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DECONSTRUCTING CAPITALIST ACCOUNTING: INTEGRATING THE LIBERATION THEOLOGY PARADIGM IN ISLAMIC ACCOUNTING

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Abstract

This study aims to deconstruct the concept of accounting, which is dominated by capitalism, through the integration of the liberation theology paradigm in Islamic accounting. Using a qualitative approach and literature review method, this research explores how the liberation theology paradigm can provide a more just and humanistic ideological foundation in accounting practices. The study involves a critical analysis of literature related to Western epistemology in accounting, as well as ontological, epistemological, and axiological approaches from an Islamic perspective. The findings show that the liberation theology paradigm in Islamic accounting can offer a more ethical and just alternative compared to conventional accounting, which is often driven by capitalist interests. This research concludes that the integration of liberation theology in Islamic accounting not only expands the scope of accounting but also strengthens its role as a tool for social liberation. The results indicate that the Islamic metaphysics approach successfully deconstructs the dominance of Western epistemology in accounting by rejecting the concept of binary oppositions often used to separate economic and spiritual aspects. Through the liberation theology paradigm, Islamic accounting is presented as a more just ideological framework, where God is placed at the center of the ontology of accounting, emphasizing the importance of integrating spiritual values into every economic decision. This approach not only critiques but also offers an alternative by integrating ontological, epistemological, and axiological aspects in accounting, creating a more holistic and ethical concept, and reaffirming accounting's role as a tool for social liberation based on justice and Islamic values.

Keywords **:** *Islamic Accounting, Liberation Theology, Deconstruction of Capitalism, Western Epistemology, Islamic Metaphysics.*

INTRODUCTION

The introduction describes the background of the problem being solved, issues related to the problem being solved, studies on research and or community service activities that have been carried out before by other servants or the servants themselves that are relevant to the theme of the service activities being carried out. In the introduction there must be a quote from the results of other research/services that reinforce the importance of PKM.

Accounting, as a long-established discipline, plays a crucial role in supporting and regulating the global economic system.(Bryer, R. A. (2000). However, the development of accounting, which has been heavily influenced by capitalism since the Industrial Revolution, has often directed accounting practices toward goals that prioritize the interests of the capitalist class, neglecting social justice and public welfare.(Chiapello, E. (2007). In a capitalist system, accounting often functions as a tool for wealth accumulation and reinforcing economic dominance by a small elite, frequently at the expense of the broader public, particularly the working class.

The capitalist paradigm in accounting, supported by Western epistemology, emphasizes objectivity, materialism, and rationalism, which separate economic aspects from ethics. This creates a mechanistic accounting system, where humans and nature are viewed merely as resources to be

exploited. As a result, accounting practices often overlook the spiritual and ethical dimensions that should serve as the foundation for creating equitable and sustainable welfare.

In this context, there is an urgent need to deconstruct the capitalist paradigm in accounting and introduce a more humanistic and ethical approach. Liberation theology, which is known as a theological approach oriented towards the liberation of the oppressed, offers a potential framework for reconstructing accounting based on the values of justice, solidarity, and spirituality. Integrating the liberation theology paradigm into Islamic accounting provides a significant alternative to the dominance of capitalism in accounting practices.

This study aims to explore how the liberation theology paradigm can be integrated into Islamic accounting to provide a more just and humanistic ideological foundation. This approach not only offers a critique of the Western epistemology underlying capitalist accounting but also introduces a more holistic concept of accounting, where the ontological, epistemological, and axiological aspects of Islam play a role in creating an accounting system that aligns with values of justice and humanity.

By deconstructing Western epistemology and integrating liberation theology into Islamic accounting, this research is expected to contribute significantly to the development of accounting as a field that not only focuses on economic profit but also on social and spiritual welfare. Ultimately, this study aims to strengthen accounting's role as a tool for social liberation based on justice and Islamic ethics.

