

# We are IntechOpen, the world's leading publisher of Open Access books Built by scientists, for scientists

5,800

Open access books available

142,000

International authors and editors

180M

Downloads

Our authors are among the

154

Countries delivered to

TOP 1%

most cited scientists

12.2%

Contributors from top 500 universities



WEB OF SCIENCE™

Selection of our books indexed in the Book Citation Index  
in Web of Science™ Core Collection (BKCI)

Interested in publishing with us?  
Contact [book.department@intechopen.com](mailto:book.department@intechopen.com)

Numbers displayed above are based on latest data collected.  
For more information visit [www.intechopen.com](http://www.intechopen.com)



# Sustainable Development and Islamic Ethical Tasks for Business-Organisations

*Abul Hassan*

## Abstract

The paper seeks to address the issues of sustainable development and it would be viewed as Islamic moral duties for business. To what level should business bodies should join in the sustainable development activities? Based on the existing literature, this study assimilates conventional as well as Islamic points about environment and sustainable development and contends that whatever explanation of sustainable development one may subscribe, ultimately, each should culminate in environmental concern. This study contends that Islamic style is more friendly to environmental protection and issues touching sustainable development have moral, social and ethical responsibility. With intense commitment of the businesses in the matter of Islamic ethics to equity, justice and wellbeing of humans, it demands that business organisations in the Islamic and other countries should participate in the sustainable development endeavours. Because of ethics of environmental aspects in Islam, the value chains of suppliers through customers, many companies may be alert for the environmental characteristics and effects of their businesses.

**Keywords:** Islamic ethics, environmental development, sustainable development

## 1. Introduction

Business ethics sometimes denoted to as economic structural ethics merely restricts its edge of point to economic concerns. Concurring to Islamic perspective, the term very closely related to principles in the Qur'an is *khuluq* (means equilibrium, justice and goodness, etc).<sup>1</sup> Islamic business ethical policies vary from secular system and from the ethical code encouraged by diverse religions. All the way through civilization, these conventional business models assumed the ethical codes that were myopic and transient since they are grounded on the beliefs of their human initiators e.g. happiness or epicureanism for pleasure's sake<sup>2</sup>. Those modes normally anticipated an approach of ethics sometimes separated from faith or religion. On the other hand the ethical code accepted by the religious conviction have often accentuated ideals that do not emphasis our presence in the cosmos. This may be understood in the Christianity with its over prominence on monasticism

<sup>1</sup> Al Quran 3:104, The Holy Quran Translation by Abdullah Yusuf Ali, (Kuala Lumpur: Islamic Book Trust, 1994). The translations of the Quranic Ayah referred in this paper were taken from Ali's translation unless specifically mentioned.

<sup>2</sup> R.I. Beekun, "Islamic Business Ethics", Human Development Series No. 2, (Herdon, Va: IIIT, 1997): 3-9.

heightening its advocacy to retire from the hustle and bustle of day to day life. But Islamic way of life emphasises the connection of Man to His Creator. According to the Islamic concept, God is Perfect and All-knowing. Muslims maintain a code of conducts that is neither it is time bound nor prejudiced by human whims<sup>3</sup>. Some of the key factors of the Islamic ethical system as follow [1]<sup>4</sup>:

1. Decisions and actions are arbitrated to be ethically conditional on the intention of the private. God is Omniscient and comprehends every intention perfectly and completely.
2. Good intents followed by good actions are deliberated as acts of worship in Islam. Lawful (*halal*) intents cannot make unlawful and similarly unlawful (*haram*) actions cannot make *halal*.
3. Islam permits an individual the freedom to believe and act however he or she desires, but not at the cost of justice and accountability.
4. Belief in God bestows the individual with comprehensive freedom from anybody or anything except God.
5. Choices that provide benefit the minority or majority are not essentially ethical in themselves. So Islamic ethics is not at all a numbers game.
6. Islam business ethics routines an open system method to ethics, not a sealed, self-oriented system. Selfishness has no provision in Islam.
7. Ethical choices are centered on a concurrent interpretation of the Quran and the natural world.
8. Unlike the moral systems encouraged by several creeds, Islam inspires human-kind to practise *tazkiyah* (self improvement) through vigorous involvement in the Islamic way of life. By performing decently in the middle of the tests of worldly life (*duniya*), Muslims demonstrate their importance to God [2].

The Islamic ethical system is neither fragmented nor uni-dimensional. It is a part of the Islamic view of life and therefore complete. There is internal consistency or equilibrium (*adl*), about which Qur'an says:

Hence have we created of you a community (*ummah*) rightly balanced that you may be eyewitness throughout the states and the Apostle an eyewitness over yourselves<sup>5</sup>. (Al Qur'an: 2-143).

The area of Islamic business ethics is extensive with varied dilemmas and issues. One of the important Islamic ethical issues have, for several years, established substantially less consideration than it deserved- the accountability of business or economic organisations to scrutinise the subject of sustainable development in the social order. Business organisations globally have faced and created resource depletion and pollution. Interest on questions of 'environmental and sustainable' activities began after the United Nations Conference on Environment and Development (UNCED) assembled at Rio de Janeiro in 1992. After a span of time, in

<sup>3</sup> H.M. Lefcourt, "Locus of Control: Current Trends in Theory and Research", (Hillsdale, NJ: Erlbaum, 1982), 2nd edition.

<sup>4</sup> R.I. Beekun, "Islamic Business Ethics", Human Development Series No. 2, (Herdon, Va: IIIT, 1997)3-21

<sup>5</sup> Al-Quran 2:143

2002, the matter on 'sustainable development' sustained to offer the themes at the Johannesburg World Summit on Sustainable Development (WSSD)<sup>6</sup>. These gatherings have laid a glut of groups motivated on the matters of environmental social responsibility and sustainable development.

