Seidman (1994) is not alone. Others, such as Rosenau (1992), Lyotard (1994), and Rorty (1994) to mention a few, are also in the same position with Seidman (1994). Lyotard (1994: 29), for instance, argues that the crisis of methodology of knowledge emanates from the progress of technology and the expansion of capitalism. He says:

The crisis of scientific knowledge, signs of which have been accumulating since the end of the nineteenth century, is not born of a chance proliferation of sciences, itself an effect of progress in technology and the expansion of capitalism (Lyotard 1994: 29).

The implication of the progress of technology and capitalism is that there is an internal erosion of methodology of knowledge (Lyotard 1994: 29).

Others (for example, Golshani 1989; Rosenau 1992; and Ragab 1993), however, may argue that, in fact, methodology of knowledge—which is positivistic, deterministic, and materialistic—has significantly provided contribution to the progress of technology and capitalism.

Whatever they argue, regardless whether technology and capitalism shape methodology of science or vice versa, the

real problem is that modern science has failed to uplift human beings to their “real” life. The failure, then, becomes a reason, among other reasons, for emerging postmodernism (Rosenau 1992: 10). Rosenau clearly spells out some factors that influence the emergence of postmodernism as follows:

First, *impatience with the failure to produce the dramatic results promised by modern [science]...* Second, *attention began to focus on the abuse and misuse of modern science... “Scientific” research results were employed in an ad hoc fashion to “prove” the value of subjective political policy preferences. Modern science was accused of covering up government abuses in democratic societies and working to sustain totalitarian states...* Third, *a discrepancy was apparent between the way modern science was supposed to function in theory and how it actually worked...* Fourth, *the ill-founded belief that science could solve all problems of the twentieth century...* Fifth, *modern science took little notice of the mystical and the metaphysical dimensions of human existence; rather it made such matters appear trivial and unworthy of attention. Lastly, it had little to say about the normative and the ethical, the purposes to which knowledge, scientific or otherwise, should and would be put (1992: 10).*

The last two points are the fundamental deficiencies of modern science—of course, this is including accounting discipline. The lack of these factors has led modern life to emptiness, that is, the life that sweeps aside ethical, normative, and spiritual values of human existence.

According to modernism, accounting numbers, economic reality, financial information, and so forth are economic goods that are naturally occurring, impersonal, and value-free (Hines 1989: 62; see also Morgan 1988: 477). In contrast, in the view of, say, postmodernism, they are socially constructed. Consequently, they are not value-free. For Hines (1989: 53) “[they are] reflexively refer to, and depend on, other accounts of reality. Reality is created and sustained by the ceaseless reflexive use of accounts, by social actors in constant interaction with each other.”

The emergence of postmodernism may be regarded as a promising turn for accounting thought and practices, and ultimately for the life of human beings. Inasmuch as it openly accepts various thoughts that are coming together in attempting to catch reality in a comprehensive manner.

Postmodernism: Deconstructing Methodological Myth of Modernism

Postmodernism, as a paradigm, has no an intact form of “body” like modernism, or wholly original form of its own body. Rather, it “represents the coming together of elements from a number of different, often conflicting orientations” (Rosenau 1992: 13). It pays no attention on a strict border of any “ism” which demarcates an “ism” with others. In other words, it evidently “appropriates, transforms, and transcends, for instance, French structuralism, romanticism, phenomenology, nihilism, populism, existentialism, hermeneutics, Western Marxism, critical theory, and anarchism” (Rosenau 1992: 13; see also Seidman 1994).

In viewing reality, postmodernism tends to argue that there are no adequate means for representing reality. It also de-

nies any view of reality that assumes the independent nature of individual mental process and intersubjective communication (Rosenau 1992:110). In contrast, modernism claims that (external) reality can be discovered, depicted, and understood.

The fact that modernism can discover reality is actually based on a realist view. Realism tells us reality as "a real world made up of hard, tangible and relatively immutable structures" (Burrell and Morgan 1979: 4). Under positive research (modernism), therefore, organizational reality is understood as tangible reality that may be divided into some measurable parts (variables), such as, firm size in terms of net or gross assets and leverage in terms of balance sheet ratios (Hines 1989: 56).

For the realist, social reality exists independently of social actors and is "out there" (Morgan and Smircich 1980). In this respect, Hines comments that

...within accounting profession, it is assumed that economic reality exists independently of accounting practices, and that the major role of accounting is to communicate that reality (1989: 53).