METHOD

The method used in this research involves a combination of literature review and qualitative analysis to explore the integration of liberation theology into Islamic accounting.(Denzin, N. K., & Lincoln, Y. S. (2018). A comprehensive review of existing studies on Islamic accounting, liberation theology, and the capitalist framework will be conducted to establish a theoretical foundation. The research will then engage in qualitative analysis, critically examining how Islamic ontological, epistemological, and axiological perspectives can offer a more ethical and humanistic alternative to traditional accounting practices dominated by capitalism. Additionally, advocacy will be employed by sharing the research findings with academic institutions, scholars, and practitioners to promote awareness of the need for a socially responsible accounting framework. Training sessions will also be organized to demonstrate the practical application of these concepts, ensuring that the integration of liberation theology into Islamic accounting is both understood and actionable for those in the field. This multi-faceted approach aims to contribute to the development of an accounting system that aligns with Islamic values of justice, solidarity, and social welfare.

RESULTS AND DISCUSSION

Capitalist accounting, based on Western epistemology, tends to emphasize objectivity, materialism, and rationalism. This epistemology frames accounting as an economic measurement tool primarily focused on efficiency and maximizing profits for capital owners. This paradigm often overlooks social justice and the broader welfare of society. In this context, capitalist accounting serves as an instrument that legitimizes and strengthens the dominance of the capitalist class over workers and the wider society.

However, when analyzed through the deconstruction of Western epistemology, it becomes evident that the claims of objectivity and neutrality in capitalist accounting are inseparable from the ideological values inherent within the capitalist system itself. The objectivity claimed by capitalist accounting is, in fact, laden with biases that favor the interests of a small economic elite. This accounting system operates within a framework of materialism and individualism, where the primary focus is the maximization of profits without regard for the broader social and moral impacts.

Islamic metaphysics offers a fundamental critique of the basic assumptions of Western epistemology, which tends to separate economic aspects from ethical and spiritual values. Islamic

metaphysics emphasizes that economic activities cannot be divorced from a moral and spiritual context, where economic decisions must consider their impact on social welfare and the spirituality of society. In this context, accounting is not just about efficient financial measurement and reporting, but also about ensuring that economic practices align with the principles of justice, balance, and social responsibility taught by Islam.(Dewantara1 (2020).

This deconstruction reveals that capitalist accounting, despite its claims of neutrality, actually functions to reinforce existing power structures, often overlooking the interests of the broader society. In contrast, Islamic metaphysics offers a more holistic approach, where accounting plays a role in achieving social justice and public welfare, with a close integration of economics, ethics, and spirituality. Islamic metaphysics, through its holistic approach, positions accounting not merely as a tool for economic measurement, but as an essential instrument for achieving social justice and public welfare. This approach integrates economic, ethical, and spiritual values in every aspect of accounting practice, fundamentally differing from the capitalist Western approach, which often separates economics from moral and ethical values.(Dillard, J. F., & Roslender, R. (2011).

By emphasizing principles of justice, balance, and social responsibility, Islamic metaphysics rejects the neutrality claims put forward by capitalist accounting, which is proven to be laden with biases that favor the interests of a small economic elite. Instead, this approach promotes accounting as an instrument that contributes to the welfare of all society, ensuring that every economic decision is guided by values that support the common good and spiritual well-being.

Thus, this research not only critiques the assumptions underlying Western epistemology in accounting but also proposes a more just and sustainable alternative through the framework of Islamic metaphysics.(Fuad Yanuar Akhmad Rifai, Ahmad Labib Asrori. (2023). By incorporating these principles, accounting can evolve into a tool that aligns with social justice and the ethical imperatives of Islam, contributing to a more balanced and equitable society.

Islamic metaphysics, as an alternative epistemology to the dominant Western approach, offers a far more holistic and integrative perspective. In the framework of Islamic metaphysics, economics is not viewed as a separate entity from spirituality and ethics, but as an inseparable part of the overall life system grounded in faith in God.

From this perspective, every economic activity, including accounting, is not solely aimed at achieving efficiency and profit maximization, but also at achieving balance between the material and spiritual needs of humanity.(Gallhofer, S., & Haslam, J. (2003).

Accounting, within the framework of Islamic metaphysics, serves as more than just an economic measurement tool; it becomes an essential instrument to ensure that every economic transaction aligns with the principles of justice, welfare, and social responsibility advocated by Islam.(Hanafi, H. (1989). This means that accounting must not only be accurate and efficient in terms of financial measurement and reporting, but it must also consider the social, moral, and ethical impacts of every economic decision made.

