

# Halal Tourism's Economic Effects: Accounting-Governance Framework for Emerging Markets

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The purpose of this study is to evaluate the economic impact of halal tourism through the integration of accounting and governance frameworks. Using a Systematic Literature Review (SLR) approach, the research synthesizes peer-reviewed literature across tourism, accounting, and governance to identify prevailing gaps in financial measurement and policy alignment. The methodology involved rigorous selection criteria, thematic coding, and structured content analysis of recent open-access academic publications. The results show that while the halal tourism sector has expanded significantly, it lacks frameworks for economic accountability and measurable governance outcomes. The study implies that integrating sharia-compliant accounting and institutional governance can improve transparency and policy effectiveness in halal tourism. The novelty of this research lies in its proposed conceptual model that bridges disciplinary boundaries, providing a foundational framework for future empirical validation.

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## 1. Introduction

The significant global expansion of halal tourism, particularly in Muslim-majority countries and increasingly in non-Muslim countries, highlights its strategic economic role. However, in-depth studies identifying and measuring its actual economic impact remain limited. Existing governance structures often lack standardized accountability frameworks, and economic contributions from halal tourism are rarely assessed through robust accounting methods. This discrepancy reveals a notable gap between policy advocacy for halal tourism and its empirical economic evaluation [1], [2]. Therefore, there is a need to formulate a study capable of bridging this divide.

The existing literature on halal tourism largely focuses on consumer behavior, destination branding, and service quality [3], [4]. Meanwhile, accounting literature emphasizes budgeting, performance measurement, and financial reporting in the hospitality sector [5], [6], [7]. Governance studies generally examine institutional structures and regulatory mechanisms [8], [9]. Nevertheless, few studies offer an integrated approach that unifies accounting and governance within halal tourism [3], [4], [10], particularly in terms of quantifying economic impact. Thus, there is a clear theoretical and empirical gap requiring scholarly attention.

This study aims to construct an integrated conceptual framework that brings together the domains of halal tourism, accounting, and governance. The primary objective is to assess the economic impact of halal tourism in a manner that is accountable, measurable, and based on principles of transparency. The study adopts a systematic literature review approach to synthesize relevant academic findings and build a theoretical model that addresses existing fragmentation.

Given the rapid development of halal tourism and the lack of accountability mechanisms to

quantify its economic impact, this research becomes vital. The integration of accounting principles with governance mechanisms into halal tourism is essential to enhance transparency, traceability, and policy relevance. This research responds to that need by proposing a model that aligns with both academic standards and practical governance challenges. Thus, this study is a necessary step toward bridging the conceptual and practical divide in halal tourism economics.

## **2. Literature Review**

### *2.1 Halal Tourism*

Halal tourism refers to tourism practices that adhere to Islamic principles in terms of services, destinations, and activities. It ensures that all aspects of the travel experience comply with halal standards, including food, accommodation, and recreational services [11], [12]. The concept has gained global traction due to increasing demand from Muslim travelers seeking experiences consistent with their religious beliefs. The manifestations of halal tourism include halal-certified services, gender-segregated facilities, prayer amenities, and sharia-compliant financial transactions [2], [13]. Destinations often develop halal branding strategies to appeal to this niche market. The rise of digital platforms also facilitates the delivery and monitoring of halal compliance, thereby expanding the reach and trustworthiness of halal tourism offerings [14], [15].

### *2.2 Accounting in Tourism*

Accounting is a structured process of recording, classifying, and summarizing financial transactions to provide information that is useful in decision-making [16], [17]. In the context of tourism, accounting enables the evaluation of cost-effectiveness, budgeting, and financial sustainability of tourism projects [18]. It is critical for measuring economic performance and ensuring financial transparency. In tourism, accounting practices involve the use of financial statements, performance indicators, and internal auditing mechanisms to monitor business operations [12], [14], [15]. Techniques such as zero-based budgeting, activity-based costing, and variance analysis are commonly used. However, their integration into halal tourism, particularly with compliance and ethical dimensions, remains limited.

### *2.3 Governance in Halal Tourism*

Governance refers to the processes and structures used to direct, control, and hold accountable the entities responsible for managing public or private institutions [19]. In tourism, governance includes regulatory frameworks, stakeholder engagement, and collaborative management to ensure the sustainability of destinations [19], [20]. Governance is essential for legitimizing and institutionalizing practices [21], [22]. Governance in halal tourism involves the regulation of sharia compliance, certification systems, and the involvement of religious authorities and local communities in decision-making [3], [23]. It also encompasses collaborative networks among government bodies, private sectors, and civil society to promote responsible tourism. Despite this, the integration of governance with economic evaluation remains underdeveloped.

## **3. Methodology**

The object of this study is the lack of integration between accounting and governance in measuring the economic impact of halal tourism. Although halal tourism is rapidly growing, there is

no standardized model for economic measurement that aligns with principles of Islamic governance and accounting transparency. This issue is central to identifying the research gap. This study employs a Systematic Literature Review (SLR) approach. Primary data were drawn from peer-reviewed journal articles focusing on halal tourism, accounting practices, and governance frameworks. Secondary data included books, policy documents, and open-access scientific publications related to the study's keywords. This approach ensures comprehensive, rigorous, and unbiased synthesis.