This paper is organised as follows. First section provides introduction. Second section discusses on the notion of sustainable development. Then section three lead us the discussion on Islamic perspectives of sustainable development. Section four argues the point of view that sustainable development is an Islamic ethical issue. Section five focuses on the sustainable development attempts for business. Paper concludes in the section five,

## **2. Notion of sustainable development**

"Our Common Future' a declaration of the World Commission of Environment and Development circulated in the year 1987 presented the most extensively mentioned explanation of 'Sustainable Development'. In its center is the simple concept of confirming a fairer class of life for everybody, now and for generations to come<sup>7</sup>. It describes 'Sustainable Development' as: 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs<sup>8</sup>. Even though the concept is straightforward, but the task is significant. It entails addressing four goals simultaneously, all over the world:

- Societal improvement which grants the demands of everybody;
- Efficient safeguard of the natural environment;
- Wise utilisation of environmental resources; and
- Upkeep of high-pitched and steady degrees of economic development and generate employment.

Corresponding to Islamic teachings, the sustainable development is an essential element to the humankind [3]. Both societies and individual are duty assured to promote and protect its natural possessions, including air, water, seas, climate, flora and fauna and desist from any action likely to cause damage or pollution to the environment resources or distract the balance [4, 5]. As per Islamic ethics, the basic reasoning of the link between humans, God and the natural environment is initiated on the belief that God created when entire universe and rendered it subject to human race but not merely for the later on to take advantage of it for their substantial benefit. Rationally, humankind's eventual objective on the earth is to pray to God, hence not only all their collaborations with the world are subject to God's laws but also by maintaining sustainability in developing the earth [4, 6].

In view of the above, it seems that the idea of sustainable development looks to be relatively simple, however the subjects 'breadth and depth' generate complications. It is revealed that sustainable development must be commercially feasible,

<sup>6</sup> WSSD FfD UN Summit 2002, A Report on "Financing for Sustainable Development", (London: International Institute for Environment and Development, 2002): 2-29

<sup>7</sup> World Commission on Environment and Development, "Our Common Future", (New York: Oxford University Press, 1987):1-3

<sup>8</sup> Ibid: 2-8

collectively just, and environmentally relevant [7]<sup>9</sup>. Several complex and sensitive matters are intrinsic in these explanations and a few of them are:

### **2.1 ‘Wants’ of the present-day vs. the ‘needs’ of the present and ‘wants’ of the future**

How can an imaginary upcoming peers be safeguarded as well as to what degree should contemporary civilisation be let go to safeguard future peers! The free market facilitates ‘push’ the businesses to deliver the goods and services presently required for purchase. Additionally the company partly establish future wants and needs of customers via product advancement in reply to current peripheral pressures as well as existing internal capabilities. In replying to these existing pressures or capabilities, many economic companies (businesses) employ life-cycle assessment to evaluate prospective future environmental effects of product layout, production capacity as well as recyclability.

### **2.2 The perspective of fortitude of economic sustainability**

The term under above captioned should be understood in perspective between developed Muslim countries and businesses in developing countries, between business having substantial environmental effects and those having nominal environmental influence or between start up business and the long-stand-up businesses. In the each one of these three circumstances, the cost of sustainable development may generally be more costly to the former businesses than the latter. Therefore, what should be deemed economically feasible for a larger retail outlet in Saudi Arabia may entail financial ruin for a small and micro business in Pakistan. Helman [8]<sup>10</sup> contends that there is a obvious trend in the developing area towards superior environmental policies that comprise the quest of the alternatives economic development that may reduce adverse environmental impacts. Additionally Pearce and Warford [9]<sup>11</sup> say: ‘through the technological alteration, replacement between possessions of resources and higher values for goods that adulterate, environmental aims and economic growth which can be made more compatible (p.31)’. In respect of technology change, there is no doubt that the advances of technology, it becomes more competent in the development aspect. Underlying one of the causes – because of industrialisation proves in developing Muslim countries often begins with the employing of outdated technology, then in terms production of every aspects should be environmentally expensive. When the advanced technology introduced, the efficiency rises causing an rise in productive movement with fewer flaws and wastes, and consequently a drop in the rate at which resources reduction occurs. Furthermore, as the Muslim countries move ahead, less environmental toxic waste may be allowed. When the economic development reaches the sophisticated stage, business conglomerates use more sophisticated technology, triggering a net drop in resource pollution and depletion. As the per capita income rise, governmental and social awareness about the environment also increase; more anti-pollution rules and regulations are decreed. Therefore, an upturned U-shaped curve may be used to symbolize the shifts in a human society that begins at a point minus environmental

<sup>9</sup> T. Gladwin et al., “Paradigms for Sustainable Development”, *Academy of Management Review*, 20 (1995):974–907

<sup>10</sup> U. Helman, “Sustainable Development: Strategies for Reconciling Environment and Economy in the Developing World”, *The Washington Quarterly*, 18(4, 1995): 43–54

<sup>11</sup> D.W. Pearce and J.J. Warford, “World Without End: Economics, Environment and Sustainable Development”, (New York, Oxford University Press, 1993).

value, rapidly improves, and then slow down and turns around when that a human society has the money and time to pay to safeguard the environment.

### 2.3 Fortitude of the social equity

The dynamics of grit of social equity or social development should vary on who was acquiring the benefit take on, what degree of economic development occurred in the vicinity, whether resources utilised were replenishable and what social and political issues were being confronted or resolved.

### 2.4 Judgement of environmental friendly development

The environmentally oriented development may be contemplated in such direction so that it should signify the response to whether the natural environment should be safeguarded for its own sake or for the interest of human beings. Al Quran says<sup>12</sup>: “Nuisance has occurred on sea and land because of (the need) that the hands of men have won.” The Quran warns man to ward off the mischief by human hands and to seek refuge from all mischief (Al Quran 30: 41 and 113: 2–5). It is clear warning to man to abstain from wrong pursuits and corruption against the ethical norms which God has set in nature for the benefit of man and other creatures. The Prophet of Islam (Peace and blessing be upon him) said: “Ibrahim declared Makkah a sacrosanct city. I do so for the Madina territory between the two *Harrabs* (approximately 12 miles belt). No tree of this City shall be deleted and no animal shall be hunted down” (Hadith: Muslim)<sup>13</sup>. Ecological ethicists like Scherer and Attig [10]<sup>14</sup> claim that non-human dwellers are inherently valuable and they be worthy of respect and that creatures have responsibilities of safeguarding towards them. Consequently, the forthcoming sustainability will necessitate a missing of orientation from the human focused anthropological point of view towards more oddball view in consistence with Islamic view on environmental and natural issues. Thus, grit of environmentally suitable action would usually be based further on matters of perspective rather than on one of certain activity [11]<sup>15</sup>. A few businesses and individuals may take a wider viewpoint and evaluate the effect of an act on overall future and current environment in the light of the above statement of the Prophet Muhammad (PBUH).