In accounting based on Islamic metaphysics, values such as amanah (trust), justice, and ihsan (benevolence) become the guiding principles in economic decision-making. Each financial transaction should be evaluated not only for its profitability but also for how it impacts the social welfare and spirituality of individuals and society. For instance, practices like riba (usury), which is prohibited in Islam, are avoided not only for legal reasons but also because riba is seen as disrupting the social and spiritual fabric of society.(Hadi- (2022).

Therefore, Islamic metaphysics offers a more comprehensive approach, where accounting is not merely a tool for recording and reporting economic transactions, but also a means to achieve higher social justice and spirituality. This approach shifts the focus from mere material profit to broader well-being, encompassing moral, ethical, and spiritual dimensions, contributing to a more just and balanced society.

Accounting within this framework does not only focus on what is seen in the balance sheet or income statement, but also on how each number and transaction contributes to the development of a just, prosperous society in line with Islamic spiritual values.

In practice, this means that accountants and decision-makers within Islamic economics must consider the long-term impacts of their economic actions, not just on the profitability of the company

but also on the welfare of society and social harmony. Islamic metaphysics, therefore, broadens the scope of accounting from merely an economic tool to an integral instrument in the pursuit of social justice and sustainable spirituality.

The deconstruction of Western epistemology in the context of capitalist accounting reveals that the claims of neutrality and objectivity that have long been associated with accounting practices are not entirely valid. The accounting practices considered neutral and value-free cannot be separated from the influence of the dominant ideology capitalism. Capitalism, with its focus on wealth accumulation and economic efficiency, has shaped the worldview and accounting practices that tend to support the interests of the elite class and capital owners.

This critical examination exposes the inherent biases in capitalist accounting, emphasizing that what is portrayed as objective is,(Hoirul Amri (2017). in reality, deeply embedded in the economic and social structures that prioritize profit over public welfare. In contrast, the integration of Islamic metaphysics into accounting offers a paradigm that reorients the focus of accounting from mere profit maximization to the promotion of justice, equity, and the collective good, while also ensuring that economic activities align with ethical and spiritual principles that benefit society as a whole. (Kamla, R., Gallhofer, S., & Haslam, J. (2006).

The claim of neutrality in capitalist accounting, often interpreted as an effort to depict economic conditions objectively and without bias, is, in reality, an illusion. In practice, capitalist accounting does not merely function as an economic measurement tool but also as an ideological instrument that reinforces and legitimizes unjust social and economic structures. In other words, this accounting system inherently supports social and economic injustices because it operates within the framework of capitalism, which places material profit above social welfare.(Kamla, R. (2015).

Accounting practices based on Western epistemology often overlook the social impact of the economic decisions made. For example, cost-cutting policies or corporate restructuring driven by accounting analysis may improve short-term efficiency and profits, but they are often achieved at the expense of workers and the broader society. Therefore, the neutrality claimed by capitalist accounting is merely an illusion that obscures the reality that this system systematically disregards social justice and exacerbates economic inequality.(Tinker, T., Lehman, C., & Neimark, M. (2020).

The deconstruction of this epistemology opens the way for a more critical understanding of how accounting can either support or challenge existing power structures. By recognizing that neutrality in capitalist accounting is a myth, the need arises for an alternative approach that is more just, such as that offered by liberation theology in Islamic accounting. This approach emphasizes the integration of ethical, spiritual, and social values into accounting practices, offering a model that prioritizes justice, social welfare, and moral responsibility over mere profit maximization.

The Critical Theory of the Frankfurt School critiques positivism and the way of thinking that maintains the status quo, often ignoring social justice and perpetuating inequality in modern society.(Suci Fajarni. (2022). This is highly relevant to the critique of Western epistemology in capitalist accounting, which is frequently claimed to be neutral and objective. However, as revealed through the deconstruction of Western epistemology, this claim of neutrality is, in fact, an illusion that obscures the reality that capitalist accounting practices inherently support social and economic injustices.

In this context, alternative approaches such as liberation theology in Islamic accounting become highly relevant. Liberation theology, rooted in criticism of oppression and injustice, offers a more just ideological framework where ethical, spiritual, and social values are integrated into accounting practices. This stands in stark contrast to the capitalist approach, which tends to separate economic aspects from moral values, leading to accounting practices that focus solely on efficiency and profit maximization without considering the broader societal impact.