While, in contrast, some post-modernists seem to take a position of a nominalist. Nominalism perceives that "the social world external to the individual cognition is made up of nothing more than names, concepts and labels which are used to structure reality" and are utilized "as artificial creations whose utility is based upon their convenience for describing, making sense of, and negotiating the external world (Burrell and Morgan 1979: 4).

Viewing that (social) reality independently exists of human beings as creative creatures, modernism seeks to gen-

erate knowledge based on epistemological hypothesis, and counterhypothesis (Rosenau 1992: 109) in an objective manner, which is hypothetico-deductive approach. This approach is commonly known as "scientific method." By contrast, Rosenau (1992:109) argues that post-modernism "organize[s] knowledge around personal, intuitive, and epistemological concern." Thus, it can be seen here that knowledge, according to post-modernism, is subjective in nature. The implication of this is: there is no "value-free" knowledge. Based on objectivity, however, modernism regards knowledge as a value-free entity.

Positivistic view of modernism perceives causality and prediction are essential to explanation (Rosenau 1992; Sarantakos 1993). In this respect, Watts and Zimmerman argue that:

The objective of accounting theory is to explain and predict accounting practices... Explanation means providing reasons for observed practice... Prediction of accounting practice means that the theory predicts unobserved accounting phenomena (1986: 2; nonitalics in the original).

This view is a consequence of an understanding that reality is an external and independent entity of human being. Reality, in this sense, can be precisely measured; and cause-effect relationship which exists inherently within the reality can be accurately determined.

Postmodernism, however, perceives both causality and prediction as uninteresting features; it prefers to intertextuality than causality and prediction (Rosenau 1992:112). This means that reality is highly complex; everything that one is studying is definitely related to anything else. Thus, studying direct causality of reality is truly

a way of reducing a very complex reality to a simple one. In fact, our "world is so complicated, chaotic, and intertwined that it would be impossible to untangle the threads that connect all these interactions or offer any definitive pronouncement about the direction or magnitude of the forces that pulse and shiver about us" (Rosenau 1992: 112-113).

Causality and prediction can be attained well if an inquiry is undertaken objectively. This means that modern science sterilizes any values and subjective feelings of human beings; as they, according to modernism, may bias inquiry and generated knowledge. Postmodernism, inversely, disagree with this contention. Those who follow postmodernism "agree that values, normative questions, feelings, and emotions are all part of human intellectual production" (Rosenau 1992: 114). All these are the innate features of human beings. It is impossible, and there is no need, to set aside them at all.

It can be further argued that values, normative thoughts, feelings, and emotions are the essential and helpful elements utilized, in the context of method, to interpret and deconstruct our complicated (social) reality. This implicitly means that there are no rigid and formal rules of method as found in modernism; as far as method is concerned, "anything goes" (Feyerabend 1975). Rosenau (1992: 117), in this respect, discerns that "[m]any postmodernists contend there are no methods, no rules of procedure to which they must conform, only the anti-rules."

The orientation of postmodernism, it is further argued, is toward "methods that apply to broad range of phenomena, focus on the margins, highlight the uniqueness, concentrate on the enigmatic, and appreciate the unrepeatable" (Rosenau 1992: 117).

Postmodernism methods, which are methodologically post-positivist or anti-positivist (Fraser 1984: 138), to emphasize here, look to feelings, personal experience, empathy, emotion, intuition, subjective judgment, imagination, and diverse forms of creativity and play (Todorov 1984; Hirschman 1987; Rosenau 1992: 117). Therefore, postmodernism recognizes two methodological approaches, that is, anti-objectivist interpretation and deconstruction. Interpretation, for postmodernism, is understood as unlimited interpretations as argued by Rosenau here:

[p]ost-modernists recognize an infinite number of interpretations (meanings) of any text are possible because ... one can never say what one intends with language, ultimately all textual meaning, all interpretation, is undecidable. Because there is no final meaning for any particular sign, no notion of a unitary sense of a text, these post-modernists argue that no interpretation can be regarded as superior to any other (1992: 119).

Thus, interpretations of any text are of equal interest, in the sense that there is no interpretation which is superior to any other.