## 3. Islamic perspective of sustainable development

It is fact that there is no a proper Islamic definition of sustainable development, but, its lack from existing works on Islamic economics- does not imply that such a concept cannot be developed. Asad [12] argues<sup>16</sup>: “In an thought like Islamic -one can not dividing line between the ‘spiritual’ and the ‘material’ scopes - and so also should not dividing line between man’s faith and his practical life ... ” The Quranic depiction of nature, as originate in the many verses, revealed both in Makkah and Madina, is multi-layered. God creates environment, the Al-Quran categorically declares<sup>17</sup>. Where God is portrayed by Unity (*Tawhid*), but nature is described by

<sup>12</sup> Al-Quran 30: 4

<sup>13</sup> The six Sahih Hadith Collection, Arabic and Translation.

<sup>14</sup> D. Scherer and T. Attig (eds), “Ethics and the Environment”, (Englewood Cliffs, Prentice Hall, 1983)

<sup>15</sup> D.A. Payne and C.A Raiborn (2001), “Sustainable Development and The Ethics”, *Journal of Business Ethics*, 32, (2001):157–168

<sup>16</sup> Muhammad Asad, *This Law of Ours* (Gibraltar: Dar al-Andalus, 1987): 133

<sup>17</sup> Al -Quran 3:191; 38:27: 46:3

duality<sup>18</sup>, but then duality in the meaning of complementary counterparts, or as pairs, as represented by the term in Arabic 'zawj'. One more feature of nature discovered in the Al-Quran is balance or order<sup>19</sup>. The concept of a divinely organised tranquillity in nature that it has been observed in the Al-Quran that may be said to describe to the concept that nature is the decisive creation of an omniscient and omnipotent God and is therefore wholly structured ordered<sup>20</sup>. Wicked human powers do not interrupt the order of structure and its nature is prolonged. In this regard, the Al-Quran mentioned<sup>21</sup>: "... Do not spread corruption on earth after it has been so well ordered" (Al-Quran 7: 56), which well articulates such a notion of nature.

As Asad said [12], the Islamic doctrine proclaims that: "Man is an animal in the sense of naturally belonging to that cluster of living beings which are gifted with the faculties of perception, sensation and movement, as well as in the wisdom of being reliant on physiological desires and functions more or less approximating those of other animal existences"<sup>22</sup>. Man's aspect lies in 'trust of volition and reasons' (Al-Quran translated by Asad)<sup>23</sup> whereby man was granted the ability to use choice between evil and good. This rational realisation gives man to consequence the 'ability to form concepts and to bring them together in uncountable mixtures by means of psychological processes which can be directed and absorbed by his will.'<sup>24</sup> Subsequently, whereas other animals acclimatise to their environment or suffer the fatal consequences, man has become increasingly skilful in adapting his environment to suit his own ends, through animal husbandry, agriculture, medicine, human settlements, or more generally we might say, through science and technology. Islam approves all these actions and thus in Islamic perspective, the environmental change is an foreseeable element of life<sup>25</sup>. However, according to Islam, man should not perform these activities arbitrarily. The sayings of the Prophet Muhammed (PBUH) frequently exhort man to be compassionate towards animals<sup>26</sup>. Therefore, the Quran, as well as setting up a idea of nature in connection to God and man, also sets out an moral code to guide book to man: waste is abhorred<sup>27</sup>, as is arrogance and all its manifestations in boastful exhibitions of wealth. As a substitute, Islam encourages fairness and distributive justice<sup>28</sup>. Also there is in existence a body of Islamic source of law, courting from the period of the Prophet Mohammad (PBUH) which forbids private proprietorship of shared property resources such as grassland, wildlife, woodland and water, which should be handled for the common good. Sardar [13] said that forests and wildlife are protected in *hima* or reserves, which are formed solely for conservation reasons. Islamic jurisdictions rule which can be

<sup>18</sup> Al-Quran 13:3, 31:10; 36:36; 53:45

<sup>19</sup> Al-Quran 7:56; 14:33; 15:19; 16:10–15; 54:49; 55:3–13; 67–3

<sup>20</sup> Ilyas Baker, "Flight of Time Ecology and Islam," Islam and Environment, ed. Harfia Abdel Haleem, (London: Ta-Ha publishers,1998):80

<sup>21</sup> Al-Quran 7:56

<sup>22</sup> Asad 144

<sup>23</sup> Al-Quran; 30:72,3

<sup>24</sup> Asad 146. In order to avoid giving a truncated version of Asad's, conception of man, the following passage should also be quoted: 'The Quran makes it clear that our comprehension of reality can certainly be deepened and widened by what we describe as "mystical experience": in other words, through an intuitive, spiritual contact with the Divine and, hence, with those truths which are neither open to our self-perception nor can be fully grasped by analytical thinking.'

<sup>25</sup> Illays Baker, "Flight of Time Ecology and Islam," Islam and Environment, ed. Harfiah Abdel Haleem, (London:Ta-Ha publishers, 1998):83

<sup>26</sup> Hafiz BA al- Masri, "Islamic Concern for Animals", (Hants, UK: The Athene Trust, 1987)

<sup>27</sup> Al-Quran 7:31

<sup>28</sup> Al-Quran; 9-60; 59:7

harnessed to the management of natural resources<sup>29</sup>. It is known fact that Islam promotes earning for the cause of living through hard labour which is considered as an act of worship. A Muslim must adopt any profession that does not contravene the *Shariah*. This implies: (i) businesses should be conducted truthfully, because cheating and fraud, and other habits such as hoarding, adulteration, false advertising, speculation, bribery and paying interest in financial transaction are forbidden; (ii) some professions like prostitution, gambling, manufacturing and selling of pornography, narcotic drugs, alcoholic beverages as well as manufacturing and selling of statues are forbidden [5].