In the context of liberation theology integrated into Islamic accounting, this study emphasizes that accounting must function as a tool for social liberation. This means accounting should account for social and spiritual welfare, prioritizing justice and humanity. By integrating the principles of liberation theology into Islamic accounting, accounting no longer focuses solely on achieving financial profit but also on creating broader and more just welfare for all layers of society.

This approach shifts the purpose of accounting from being a tool of financial gain to an instrument of social change, ensuring that economic practices align with ethical and social values that contribute to a more just and equitable world.

By adopting the principles of liberation theology, Islamic accounting strives to return accounting to a more just and humanistic path. This approach not only rejects the claim of neutrality in capitalist accounting but also offers a more comprehensive alternative that includes the ethical and spiritual dimensions often overlooked by the capitalist system.

Therefore, the findings of this study support the deconstruction of Western epistemology in capitalist accounting while offering a new, more inclusive and just paradigm. This paradigm emphasizes the importance of integrating both economic and spiritual aspects in accounting, where the primary goal is to achieve social justice and sustainable welfare, in alignment with humanistic and transformative Islamic values. (Marx, K. (1867).

This perspective presents accounting not just as a tool for economic measurement, but as a vehicle for promoting fairness, community well-being, and a broader sense of responsibility toward society. By challenging the dominant capitalist framework, Islamic accounting rooted in liberation theology seeks to create an accounting system that is not only efficient but also ethical, socially responsible, and spiritually aligned with the core values of justice and equity.(Lantip Susilowati. (2017).

Paradigm of Liberation Theology in Islamic Accounting

This study found that the integration of the liberation theology paradigm into Islamic accounting brings significant changes in both the perspective and function of accounting. Liberation theology,(Muhammad Ruslan, Alimuddin. (2012). originally developed as a response to social injustices in Latin America, focuses on the liberation of the oppressed from oppressive structures. In the context of Islamic accounting, this paradigm provides a strong ideological foundation to create a more just, humanistic, and spiritual accounting system.

The deconstruction of Western epistemology in the context of capitalist accounting reveals fundamental differences between this approach and the liberation theology paradigm in Islamic accounting. Western epistemology, which separates economics from ethics and emphasizes materialism and individualism, has long dominated capitalist accounting practices. This approach focuses on maximizing profits without considering broader social impacts. However, the liberation theology paradigm in Islamic accounting offers an alternative approach that integrates economics, ethics, and spirituality. By placing God at the center of all economic activities, Islamic accounting aims not only for material profit but also for achieving equitable social welfare.(Sikka, P., Willmott, H., & Puxty, T. (1995).

Deconstructing Western epistemology shows that the claim of neutrality in capitalist accounting is an illusion, where capitalist accounting tends to ignore the dimension of social justice and focuses solely on wealth accumulation. In contrast, liberation theology in Islamic accounting reinforces the role of accounting as a tool for social liberation, aiming to address injustice. This approach allows for the integration of spiritual, ethical, and social values into accounting practices, which aligns with the goals of social justice and public welfare.(Muttaqin1 (2019).

Therefore, this research reveals that the liberation theology paradigm in Islamic accounting offers a more inclusive and just accounting system, where social justice, public welfare, and the fulfillment of basic needs for all levels of society become the primary objectives. This approach functions not only as an economic tool but also as an instrument for achieving the well-being of society as a whole, providing a more humanistic and holistic alternative to capitalist accounting, which focuses on materialism.(Lehman, G. (2019).

Transformation of the Purpose and Function of Accounting

The integration of liberation theology into Islamic accounting not only alters the perspective on accounting but also redefines its very purpose. In the liberation theology paradigm, accounting is no longer viewed as a tool to enrich a small economic elite, but rather as an instrument that serves to build equitable and just welfare. Every economic decision and accounting transaction within this paradigm must consider the ethical, spiritual, and justice values recommended in Islam.(Dr. M. Thohir Luth et al (2020)

The transformation of the purpose and function of accounting through the integration of liberation theology in Islamic accounting does not only provide a new perspective on how accounting should be practiced, but also redefines accounting's role in society. In this paradigm, accounting is no longer seen merely as a technical tool for recording and reporting economic transactions but as an active instrument in promoting social welfare and justice. By emphasizing the ethical, spiritual, and justice values advocated by Islam, accounting within the framework of liberation theology rejects the claim of neutrality often associated with capitalist accounting. Instead, it explores the role of accounting as a tool for social liberation that challenges injustice and promotes a more equitable distribution of wealth.