The other approach of postmodernism is deconstruction. It is a means of demystifying a text, of examining the margins, what is the left out of a text, what is unnamed, what is excluded, what is concealed, of undoing, reversing, displacing, and resituating the hierarchies involved in the bipolar position such as right/wrong, good/bad, subject/object, etc. It also attempts to discover the ambivalence, blindness, and logocentricity of text (Rosenau 1992: 120).

Postmodernism: Towards Islamic Perspective of Accounting Discipline

As discussed above, postmodernism disagree with reducing reality into a simple one, with viewing reality exists independently of its creators, with making use of "scientific method" as the only method, with refusing values and subjective feelings of investigators, with recognizing knowledge as a value-free entity, and with centralizing causality and prediction as the main features of knowledge. Thus, these disagreements pose postmodernism in a position in which it differs from modernism.

If postmodernism is consistent with its methodological characteristics which accept what is in the margins, what is unnamed, and what is excluded, thus, there is no reason at all to discard Islamic perspective of knowledge, say, *Shari'ate* (or Islamic) accounting. Because postmodernism recognizes the existence of religions and other things that are marginalized by modernism. It is said that:

It [postmodern social science] leaves room for a socially sensitive, active human being, groping for new postmodern politics, religion, and life in general... (Rosenau 1992: 171).

In the same position, Shweder (1986: 172) argues that religions, cults, and witchcraft have equal status of "rationalities" to science. And, Griffin (1989) also maintains that deconstruction denies privilege to any particular point of view, and yet postmodernism claims the superiority of specific value perspectives and particular political positions such as feminism, environmentalism, peace, ecology, and religion.

It is also argued that postmodernism understands that our everyday life is "to be intuitive, based on feelings, nearly spiritual in content,..." (Rosenau 1992: 83). This may be perceived as reflections of postmodernism the preference of which, as seen by Capra (1982), is put for, the emotional, the irrational, the mystical, and the magical over the analytical, scientific, and reasoned. Something those are supernatural and occult, for postmodernism, become popular, and so do (non-institutional) religion and spirituality (Rosenau 1992: 149).

Postmodernism's understanding about religions, the supernatural, and spirituality may assist in understanding methodological concerns of *Shari'ate* accounting. Inasmuch as the paradigm epistemologically makes use of religion, precisely, revelation as a source of knowledge besides its counterpart—the empirical world. Moreover, the paradigm ontologically has a better understanding about reality. Reality, for the paradigm, is not limited to sensible and tangible world, but also the supernatural and spirituality. Consequently, knowledge, methodologically, not only can be accessed through human senses and reasons, but also through intuition.

Shari'ate Accounting: Future Orientation

In this session, we would like to reveal some issues that, it is hoped, would be future orientation of *Shari'ate* accounting discipline. The issues refer to (1) inclusiveness, (2) reality and the Ultimate Reality, (3) subject (*al-nafs al-muthmainnah*), (4) "sacred knowledge," and (5) the unity of *self*, "sacred knowledge," and action.

Inclusiveness

The emergence of Islamic perspective of knowledge (*Shari'ate* accounting) is, in essence, caused by the backward condition of the 'Ummah in (almost) all aspects of life (see al-Faruqi 1988; Abu Sulayman 1988). See, for example, this following comment:

... the 'Ummah is today confronted with formidable problems on all fronts. Its economic, social and political problems which are overpowering by any standard are "ice-berg tops" of deeper-lying malaise on the intellectual and moral levels... The wisdom of the discipline should be brought to bear upon the 'Ummah's problem, i.e., to enable to the Muslims to understand them correctly, to assess with precision their effect upon the cause of Islam in the world (al-Faruqi 1988: 58).

But, seeing the fact, there is no need to understand that *Shari'ate* accounting is addressed for the benefits of the 'Ummah only. We have seen that the crisis of life is not only experienced by the 'Ummah, but also humankind as a whole. It is proved by the emergence of a new movement —the postmodernism.

A postmodernist has said that "this [modern] culture is now in a state of crisisö" (Seidman 1994: 1). Rosenau (1992: 5-6) also says that:

Modernity entered history as a progressive force promising to liberate humankind from ignorance and irrationality, but one can readily wonder whether that promise has been sustained. As we in the West approach the end of the twentieth century, the "modern" record — world wars, the rise of Nazism, concentration camps (in both East

and West), genocide, worldwide depression, Hiroshima, Vietnam, Cambodia, the Persian Gulf, and a widening gap between rich and poor—makes any beliefs in the idea of progress or faith in the future seem questionable. Postmodernists criticize all that modernity has engendered: the accumulated experience of Western civilization, industrialization, urbanization, advanced technology, the nation state, life in the "fast lane." They challenge modern priorities: career, office, individual responsibility, bureaucracy, liberal democracy, tolerance, humanism, egalitarianism, detached experiment, neutral procedures, impersonal rules, and rationality.

