The Consecration of Neoliberalism:

Islam, Financialisation and the Production of Symbolic Value

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Abstract

Similar to other efforts to organise spheres of social life around Islamic norms as part of the process of Islamisation, from its beginnings in the 1970s the Islamic finance project has sought to establish an autonomous space within the modern financial economy liberated from the influence of Western capitalist hegemony. However, the emergence of Islamic finance has coincided with the ascendency of neoliberalism and the extension of its market logic into all aspects of social life, including the religious. While Islamic finance was conceived of as a new paradigm to promote socio-economic justice and equity based on the idealised principles of Islamic economics, these objectives have transformed as market actors have been drawn into a neoliberal logic of competition. By means of a case study of the emergent Islamic finance field in South Africa and utilising a framework inspired by Pierre Bourdieu, it is this transformed logic of practice that I explore in this thesis. I analyse the role of the state and market actors from the conventional finance field during the emergence of the Islamic finance field in order to explore how the practice of Islamic finance came to be shaped by a neoliberal market logic. Moreover, focussing on the discourse of Muslim Islamic finance practitioners in the field, I investigate their attempts to make dominant modes of market practice adequate with Islam.

Scholars have tended to assume that because there is a disjuncture between the theory of Islamic finance and market practice, Muslim practitioners have abandoned Islamic ethics. To the contrary, this thesis reveals how Islamic ethics have not been abandoned, but rather transformed as part of a process I term the “Islamic consecration of neoliberalism.” The consecration of neoliberalism represents the accommodation of neoliberalism by religion, and the construction of a new Islamic financial discourse in the neoliberal context. This discourse not only reveals how Muslim practitioners have mobilised Islamic tropes and ethical idioms found in contemporary expressions of Islamic resurgence to infuse forms of Islamic finance with symbolic value, but also how they have consecrated the dominant neoliberal logic that has taken hold of the field.

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Abbreviations

AAOIFI:	Accounting and Auditing Organization for Islamic Financial Institutions
ABSA:	Amalgamated Banks of South Africa
ANC:	African National Congress
ASISA:	Association for Savings and Investment South Africa
BANKSETA:	Banking Sector Education and Training Authority
BASA:	Banking Association South Africa
FCA:	Financial Centre for Africa
FNB:	First National Bank
FSB:	Financial Services Board
GDP:	Gross Domestic Product
HBZ:	Habib Bank Zurich
INCEIF:	International Centre for Education in Islamic Finance
KPI:	Key Performance Indicator
MYM:	Muslim Youth Movement
NUM:	New Unity Movement (formerly, Non-European Unity Movement)
SANZAF:	South African National Zakah Fund
SARB:	South African Reserve Bank
SARS:	South African Revenue Service
SSB:	Sharīʿa Supervisory Board

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1 Introduction

On the evening of 28th of November 2014 I sat in an audience consisting of finance professionals, researchers and students assembled in a large auditorium at King's College, University of London. The internationally renowned Muftī Taqi Usmani had just finished delivering a lecture to a packed audience that had braved the elements of a bitterly cold London evening to hear from one of the most influential religious authorities in the Islamic finance industry. Framed by a paper he had delivered at the annual meeting of the World Economic Forum in Davos, the Pakistani Muftī presented his argument for how the implementation of modes of finance based on Islamic economic principles would offer a solution to the global economic predicament initiated in the wake of the 2007-2008 financial crisis. Among the other core economic principles derived from Islamic law (Sharīʿa), we were told how in "Islamic finance" there is a rule that the provision of finance must be tied to the trade of tangible assets. This principle, the Muftī said, stood at odds with "conventional" modes of finance that were based on exploitative forms of speculation, the trade of debt, and making money from money using unethical financial instruments, such as derivatives, that were responsible for creating the financial crisis. If global financial praxis was reformed based on the Islamic finance framework, the Muftī passionately argued, it would introduce a more sustainable and equitable economic system that would not only avert the reoccurrence of a future financial crisis, but also promote socio-economic development for the benefit of humankind.

