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Business sustainability and the UN Global Compact: A "public interest" analysis for Muslim majority countries

Samiul Hasan*

Abstract: Since 2000, different types of organisations have registered for the UN Global Compact (UNGC), an essential guide for undertaking socially and environmentally responsible business. As revealed by the UNGC data, enthusiasm in Muslim majority countries (MMCs) for subscribing to the Compact is comparatively much less than in any other parts of the world. Analysing the phenomenon and the possible reasons thereof, this study examines individuals' economic responsibility in these MMCs in adhering to the principles of the UN Global Compact. The work shows that regime types, economic conditions, economic structures (with agriculture sector primacy informally employing the largest percentage of the labour force), and civil society conditions seem to have contributed significantly in the UN Global Compact participation by organisations in MMCs. The paper argues that Muslims should fulfil their individual religious obligation by valuing, upholding, and applying the principles of "public interest" (*maṣāliḥ al-mursalah*) in all commercial dealings not awaiting national consent or the organisations' conformity to the Global Compact.

Keywords: Business sustainability; CSR; MMCs; public interest; UN Global Compact.

Abstrak: Sejak tahun 2000, pelbagai jenis organisasi di seluruh dunia telah mendaftar dengan UN Global Compact (UNGC), panduan yang perlu untuk memetrikan satu perjanjian untuk perniagaan supaya bertanggungjawab secara sosial dan mengikut tuntutan persekitaran. Seperti yang diperlihatkan dalam data UNGC, semangat negara-negara yang majoriti penduduknya Muslim

* Samiul Hasan is an Associate Professor in the Department of Political Science, United Arab Emirates University. Email: samiulh@uaeu.ac.ae.

(MMCs) untuk menjadi ahli Compact didapati lebih kurang sama dengan mana-mana negara yang lain; dengan menganalisis fenomenon tersebut, dan dengan beberapa sebab-musababnya yang tertentu. Oleh itu, esei ini berusaha untuk meneliti tanggungjawab ekonomi individu dalam MMCs untuk mematuhi prinsip-prinsip UN Global Compact. Hasil kerja ini menunjukan jenis-jenis rejim, keadaan ekonomi dan struktur ekonomi (yang mana sektor pertanian merupakan sektor utama dan secara umumnya melibatkan peratus guna tenaga pekerja yang terbesar). Selain daripada itu, kajian ini juga mendapati bahawa keadaan masyarakat sivil dilihat sebagai penyumbang yang bermakna dalam penglibatan UN Global Compact melalui organisasi-organisasi dalam MMCs. Kertas kerja ini turut membincangkan bahawa Muslim sepatutnya memenuhi tuntutan agama secara peribadi dengan menilai, mempertahankan dan menggunakan prinsip-prinsip "tuntutan awam" (masalih al-mursalah) dalam semua urusan perdagangan mereka, tidak menunggu persetujuan kebangsaan atau pematuhan organisasi kepada UN Global Compact.

Kata Kunci: Kelestarian bisnes; CSR; MMCs; kepentingan awam; UN Global Compact.

In the present globalised system of forward and backward linkages of "value chain" across borders or economies for maximising profit and minimising cost, many goods and service providing commercial entities are engaged in profit making actions that may infringe on others' rights, and may be socially and environmentally irresponsible. The question of "social responsibility" arose due to poverty even in countries that have undergone rapid economic growth. The Brundtland Report called for sustainable development or development that meets the needs of the present without compromising the future generation's ability to meet their own needs (WCED, 1987). Thus, in 2000, the United Nations (UN) adopted a Global Compact, as an essential guide for undertaking socially and environmentally responsible business. The essence of the Compact is to help businesses contribute to sustainable development while working with employees and their families, for and with the local community and society (Lodge & Wilson, 2006).

The Global Compact, as a guide for corporate social responsibility (CSR), became a focal point for the convergence of business and societal interests. CSR heralds a shift of focus from the "maximisation of shareholder value" to the satisfaction of the interests of a broader set of primary (e.g., stockholders, customers, suppliers, and employees), and secondary stakeholders (e.g., governments at various levels, charities, community organisations, and civil societies as well as the United Nations) (discussed in Bitanga, & Bridwell, 2010).

Some scholars have undertaken research on the contribution of the Global Compact towards the "compliance of international regimes" (Hoessle, 2014). Others have looked at its compatibility with the tenets of Islam (Williams & Zinkin, 2010). The latter scholars highlighted the origins and underlying tenets of the principles of the Compact and studied their compatibility with the tenets of Islam from which they concluded that, "the teachings of Islam not only appear to be in close conformity with the Ten Principles of the UN Global Compact, but in many respects go further than the minimum standards adopted by this framework" (Williams & Zinkin, 2010, p. 528).