Chapra [14] argued that a Muslim's belief is put first because it gives the worldview which impacts the whole human persona - behaviour, tastes, life-style and preferences, and mindsets towards human beings, environment and resources. It seeks to stimulate a balance between the spiritual and material urges of the human self, enhance family and social solidarity, promote peace of mind in the human being and avert the development of anomalies. A Muslims' faith delivers the moral filter which aims at keeping self-centredness within the boundaries of social interest by varying personal preferences as per social urgencies and eradicating or lessening the use of possessions for the purposes that aggravate the realisation of the social vision<sup>30</sup>. All these elements which fulfil the goals of the *Maqasid al Shariah* (objectivity of Islamic laws) and sustainable development falls within the concept of *Maqasid al Shairah*.

#### **4. Sustainable development as an important Islamic ethical issue**

A free-market industrial economy employ market-defined prices as a purifying mechanism to allocate resources. The usefulness of the price scheme only, nevertheless, can hinder the fulfilment of socio-economic objectives. Under a structure of state influence, the distribution of resources is in the big hand of a bureaucracy, which is unwieldy and ineffective. According to Chapra [15]<sup>31</sup>, the Islamic worldview suggests that the market structure have to be preserved, but that the mechanism of price be matched with a mechanism that minimises excessive claims on properties. This tool is the 'moral filter'. It means that people should pass their possible demands on resources all through the 'filter of Islamic values system' so that several claims may be eliminated before being stated in the market. Siddiqi [16]<sup>32</sup> claims that the resources should not be authorised to redirect to the production of extravagance goods until the manufacture of necessary goods are guaranteed in sufficient amounts. The classification of extravagant or luxurious is associated to the basic requirement. of consumption in the society. This suggestion being significant departure from the norms which are not acceptable. Keynes [17]<sup>33</sup> argues that even though 'the desires of human beings may well seem to be avid,' ... 'they fall into two types-those requirements which are utter in the sense that we feel them whatever the situation of our fellow human beings possibly, and those

<sup>29</sup> Ziauddin Sardar, "Islamic Futures: The Shape of Ideas to Come", (Kuala Lumpur: Pelanduk,1998)

<sup>30</sup> M.U. Chapra, "The Future of Economics: An Islamic Perspective", (Leicester, UK: The Islamic Foundation,2000).

<sup>31</sup> M.U. Chapra, "Islam and the Economic Challenge", (Herdon, VA: International Institute of Islamic Thought and The Islamic Foundation, 1992).

<sup>32</sup> M.N. Siddiqi, "Muslim Economic Thinking: A Survey of Contemporary Literature," in K. Ahmad (ed.), *Studies in Islamic Economics*, (Leicester, UK: The Islamic Foundation, 1981)

<sup>33</sup> J.A.M.Keynes, "The Collected Writings of John Maynard Keynes," (London: Macmillan for the Royal Economic Society, 1972)



are relation ones in the logic that their gratification lifts us over/above or makes us feel greater than others. Desires of the second class, which meet the aspiration for superiority, might indeed be voracious; for the greater the general level, the higher still are they' (p.67). However it is not so true of the utter needs, but' Islamic jurists' classifications of conveniences (*hagiyyat*), necessities (*daruriyyat*) and refinements (*tahsiniyyat*) may fall into Keynes' first class of wants.

Further, the Islamic intellectuals who dispensed with the subject of sustainable development that people need to know that it is not a brand new idea. The dilemmas of unsustainable development has been identified in the religious rules like in Al-Qur'an nearly 1400 years ago are argued as follows:

#### **4.1 Eminence on natural resources and balance in Islam**

Almighty God has designed the universe with perfect order and balance [18]. Also God has designed all with a plan and the whole univers belongs to God: "See you not that God formed the earth and the heavens in Truth? If He so will, He can eliminate you and set (in the right place) as a new formation?" (Qur'an 14:19). "To Him feel right what is on earth and in the heavens and all between them, and all underneath the soil" (Qur'an, 20:6) "...do not damage on the planet after it has been put in order; that would be the most excellent for you, if you have faithfulness". (Qur'an, 7: 85). Further in the Qur'an God has stated this over and over that the plants, animals and the natural resources are specified for the entire benefits of men and whole human being should usage them in appropriate order for their betterment: "Who has made the earth your couch, and the heavens your canopy; and sent down rain from the heavens; and brought therewith fruits for your sustenance; then set not up rivals unto God when you know (the truth)" (Qur'an, 2:22). This verse of Al-Qur'an plainly asserts the significance of natural resources for nourishment of mankind. Hence, men should make sure of what God has established and they must realise the reality that the whole thing in the cosmos world belongs to God and men donot have right to misappropriate no matter what he possess the wealth. Misappropriating of resources is not allowed in Islam. In this regards Al-Qur'an states that "O Children of Adam! Dress you with beautiful clothing at every time and perform your prayer: eat and drink: but waste not by excess, God adores not the wasters." (Qur'an, 7:31) So, conferring to these Quranic learning, it is the responsibility of mankind to protect and keep the nature as usual and make use of the resources in a wise and balanced way.