"I have been working in investment banking for the last 15 years," began a member of the audience as the post-lecture Q&A session commenced. "What you present in terms of the Islamic economic system and Islamic solutions for the economic problems; no one doubts that. But, what we find is the fact that *even* in the Muslim World there is no political will to actually *implement* the Islamic economic system. So, that is why they are just re-engineering the Western products within the Muslim World and just trying to legitimise them using the Islamic banner." This comment stimulated a synchronised mass of nods among members of the audience indicating that this was a shared observation. "You are right," replied the Muftī; "at the moment we have no practical example in any part of the world that has implemented these principles of the Islamic economy." I continued to sense an air of indignation emanating from the audience as the Q&A session continued with another well-dressed corporate looking type taking to the microphone:

> I am an Islamic finance lawyer and I would like to share with you *my* experience. … What I saw [in the Islamic finance industry], starting around 2008 and then moving on now, is the creation of Islamic, or *so called 'Islamic,'* derivative products.… 80-90 percent of the deals that lawyers are transacting—and that's an indication of what the market is doing—is actually artificial derivative type products.… So, can Islamic finance, if it is allowing the synthesising of, or the reverse engineering of any financial product using conventional mechanisms, if it is going to allow *that*, can Islamic finance *really* claim that it is asset backed?

Once again, Muftī Usmani made an admission indicative of the disparities between the principles of Islam and some of the practices transpiring in the market. He conceded that while he was vehemently opposed to the permissibility of financial derivatives, there were some Sharīʿa scholars who had "invented" what were purportedly "Sharīʿa compliant" derivative instruments. In the interest of maximising profits and improving the competitiveness of Islamic finance these scholars had thus effectively engineered "Islamic" equivalents to the "conventional" financial instruments the Muftī had identified were emblematic of the unethical capitalist practices that had caused the recent financial crisis. Pockets of the audience in my close proximity broke out into murmurs as they pondered the implications of these poignant admissions for the market in general, and for their practice of Islam in particular: how can Islamic finance claim to be different from conventional finance? Is Islamic finance *really* Islamic? As a Muslim, should I continue to put my savings into an Islamic bank account? Is it correct for me to work in the Islamic finance sector? If anyone had attended this lecture with the hope that the authoritative figure of Muftī Usmani would allay any niggling doubts regarding the ethics and legitimacy of practices occurring in the Islamic finance field they were sorely disappointed, departing with the same if not a greater level of uncertainty than when the lecture began.

Ethical concerns surrounding the practice of Islamic finance were not peculiar to my observations in London, but rather instead are characteristic of the intense debates taking place within academic, financial and Muslim public spheres around the globe. These contestations are symptomatic of a crisis of representation; this crisis has exposed the disjuncture between the theory of Islamic finance and the objective reality of market practice. At its heart, these debates revolve around the struggle to define the legitimate ethical objectives that should frame Islamic finance praxis, and in particular the primacy that should be given to the pursuit of profit accumulation in relation to other religiously inspired socio-economic goals. In its most general definition, Islamic finance refers to modes of financial intermediation (the provision of capital) that are structured based on the prescriptions concerning economic activity contained in the traditional authoritative sources of the Islamic tradition—the Qurʾān, the *Sunna* of the Prophet and the *aḥādīth*—and as such, consistent with Sharīʿa law. In theory, while Islamic finance endorses trade, maximising profits and efficiency (El-Gamal, 2006), these objectives are to be conjoined, or bounded, within an additional set of religiously inspired goals that seek to further socio-economic justice and equity in a manner that supports economic growth. It follows that for financial institutions and professionals who base their objectives and operations on these principles, virtue is to be found in the broader social and economic objectives of Islamic finance. Proponents claim these goals are a departure from the capitalist logic that frames market activity in what they refer to as the "conventional" financial system. Indeed, the theory of Islamic finance seeks to place a limit on capitalist economism and the primacy of the economic bottom line. In reality, however, Islamic finance actors routinely engage in forms of economic practice substantively difficult to delineate from conventional paradigms, and similarly framed by the ultimate objective to accumulate profit. While the morality of the pursuit of profit accumulation does not contravene Islamic economic principles, what is clearly a departure from the ideals of Islamic finance is the priority it has been given over other economic and social objectives. It is this transformed logic of practice that I explore in this thesis.

It is remarkable that despite the well observed disjuncture between idealised religious principles and economic practice the Islamic finance industry is blossoming. On a daily basis, the number of Muslim professionals working in this global market sector continues to rise, and an ever greater number of deals are concluded utilising Islamic financial instruments. First emerging in the Middle East during the oil boom of the 1970s, over the course of the last two decades the global Islamic finance market has recorded double-digit growth. At the end of 2015 the size of the global Islamic finance services industry was estimated to stand at US$2.14 trillion (Azmi, Dar & Shafique, 2016). With a well-established position within the Gulf Cooperation Council countries and Malaysia, there are now more than 350 Islamic banks and financial institutions spread over 75 Muslim-majority and Muslim-minority countries in the Americas, Asia, Europe and Africa (Gelbard et al., 2014: 3). In tandem with this rapid economic, institutional and geographic growth, Islamic finance has firmly established its reputation as a recognised part of the global financial market.