Muslim majority countries (MMCs) have been in the forefront in adopting many major international charters, conventions, or codes. For example, all MMCs have adopted the UN Declaration of Human Rights 1948, UN Conventions for the Elimination of Discrimination against Women 1979, and the UN Framework Convention on Climate Change (commonly known as the Kyoto Protocol). Nonetheless, the available data show that of the 12,000 organisations registered for the Global Compact in 145 countries, only 12% are in forty-seven countries (representing 26% of the countries inhabited by at least 23% of the world population) where Muslims are the majority. The question then is why is there less enthusiasm to embrace the Global Compact among organisations in MMCs than in other countries? By analysing the phenomenon, this article examines and emphasises the importance of individuals' economic responsibility in these MMCs in adhering to the principles of the UN Global Compact.

This work is based on classical literature on Islam and other relevant secondary literature, and is divided into six sections including this introduction. Section two highlights the sources of Islamic laws to show the importance of local customs and customary laws that may create diversity in business practices in Muslim communities. It also emphasises the concept and importance of "public interest" in economic relationships. The next section analyses all ten codes of the UN Global Compact 2000 (not only the tenets behind the major principles as done by Williams & Zinkin, 2010) from an Islamic perspective to show how and why Muslims are more likely to relate themselves to the Compact. Section four analyses the status of adopting the Global Compacts by organisations in MMCs, and the reasons thereof. From here, section five discusses individual responsibility in Islamic law, highlighting Islamic concepts of pluralism, mutual respect, and self-restrain and their respective implications on business sustainability in Muslim communities. We conclude by suggesting that instead of awaiting public regulations or organisational dicta, Muslims, as a religious obligation based on the principle of "public interest", should take a personal initiative in implementing the Compact in their own sphere of economic activities for business sustainability.

Islam, diversity, and public interest

Islam is a religion that advocates the "right path" for all aspects of life. The Qur'ān provides guidance about human relationships, economic principles, executive responsibility, law of inheritance, family law, and social justice to form the bases of Muslim duties. Islamic law has transformed over the years within the basic frame of the Qur'ān and the *ḥadīth* (plural: *aḥādīth*) through analogical deductions (*qiyās;* accepted by the Sunni Muslims), human reasoning (*'aql;* used by the Shi'ite Muslims), a jurist's independent analysis and decision (*ijtihād*) about an issue not covered by the Qur'ān, *ḥadīth*, and consensus (*ijmā'*). *Istiḥsān* (juristic preference ensuring equity), an important type of *ijtihād*, has played a prominent role in the adaptation of Islamic law to the changing needs of society. In matters of contemporary social and economic relationships not covered by the contemporary literature or edicts, Islamic jurisprudence (*uṣūl al-fiqh*) allows local customs (*'urf*) and customary laws (*'ādāt*) that do not negate the fundamental principle of the Unity of God (*tawḥīd*) or any "explicitly forbidden" matter (Kamali, 1999a; Hannan, 2003). In such a way, the public and community have always been important in Islamic jurisprudence.

In dealing with contemporary economic issues, Muslims must consider "public interest" (*masāliḥ al-mursalah*). "Public interest" refers to the concept of "*lā ḍarar wa-lā ḍirār*" (no injury should be imposed, nor an injury be inflicted as a penalty for another injury) ("Masalih," 1993). In the Sunni Maliki School of Islamic jurisprudence, public interest enjoys an importance similar to that of analogy (*qiyās*) and juristic preference (*istiḥsān*). The largest group in Sunni Islam, the Hanafi School, also emphasises the importance of "public interest" as a source of jurisprudence.

According to Imam al-Ghazālī, believers are permitted to be involved in economic activities that are harmonious with the objectives (*maqāṣid*) of the *Sharī'ah* and target the protection of the five essential values: the religion, human life, intellect (reason), lineage (offspring), and property (Tamadonfar, 2001). Anything that furthers these essential values is *maṣlaḥah* (plural: *maṣāliḥ*) and itself becomes a source or justification of the *Sharī'ah* ("Masalih," 1993). These features, as well as individual responsibility in the practice of economic activities, highlight a liberal philosophy and promote pluralism in Islam. As a result, different Muslim communities (are likely to and do) pursue economic and social affairs differently within the basic principles of Islam.

Islam's comprehensive and inclusive approach equating good human actions (with predominance of *taqwā* – Allah consciousness or constant remembrance of Allah) to *'ibādah,* and accommodation of cultural practices of all communities (not conflicting to any explicit injunction, e.g., oneness of the Creator) are reasons for its rapid expansion. Islam, thus, in its first millennium, became the world's "most powerful engine, agent, and vehicle of globalisation" (Simons Jr., 2003, p. 3). There are approximately 1.6 billion Muslims in the world (Hasan, 2012a), 1.1 billion of whom live in forty-eight[1] Muslim majority countries (the rest are scattered throughout the world). One major issue of "public interest" in the modern world is business sustainability in an increasingly fragile natural environment. The United Nations and other UN agencies have been promoting many guiding principles dealing with the issue, including the UN Global Compact. The question is how are the MMCs dealing with the issue and the Compact?

An Islamic perspective of business sustainability and the Global Compact

Notwithstanding the criticism that the methodological weakness of self-reporting by companies in their annual Communication on Progress (COP) usually emphasises positive results and rarely identifies weaknesses, the major benefit of The Global Compact is its ability to strengthen relationships between corporations and the United Nations. The Compact "represents the beginning of a new relationship between business and the United Nations, a relationship which during previous decades had been determined by deep-seated mistrust and antagonism" (discussed in Bitanga, and Bridwell, 2010).