Supporting the statement, Nasr (1993:71) asserts:

Today more and more people are becoming aware that the applications of modern science, a science which until a few decades ago was completely Western and which has now spread to the other continents, have caused directly or indirectly unprecedented environmental disasters, bringing about the real possibility of the total collapse of the natural order.

Abu Sulayman (1988: 99-100) also takes the same view and discerns that:

... the position of superiority achieved by the West in the realm of knowledge and thought is purely intellectual and has nothing to do with Divine Revelation. In spite of the tremendous achievements reached by Western thought in experimental fields, Western scholars cannot deny the maladjustment and imbalance in Western society.

This is caused by the inapplicability of empirical methods to the conflict between societal welfare on the one hand and the pursuance of personal desires and interests on the other.

These statements indicate that not only is the crisis experienced by the 'Ummah, but also by all humanity. Therefore, *Shari'ate* accounting is not deliberately dedicated to the 'Ummah, rather it is for all humanity. This expression is in accordance with Allah's saying: "We sent thee not, but as a mercy *all* creatures" (al-Qur'an 21: 107). And this is the obligation of Muslim to transform human life to a better life as indicated by al-Qur'an 3:104; 110. The role of Muslim in transforming human life is imperative. Therefore, not only does inclusiveness refer to for whom knowledge should be benefited, but also denotes to the epistemological principle of knowledge.

This is so, because Islamic teaching does not accept dualism, but recognizes complementary principle of all things as can be seen at al-Qur'an 36: 36; 51: 49. The epistemological implication of these verses is that there is no need for, in this case, the Islamization of accounting discipline to discard the existence of modern accounting which is now dominant. Rather it should accept the modern accounting as a kind of source of knowledge (see Bashir 1986b).

The recognition of the existence of modern accounting is certainly useful in the Islamic view. Because the modern accounting may contribute to enriching the vocabularies of *Shari'ate* accounting.

Therefore, for the future orientation of *Shari'ate* accounting, the principle of inclusiveness cannot be neglected.

Reality and the Ultimate Reality

In the context of social science, we have a common perception that an individual's perspective is not necessarily the same as that of others. It can be seen, for instance, in how the individual sees reality. In social science, a nominalist sees that "the social world external to the individual cognition is made up of nothing more than names, concepts and labels which are used to structure reality" and are utilized "as artificial creations whose utility is based upon their convenience for describing, making sense of, and negotiating the external world" (Burrell and Morgan 1979: 4), while, in contrast, a realist views reality as "a real world made up of hard, tangible and relatively immutable structures" (Burrell and Morgan 1979, 4). For the realist, social reality exists independently of social actors and is "out there" (Morgan and Smircich 1980); it is not something created by the individual (Burrell and Morgan 1979: 4).

The work of Burrell and Morgan (1979) apparently simplifies the ontological assumptions by presenting two extreme poles of thought, that is, nominalism and realism, while Al-A'ali (1993) criticises both nominalism and realism as being only a partial view of reality. Nominalism, according to him, assumes that individuals exist in reality and that through them, multiple realities can be perceived; that means that realities cannot be seen comprehensively. It also assumes that individuals (in terms of, for instance, human relations) decide the mode of their relationships with others and neglect the impact of other existing elements, namely, the objective reality represented in the traditions and culture of a given society

(Al-A'ali 1993). Therefore, social realities are studied in a partial way. With regard to realism, Al-A'ali (1993) argues that society with its institutions and organizations does exist; social laws which are applied in that society, are believed to rest upon a reciprocal basis and human relations are merely viewed in a reciprocal relationship. Human relations, he goes on to argue, "are simply a matter of action and reaction; the uniqueness of individuals has just been neglected and underestimated" (Al-A'ali 1993: 488). Consequently, any social theory based on this view will lack the ability to advance a holistic perspective of knowledge (Al-A'ali 1993; see also Bashir 1986a; 1986b; al-Faruqi 1992).