In light of the disjuncture of Islamic finance, what is going on here and how can we make sense of it? My dual objectives in this study are to analyse how this transformed logic of practice and subsequent crisis of representation emerged, and to explore the relationship between Islamic notions of virtue and the practice of Islamic finance. As such, within a particular religious and economic context, I ask: what factors have contributed to the disjuncture of Islamic finance? Correspondingly, how is it that if, in practice, Islamic finance fails to represent the idealised values of Islamic economics the field continues to thrive? Why do so many seemingly devout Muslim practitioners continue to work in a field whose Islamic legitimacy and ethical integrity many find objectionable? What kinds of economic and religious values are shaping Islamic finance actors' actions? What are the objectives of market practice and how do they relate to Islamic notions of virtue? And finally, what do the answers to these questions tell us about the interaction between Islam and neoliberalism in our contemporary moment?

In order to answer these questions, this thesis follows the expansion of Islamic finance to South Africa, home to one of the most vibrant Islamic finance sectors in Africa and where the legitimacy of the field is hotly contested. By means of a case study of the emergent South African Islamic finance field, I engage in an in-depth analysis of both the influence of religious discourse as well as socio-structural market forces on the rationalisation of economic practices among a diverse cross-section of Muslim Islamic finance practitioners. I examine how forms of market practice came to be shaped by neoliberal norms and values, and correspondingly how Muslim practitioners experience and respond to the disjuncture of Islamic finance; that is, how they attempt to infuse market activities and financial products with symbolic value in order to navigate the dual demands of religion and the market. In particular, this thesis explores the relationship between Islamic ethical idioms, the postmodern features of neoliberal finance—its techniques, abstractions, universalising discourses, utopian dreams, and hegemonic influence—and semiotic processes of meaning making. In its broadest sense then, this thesis explores the evolving relationship between Islamic economic ethics and financial practice in the post-apartheid, neoliberal South African context.

An analysis of the symbolic value ascribed to financial objects and practices must also inevitably be an analysis of claims to authenticity; that is, claims to truth. The existential foundation of the Islamic finance market rests on the production and maintenance of a certain kind of belief: that financial products and market practice are a true representation of Islamic principles. However, as we have noted at the outset of this introduction, this semiotic process is subject to religious struggles concerning the authority to define scalar appreciations of virtue and more fundamentally, what is or is not within the bounds of Islam. In so much as religious contestations surrounding Islamic finance amount to claims of its Islamic legitimacy, the production of symbolic value quickly turns to questions of representation and authoritative discourse. In this study, my intention is not to evaluate the impact these constructed symbolic and normative frames have on creating consumer confidence and business success. Rather it seeks to explore processes of mediation between Islam and modern finance involving figures of Islamic religious authority and individual Islamic finance practitioners as a means to explore the construction of what constitutes ethical economic practice in the market.

1.1 The Disjuncture of Islamic Finance: A Sign of the Erasure of Islamic Ethics or Their Transformation?

Despite the fact that the legitimacy and public appeal of Islamic finance rests on its claims to follow an alternative market logic to that which frames conventional finance, scholars have observed that in reality the apparent economic rationality that steers everyday market practice is similarly based on conventional market reason (Kuran, 2004; Tripp, 2006; Asutay, 2007; Nienhaus, 2011). Furthermore, analysts have noted that in the interest of accumulating profit Islamic finance actors habitually construct financial instruments that mimic those of their conventional counterparts, albeit in what are claimed to be a Sharīʿa compliant form (Saeed, 1999; El-Gamal, 2006). It follows that one of the enduring questions that surrounds academic discussions of Islamic finance concerns the paradox of why seemingly devout Muslim Islamic financial practitioners appear to have adopted the very same market rationality that Islamic economic theory set out to critique. Many ask why it is that Islamic finance actors continue to adopt financial instruments that do not correspond with the ideals of Islamic economic theory (Kuran, 2004; Nienhaus, 2011).