The United Nations (UN) Global Compact (2000) requires businesses to embrace, support and enact a set of core values in relation to human rights, labour standards, the environment, and anti-corruption. With its ten principles, the Compact reinforces the need for observing many conventions and declarations like the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights to Work, the Rio Declaration on Environment and Development, and the "UN Convention Against Corruption" in the operation of business.

The first two principles of the Compact relate to "respecting human rights" and "non-complicity in human rights violations". It is worth noting that the UN Universal Declaration of Human Rights 1948 underscores negative rights (Nyamu-Musembi & Cornwell, 2004) (rights that require the will and codification not creation), e.g., freedom of thought, conscience and religion, of expression and opinion, and from torture or cruelty, inhumane treatment or punishment. Positive rights (rights to goods and services that have resource implications) including the rights to food, shelter, development, etc., received only passing remarks in the Declaration. The Global Compact does not make any reference to employees' positive rights like "fair pay" for a "decent living".

Islam, however, accentuates positive rights declaring that the needy have a right to the wealth of the rich because everything belongs to Allah and that Allah has bestowed more on some. The provisions of distribution in Islam are made so that property may not merely "make a circuit between the wealthy" (Qur'ān, 59:7). Thus, Islam, first and foremost, propagates positive (distributive) rights in workplace relationships dictating fair pay on time without exploitation. For example, Prophet Muhammad (SAW) said, "Give the worker his wages before his sweat dries" (Ibn Majah, n.d.).

The Cairo Declaration of Human Rights in Islam (CDHRI) (OIC, 1990) codifies details of employer and employee relationships, highlighting the rights and responsibilities of both towards the Creator and the community. The relationship between employers and employees is "conceptualised as one of cooperation and siblinghood" and the employers are obligated to look after the welfare of their workers. In turn, the employees have to perform with due diligence treating the enterprise as their own (Smith, 2002). Workers (irrespective of gender) are entitled to fair, equal, and timely wages as well as to holidays, allowances, and promotion (OIC, 1990, Article 13). Further, the Islamic concept of business management regulates that nobody can be assigned work beyond his/her capacity or be subjected to compulsion, exploitation, or harm in any way because "no soul shall have a burden laid on it greater than it can bear" (Qur'ān, 2:233; 2:286; 6:152).

Human society functions as a whole through cooperation and good relationships because human beings cannot live and exist without social organisations and cooperation. Ibn Khaldūn (1332-1406 CE) suggested that Prophet Muhammad (SAW) brought a complete social order based on the common good because common good is whatever contributes to the proper ordering of the various ends of mankind and to the well-being of the soul (for more details see Lacoste, 1984). Thus, principle 3 of the Global Compact (upholding freedom of association and recognition of the right to collective bargaining) is very important. The Qur'ān's promise of Heaven "if they help each other and defend themselves collectively when an oppressive wrong is inflicted on them" (Qur'ān, 42:39) is a direct and explicit sanction of freedom of association, and collective bargaining in the protection of labour rights in the face of the employers' possible exploitative actions. Some Muslim polities, including Malaysia, enacted and implemented labour laws incorporating the above principles long before the Compact (Rosner & Kleiner, 1998).

Principle 4 of the Global Compact (upholding the elimination of all forms of forced and compulsory labour) relates to certain fundamental injunctions of Islam in relation to basic human and economic relationships. Work is a right, guaranteed by the state and the society for each person capable of working. Some Muslim majority countries have enshrined this in their labour law. For example, the Malaysian Labour Law categorically stipulates that, "All workers have the right to employment and may request to join a union" (see Rosner and Kleiner, 1998). Islam suggests that justice and generosity in the workplace are necessary conditions for society's welfare, and that no one should be denied his full wage (Darwish, 2001).

Principle 5 (businesses should uphold the effective abolition of child labour) and Principle 6 (businesses should uphold the elimination of discrimination in respect of employment and occupation) of the

Compact are aligned to some fundamental principles in Islam. Value creation is very important in Islam. Property owners are advised not to leave property to those who do not have intelligence or capability to manage and advance it (Qur'ān, 4:5). For the sake of justice and for protecting the rights of all (especially the weak, women, and children), the believers are prohibited from consuming the property of the weak (e.g., orphans) but to improve it (Qur'ān, 17:34). The CDHRI gives children further protection by suggesting that "as of the moment of birth, every child has rights due from the parents, the society and the state to be accorded proper nursing, education, and material, hygienic and moral care" (OIC, 1990, Article 7a), precluding any possibility of child labour exploitation. Since justice and generosity in the workplace are necessary conditions for society's welfare, Islam suggests a two-way responsibility mechanism by commanding the employers to provide fair, full and timely wages, and the employees to work hard to improve productivity and quality to be competitive (Darwish, 2001).