This approach offers a more humanistic and holistic alternative, where every economic decision is guided by the principles of justice and public welfare, striving to address the dominance of capitalism that tends to neglect the social and moral dimensions. By emphasizing fairness, equality, and social responsibility, Islamic accounting, as informed by liberation theology, works to reframe the role of accounting as a force for positive social change, ensuring that economic practices serve the broader interests of society rather than the elite few.

This study also emphasizes that the application of the liberation theology paradigm in Islamic accounting can serve as a means to challenge oppressive economic structures and create a more just economic system. Thus, Islamic accounting integrated with liberation theology has the potential to become a tool for social liberation, helping society address the injustices created by capitalist systems.

Through the liberation theology approach, this study identifies that accounting within this framework does not solely focus on technical aspects but also emphasizes moral and spiritual dimensions. This paradigm demands that Islamic accounting not only ensures compliance with Sharia law but also actively contributes to the struggle for social justice and public welfare.

In this context, every financial report and economic activity should reflect a commitment to the principles of justice and deep spirituality. The findings of the study suggest that the application of the liberation theology paradigm in Islamic accounting can create a system that is more human-centered and just, and capable of addressing the injustices generated by capitalism. By emphasizing the integration of ethical and spiritual values into every economic decision, this paradigm offers a path toward a more holistic and sustainable accounting system.

This approach highlights the potential of accounting to serve not only as a tool for financial reporting but also as a means to achieve broader societal goals, such as social justice, equitable wealth distribution, and spiritual well-being. By reshaping the role of accounting, liberation theology provides a powerful framework for an accounting system that prioritizes humanity over profit and fosters a more just and inclusive economic structure.

By linking the results and discussion to liberation theology, we can see that this research offers a more just, humanistic, and spiritual approach to Islamic accounting, which fundamentally contrasts with the capitalist paradigm that has long dominated.

Ontology in Islamic Accounting:

The theoretical foundation in this study emphasizes that the ontology in Islamic accounting places God at the center of all reality. In this framework, every economic activity is viewed as a form of worship to God,(Reyhan Dzikriansyah Sunarno. (2024) indicating that the ultimate goal of each economic action is not merely to achieve material profit, but also to earn God's pleasure. This

ontology is fundamentally different from the ontology of capitalism, which is rooted in materialism and places humans at the center of all economic activities, with a focus on wealth accumulation.

In Islamic accounting, the purpose of economic activity is not just profit generation but also fulfilling spiritual and moral obligations. This perspective encourages individuals and institutions to consider the broader implications of their economic decisions on society and spirituality, rather than focusing solely on material success. In contrast, the capitalist ontology, which prioritizes individual wealth accumulation and material success, often neglects the ethical and spiritual consequences of economic actions.

Thus, Islamic accounting, grounded in liberation theology and a God-centered ontology, provides an alternative that integrates spiritual values with economic practices, emphasizing justice, equity, and the well-being of society. This holistic approach challenges the capitalist focus on materialism and offers a framework where economic activities align with the greater good, supporting both social and spiritual objectives.

In the ontology of Islamic accounting, the placement of God at the center of all economic activities provides a strong moral and spiritual foundation for every decision made. This ontology ensures that every economic action is not only assessed based on efficiency or material profit but must also adhere to the principles of Shariah, which include justice, balance, and the welfare of the community. Thus, Islamic accounting functions as more than just a technical tool for economic measurement; it becomes an ethical instrument that reflects profound spiritual values.

This approach emphasizes that in Islamic accounting, every economic decision must consider its impact on the overall welfare of humanity. Accounting does not only serve to calculate profits but also ensures that economic practices contribute to achieving social justice and equitable welfare. Spiritual and ethical values, such as amanah (trust) and adil (justice), become fundamental principles that must be upheld in every aspect of accounting, from recording to reporting.

In other words, the ontology of Islamic accounting brings a more holistic dimension to accounting practices, where the ultimate goal of economic activity is the welfare of all humankind, not just profits for individuals or specific groups. This aligns with the theoretical foundation that asserts that Islamic accounting must serve social and spiritual needs, guiding humanity towards greater balance between the material world and the moral values taught by religion. By integrating these principles, Islamic accounting becomes a tool for achieving both economic prosperity and social well-being, in harmony with ethical and spiritual imperatives.