While its proponents may have hoped that the theory of Islamic economics would constitute the normative framework guiding market practice, a fundamental claim undergirding this thesis is that the failure of theory to materialise in practice should not necessitate that scholars abandon the analysis of the import of religion in considerations of Islamic finance. There has been a tendency to assume that because the practice of Islamic finance is not commensurate with Islamic economic theory—often reductively equated as “true” Islam, or what constitutes “Islamicity”—that Islamic ethics and beliefs are somehow disconnected, or have little bearing on the activities of market practitioners. As one prominent theorist writes, Islamic finance will only be able to assume "a new identity based on substantive and ethical religious tenets" once it "outgrows its formulaic current mode of operation" (El-Gamal, 2006: 191). The evident assumption in this analysis, and in many others like it, is that the practice of Islamic finance has little to do with Islamic ethics, that they have been abandoned or erased. To the contrary, in this thesis I argue that the well observed dominance of conventional economic rationality within the Islamic finance field should not be taken as indicative of the absence of Islam. For the highly reflective Muslim practitioners I encountered, religion and notions of Islamic virtue had not left the market nor did it fail to frame their practices. Even if their market practices seemed to be mimicking forms of conventional finance substantively, Islam and notions of religious virtue were integral to the praxis of Islamic finance as well as practitioners' belief in the righteousness of their work. As such, rather than diagnosing the disjuncture of Islamic finance as the abandonment of religious ethics, instead I treat this phenomenon as a sign of their transformation as part of a process I term the "Islamic consecration of neoliberalism."

In this study I explore the consecration of neoliberalism as a result of the interplay of Islamism and neoliberalism. I utilise Salwa Ismail's definition of Islamism as a term that encompasses "Islamist politics as well as re-Islamisation, the process whereby various domains of social life are invested with signs and symbols associated with Islamic cultural traditions" (Ismail, 2006: 2). In addition, I employ the term neoliberalism to denote the increasing primacy and expansion of economic values within all spheres of contemporary social life following Pierre Bourdieu's (1998a) conceptualisation of neoliberalism as the hegemonic imposition of a new symbolic and moral order.[1] Neoliberalism within a Bourdieusian framework refers to how from the latter parts of the twentieth century onwards the neoliberal economy has been progressively establishing its norms and values as taken for granted presuppositions (*doxa*) shaping social, political and economic relations. A myth that obtains the social force of belief, neoliberalism establishes the law of the financial markets, the objectives of maximum growth, productivity, competitiveness as well as the separation between the economic and the social as self-evident (Bourdieu, 1998a). This process entails the *transformation* or *destruction* of all of the ideological discursive traditions (for example, anti-capitalist social movements or, I posit,

[1] It is important to note that in the Bourdieusian schema, of course, economic logic has to some degree been present in all fields already. However, neoliberalism is seen to have introduced a new economic logic focussed on a single common metric focussed on financial economic profit.

Islamic economics) and collective social structures—including the state, the various fields of cultural production (for example, art, media, science, academia), as well as the religious field—framed by social logics that are capable of obstructing the hegemony of the logic of the market (Bourdieu, 1998a: 96). Correspondingly, at the level of the individual, the rising influence of neoliberalism leads to the construction of new calculating dispositions which give birth to new types of behavioural patterns. The imposition of this strictly economic belief and interest leads "social agents to refer more and more to economic criteria and stakes (in the narrow sense of material profit or utility maximisation) and to leave aside other social criteria, at least in some of their practices" (Lebaron, 2014: 51).

In this thesis, I argue that the Islamic consecration of neoliberalism represents the hybridisation of a market orientation with religion, and the construction of a new discourse where the objectives of the market and notions of Islamic virtue are fused together. Through the lens of Islamic finance and utilising a Bourdieusian theoretical framework, I consider the mechanisms by which attempts to reframe economic activity in Islamic terms as part of processes of Islamisation have been shaped by the opportunities and challenges presented by the dominant influence of neoliberalism. I show how a field founded on the transformative utopian dreams of Islamic economics, and its critical project to limit the spread of capitalist economism, has itself been transformed under the powerful influence of neoliberal forces mediated by the South African state and the conventional finance field. Expressions of Islamic practice and idealised Islamic objectives have been reconfigured by neoliberal norms and values. Yet, this has not resulted in the erasure of the salience of Islam and notions of Islamic virtue. Rather instead, this process has been a catalyst for the transformation of appreciations of the ethical. The Islamic consecration of neoliberalism reveals that practices aligned with neoliberal norms and values have been given religious significance and symbolic value. Sharīʿa scholars imbued with religious capital have mobilised their authority to create a new discourse on Islamic finance that redefines what is considered ethical and legitimate market practice. Moreover, individual Muslim practitioners have subjectively constructed innovative symbolic and normative frames that have infused the market and its practices with religious meaning and value. Islamic tropes and ethical idioms that have been observed by scholars exploring expressions of the broader contemporary phenomenon of Islamic resurgence—largely ignored in studies of Islamic finance—were at play within the market. These frames were mobilised to adequate understandings of Islamic virtue with practices ostensibly shaped by neoliberal norms and objectives. A fusion of the utopianism and temporalities of finance and Islamism, market practices were imbibed with ethical value—Islamic "goods"—aligned to appreciations of Islamic virtue and the cultivation of piety. I contend that these forms of symbolic production are the locus for the dynamism that drives the Islamic finance field. Without these reconfigurations of the symbolic value of market activity Islamic finance would not have its devout Muslim practitioners nor able to attract its growing Muslim consumer base. However, as I will argue, the production of these symbolic frames were merely gestures to mask the real political and economic forces at work and the consecration of neoliberalism. In material practice, and in the here and now of the South African context of vast socio-economic inequality, these ethical frames enabled practitioners to divorce finance from broader socio-economic concerns, perpetuating the negative impact of "financialisation"[2] in the pursuit of Islamist dreams.