Principle 7 (a precautionary approach to the environment), Principle 8 (promote environmental responsibility), and Principle 9 (the use of environmentally friendly technologies) are similar to the environmental philosophy in Islam because although all that is on earth is subservient to human beings (Qur'ān, 22:65), the latter are trustees – not the absolute owners (Naqvi, 1981; Baali, 1988). The trustees are to follow the guidance of the Owner, and must discharge the trust faithfully and fear Allah (Qur'ān, 2:283). The believers should not overburden themselves in the pursuit of economic advantage, or be involved in economic activity that leads to violence, harm, or death (Qur'ān, 4:29). Muslims can take business risks but must refrain from committing irresponsible acts. Due to their social and environmental responsibilities, Muslims are advised to diversify to minimise possible losses (Gambling & Karim, 1991).

The above three principles are incorporated in the Compact because business entities are to contribute to sustainable development by working with employees for their families, for/with local community and for "society" at large to improve quality of life in ways that are good for business, society, and the environment (Lodge & Wilson, 2006). Due to the dicta in the Qur'ān and the injunction (primarily through the Medina Charter[2]) of the Prophet Muhammad (SAW), Muslims are to protect life, harmony and relationships in the community. Islam tolerates some economic inequality to encourage acquisition and application of skills but within the underlying principles of moderation and equal opportunity in increasing wealth (Smith, 2002). For example, Islam allows private property with guidance for charity to ensure public interest so that property does not circulate only among the rich (Qur'ān, 59:7). The "ownership", however, is to be forfeited if the community interest is not appreciated (Ali, 1938, Note 510). Thus businesses are required to follow environmentally sustainable approaches, but cannot be penalised for accidental adverse outcomes of such actions because human beings can only try, and cannot control the outcome. Thus, "Allah will not call one to account for what is futile in his/her oaths, but He will call to account for deliberate failures in oaths" (Qur'ān, 5:89).

Further, the Qur'ān includes the environmental management strategy of "reduce". No one is authorised to destroy or waste Allah-given resources. Society's interests need to come first, and can be "better safeguarded if the individuals forming the society do perform all their duties in accordance with the frameworks given by Islam" (Uddin, 2003) especially by preserving the environment because Allah does not love those who waste (Qur'ān, 7:31).

Principle 10 (businesses should work against corruption in all its forms) is a late addition to the Compact and has little value since its basis (the UN Convention against Corruption) is not ratified by most countries. This is simply because the UN Convention does not define corruption but infers a broad spectrum of actions that contradicts anti-corruption laws of many countries including that of the USA (see, R. Theobald, 2002). Islam emphatically rejects all forms of corruption by commanding the believers to be fair in decision making ("...give full measure using a correct balance" Qur'ān, 6:152; 17:35), reject nepotism, ("...stand out firmly for justice" even "as against yourselves, or your parents, or your kin, and whether it be [against] rich or poor" Qur'ān, 4:135), and not to misuse power by breaking the trust ("...render back the trusts to those to whom they are due" Qur'ān, 4:58). According to the CDHRI, "authority is a trust; and abuse or malicious exploitation thereof is explicitly prohibited, in order to guarantee fundamental human rights" (OIC, 1990, Article 23). The Qur'ān refers to social responsibility and advises the Believers neither to consume their property in vanity nor to use it to corrupt the power holders (Qur'ān, 4:29; 2:188). The Qur'ān further commands the believers to uphold trust and commit to contracts (Qur'ān, 2:282), which form the bases of the social contract and help create an organised social system or state. Transparency of actions and free flow of information are also to be maintained because failure in these may result in the destruction of the social system and goodwill (Qur'ān, 2:283). Living in a clean environment "away from vice and moral corruption" is accepted as human rights in Islam, and "it is incumbent upon the state and society in general to afford that right" (OIC, 1990, Article 17). Thus, deterring punishments are prescribed (e.g., *ḥadd* or Allah ordained corporeal punishment of amputation of a thief's hand; *ḥudūd,* pl.) for all corrupt practices to ensure social harmony and a congenial economic environment for people's survival, functioning, and progress.

The fundamental Islamic principles of business and economic activities are no different from the UN Global Compact, and promote public interest for business sustainability. As discussed above, no dogma is likely to prevent organisations in MMCs from acceding to the Global Compact. The next section then analyses the commitment of organisations in MMCs to the UN Global Compact.

The UN Global Compact in MMCs

Until 2014, approximately 12,000 organisations in 145 countries registered for the Global Compact, of which 1,400 are in 38 (of the 47) Muslim majority countries (MMCs) in Africa and Asia (including 86 Academic institutions; 115 Business associations; 277 Companies; 408 NGOs; and 488 SMEs). The rate of registering for the Global Compact in MMCs is comparatively lower than the world average (12% of organisations in 26% of the countries inhabited by approximately 23% of the world population) (Table 1). Since the Global Compact is compatible with Islam, some political, economic, and social factors are likely to be reasons for this lower level of commitment.