Unlike both nominalism and realism, Islamic tradition, as asserted by Al-A'ali (1993), sees objective reality, realism, and subjective reality, based on nominalism, as coexisting (see also al-Faruqi 1992; Arif 1987). However, the coexistence of these sorts of realities is not, he argues, based on dualism, or a dichotomy, as it will transgress an important teaching of Islam, that is, the concept of the complement. All things, except God, according to Islamic view (see Ali 1989: 1363), are in twos; the complementary sexes of plants, animals and humans; the altruistic and egoistic characteristics of human beings; the material and spiritual matters of human beings; the subtle forces of nature such as day and night, positive and negative electricity, forces of attraction and repulsion, and other numerous opposites, all fulfill their functions according to the wonderful purpose of God (Ali 1989: 1363). The arguments of Dhaouadi (1993) more and more support our premise (of coexistence, or of complement). He asserts that Islam does not accept any dualism (on all aspects of human life), but rather recognizes a convergence and a

Table 1. The Hierarchy of Reality

Level	Reality
5	The Ultimate and Absolute Reality
4	<i>Asma' Sifatyyah</i>
3	Spirit
2	Psyche
1	Material

unity in diversity. This, according to him, "is against the nature of things to split matter from spirit, as this violates the most fundamental principle of Islam: oneness (*tawhid*)" (Dhaouadi 1993: 155; see also al-Faruqi 1992).

Objective reality (realism) and subjective reality (nominalism), as argued by Al-A'ali (1993), Dhaouadi (1993), and others, are complementary. It is a reflection of an understanding of a holistic reality. In Islamic tradition, reality does not consist of material substance *per se*, rather it is composed of physical element, psyche, and spiritual realm. Hierarchically, physical nature is the lowest level, and then followed respectively by psyche and spiritual nature as the upper levels. And, of course, we have to remember that the realities (that is, material, psyche, and spirit) are not independent; and even they cannot be separated with *Asma' Sifatyyah* (the Attributes of Allah, for example, Allah is the Creator, the Compassionate, the Merciful, etc.) and Allah Himself as the Ultimate and Absolute Reality (see Bakar 1994).

The lower levels of reality are created by Allah. There are two reasons of why Allah creates them (the levels of reality). *Firstly*, Allah wants human beings know Him (Bakar 1994: 36). *Secondly*, it is impossible that human beings know directly Allah as *Dzat*, since Allah Himself

is the Absolute Reality, while human beings are not absolute creatures. To comprehend that Allah is the Real Reality, there is a need to:

... understand that there are levels of reality and that reality is not only an empirically definable psychophysical continuum "out there." The world is real to the extent that it reveals God who alone is Real. But the world is also unreal to the extent that it hides and veils God as Reality (Nasr 1993: 11).

This assertion obviously supports the existence of the levels of reality as mentioned above. The existence of these levels of reality indicates that to know Allah, human beings should study the world of reality comprehensively. A partial understanding of the reality will give rise to difficulty to understand the Ultimate Reality.

Therefore, it is not surprising that in Islamic tradition knowledge is constructed toward knowing Allah as the Real Reality. Allah as Reality, as argued by Nasr (1993: 8):

... is at once absolute, infinite and good or perfect. In Himself He is the Absolute which partakes of no relativity in Itself or in Its Essence. The Divine Essence cannot but be absolute and one. All other considerations must belong to the order of relativity, to a level below that of the Essence. To assert that God is one is to assert His absoluteness and to envisage Him in Himself, as such. The Divine Order partakes of relativity in the sense that there is a Divine Relativity or Multiplicity which is included in the Divine Order, but this relativity does not reach the abode of the Divine Essence. God in His Essence cannot

but be one, cannot but be the Absolute. To speak of God as Reality is to speak of God as the Absolute.

The understanding of reality as not separating part from the Absolute Reality will lead us to perceive that the objective of knowledge in Islam is to study the real character of all things as created by Allah, to show the integral laws of nature as reflections of the Oneness of Allah (Bakar 1994: 83), and to comprehend the existence of the Ultimate Reality. This means that knowledge is directed toward recognizing deeply the Creator, the final goal of all things as asserted by Al-Qur'an 3: 28; 5: 18, 48; 6: 60, 108, 164; 7: 29, 125; 10: 46. Based on this understanding (about reality), we would like to say that the direction of the construction of *Shari'ate* accounting discipline in the future should be directed to the construction of holistic accounting. It is a sort of discipline which studies not only material sphere of reality, but also psychic and spiritual realms of reality, and even relates to the *Asma' Sifatyyah* and the Ultimate and Absolute Reality.