#### **4.2 Islam emphasis on reducing economic inequality**

The conventional idea of development was largely involved with the issue of economic development by accepting into matter the ideas of Gross National Product (GNP) and Gross Domestic Product (GDP). As per Islamic economic ethics, the GNP and GDP are not appropriate indicators to emphasise whether a balanced development took place or not [5]. The economic inequality between rich and poor is widened. The major problem in this issue is that, though there is enormous earning, but the distribution was not equitable. In this matter, Islam chooses a different method by taking both distribution and earnings under care. Also Islam stresses on the honest earning from productive sources. The strong devotion of Islam to brotherhood and justice needs that richest people of the society take over care of the essential requirements of the underprivileged. Individuals are obligated to work for a living and simply when this is impractical where the state intercede. The *zakah* (alms) is a type of compulsory wealth tax containing y charitable offering for specially selected people in society, enables the care of all parts of society. The wealthy

people are not the actual holders of their wealth; but they are simply trustees. Therefore they must perform duties as per the terms of the trust, one of the most vital of which is accomplishing the needs of the poor. The code word 'zakah' means cleansing and as such, wealth redistribution is not only an economic requirement but also a way to spiritual deliverance. Thus, economy is essentially assimilated with ethics<sup>34</sup> and therefore zakah helps to eradicate the poverty which has become a huge social problem and zakah is an essential tool to get rid of poverty.

Another social organisation which helps to reduce poverty is called *Waqf* (organised charity) According to Ali, 'Waqf is a unique kind of voluntarily run charity that has solidity and capability to make income'. So the income flow of Waqf can be utilised in achieving the requirements of the poor people and thus it guarantees the society's socio-economic prosperity, p. 23. So, it is understood from this discussion that Islam supports philanthropy.

### 4.3 Significance of business ethics in Islam

At the time when every action of humanity has come in the sphere of business, ethics in commerce has come to be an essential concern all over the globe. Corporate scam has come to be a common issue. Performance of business initiatives are urged in Islam. But Islam stresses on doing business in an ethical and just manner. Islam underlines on consumer privileges by encouraging the businessmen to deliver with just product at proper weight to the consumers. Following are some of the verses in the Qur'an which endorse of this issues:

- i. "Provide right amount and weight, nor deny from the people the items that are owing; and do not harm on the ground after it has been put in order" (Qur'an, 7:85)
- ii. "Give full gauge when you assess, and weigh up with a sense of balance that is in a straight line; which is the highly fitting and not most disadvantageous in the final fortitude" (Qur'an, 17:35)
- iii. "Give full measure and affect no failure (to others by deception)" (Qur'an, 26:181)

"Despair to those who trade in cheating, Individuals who, have to be given by measure have to be offered exact just measure. But when they will give by measure or weight to men, give a smaller amount than due. Do they not believe that they will be asked with accountability?- On a great (dooms) day, a day when (all) humankind will stand in front of the Lord of the Planets?" (Qur'an, 83:1-6)

From the above mentioned verses of the Qur'an, it turn out to be sure that Islam does not endorse fraudulent actions. Islam despises those who are dishonest and illegal in their dealings. God prompts men that they are responsible for all their own actions. What men act will be measured and reported. It will be recalled here that Islam does not endorse revenue from any fruitless source [3, 5].

Question might evolve why does or will the company or an economic establishment put into exercise the sustainable development and in what way to execute 'moral filter' without despotism or coercion. The filter process of values should be socially consented and some way it has to be conceived to motivate the consumers and, business men to bear these values. In Islamic view point, social transformation must be slow and should not be attained through force. The Quranic restriction,

<sup>34</sup> S.N.H. Naqvi, "Ethics and Economics An Islamic Synthesis," (Leicester: The Islamic Foundation,1981)

“There is no force in religion” (Al Quran 2:256) is pertinent here. Eaton [19]<sup>35</sup> contends that change can happen by encouraging people to modify their ways and by establishing an example. Usually this is how Islam speedily spread through a larger part of the globe in the 7th and 8th centuries. For an example, when the Muslim traders travelled to remote lands, the people of those places were fascinated by the merchants’ business and social conduct and so turn out to be curious about their faith. Several of these people subsequently converted to Islam. A similarity exists today with regard to the ‘green’ activities, which persist to spread around the world. The implementation of environmentally awareness behaviour is following through instance, education and encouragement, as well as by regulation. Certainly, in the environmental perspective, regulation is insufficient. Just when the political support and will of the populace are robust then it is necessary to impose environmental regulations adequately.

The stakeholders engaged are all the planet’s denizens, both non-human and human. Sustainable development should make the highest fair or least destruction by letting those dwellers to survive in the world where there is breathable air and drinkable water, fertile soil and renewable resources prosper. It is hard to use traditional monetary cost and benefit analysis to establish whether sustainable development is useful. Firstly, many present and future costs may be assessed and lowered back to current values; it is perhaps difficult to even realise what types and quantities of costs may be necessary in the forthcoming. Secondly, the advantages of sustainable development are considerably extra qualitative than monetarily quantitative; for an example: the value of a live species cannot be assessed. At the same time with no finances involved, the end result would be unquestionably convincing; no matter how higher the costs of sustainable development are, the advantages of existing and continued presence by the planet’s species must go beyond that cost. In Islamic ethics, the advantages of life be greater than the costs to get it.

Thus, Islamic scholars recognise that sustainable development ((refinements (*Tahsiniyyat*) and necessities (*daruriyyat*)) should be considered as part of the interconnected agenda of Islamic business ethics [20]<sup>36</sup>. The companies, as compilations of human beings, have a duty to take part in sustainable developments events so as to alleviate their environmental effects and help in delivering, safeguarding and sustaining pleasant environment.

## **5. Sustainable development attempts for business**

In Islam, the commercial activities are deemed to be a socially beneficial act. Prophet Muhammad (peace be upon him) was engaged in business for much of his life. Huge importance is connected to views concerning to consumption, ownership and purposes of a business initiative and the code of conduct of several agents. Islamic socio-economic approach comprises comprehensive analysis of certain economic variables such as circulation of wealth, consumption, taxation, and fair-trading. Shariah originated from the Quran and custom (*Sunnah*) of the Prophet (PBUH) includes business connections between sellers and buyers; employees and employers; and lenders and borrowers [21]<sup>37</sup>. Thus, Islam permits people to fulfil all their desires and to go beyond. The goal must not be to build

<sup>35</sup> G.Eaton, “Islam and The Destiny of Man,” (Cambridge: The Islamic Texts Society, 1994)