Regime types in MMCs may have also prevented organisations from signing the Global Compact. No organisation has been registered in nine MMCs (Algeria, Comoros, Djibouti, Eritrea, Guinea Bissau, Libya, Mauritania, Tajikistan, and Turkmenistan). These nine countries (except Comoros and Guinea Bissau) have authoritarian regimes (Table 2), although Libya is in transition. Organisations in MMCs with authoritarian regimes generally have less links with the Global Compact than that of MMCs with democratic systems of governance. In the 28

MMCs with authoritarian regimes, only 365 organisations are registered for the Global Compact as opposed to 1,022 organisations in 18 democratising (or democratic) MMCs (Table 2). Interestingly enough, two of the three countries with the highest number of Global Compact organisations in the former category, Egypt (93) and Tunisia (26), have been in the path of achieving democratic regime. The third country with the second highest number of Global Compact organisations in this category is the UAE, which has been doing very well in achieving better governance.

Table 1: The UN Global Compact in MMCs: Types and numbers of organisations signing the Compact

Number	Academic	Business Association	Company	NGO	SME
0	29 MMCs	25 MMCs	21 MMCs	13 MMCs	17 MMCs
Up to 10	15 MMCs	20 MMCs	17 MMCs	24 MMCs	17 MMCs
11-20	1 MMC (Turkey)	2 MMCs (Indonesia)	4 MMCs (Bangladesh, Indonesia, Malaysia, Tunisia)	2 MMCs (Bangladesh, Egypt)	6 MMCs (Bangladesh, Jordan, Lebanon, Qatar Sudan, Syria)
21-30	1 (Indonesia)	2 MMCs (Turkey)	3 MMCs (Egypt, Pakistan, UAE)	2 MMCs (Indonesia, Iraq)	5 MMCs (Egypt, Indonesia, Nigeria, Pakistan, Syria, Turkey)
31-50			1 MMCs (Turkey)	3 MMCs (Nigeria, Pakistan, Turkey)	3 MMCs (Iraq, Malaysia, Turkey)
Total (833)	86	71	204	192	285
Other categories: City: Turkey- 4; Public Sector: Bangladesh-1, Egypt-3, Indonesia-2, Maldives-1, Morocco-1, Nigeria- 4, Pakistan- 1, Syria- 1, Tunisia- 1, Turkey- 1, UAE-2					

Source: Prepared by the author from data available in www.unglobalcompact.org.

Economic condition has also been a factor for low registration to the Global Compact among MMCs. The nine countries (except the oil rich Algeria, Libya, and Turkmenistan) with no Global Compact association are categorised as least developed countries (LDCs) with annual income ranging between PPP$477/capita (Guinea Bissau) and PPP$2,061 (Djibouti). Low income countries, in general, have poor participation in the Global Compact − twenty-one MMCs with <PPP$3,000/capita

GDP (except Bangladesh, Nigeria, and Pakistan) have the lowest participation in the Global Compact. In 21 MMCs with <PPP$3,000, a total of 384 organisations registered with the Global Compact, while 883 organisations are registered with the Global Compact in 23 higher income MMCs (Table 2).

Table 2: Muslim majority countries in Africa and Asia: Political and economic features, and the Global Compact participation

Name	Regime Type	GDP/ Capita PPP$	Agriculture % of GDP	Labour %	Industry % of GDP	Labour %	Services % of GDP	Labour %	Global Compact
Afghanistan	SD	1,054	36.0	80	24	10	39	10	10
Algeria	MA	7,740	8.0	14	61	38	30	48	0
Azerbaijan	MA	7,851	6.0	39	62	12	32	49	19
Bahrain	VHA	29,723	.4	NA	66	NA	33	NA	4
Bangladesh	SD	1,241	19.0	63	29	11	53	26	54
Brunei	NA	50,200	33.0	4	22	63	44	23	1
Burkina Faso	SD	1,124	33.0	90	22	5	44	5	2
Chad	SA	1,477	23.0	80	44	10	32	10	1
Comoros	D	1,143	40.0	80	4	10	56	10	0
Djibouti	MA	2,061	3.0	NA	15	NA	82	NA	0
Egypt	MA	5,349	13.0	32	36	17	51	51	93
Eritrea	LA	626	61.0	80	18	10	24	10	0
Gambia	LA	1,225	33.0	75	8	19	59	6	2
Guinea	LA	1,140	62.0	82	12	9	26	9	4
Guinea Bissau	D	477	17.0	76	45	12	38	12	0
Indonesia	D	3,712	14.0	42	47	19	39	39	116
Iran	SD	10,955	9.0	25	42	31	49	45	18
Iraq	SD	..	5.0	NA	68	NA	27	NA	121
Jordan	SA	4,901	3.0	3	32	20	65	77	29
Kazakhstan	HA	10,863	7.0	32	44	18	49	50	22
Kuwait	VHA	47,812	.3	NA	52	NA	48	NA	13
Kyrgyzstan	MA	2,006	33.0	48	20	12	47	40	2
Lebanon	SD	10,109	6.0	NA	23	NA	71	NA	27
Libya	HA	14,364	2.0	17	71	23	27	59	0
Malaysia	SD	13,518	9.0	13	51	36	41	51	52
Maldives	D	5,196	17.0	7	15	17	67	76	19
Mali	D	1,083	37.0	80	24	10	39	10	2