Al-Nafs al-Muthmainnah

Our understanding about reality epistemologically implicates that *Shari'ate* accounting is not only concerned with the accounting itself, but also the actor who constructs the accounting discipline. When we say that there are hierarchic levels of reality, then we would also perceive that there are three levels of *self*. It is asserted by Nasr (1993: 15):

Not only are there many levels of reality or existence stretching from the material plane to the Absolute and Infinite Reality which is God, but there are also many levels of subjective reality or consciousness, many envelopes of the self, leading

to the Ultimate Self, which is Infinite and Eternal and which is none other than the Transcendental and Immanent Reality both beyond and within.

In essence, there are three levels of *self*, namely, respectively from the lowest to the highest level, *al-nafs al-ammarah* (the soul which inspires evil), *al-nafs al-lawwamah* (the blaming soul), and *al-nafs al-muthmainnah* (the contented self, or, the soul at peace).

The lowest level is the position of *self* that tends to merely fulfill the basic animal instinct; the *self* never works rationally and may lead an individual to lowliness, to be self-centered, destructive, and materialistic (Ba-Yunus 1991). At this position, the *self* is not able to identify whether or not a decision or action is virtuous and correct; it simply and directly takes the role or attitude of “the others,” or its own lust without necessarily rethinking of, evaluating, and controlling it.

In the next higher level, the *self* starts realizing, assimilating, and applying Divine values. However, it sometimes behaves interdeministically, that is, to behave irrationally or rationally, to apply the values fully or partly, to act immorally or morally, or to be animal-like or god-like. Obviously, at this development, the *self* faces and undergoes interaction and choice to follow his or her lust, or his or her noble and pious character (Ba-Yunus 1991).

Table 2. The Three Levels of Self

Level	Self
3	<i>al-Nafs al-Muthmainnah</i>
2	<i>al-Nafs al-Lawwamah</i>
1	<i>al-Nafs al-Ammarah</i>

When an individual, for example, is facing a situation (symbol) which forces him or her to make a decision to act, the individual will analyze, evaluate, and judge the situation before undertaking the action. There seems, within the *self*, to be a conversation which urges the individual to act in an animal-like manner or in a god-like (pious) manner. There is the same chance for the *self* to undertake a bad or virtuous action. When the *self* succeeds in taking a virtuous action, it means that the *self* has assimilated the Divine values, thus the *self* is strong enough to prevent itself from the evil. However, we often find or experience that the *self*, because the values are weakly embedded, fails to control the evil. It is common, at this level, to find diametrical and interdeministic behavior of the *self*.

It will be different, however, when the *self* is very closely approaching or at the highest level. At this stage, the *self* has the powerful capability to control every situation and to pose him or herself rightly, morally, and religiously in a pious position. To be like this, evidently, the values of the faith and knowledge should have been well implanted within the *self* which then will transmit and transform the values into virtuous and pious actions. At this spot, actually the *self* is returning to its nature (origin) which is pious. Indeed, turning back to the origin, to be *al-nafs al-muthmainnah* (a religious or pious *self*), is a hard journey; it takes serious efforts. However, an effort, to approach and to be a religious *self*, is recommended for every individual. Moreover, the religious *self* is, of course, the one which is loved by God; this is the way to attain the ultimate goal of the *self*. But, it should be borne in mind, which being a religious *self* is actually an ever-lasting process; hence, an individual

Table 3. The Three Levels of Human Perception

<u>Level of Perception</u>	<u>Perceptual Process</u>	<u>Faculty</u>
Sensory	Sight, hearing, smell, etc.	Eyes, ears, etc.
Intellectual	Cognition, reasoning, insight, etc.	'aql, mind
Spiritual	Intuition, intellection, inspiration	'aql, qalb

Source: Mohamed (1995: 5).

will continuously make endeavors to be the religious *self*.

We, in this respect, are concerned with the hierarchic levels of *self*, since they relate to the hierarchic levels of reality. In the sense that lower level of *self* will not be able to apprehend a higher level of reality. It can be illustrated by making use of the hierarchy of human perception as illustrated by Mohamed.