1.2 Significance of This Study

This thesis is one of a small handful of book-length social-science based studies of Islamic finance and one of the first extended studies of Islamic finance in Africa. There are at least four ways in which this thesis contributes to a more nuanced understanding of Islamic finance and also, by extension, the relationship between religious resurgence and neoliberalisation. First and foremost, this study seeks to contribute to the study of Islamic finance, an object and site of study that, remarkably, has received little attention in the social-sciences (not least of which in religious studies) outside of economics, business, finance and law (Pollard & Samers, 2007; Fang, 2014). Despite the observation made by Ibrahim Warde (2000) close to two decades ago, the study of Islamic finance remains plagued by simplistic, overly-descriptive accounts that obscure the diversity and complexity of the phenomenon. To a great extent published works

[2] Financialisation is a term used to describe some of the key characteristics of contemporary capitalism over the past three decades of neoliberalism. Broadly defined, financialisation has "involved the excessive expansion and proliferation of financial markets and their penetration into, and influence over, almost every area of economic and social life" (Fine & Hall, 2012: 45). A constituent part of the ascendency of neoliberalism in South Africa, since the 1980s financialisation has introduced massive economic transformations, including: the increasing importance and power of financial markets, institutions and actors in the national economy; the expansion of financial assets relative to real economic activity; the expansion of investment in speculative assets as opposed to mobilisation and allocation for real economic activity; the prioritisation of shareholder value over other social and economic objectives; increasing income inequality; and, consumer-led booms based on credit (Ashman & Fine, 2013: 156–157).

are representative of an impasse: studies remain polarised between proponents—who claim that Islamic finance represents a true alternative to the dominant global system of finance—and sceptics—who claim that it is merely a façade; conventional finance masquerading under an Islamic banner (Warde, 2000: 21–22). As some critical scholars have pointed out, these partisan claims are not helpful in understanding a field of finance that is "a complex and multifaceted phenomenon" (Warde, 2000: 22), one that is "entangled" with conventional finance and "continually oscillating between two worlds" (Maurer, 2005a: 75).

To a large extent this impasse is symptomatic of the Islamic finance industry's self-professed (and marketed) claims to alterity. Social scientists ideologically or religiously invested in critiquing the values, or lack thereof, of neoliberal capitalism have taken to an exploration of Islamic finance as a potential alternative to the dominant conventional system. Taken in by the utopian appeal of the theory of Islamic economics—its claims to further socio-economic justice, equity and economic development by means of institutionalising an alternative system of finance—scholars have been preoccupied with assessing the degree to which this theory is commensurate with practice. They have been overwhelmingly disappointed by what they have found (Pitluck, 2012: 431). In the end, most scholars have simply noted what practitioners in the field are only too aware of: the ideal is rarely, if ever, practiced; there is a divergence between the theory and the practice of Islamic finance. Such analyses are symptomatic of an overemphasis on Islamic economic theory. Unfortunately, this narrow focus has resulted in a significant lack of attention paid to the broader relevance of religion and the role of alternative Islamic discourses in sustaining ongoing practice of Islamic finance.

In his path-breaking study of forms of alternative finance, the anthropologist Bill Maurer (2005a) makes a critical intervention to the socio-scientific analysis of Islamic finance. He argues that the scholarly preoccupation with focussing on whether or not Islamic finance practitioners make forms of market practice adequate with Islamic economic theory misses the point; it is a distraction. Circumventing the impasse, or "obviating" argumentation, that has centred on scholarly claims of "truth" or "falsity" in the practice of Islamic finance Maurer (2005a: 70) points our attention to the fact that despite there being deep contestations concerning the legitimacy of Islamic finance, market practice continues to "muddle along." As Maurer furthers, "That … Islamic banking … can continue, despite what would appear to be grave concerns, even among adherents, as to [its] truth, suggests that something else is going on in [its] operation" (Maurer, 2005a: 61). Thereby shifting our attention away from academic debates focussed on whether the idealised principles of Islamic economics are reflected in market practice, his analysis calls for us to attend to how Islamic finance practitioners "sometimes attempt the escape into another realm of signification and value" (Maurer, 2005a: 16). I read Maurer's intervention as an invitation to explore aspects of the Islamic tradition and notions of virtue found outside of the limits of Islamic economic theory that are sustaining forms of market practice. A key objective of this thesis is to contribute to the academic study of the *practice* (not theory) of Islamic finance and just how it continues to "muddle along" by attending to the analysis of how Muslim practitioners attempt to adequate market practice with Islam. In so doing, I focus on the role of Muslim practitioners in the construction of normative and symbolic frames taking place *within* the market that are far removed from academic debates that implicitly or explicitly reify conceptions of Islamic economic theory as representative of the entire Islamic discursive tradition.