<sup>36</sup> Ismail Hobson; “Islam’s guiding Principles for a Solution to Environmental Problems,” *Islam and Environment*, ed. Harfiah Abdel Haleem (London: Ta-Ha publishers, 1998):33–42

<sup>37</sup> N.H.M.Keller; “Reliance of the traveller: A Classic Manual of Islamic Sacred law” (translation), original written by Ibn Naqib Al Misri, (Evanston, IL: Sunna Books, 1994)

a monotonous homogeneity in Muslim high society. Islam urges to take part in economic endeavours such as lawful enterprise and to take the part in life through easiness in consumption, which may be achieved in life patterns alongside innovation and multiplicity. Neither does Islam imply lack of economic liberalisation. Here there is a distinct form of liberalisation: one in which all public and private sector economic choices are first gone through the filter of ethical values well before they became subject to the control of the market. Undeniably, to execute the 'moral filter' in practice entails the commitment of a huge number of market contributors. Thus, these businesspeople can affect consumer actions. Their economic organisation or company can help to reduce or eradicate pollution affects (through research a brand new product development). Enterprise can also impact how social development will happen and what should be the impact of that development would be through their geographical location and high-tech investment options. Companies can accept a strategy to engage in sustainable development in combination with cost-effectiveness and durability to the benefit of all organisational shareholders. Such a plan would emphasis on both future and current eco-efficiencies.

Islam is a complete code of conduct that impacts on the moral, legal, social economics and environmental aspects. Its enormous impact in institutional form through the Shari'ah law (guidance derived from the Qur'an and Sunnah traditional of the Prophet Mohammad). For that reason, research efforts in the Muslim countries with strong religious institutions such as Islam should consider the importance of religion with business issues [22, 23]. Khan and Karim [24] assert that Islam motivates business, socio-economic and environmental life in the Muslim countries and in the society in a way which can be associated with the sustainable development with clear codification of ethical standards and its enforcement mechanisms. Atan and Halim [25] argue that features of sustainable development and social justice deeply rooted in the Qura'n and the Sunnah, as these resources oblige companies or businesses to execute their guidelines in society and environment. According to Dusuki [26], Shari'ah is an important source with significant value in the Islamic paradigm, offers a religious bond that exceeds the notion of development and sustainability. Katsioloudes and Brodtkourb [27] endorse this statement by pointing out that Islam gives basic knowledge upon which sustainable development methods can be developed.

A study investigated by Koleva [28] on the role of Islam for the practice and understanding of sustainable development with reference to CSR and by relying on empirical evidence collected from business organisations in the three GCC countries- Saudi Arabia, Oman and UAE. Their findings suggest that Islam as religion is very important for the 63 participants in this survey and stated that their religion helps in realising that makes logic to replication the concept of sustainable development in their business as well and CSR. With this end it ventures Islam as a vital part in the formation and re-formation of the sustainable development spectacle within the observed sample. Consequently, the empirical results show in the study done by Koleva [28] which suggest that contextual specifications of developing countries (Islamic region) might lead to different perception and thoughtful in the matter of sustainable development and also different dynamics in the business-society affiliation.

The prospect for participating in environmentally 'correctness' -a corporation should decide its participant methods in the sustainable development actions. One likely technique may be the usage of the chain of command of ethical behaviour advocated by Des-Jardins [29]<sup>38</sup>. The hierarchy comprises of four levels of success:

<sup>38</sup> J.DesJardins< "Corporate Environmental Responsibility", *Journal of Business Ethics*, 17 (1998): 825-838

## **5.1 Fundamental level of behaviour**

A specific economic activity functioning at the basic stage of behaviour should merely conform by the rules of the territory in which it runs. Such an economic movement would make no sustainable development works since the idea is not embedded into the regulation in any country in the world. This economic efforts would persist within legally appropriate pollution levels, even though it would probably look at those levels as impediments to productive actions. Such movement or organisations may be more likely to obtain certifications for pollution as they should operate 'close to the edge' of suitability. Executives of such organisations could have the view that the expenses of pollution management and ecology are bigger than the immediate gains; this executive may be very 'bottom line' orientated. Furthermore, such executives would certainly perceive the money spent on environmental elements not as investment but then as a cost that corrodes effectiveness. Mission declarations of these movement or organisations may never declare a concern for or emphasis on the real environment. They should bend on the letter of the directive that entails the use of 'top existing technology' or 'top existing management technology.' Thus, these corporations' behaviours should be deemed as legal, religious as well as technological.

## **5.2 Theoretical level of behaviour**

An economic organisation or corporation managing a notional level of conduct would have included the concept of sustainable development concerned in its structural strategy. As Hart<sup>39</sup> [30] claims that there should be no haphazard projects intended at preventing or controlling pollution. Concentrating on sustainability entails putting business policies to a new test. Taking over the whole planet as the framework in which it does business, enterprises must ask question whether it is the part of the resolution to environmental and social problems or component of the problem. In this matter the business organisations should include specifically mention of sustainable development at their mission statements and may have recognised and exposed highly noticeable and eloquent environmental supervision policies. Several of these companies may be quick to layout, develop, and execute environmental management techniques as stipulated by ISO 14001 and to ask for accreditation or self-affirmation within that standard. Company or firms do claims that will be deemed to be operational at the theoretical stage of behaviour in connection to sustainable development and environmental policy. Their polices evidently draw attention to the point that the business viewpoints and its devotion to the environment as one that is vital to the organisation's fundamental values. These businesses are not engaged in sustainable development or environmental protection related activities since some bureau has legally authorised such contribution; they are engaged because they consider those actions to be largely sound. Companies working at this stage of behaviour appreciate that their firms and those in the downstream and upstream value chain may not be successful in a world with out reusable resources or polluted water and air. Consequently, as the organic ecosphere of the planet is battered, the capability of the left over ecosystems to boost the firm's value chain partners declines-leaving a business with no capacity to conduct business. Therefore, participating in sustainable development is the single 'right' choice. An extra gain is that the sustainable movements also produce a good business idea in the long run.