Mauritania	MA	1,927	13.0	50	47	10	41	40	0
Morocco	MA	4,108	12.0	45	29	20	59	35	21
Niger	LA	627	39.0	90	17	6	44	4	2
Nigeria	D	1,969	33.0	70	39	10	28	20	135
Oman	HA	22,816	2.0	NA	36	NA	62	NA	2
Pakistan	SD	2,496	20.0	43	26	20	54	37	116
Qatar	VHA	74,882	.1	NA	75		25	NA	17
Saudi Arabia	HA	22,935	3.0	7	65	21	32	72	10
Senegal	SD	1,666	15.0	78	22	11	63	11	12
Sierra Leone	D	679	44.0	NA	24	NA	32	NA	11
Somalia	NA	NA	65.0	71	10	10	25	9	4
Sudan	SD	2,086	32.0	80	28	7	41	13	27
Syria	MA	4,511	20.0	19	32	15	48	66	37
Tajikistan	MA	1,753	21.0	67	28	8	51	25	0
Tunisia	MA	7,520	11.0	55	27	23	62	22	26
Turkey	D	12,955	9.0	29	28	25	63	46	300
Turkmenistan	MA	4,953	9.0	48	39	14	52	38	0
UAE	VHA	54,626	2.0	7	56	15	42	78	57
Uzbekistan	MA	2,425	24.0	44	27	20	49	36	1
Yemen	MA	2,335	10.0	75	57	13	33	12	3

Prepared by the author from data available in World Development Reports (www.worldbank.org), UN Human Development Reports (www.undp.org), UN Global Compact (www.unglobalcomapct.org), Hasan and El Jaouhary, 2012; Hasan, 2015; and Moten, 2012 (for column 2); D- Democracy; LA- Low Authoritarian; MD- Medium Authoritarian; SD- Semi-Democracy; VHA- Very High Authoritarian; NA- Not available.

The data also reveal direct relationships between the high percentage of agriculture labour and low Global Compact participation in the MMCs, with the situation more obvious in Africa. The Global Compact participation rate is comparatively lower in the 25 countries where more than one-third of the labour force is involved in agriculture except for Bangladesh, Indonesia, Nigeria, and Pakistan. Most importantly, in nine MMCs with no Global Compact signatory (except Algeria and Libya), the labour force is mainly involved in agriculture with a minimum of 48% in Turkmenistan to as high as 80% in Comoros and Eritrea (Table 2). On the other hand, Turkey with larger non-agriculture sectors (91%) has 69 companies and 89 SMEs registered for the UN Global Compact. There also seems to be an Africa and Asia divide because only two Asian countries (Turkmenistan and Tajikistan) are among the above nine countries. Data for economic sectors in all MMCs are not available, but the available data show that in 13 MMCs with <33% labour force in agriculture, 833 organisations have registered for the Global Compact, but 559 organisations have done so in 26 MMCs where >33% labour is in agriculture (as high as 90% in Burkina Faso and Niger).

Cities, public sector organisations, and labour associations in MMCs have limited participation in the UN Compact. Only four cities in Turkey, four public sector organisations in Nigeria, three in Egypt, two each in Indonesia and the UAE, and one each in Bangladesh, Maldives, Morocco, Nigeria, Pakistan, Syria, Tunisia, Turkey, one labour association in Syria and three in Morocco have registered for the Global Compact (Table 1).

Indonesia, Nigeria, Pakistan, and Turkey defy the norms in the above analyses and have a much higher NGO participation rate in the Global Compact. In these four countries, 47%, 80%, 61%, and 59% of the Global Compact organisations are either NGOs or SMEs. In fact, 65% of the total 131 Global Compact signatories in Nigeria are NGOs. Civil society has been active in raising consciousness about business social responsibility in many countries. Nonetheless, it seems that the NGO sector has a larger concentration in the UN Global Compact in large democracies (or democratising countries) with a history of large voluntary sectors like that of Bangladesh, Indonesia, Nigeria, Pakistan, and Turkey (see, Hasan, 2015a).

The Global Compact participation in MMCs is comparatively low, possibly due to the regime types, economic conditions, economic structures, and civil society condition. Most importantly, MMCs with a high percentage of labour force in the agriculture sector have the lowest participation in the UN Global Compact. The involvement of the largest portion of the labour force in agriculture in many MMCs creates the need for individual responsibility in the implementation of the Global Compact. Agriculture in these countries focus on producing domestic food crops and is dependent on hired labour because land is owned, mainly, by non-cultivating rich families. Thus, the agricultural sector in these countries does not provide any formal work contracts, and is sustained through a system of patron-client relationships which may often be exploitative against the weak. Individual employers of agriculture workers thus need to take initiatives to follow the Global Compact or the Islamic dicta to ensure business sustainability for the public interest. The next section thus analyses Muslims' personal social responsibility in business sustainability.