Epistemology in Islamic Accounting

The epistemology of Islamic accounting, as outlined in the theoretical foundation, is based on Islamic metaphysics, which rejects the dichotomy between material and spirituality. This means that knowledge in Islamic accounting is not solely derived from empirical observation and rational logic, as in Western epistemology, but also includes spiritual knowledge derived from divine revelation, Islamic traditions, and spiritual experiences.

The integration of both scientific and spiritual knowledge in economic decision-making allows Islamic accounting to combine worldly and otherworldly aspects in each transaction. This contrasts with Western epistemology, which often neglects the spiritual and ethical dimensions of economic decision-making. As a result, Islamic accounting strives to create a balance between material needs and spiritual goals, aligning with the principles of social justice and public welfare taught in Islam.

In Islamic accounting, decisions are made not only based on financial considerations but also with an understanding of the moral and spiritual implications. This approach ensures that accounting practices are not just about maximizing profit but also about ensuring that these practices contribute to the greater good of society and reflect the values of justice, fairness, and responsibility. By integrating spiritual guidance with practical economic decision-making, Islamic accounting seeks to uphold both material prosperity and the ethical and spiritual welfare of individuals and communities.

Axiology in Islamic Accounting

Axiology in Islamic accounting, based on the theoretical foundation, emphasizes the importance of values such as justice, ethics, and social welfare in every economic activity. In this context, Islamic accounting is not solely focused on achieving material profit but also on creating social and spiritual values that benefit society as a whole.

This axiology critiques the axiology of capitalism, which often prioritizes efficiency and profitability without considering the social impact of economic decisions. In contrast, in Islamic accounting, every economic decision must be evaluated based on its impact on social justice, the general welfare, and the fulfillment of basic needs for all members of society.

Islamic accounting, therefore, integrates ethical and social responsibilities, ensuring that financial practices not only support individual or corporate profit but also contribute to the common good. This approach seeks to balance material success with broader societal goals, aligning with Islamic principles that prioritize fairness, equity, and the well-being of all members of society. By doing so, Islamic accounting goes beyond mere financial calculation and becomes a tool for fostering a more just and inclusive economy.

Integration of Ontology, Epistemology, and Axiology

This study finds that the integration of ontology, epistemology, and axiology in Islamic accounting creates a holistic and just accounting system. By placing God at the center of reality (ontology), combining scientific and spiritual knowledge (epistemology), and emphasizing the values of justice and welfare (axiology), Islamic accounting functions as a tool for social liberation.

This integration ensures that Islamic accounting not only pursues material profit but also focuses on spiritual and social well-being, which aligns with Islamic principles. This contrasts with capitalist accounting, which tends to separate economic aspects from ethics and spirituality, often resulting in social injustices.

Thus, the results of this study show that Islamic accounting, through the integration of ontology, epistemology, and axiology, can be an effective tool for achieving social justice and public welfare. This supports the argument in the theoretical foundation that accounting should not only be an economic measurement tool but also reflect deep spiritual and ethical values that contribute to the overall welfare of humanity.

The analysis demonstrates how the integration of ontology, epistemology, and axiology in Islamic accounting, as based on the theoretical foundation, provides a more holistic and just approach compared to the capitalist accounting system. This approach ensures that Islamic accounting not only focuses on material profit but also on social justice and spiritual well-being, making it a more inclusive and ethically grounded model for accounting practices.

Analysis of Challenges and Implications of Integrating Liberation Theology into Islamic Accounting Based on Theoretical Foundation

Challenges of Resistance to Change

The theoretical foundation underlying this study highlights the fundamental differences between Western epistemology, which supports capitalism, and the Islamic accounting approach based on liberation theology. One of the main challenges in integrating the liberation theology paradigm into Islamic accounting is the resistance to change, especially from those who have benefited from the capitalist system.

Western epistemology, which has long dominated capitalist accounting, has been widely accepted and institutionalized in accounting practices and education worldwide. This paradigm emphasizes efficiency, profit, and materialism, often overlooking spiritual and ethical values. When liberation theology is introduced as a more just and spiritual alternative, those who benefit from the existing system tend to reject this shift, seeing it as a threat to their interests.