---

<sup>39</sup> S.L. Hart, "Beyond Greening: Strategies for a Sustainable World", *Harvard Business Review*, Jan-Feb, (1997):67-76

### 5.3 Achievable level of behaviour

An economic or business organisation functioning at the presently attainable level of conduct would recognise that some gains may arise from participating in environmentally-friendly actions that are not lawfully mandated. These companies, however, possibly take part in such events for the 'wrong' causes: revenue enhancement, cost reduction or reputation enhancement. In further words, the activities are to be expected to gain short-term monetary profits larger than their costs. Therefore, these corporations are likely to fix improved pollution control strategies than are mandatory by law, to involve in clean-up projects that should be showcased by their public relation department and to implement programmes and catchphrases that emphasis on environmental 'perfection.' Some cases the Executives of this firms may not involved in the sustainable development projects as they are too unclear and may create a huge current cost whose upcoming profit is quantitatively unidentified. Mission statements of these companies might cite a concern for or emphasis on the physical environment, but then more than possible any such conversation would be given in a management letter or in the explanations of business products, production locations or product lines. These companies may be considered by society as environmentally sensible businesses that are functioning for the more good- but in actuality, the larger good is mainly that of the business organisation<sup>40</sup>.

### 5.4 Rational level of behaviour

An economic or business organisation functioning at the practical level of conduct would admit that advantages arise from participating in environmentally responsive events. These business organisations, however, may strive to make sure of the 'right' matter in relation to the environment since it is 'right' rather than in good reputation or short-term profit. These business organisations and their executives appreciate the requirement for, and significance of environmentally friendly production and changing their activities, to take part in environmental modernisations that may be costly but that may prove extremely beneficial of upcoming outcomes. In performing so, the businesses should anticipate that consumers should appreciate the benefits of such pioneering practices which are worth acquiring at a greater cost than those of a fewer environmentally sensitive contenders. There should be no question that these businesses are profit motivated: management has a fiduciary duty towards a number of groups such as shareholders, creditors, employees, and consumers- to maximise profits and, therefore efficiency. Gwilliam [31]<sup>41</sup> claims that, for both services and infrastructure, it is required to be conceded that private sector contribution will be attained only on the basis of an appropriate projected revenue scheme. Indication from a study done by Margretta [32]<sup>42</sup> shows that concerned about the economic consequences, business or companies working at the practical level of behaviour are genuinely concerned about the environment and stakeholders. Therefore, the sustainable development is an idea that is heralded and recognised by the business organisations or companies. Companies operating at the practical level of behaviour may strive to find out ways to generate services and products in a way that signifies the principles of the green market. An indisputable fact in favour of business obligation and the free market value in the vicinity of

<sup>40</sup> D.M. Payne and C.A. Rainborn, "Sustainable Development and the Ethics", *Journal of Business Ethics*, 32, (2001):157-168

<sup>41</sup> "Financing for Sustainable Development", A Report on WSSD FfD UN Summit 2002, (London: International Institute for Environment and Development, 2002):2-29

<sup>42</sup> J. Margretta, "Growth Through Global Sustainability," *Harvard Business Review*, (Jan-Feb) (1997).

sustainable development is a shift in consumer inclinations based on a intensified consciousness about the environment. This change is the central act that regularly stimulates and promotes businesses as well as changing behaviours and thoughts in favour of environmentally sound systems. Increasingly, the consumers are achieving their individual obligations in the field of environmental value. The assumption that business alone is to blame for degradation, or is actually the protector of the environment is illogical- a company only sells what consumers are willing to buy. In the dearth of a appropriate market, the businesses would merely go out of enterprises. Consumers eventually control the disappointments or achievements of firms and their products.

## 6. Conclusion

The objective of Islamic commercial approach is to eliminate all residues of injustice, inequality, oppression and manipulation from the high society. An individualistic point of view on the sacred destiny of humankind is a counter balanced by an arduous understanding of society and societal collaboration [33]<sup>43</sup>. In this argument this paper emphasised that the strong dedication of Islam to wellbeing and justice of human beings insist that Islamic community should contribute in the sustainable development events. This paper explained that with their chains of dealers across consumers, many businesses are developing more awareness of the sustainable development/environmental aspects and effects of their businesses. Perceived as a variety of behaviour, business environmentalism may range from just compliance of laws with recognising and passing on a sustainable development goal (SDG) of the UNO. The view point on the scale at which a firm prefers to operate is manifested in its environmental policies, strategy and action plan.

The theory of 'sustainable development' come to be the slogan in the development literature. By revealing the teachings of a religion (Islam), this paper emphasises that even though the notion of sustainability is a fresh matter in the development literature, Al-Qur'an essentially underlined all the concerns of sustainable development about 1400 years ago. In Islam economic inequality is disliked and for this reason, the notions like *Zakah*, *Waqf*, charity etc. are urged in Islam. Misuse of natural resources is also forbidden in Islam. Again and again, in the Qur'an mentioned about the order of the universe and the significance of natural resources for humanity. Extravagance is discoursed in Islam. It also identifies the contemporary global businesses are distancing from the principles ethical behaviour. When the businesses have become the part and parcel of contemporary lifestyle, corrupt habits from the component of the global businesses will build big problems for humanity. Islam encourages ethical business activities and disallows all sorts of unethical behaviours in earnings, trading and acquisition of assets in immoral way. In view of this, the concept of sustainable development in Islam is not a brand new issue. Yet after obtaining all the principles of sustainable development in the in the Qur'an, the Muslim countries need to adopt the concept in proper manner.

The economic rewards of moving in the quickest flourishing economic markets and commercial organisations in the world, the sustainable development approaches can offer Muslim countries with the generous of investment if they want to recover health care, civil rights, education and economic prospects. An symmetry in human activities is essential in the businessse vents to safeguard social wellbeing. The sustainable development is a part and parcel of Islamic economic

<sup>43</sup> Mohammed I. Ansari, "Islamic Perspective on Sustainable Development", *American Journal of Islamic Social Sciences*, 11(3), (1994): 394-401

developmental actions, which will fill up the gap of the society's serious issues, like economic opportunities, health care, education and sustainable strategies which will pressurise the track of the businesses and trades and directly effect on privileged circumstances and technology of the ecological matter. By describing to the teachings of Islam -one of the monolithic religions in the world that the idea of sustainable development is not ambiguous to religious beliefs specially Islam as a religion. The similar study may be done with the doctrines of other two monolithic religions (Judaism and Christianity) to find out whether religions and development are conflicting to each other or not. It may be mentioned here this study did not consider to make any solution to this issue rather it made an attempt to wide up a new way of idea: are the doctrines of Islam as religion can provide guidelines to the businesses on sustainable development model in the current world?