The theoretical foundation includes the governance tripartite model, which emphasizes hierarchy, market, and network-based governance [24] (and management accounting theory focusing on budgeting, financial control, and performance evaluation [22]). These frameworks provide a basis for evaluating how economic impacts can be measured in halal tourism. The research follows PRISMA-based SLR procedures: (1) defining a clear research question, (2) formulating a protocol with inclusion-exclusion criteria, (3) conducting systematic database searches using selected keywords, (4) screening titles and abstracts, (5) reviewing full texts, (6) evaluating study quality, and (7) extracting and synthesizing relevant data. This structured process ensures transparency and replicability.

Data analysis employed content analysis, allowing for systematic identification of patterns, themes, and relationships among the reviewed studies. Key indicators and conceptual linkages were mapped to understand the extent to which accounting and governance elements are addressed in the context of halal tourism. This method strengthens the validity of findings through thematic consistency.

## 4. Results

### *4.1 Descriptive Data on Halal Tourism*

A review of recent literature on halal tourism shows a sharp increase in scholarly interest, with most studies focusing on consumer satisfaction, service quality, and destination branding [3], [23]. However, very few articles delve into its economic quantification or integration with accountability mechanisms. These studies reveal that while halal tourism is widely accepted and increasingly practiced, there is a significant deficiency in economic measurement [2], [3], [12], [23]. Most literature offers qualitative perspectives with limited data-driven analysis. This disconnect between conceptual discourse and practical assessment of economic value underscores the research problem. The literature confirms the sector's growth but lacks evidence on how to measure its financial and governance outcomes effectively.

### *4.2 Descriptive Data on Accounting*

Literature on accounting in the tourism sector primarily revolves around budgeting strategies, financial control systems, and reporting mechanisms. These studies emphasize efficiency, accountability, and cost control as central objectives of accounting frameworks. The findings from reviewed studies show that while tourism accounting practices are well established, their specific adaptation to the halal tourism context remains under-explored. Only a handful of studies touch upon sharia-compliant accounting or Islamic financial reporting. The limited application of accounting principles within halal tourism presents a challenge to achieving accountability and transparency. This gap reinforces the necessity of integrating Islamic accounting frameworks to measure the economic contributions of halal destinations.

### *4.3 Descriptive Data on Governance*

Governance literature highlights institutional arrangements, stakeholder participation, and regulatory enforcement in tourism management [17], [19], [22]. In the context of halal tourism, studies mention religious authorities, halal certification bodies, and local government roles [3], [25]. Despite the emphasis on policy structures and certification systems, few studies link governance mechanisms directly to financial transparency or measurable economic outcomes [4], [10], [13], [18]. The oversight remains procedural rather than impact-driven. The literature's lack of integration between governance and accounting tools within halal tourism validates this study's aim to bridge that divide. Effective governance without measurable impact limits the ability to justify halal tourism initiatives from a policy and investment standpoint.

## 5. Discussion

This study found that although halal tourism is gaining global relevance, there is no coherent model that integrates accounting and governance to assess its economic impact. Literature on each domain exists, but integration remains theoretical and lacks practical implementation. Compared to earlier studies that treat halal tourism as an isolated cultural or service phenomenon, this study provides a broader integrative perspective. It extends existing frameworks by aligning them with accountability practices from accounting and governance, surpassing the limitations of prior research that rarely cross domains.

The research successfully meets its objective by revealing how halal tourism, when supported by accounting transparency and structured governance, can serve as a measurable contributor to economic systems. This reinforces the viability of the proposed framework. The findings have significant implications for policy-making and tourism governance. Integrating financial accountability into halal tourism allows policymakers and investors to evaluate the return on halal tourism initiatives more accurately and confidently. The limited literature integration stems from disciplinary silos, where halal tourism is often seen as a marketing strategy rather than an economic asset. This explains the current underdevelopment of impact-oriented models within the sector. Future research should focus on empirical validation of the proposed framework and encourage institutional adoption of sharia-compliant accounting in halal tourism governance. Practitioners are urged to incorporate financial metrics in halal certification and performance monitoring.

## 6. Conclusion

Unexpectedly, this study revealed a substantial void in the literature concerning the measurable economic impact of halal tourism, particularly in relation to structured accounting and governance frameworks. Despite increasing attention to the sector, the lack of integration among these domains highlights a critical area of scholarly and practical oversight. This research contributes both theoretically and practically by proposing a novel integrative model that merges accounting transparency and governance accountability into the halal tourism paradigm. It offers a pathway for more robust economic evaluation, encouraging policymakers, practitioners, and scholars to adopt interdisciplinary methods. The study is limited to conceptual analysis based on secondary literature, which, while comprehensive, lacks empirical validation. Future research should focus on applying the proposed framework in real-world settings, allowing for data-driven refinement and sector-specific adaptation.

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