The second contribution made by this thesis is that it expands the limited discussion of Islamic finance and, more broadly, the discussion of Islam and the construction of market ethics to a sub-Saharan African context. With the world's fastest growing population, a large percentage of which is Muslim, rapidly increasing consumer spending and robust GDP growth Africa has been earmarked as the "world's largest untapped growth market for 'Islamic' commerce, spanning Islamic finance (banking, insurance, bonds and capital markets) and halal (Sharīʿa-compliant goods and services)" (The Economist Intelligence Unit, 2015: 5). Many African governments and multinational financial institutions have taken note. They are at the forefront of energetic efforts to develop domestic Islamic finance sectors and Sharīʿa compliant financial instruments in order to boost economic growth and development. And yet, although Islamic finance has received a considerable amount of academic attention in other world regions, little has been written about its development in sub-Saharan Africa (Gelbard et al., 2014: 6). In many respects, this lacuna is symptomatic of the broader disregard for the study of Islam outside of the Middle East as well as the lack of attention paid to the increasing significance of the relationship between religion and economics in Africa. Indeed, despite the focus placed on the impact of religious revivalism in the African public sphere, little attention has been devoted to the economic dimensions which could have significant implications for our understanding of political change in Africa (Meagher, 2009: 398). As one of the first extended studies of Islamic finance in sub-Saharan Africa, this thesis consciously attempts to redress some of the imbalance created by these knowledge gaps.

Third, and more broadly, this thesis contributes to the study of the relationship between Islamisation and neoliberalisation. While there are now a considerable amount of published works on the interaction of Islamism, politics and modernity (see, for example, Mandaville, 2001; Ismail, 2006; Esposito, Voll & Bakar, 2008), scholarship on the articulation between Islamisation, economics and neoliberalisation (whether referred to as "late capitalism," "economic globalisation," or "financialisation") has received far less attention (Tripp, 2006: 2; Osella & Osella, 2009: 202; Rudnyckyj, 2009: 186). The great sociologist Max Weber's (1978 [1922]) unfortunately erroneous analysis of the incompatibility between Islam and capitalism, now almost a century old, continues to cast a long shadow in dramatic popular accounts of a "Clash of Civilisations" (Huntington, 1996) and "Jihad vs. McWorld" (Barber, 1995). To the contrary, through the lens of Islamic finance—in *practice* not *theory*—this study presents expressions of Islamism as commensurable with neoliberalism, not radically opposed.

The practice of Islamic finance should not be seen as an *alternative* to the practice of conventional finance, but rather as an Islamic, or Sharīʿa compliant, substitute that performs ostensibly the same *economic* function. Similarly, the economic objectives and conventions steering market practice are framed by neoliberal norms and standards, including an emphasis on minimising exposure to risk, efficiency, short-termism, and above all else, the accumulation of profit in the interest of maximising shareholder value. As my analysis of the Islamic consecration of neoliberalism reveals, working in a market driven by these economic stakes has religious meaning and value. Adhering to dominant neoliberal norms and market logics are seen to be commensurate with Islamic notions of virtue and economic ethics. Rather than being in opposition to neoliberalism then, Islamism, through the lens of Islamic finance, can be seen to be supportive of the project to spread the ideology and shared assumptions of neoliberalism in a distinctly Islamic form. In viewing Islamic finance as an expression of neoliberalism one can challenge false dichotomies and problematise Eurocentric myths that present Islamism as anti-capitalist and neoliberalism as exclusively a Western production (Pollard & Samers, 2007).