Business sustainability and individual responsibility

Muslim property owners, being blessed by Allah with the "trust", should work towards growing their property for their personal benefit and the benefit of others, especially those less privileged. The Qur'ān commands the believers to increase wealth through economic activities, but up to a certain limit (Qur'ān, 4:29). Thus, the Islamic work ethic argues that life without work has no meaning and engagement in economic activities is an individual as well as social obligation (Darwish, 2001). Prophet Muhammad (SAW), himself having been successful in business management in his early life, provided guidelines for trade in produce and livestock. Coupled with the dicta in the Qur'ān, these guidelines laid the major principles of business ethics in Islam. The believers are also allowed to exercise discretion (*ijtihād*) in finding the best ways of implementing the guidelines. Muslims are morally obliged to work so as not to be a burden to the society (Smith, 2002) but are entitled to follow actions (within the Principle) acceptable to his or her private conscience (Sajoo, 1994). This is not a matter of personal choice; the purpose of economic actions should be to advance the community's (*ummah*) interests. This flexibility within the general basic principles enables Muslims as individuals to adapt to the changing business environment (Gambling & Karim, 1991).

Personal obligation in the achievement of social and environmental sustainability of business activities is of vital importance because Islam does not have a mediator between individuals and Allah. Prophet Muhammad (SAW) warned the believers that everyone is a shepherd and is responsible directly to Allah for their actions/inactions, and will be questioned with regard to the "trust" (Muslim, 20:4496-4499). Islam emphasises philosophical reasons and intentions behind all human (spiritual or worldly) actions, rendering everybody responsible to Allah. Those engaged in business have no choice but to take individual responsibility.

Since the Qur'ān ordains that human beings are not created for any other purpose except for *'ibādah* (worship), all activities, economic or otherwise, become "worship" if conducted within the basic principles to serve Allah (Qur'ān, 51:56; also discussed in Uddin, 2003). Economic managers and entrepreneurs in Muslim communities have social as well as environmental responsibilities in the pursuit of economic activities because "public interest" (*maṣlaḥah*) shapes Islamic economic doctrine. Muslim individuals can perform *'ibādah* by aiming to satisfy Allah with all their economic actions related to creating and delivering goods and services. The purpose can be achieved by internalising community preferences and by avoiding conspicuous consumptions (e.g. luxury or harm-inflicting extravagance) through self-discipline. Thus, producers and traders, as "individuals-in-community", are required to produce community approved goods and services free from profiteering, or dealing with social or physical harm inflicting items, or any unfair trade practice. According to Imam al-Ghazālī (d. 505/1111), individuals can achieve virtue only by doing the above (Mehmet, 1997).

As consumers, as well as goods and service providers, Muslims can help achieve sustainable societies by following the religious instructions (and injunctions) of keeping the self and the ego under control irrespective of the position they hold in society to promote community harmony and thereby creating lessons worth emulating by others in society. This action, however, calls for self-restraint. Human ego, in the form of egoism and egotism, is the main hindrance in self-restraint as well as in the maintenance of human relationships. Egoism, or serving the "self" without any consideration for laws, social conventions, or religious or moral principles, (see Stiner, 1984), and egotism, or overestimated sense of self-importance of individuals or groups are manifested in boasting, which is harmful in the social and collective lives of human beings. The Qur'ān says, do not "walk on the earth with insolence", and "swell not thy cheek" (see Ali, 1938, note 3603 for explanation) warning the believers not to boast even if they are involved in good deeds (like the establishment of regular prayer or justice) because, "Allah does not love any arrogant boaster" (Qur'ān, 31:17-18).

The "Golden Mean" is the pivot of the philosophy of Islam, and follows "from a true understanding of our relation to Allah and His universe and to our fellow-creatures", especially human beings (see, Ali, 1938, note 3604; and verse 31:19 of the Qur'ān). Allah prefers the middle path for all aspects of human activities dictating to "hold a just (balance) between the extremes" to become "the most gracious of the servants of God" (Qur'ān, 25:67; 25:63). The Qur'ān equates virtues, like patience, firmness, and self-control with devoutness in worship, and praying for forgiveness, and thus perseverance and guarding against evil are determining factors "in all affairs" (Qur'ān, 3:186; also 103:3).

Self-restraint in Islam has to be practised in distributive justice through the provision of *zakāt al-māl* (charity for wealth; commonly known as *zakāh*), one of the five pillars of Islam, also called alms-tax that might "purify and sanctify" goods (Ali, 1938, note 5353) or obligatory charitable wealth tax or legal alms (Kamali, 1999a) for "self-purification" (Qur'ān, 92:18). According to the Sunni Muslim guide, *zakāh* on business (sole ownership, partnership with Muslims or non-Muslims, co-operatives or business shares) is obligatory to be paid from the earnings of business (based on production, mining, fishery, shipping, supply, agriculture, or services) aimed at making profit. For trade (banks, companies, small business), *zakāh* is levied both on the net worth and on the net profit at the rate of 2.5%. From industry and income from investment, *zakāh* is levied at the rate of 10% on the nett profit (Gambling & Karim, 1991). *Zakāh*, according to the Shi'ite Muslim guide, is obligatory on nine items only (on gold and silver coins; on camels, cows and sheep; on wheat, barley, dates and raisins) (Hasan, 2015b). Detailed guidance on *zakāh* ensures that the payers are not disadvantaged in any way. For example, current assets must be productive to be calculated for *zakāh*. Also, double dipping (e.g., *zakāh* from the company on the dividend value and from the dividend recipients) must be avoided (Hasan, 2007).