Epistemological principle of modern accounting discipline recognizes only sensory and intellectual perception (Mohamed 1995: 5). In this contention, modern accounting discipline may find scientific truth through the lower levels of perception (namely, sensory and intellectual), and the truth attained is only in the context of the lower levels of reality such as material sphere and psyche. The Islamic tradition, however, recognizes all these levels of perception as an instrument that is utilized to comprehend all levels of reality in a holistic comprehension. Therefore, the quality of truth attained is much better than the former approach.

Recognizing all levels of perception means that the source of knowledge is not limited to the world of reality, but also revelation. Mohamed (1995: 5), in this respect, argues that Islamic knowledge

... recognizes revelation as a source of knowledge and guidance and, at the same time, recognizes the individual's capacity and need

for all levels of perception: sensory, intellectual, and spiritual. Sensory observation and discursive reason are important, but they are not the only methods of arriving at knowledge.

At the same position, al'Alwani (1995: 85) also asserts:

... humanity has been commanded to undertake two different kinds of readings and to understand its situation in the universe through an understanding of how the two complement one another. The first reading is the book of Allah's revelation (the Qur'an), in which all matters of religious significance are explained, and the second is the book of His creation (the natural universe), form which nothing has been omitted. To undertake a reading of either without reference to the other will neither benefit humanity nor lead it to the sort of comprehensive knowledge necessary for the building and maintenance of civilized society or to knowledge worthy of preservation and further development or exchange.

The recognition of the two different sources of knowledge, especially the revelation, cannot be understood by the lowest level of *self* —*al-nafs al-ammarah*. Therefore, the need for the ideal level of

self-al-nafs al-muthmainnah— is a crucial need for the future orientation of the Islamization of accounting discipline. This is because *al-nafs al-muthmainnah* has higher capacity to study and understand all levels of reality (material, psyche, spirit, *asma' sifatiyyah*, and the Ultimate Reality), and even the laws which connect all realities.

“Sacred Knowledge”

Our understanding about inclusiveness, reality, and *self* cannot be seen as independently existing of our (human's) *fitrah*, that is, “a God-given innate state or inclination to believe in God and to worship Him” (*tawhid*) (Mohamed 1995: 2). Therefore, the knowledge generated by the Islamic methodology would have a meaningful role in strengthening the belief in Allah (*iman*, or, faith).

Al-Faruqi (1976: 522), in this respect, claims that an individual becomes a convinced Muslim if he or she has reasoned out his or her religion. This remark explicitly brings to light the fact that knowledge resonates an augmentation of faith. This is reasonable, because knowledge has only a single context, on the notion that knowledge is constructed and utilized for only recognizing or knowing deeply the God (which implies also His existence), not for the needs for praxis *per se*. As regards this, Nasr points out that:

... knowledge continues to be a means of access to the Sacred and sacred knowledge remains as the supreme path of union with that Reality wherein knowledge, being and bliss are united (1981: 2).

To be human is to know and also to transcend oneself. To know means therefore ultimately to know the Supreme Substance which is at once

the source of all that comprises the objective world and the Supreme Self which shines at the center of human consciousness and which is related to intelligence as the sun is related to its rays (1981: 4).

The single context implicates a transcendental objective inherent in its constructions and applications. Consequently, knowledge which involves studying the profane substance is not apart from psyche, and a spiritual one; they are the needs of human beings.

Shari'ate accounting, in the future, should be directed to the creation of “sacred knowledge.” It is the one which is full of *tawhidic* values and brings about the consciousness of *self* to know and worship the Ultimate Reality. To know the Ultimate Reality means that the knowledge transcends all levels of reality. The knowledge

... take[s] place in a “space” which is related here and now to the higher levels of reality, without being unaware of the march of time, which is seen not as a continuous progression but as a rhythm of a series of cycles governed by laws as strict as those governing space. The “great chain of being” has remained vertical.... relating to the physical to the psychic, the psychic to the imaginal, the imaginal to the intelligible and the intelligible to the archangelic world (Nasr 1993: 97).

It means that the knowledge will never put its concern on a certain level of reality independently; rather it connects all levels of reality. This is so, as by depleting knowledge from its sacred attribute and creating profane knowledge will only lead to a forgetting of the primacy of sapiential dimension of human being and

by using this unsacred and profane knowledge to study sacred doctrines would also lead a human being to be far from the knowledge of the Ultimate Reality (Nasr 1981: 6).