Lastly, the fourth significant contribution of this thesis is to broader understanding in the study of religion concerning the relationship between neoliberalism and contemporary forms of religion. Scholars drawn from a variety of disciplines have been highlighting the widely accepted observation of the encroachment of neoliberal ideologies and economic logic into spheres of cultural and symbolic life—including the religious—that were previously considered to have been separated by some relative degree of autonomy (Harvey, 1989; Comaroff & Comaroff, 2000; Thrift, 2005; Comaroff, 2009). Within the field of religious studies, perhaps one of the most incisive recent contributions has been made by Carrette and King (2005). These scholars point to what they term the "silent takeover of religion" by a neoliberal economic agenda focussed on individualistic consumerism and business enterprise. Marked by what Carrette and King (2005: 20) call a "second phase" in the history of the "privatisation of religion," this transformation is characterised by the emergence of "capitalist spiritualities" in response to the rise of the financialisation of capitalism since the late twentieth century. This is no takeover of religion by an irreligious force, however; rather instead, echoing the thesis first put forward by Walter Benjamin (2005 [1985]) and built on by others (Anidjar, 2005; Agamben, 2007), this is a takeover by "capitalism as religion." Carrette and King argue that the contemporary moment is witnessing the exploitation of religion by corporate capitalist interests through such efforts as the branding of consumer products and the promotion of religious ethics and techniques believed to enhance corporate productivity. Rather than this phenomenon representing an infusion of religious ethics into business practice, it is characterised by the commodification of religion, its rituals, symbols, ideas and cultural capital in order to increase corporate profits and support the hegemonic influence of neoliberal ideology. For its part religion has been complicit in this process, reorganising notions of virtue around the fundamental goal to accumulate profit. Carrette and King argue that the accommodationist and economically apolitical orientation which characterises the trajectory of contemporary religion has resulted in "an erasure of the wider social and ethical concerns associated with religious traditions and communities and the subordination of 'the religious' and the ethical to the realm of economics, which is now rapidly replacing science (just as science replaced theology in a previous era), as the dominant mode of authoritative discourse within society" (Carrette & King, 2005: 4–5). Among these and other features, "capitalist spiritualities" promote an uncritical assimilation of corporate values, self-interest, political myopia and at a subjective level serve to pacify feelings of anxiety caused by the socio-economic inequality that causes such distress (Carrette & King, 2005: 21–22).

While many aspects of Carrette and King's analysis resonate with observations in the Islamic finance field, my analysis of the Islamic consecration of neoliberalism makes three critical interventions. Firstly, their study has paid more attention to the end result of the encounter between neoliberalism and religion—new or transformed religious values, doctrines, beliefs and practices—rather than providing an analysis of the agents, institutions and mechanisms involved in these formations. Heeding the recent call made by various anthropologists of finance (Maurer, 2005a; Ho, 2009), this thesis counters the widespread conceptualisation of neoliberal capitalism and finance as an abstract, homogenising force. As Karen Ho has cogently argued, such reductive, decontextualised treatments overempower neoliberalism and inaccurately give it a uniform character by ignoring the agents involved in the localised construction of market cultures as well as the "power relations and unequal clashes of differently valued social domains with diverging visions of the world" (Ho, 2009: 34). By means of a concrete, context sensitive case study this thesis takes pains to analyse the agents and processes involved in both the encroachment *and* reconciliation of neoliberal logics within the Islamic finance field. In doing so, we will see how the imposition of neoliberal values involved a complex network of institutions and actors connected to the state, the conventional financial sector and the religious field.

Secondly, Carrette and King present these transformations as if they were seamless ("silent") and that religious practitioners have unconsciously adopted neoliberal ideologies because, as the authors claim, they have "failed to see the increasingly religious quality of capitalism in the modern world" (Carrette & King, 2005: 191). In contrast to presentations of an unconscious adoption of neoliberal ideology, this thesis will demonstrate that far from being a "silent takeover" the predominance of conventional economic rationality in shaping market practice has created a very visible and audible symbolic crisis. Islamic finance practitioners are only too aware of the disjuncture of Islamic finance, the dominance of conventional market rationality, the contestations this has created in the Muslim public sphere, and the challenges this not only presents for the economic viability of the market, but also for their own personal sense of religious virtue. As will be demonstrated, for some practitioners the imposition of neoliberal values was ultimately irreconcilable and they had to leave the field to preserve their sense of piety. For others who were able to reconcile their market activities, a virtue was made of necessity. I argue that it is only by paying careful attention to these diverging actions, a product of the encounter between the religious habitus of individual market practitioners and the particular configuration of forces that have created the market logic of the Islamic finance field, that we can understand the construction of contemporary neoliberal religious ethics.