Zakāt al-māl payment is meant to ensure redistribution of wealth through the acceptance of moral principles, not coercion (Dean & Khan, 1997), and is left to the payers' conscience and *taqwā* (Allah consciousness) (Hasan, 2015b). Thus, the responsibility to calculate or give the prescribed *zakāh* rests on the payers, and not on the collectors. God promises to reward the charity givers twice for their acts of charity – once for averting "Evil" with "Good", and secondly, for spending in charity out of what Allah has given them (Qur'ān, 28:54). Prophet Muhammad's (SAW) advice that riches mean "self-contentment" and not having a great amount of property (al-Bukhārī, 76:453) is the fundamental source of individual social responsibility in Islam. All these personal obligations of Muslims in observing community benefit, self-discipline, "golden mean", self-restrain, self-purification, and sharing are tools of applying the UN Global Compact in business activities following the fundamentals of "public interest" in Islam.

Conclusion

Islam emphasises philosophical reasoning and intention behind all (spiritual and material) human actions, and allows, within its fundamental principles, continuation of social norms, cultural practices, and economic systems of every community. There is no (national or international) authority, with Muslims everywhere in the world blending Islamic principles with local customs (*'urf*) and customary laws (*ādāt*). As a result, there are different facets of Muslim culture and management systems adhering to the basic principles of Islam (Hasan, 2012b) – faith and submission to (the will of) Allah, and the establishment of peace through good human relationships and distributive justice. Thus, uniformity of practice in Islam is not possible or desired. Since the religion does not force uniformity or require the believers to look beyond the place or time, business entities need to follow the customs of the time and place (Kamali, 1999b).

The UN Global Compact of promoting sustainable business practices through social responsibility is akin to, complementary, and not contradictory, to business principles in Islam. The Islamic principles of business ethics and social responsibility go beyond the Global Compact underlining distributive justice, while the latter emphasises relational justice. Thus, public interest or common good has a special place in the Islamic economic doctrine. Muslims are required to follow the middle path and the Golden Rule – "do as you would be done by" – and commanded to avoid double "injustice expecting a higher standard in your own favour than you are willing to concede as against yourselves" (Ali, 1938, note 6011). Due to the structure and principles of the religion, business social responsibility in Islam, like many social principles, is voluntary and is to be applied through social acceptance, not codification. Muslims are individually liable for fulfilling the economic principles as *'ibādah* or good intentions of pleasing Allah due to the *taqwā* (constant remembrance of Allah) for personal growth, social harmony, equity, and peace.

Nonetheless, the commitment to the UN Global Compact in Muslim majority countries (MMCs) is comparatively lower than the rest of the world. It is much lower in MMCs in Africa than that of the MMC average because, as found in other studies, geography plays significant role in the economic development in MMCs (Hasan & El Jaohari, 2012). Regime types, economic conditions, economic structures, and civil society condition also seem to have contributed significantly in the UN Global Compact participation in MMCs. Most importantly, MMCs with a high percentage of labour force in the agriculture sector, have the lowest rate of participation in the UN Global Compact, thereby underscoring the need for individual responsibility in the implementation of the Compact.

Due to the primacy of the agriculture sector (in an informal system of employing workers) in most MMCs, employers have an obligation to follow the Compact because Muslims are directly accountable to Allah as individuals. Further, irrespective of the economic structure or condition of the country, genuine concern for "public interest" is likely to improve business sustainability because of higher worker motivation, productivity, and profit margin. Thus, Muslims should fulfil their individual religious obligation by valuing, upholding, and applying the principles of "public interest" (*maṣāliḥ al-mursalah*) in all commercial dealings, not awaiting national consent or the organisations' conformity to the Global Compact.

Endnotes

1. The list includes forty-seven countries in Africa and Asia, and Albania. The Organisation of Islamic Conference (OIC), however, has fifty-seven members including six countries in Africa and Central America with around 15% to 40% Muslim population (Cameron- 21% Muslim, Benin- 24%, Cote d'Ivory- 40%, Gabon- 1%, Guyana- 15%, Mozambique- 24%, Suriname- 29%, and Togo- 20%) as well as Palestine, see Hasan, 2012a. Figures in the parentheses above are percentage of Muslim population in each (for detail see, Hasan 2012a).

2. Prophet Muhammad (SAW) framed the Medina Charter in 622CE which was regarded by many as the first written constitution of the world to deal with socio-economic and security issues of residents of Yathrib (the city of his refuge; renamed Al Medinat an Nabi– the City of the Prophet) creating conditions for a harmonious and peaceful living of all people belonging to different tribes and adhering to different religions.

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