IntechOpen


### **Author details**

Abul Hassan

Centre of Research Excellence for Islamic Banking and Finance, KFUPM Business School, King Fahd University of Petroleum and Minerals, Dhahran, Saudi Arabia

\*Address all correspondence to: [ahfarooqi@kfupm.edu.sa](mailto:ahfarooqi@kfupm.edu.sa)

### **IntechOpen**

© 2020 The Author(s). Licensee IntechOpen. This chapter is distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/3.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited. 



## References

- [1] Beekun R. *Islamic Business Ethics*. Verdon: IIIT; 1997
- [2] Ahmad K. *Studies in Islamic Economics*. Leicester: The Islamic Foundation and KAAU; 1980
- [3] Rice G. Pro-environmental behaviour in Egypt: Is there a role for Islamic environmental ethics? *Journal of Business Ethics*. 2006;65:373-390
- [4] Ansari A, Jamal P, Oseni U. Sustainable development, Islamic divension with special reference to conservation of the environment. *Advances in Natural and Applied Sciences*. 2012;6(5):607-619
- [5] Hossain D. Sustainable development and Islam: Is religious teaching invalid. *Middle East Journal of Business*. 2014;9(1):10-17
- [6] Khalid F. The environmental crisis and modernity: An Islamic perspectives. *Islamic Perspectives*. 2008;1:40-45
- [7] Gladwin T. Paradigms for sustainable development. *Academy of Management Review*. 1995;20:974-907
- [8] Helman U. Sustainable development: Strategies for reconciling environment and economy in the developing world. *The Washington Quarterly*. 1995;18(4):43-54
- [9] Pearce DW, Warford JJ. *World without End: Economics, Environment and Sustainable Development*. New York: Oxford University Press; 1993
- [10] Scherer D, Attig T, editors. *Ethics and the Environment*. Englewood Cliffs: Prentice Hall; 1983
- [11] Payne DA, Raiborn CA. Sustainable development and the ethics. *Journal of Business Ethics*. 2001;32:157-168
- [12] Asad M. *This Law of Ours*. Gibraltar: Dar al-Andalus; 1987
- [13] Sardar, Z; "Islamic Futures: The Shape of Ideas to Come", (Kuala Lumpur: Pelanduk,1998)
- [14] Chapra MU. *The Future of Economics: An Islamic Perspective*. Leicester, UK: The Islamic Foundation; 2000
- [15] Chapra MU. *Islam and the Economic Challenge*. Herdon, VA: International Institute of Islamic Thought and The Islamic Foundation; 1992
- [16] Siddiqi MN. Muslim economic thinking: A survey of contemporary literature. In: Ahmad K, editor. *Studies in Islamic Economics*. Leicester, UK: The Islamic Foundation; 1984
- [17] Keynes JAM. *The Collected Writings of John Maynard Keynes*. London: Macmillan for the Royal Economic Society; 1972
- [18] Hassan, A & Chachi, A (2004), "Role of Islamic banks in sustainable development" in the book titled *Sustainable Development in Islamic Perspectives*, edited by Iqbal, M., London: Palgrave
- [19] Eaton G. *Islam and the Destiny of Man*. Cambridge: The Islamic Texts Society; 1994
- [20] Hobson I. Islam's guiding principles for a solution to environmental problems. In: Haleem HA, editor. *Islam and Environment*. London: Ta-Ha publishers; 1998
- [21] Keller NH. *Reliance of the Traveller: A Classic Manual of Islamic Sacred Law, (Translation), Original Written by Ibn Naqib Al Misri*. Evanston, IL: Sunna Book; 1994

- [22] Syed J, Van Buren I. Global business norms and Islamic views of women's employment. *Business Ethics Quarterly*. 2014;**24**(2):251-276
- [23] Terjesen S, Sealy R. Board gender quotas: Exploring ethical tension from a multi-theoretical perspective. *Business Ethics Quarterly*. 2006;**26**(1):23-65
- [24] Khan FR, Karim N. Corporate social responsibility: Contemporary thought and Islamic perspectives. *Thought on Economics*. 2010;**21**(1):45-55
- [25] Atan R, Halim NAA. Precipitation of Muslim consumers towards CSR. *British Journal of Economics, Finance and Management Services*. 2012;**4**(20):65-80
- [26] Dusuki AW. What does Islam says about corporate social responsibility? *Review of Islamic Economics*. 2008;**12**(1):5-12
- [27] Katsioloudes M, Brodtkourb T. Corporate social responsibility: An exploratory study in the United Arab Emirates. *Advanced Management Journal*. 2007;**72**(4):9-20
- [28] Koleva,P; Towards the Development of Empirical Model of Islamic CSR : Evidence from Middle East. *Journal of Business Ethics*, 2020, February, ULR Link: <https://doi.org/10.1007/s10551-020-04465-w> (access date October 21,2020)
- [29] Des-Jardins J. Corporate environmental responsibility. *Journal of Business Ethics*. 1998;**17**:825-838
- [30] Hart SL. Beyond greening: Strategies for a sustainable world. *Harvard Business Review*. 1997:67-76
- [31] Gladwin T. Paradigms for sustainable development. *Academy of Management Review*. 1995;**20**:974-907
- [32] Margretta J. Growth through global sustainability. In: *Harvard Business Review*, (Jan-Feb). 1997
- [33] Ansari MI. Islamic perspective on sustainable development. *American Journal of Islamic Social Sciences*. 1994;**11**(3):394-401