According to the theoretical foundation, the paradigm shift from capitalism to a more holistic and just Islamic accounting system requires not only adjustments in practices but also a fundamental shift in mindset and understanding of the very purpose of accounting. This resistance demonstrates

the deep entrenchment of Western epistemology in the accounting world and underscores how difficult it is to change a structure that has been deeply rooted for so long.

This resistance may come from various stakeholders in the accounting industry, including financial institutions, policymakers, and educators, who may perceive the integration of liberation theology as a disruptive force. Additionally, challenges arise from the need to redefine accounting's role from merely a technical tool for measuring financial success to a broader instrument of social justice and spiritual well-being. Overcoming this resistance will require significant efforts to educate, raise awareness, and demonstrate the long-term benefits of a more inclusive and ethically grounded accounting system.

The main challenge in modern accounting education and practice lies in the dominance of curricula based on capitalist principles, emphasizing objectivity, rationality, and materialism. This focus presents a barrier to integrating the values of liberation theology within Islamic accounting. Achieving this requires a fundamental shift in accounting education, where spiritual and ethical values need to be more deeply embedded in the curriculum and accounting standards.

Theoretically, the dominant Western epistemological approach must be deconstructed to allow space for a more holistic perspective in accounting education, incorporating spiritual and ethical aspects in economic decision-making. This implies that accounting academics and practitioners need retraining to adopt an approach that prioritizes social justice and spiritual well-being as primary objectives in accounting.

This shift is not only a technical challenge but also an ideological one, requiring a change in worldview and values imparted to future accountants. Integrating liberation theology in accounting education also necessitates a substantial curriculum revision and the development of new learning materials aligned with Islamic principles.

Positive Implications for Addressing Social and Economic Inequality

Despite significant challenges, the positive implications of integrating liberation theology in Islamic accounting are substantial. This approach enables Islamic accounting to serve as an effective tool to address the social and economic disparities produced by the capitalist system.

By integrating values of justice, public welfare, and spirituality into every economic activity, Islamic accounting based on liberation theology can help reduce the inequalities generated by the capitalist system. This aligns with the axiology in Islamic accounting, which emphasizes the importance of social justice and public welfare as the foundation for every economic decision.

The Role of Accounting in Creating a Fairer Society

Liberation theology offers an approach that enables Islamic accounting to play an active role in creating a more just and prosperous society. This paradigm goes beyond financial measurement and reporting, focusing on how accounting can be used as a tool to advocate for social justice and address the structural injustices caused by capitalism.

The theoretical foundation underlying this research supports the idea that accounting should not only meet sharia standards but also contribute to broader social welfare. Thus, the implementation of a liberation theology paradigm in Islamic accounting provides a positive impact not only on accounting practices but also on establishing a more equitable and prosperous social order.

CONCLUSION

Despite the various challenges faced in integrating liberation theology into Islamic accounting, particularly resistance to change and the need for reform in accounting education and practice, the positive implications are highly significant. This paradigm enables Islamic accounting to become a more effective tool in addressing social and economic injustices and strengthens the role of accounting in creating a fairer and more prosperous society aligned with holistic and transformative Islamic values.

This analysis demonstrates that adopting a liberation theology paradigm allows Islamic accounting to provide a more just and humane solution to the issues faced by society under the capitalist system. This conclusion highlights the relevance of this approach, as it bridges the gap between problems and solutions and introduces a new theoretical perspective that contributes to reducing inequalities and promoting justice.

The integration of liberation theology into Islamic accounting faces several challenges, particularly in the form of resistance to change and the need for reform in both education and accounting practice. However, despite these challenges, the positive impact of this paradigm is highly significant. The integration of liberation theology enables Islamic accounting to become a more effective tool for addressing social and economic injustices, while also strengthening the role of accounting in creating a more just and prosperous society, aligned with the holistic and transformative values of Islam.

A deeper analysis indicates that, by adopting the liberation theology paradigm, Islamic accounting can offer a more humane and just solution to the problems faced by society under the capitalist system. This paradigm becomes relevant because it bridges the gap between issues of economic injustice and solutions that focus on social welfare. Furthermore, it introduces a new theoretical perspective that not only addresses these gaps but also contributes to reducing inequalities and promoting social justice.