The construction of "sacred knowledge" is *not* meant to neglect physical and psychic desires of human beings, rather it copes with all aspects of reality; and even it relates to the *Asma' Sifatyyah* (the Attributes of Allah) and the Ultimate Reality. "Sacred knowledge" is alive knowledge—since it has "soul" as a consequence of coping with all levels of reality—which gives life to human beings who study and apply it in everyday life. The "sacred" nature of the knowledge not only guarantee the physical, psychic, and spiritual welfare of human beings, but also the welfare of universe. This automatically resolves the problems of modern life as discussed above.

To understand "sacred knowledge" comprehensively means that knowledgeable truth attained by the knowledge is single. This means that there is not any distinction between religious truth and a scientific one, because, as al-Faruqi (1992:45) reasoned out,

God is the Creator of nature from whence man derives his knowledge. The object of knowledge [of sciences] is the [social and natural] patterns of nature, which are the work of God. Certainly God knows them since He is their Author; and equally certainly, He is the source of revelation (normal fonts added).

What al-Faruqi means here is that the truth is single; he denotes it by presenting two sources of knowledge, namely, first, the nature as the creation of and within which God has installed His laws in terms of its social (related to human beings) and natural patterns, and second, the words of God (the Qur'an, the revelation) which

sometimes (in some verses) orders human being to think of the process of universe creation. Thus, when a contradiction (between a religious and a scientific truth) is found, certainly it is caused mainly by "the thinking and speech" of an individual (al-Faruqi 1992: 44).

These characteristics of "sacred knowledge" are the distinguished elements of the knowledge. They have power to stimulate and revive the *fitrah* of human beings which have been covered by the veil of modern life.

Self, "Sacred Knowledge," and Action

Based on the discussion above, we can capture an implicit understanding that the concern of Islamic perspective of knowledge not only relates to the creation of the "sacred knowledge," but also the alchemic fusion of "sacred knowledge" and *self*. The fusion will be attained by bridging "sacred knowledge" and *self* through (inter)action. This is the other future concern of *Shari'ate* accounting.

The purpose of unifying the *self*, "sacred knowledge," and action is to revive *fitrah* which is inherently implanted in the inner part of the *self*. When the *self* internalizes the values of the "sacred knowledge," the values will lift up the *self* to a higher level—*al-nafs al-lawwamah*, or *al-nafs al-muthmainnah*. The centre point of *fitrah*—which is the aim of the internalization of "sacred knowledge"—is the belief in Allah (*tawhid*).

When the *self* takes its position to a higher level, thus the quality of "sacred knowledge" which is constructed by the *self* will also reach a higher level. Obviously, this endeavor can be only by the *self's* action. No action will nothing to happen.

Our ideal, in this respect, is that the unity of *self*, "sacred knowledge," action will shape "personality" of every *self* and

character of scientific community in a *tawhidic* manner. Therefore, construction of *Shari'ate* accounting should be directed not only to the creation of "sacred knowledge," but also the formation of *tawhidic* personality and *tawhidic* (scientific) society.

Concluding Remarks

Modern accounting discipline is constructed under the paradigm of modernism which is positivistic, deterministic, materialistic, objective, and value-free. Under such paradigm, modern culture is in a state of crisis. Seeing the fact that the modern culture is under crisis, post-modernism stands up to criticize and give birth to some alternatives to modernism in terms of methodology of knowledge.

Similar to the postmodernism, Islamic tradition attempts to contribute some ethical and methodological thoughts to the

"project" of construction of *Shari'ate* accounting. Ontologically, the reconstruction of modern accounting discipline should include all levels of reality, that is, material, psyche, spirit, *Asma' Sifatyyah*, and the Ultimate Reality. And, epistemologically, it involves three levels of perception, that is, spiritual, intellectual, and sensory.

This study also suggests that the future orientation of *Shari'ate* accounting relates to the attainments of: (1) inclusiveness in ontology and epistemology, (2) the unity of reality and the Ultimate Reality, (3) the subject who constructs the discipline is in the level of *al-nafs al-muthmainnah*, (4) the creation of "sacred knowledge," and (5) the unity of *self*, "sacred knowledge," and action. All these things will play a very important role in changing the world of accounting practices.

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