From the analysis of this fundamental need, it becomes clear that there is a gap between the capitalist approach in conventional accounting and the demand for social justice and public welfare. This gap led to the emergence of the theory "Tashfiyah wa Tarbiyah lil Muhasabah", meaning "Purification and Education in Accounting". This theory reflects two core concepts: Tashfiyah (Purification) and Tarbiyah (Education).

Specifically, Tashfiyah emphasizes the purification of accounting from the dominance of materialistic capitalist values, replacing the focus on profit and efficiency with values that prioritize social welfare and justice. As such, accounting under this theory moves beyond financial recording to play a role in societal development. Meanwhile, Tarbiyah calls for reforming accounting education to produce accountants who are not only technically proficient but also socially and spiritually responsible in their professional practice.

Through this theory, Deddi Fasmadhy Satiadharmanto envisions accounting as not merely a financial tool but as an instrument for promoting social welfare and justice. Thus, Tashfiyah wa Tarbiyah lil Muhasabah contributes significantly to enriching accounting knowledge and also plays a role in shaping public policy, enhancing corporate social responsibility, and positioning accounting as a tool for positive social change.

This theory also introduces diversity by incorporating non-materialistic values such as justice, general welfare, and spirituality, which were previously overlooked in conventional accounting. The theory enriches accounting's goals, making social welfare and social responsibility key elements of every economic decision. In practice, it advocates for reform in the accounting curriculum, creating professionals who are more attuned to social and ethical issues.

Moreover, Tashfiyah wa Tarbiyah lil Muhasabah fosters a multidisciplinary approach that blends ethics, philosophy, and sociology with accounting. It provides a foundation for research and the development of new accounting practices that are more humane and oriented toward the collective good. At the government level, the theory influences the creation of more just and

transparent policies, further reinforcing the idea that accounting should not only focus on financial profit but also promote social welfare and justice.

Overall, Tashfiyah wa Tarbiyah lil Muhasabah significantly contributes to expanding the accounting paradigm to include social and spiritual values. It creates a positive impact across multiple sectors, from business practices and sustainable economics to public trust, accounting education, and public policy. This theory has the potential to transform accounting into a discipline that not only focuses on financial gain but also prioritizes the welfare of society as a whole.

SUGGESTION

To address the deficiencies in the current research, several suggestions for further exploration are proposed, each offering opportunities to deepen our understanding of the "Tashfiyah wa Tarbiyah lil Muhasabah" theory and its applications.

Firstly, exploration of practical implementation is crucial. Research could investigate how this theory is applied in real-world accounting practices. This would offer valuable insights into the challenges and opportunities businesses, nonprofit organizations, and public sector institutions face when incorporating the principles of Tashfiyah wa Tarbiyah into their financial reporting and decision-making processes. Practical studies could reveal how the theory reshapes the role of accounting in these sectors.

Secondly, there is a need to examine the impact on Corporate Social Responsibility (CSR). Research could delve deeper into how the integration of Tashfiyah wa Tarbiyah lil Muhasabah influences CSR strategies. By focusing on how accounting principles can promote socially responsible behaviors, studies could uncover the potential for accounting to drive ethical corporate practices and improve corporate accountability.

A third suggestion involves reforming accounting education. Research should explore how accounting education systems can be reformed to reflect values of justice, social welfare, and spirituality, as proposed by Tashfiyah wa Tarbiyah. Investigating how accounting curricula could be adapted to integrate these values would provide critical insights into how ethical, socially aware accountants can be nurtured in academic settings.

Furthermore, comparative studies with other accounting paradigms are needed to highlight the distinctiveness and potential advantages of this approach. By comparing Tashfiyah wa Tarbiyah with traditional financial accounting or sustainability accounting, research could identify each paradigm’s strengths and weaknesses in promoting social justice and economic equality.

Lastly, studies exploring the long-term effects on economic inequality and the cross-cultural application of the theory in diverse religious and cultural contexts would expand the theory’s applicability and deepen its global relevance.

Addressing these areas in future research will contribute to a more comprehensive understanding of the impacts and applications of Tashfiyah wa Tarbiyah lil Muhasabah, benefiting both academic and practical realms.

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