And thirdly, in contrast to Carrette and King's claim that neoliberal capitalist forces have appropriated religion to further their objectives, my analysis of Islamic finance adds another level of nuance: rather than this relationship being a one-sided affair, I posit that religion is also appropriating neoliberalism and forms of contemporary finance, modifying intended effects, logics and techniques in order to pursue religious objectives. Within the Islamic finance field, market activities ostensibly framed by neoliberal logics and the quest to accumulate profit were at the same time seen to be capable of cultivating individual piety and working towards the transformation of Muslim society in-line with distinctly Islamic utopian visions. Despite the market being framed by neoliberal values and norms, it became a site for new forms of devotional religious practice. Moreover, conceptualisations of financial practice served to preserve and transmit Islamic ethical frames, identities and subjectivities.

1.3 But, What Is "Islamic Finance"?

To recapitulate a few points that have been gathered thus far, Islamic finance involves economic and financial transactions that take place according to Islamic prescriptions on economic action and, as such, consistent with Sharīʿa law. It is at around this rather ambivalent level of clarity, however, that attempts to define Islamic finance tend to diverge. Contrary to the assertion of some practitioners and theorists that Islamic finance delimits a settled set of economic conventions, there is a lack of consensus as to what exactly counts as Sharīʿa compliance and what financial products qualify as adhering to Islamic economic principles (Maurer, 2005a: 24–42; Rudnyckyj, 2014a: 115–122; Tobin, 2016: 107). In many regards, Islamic finance is "a project under construction, underpinned by a host of definitional, language and doctrinal debates" (Pollard & Samers, 2007: 315). As other scholars (Maurer, 2005a: 40) and I have observed in the field, indicative of its status as an unsettled economic framework one often encounters an almost ritualistic explication of what Islamic finance is, is not, and how it differs from the logic and practices of conventional finance. Many of my informants had pre-rehearsed talks, along with accompanying diagrams and tables, to ease the repetitive explications of Islamic finance they had to be prepared for during marketing events and for encounters with potential clients, journalists, government representatives and researchers like myself. For some it had become an art. As one adept asset manager[3] who had symbolically equated the Five Pillars of Islam with Islamic finance explained to me: "you've got the 'Five Pillars,' what I call the 'Five Pillars,' which form the foundation: which is the interest principle; which is *gharar*, the principle of uncertainty; which is the profit-and-loss principle; which is the principle of the underlying tangible asset; and, the principle of prohibited sectors."

[3] All informant names have been kept anonymous or changed. Interview with author, 27.10.14.

With that said, two of the most commonly agreed upon conventions espoused as distinguishing characteristics that one encounters in literature and among practitioners are the prohibitions against *ribā,* and *gharar*. In many respects the prohibition against *ribā* (literally illegitimate "increase"), the payment and charging of interest on capital, represents the "*sine qua non*" (Hefner, 2006: 18) of Islamic finance. Although there are ongoing contestations as to what should be counted as *ribā* (see Saeed, 1999; El-Gamal, 2006), there is a broad consensus among practitioners that making money from money is not in accord with the ethical framework of the Sharīʿa and the moral economy espoused by Islamic economics. The Qurʾān explicitly prohibits *ribā* in a number of verses, for example: "Those that live on usury [*ribā*] shall rise up before God like men whom Satan has demented by his touch; for they claim that trading is no different from usury. But God has permitted trading and made usury unlawful" (2:275); "Believers, do not live on usury, doubling your wealth many times over. Have fear of God, that you may prosper" (3:130). Based on jurisprudential explanations of these and other similar verses, it is understood that engaging in *ribā* is a major sin with negative implications for the afterlife. As one Muslim asset manager[4] exclaimed to me, "We say that interest is *ḥarām*! We say it is like fornicating with your mother!" Framed from another vantage point in terms of a moral economic exegesis, and with consequentialist outcomes in the present world, *ribā* is seen to be ethically "unjust" because of its capacity to be exploitative and further socio-economic inequality (Usmani, 2004: 164). Moreover, transactions involving interest were deemed to be counterproductive to the ethical imperatives to promote the efficiency of the market mechanism (El-Gamal, 2006: 53) and that money should be used for productive purposes to stimulate growth.

Among participants in the field a second node of consensus that delimits Islamic economic conventions from those found in the conventional field concerns the prohibition of transactions that contain *gharar*. Translated as "uncertainty," *gharar* is also used to designate transactions that involve "deception," undefined "risk," excessive "speculation," or "chance." As with the prohibition against *ribā*, this injunction has a moral economic basis and stresses the need for finance to be based on the trade of tangible (material) rather than intangible or contingent assets. Islamic finance proponents often stress that capital must be tethered to the "real" economy rather than in the interest-based system where money is treated as a commodity and

[4] Interview with author, 2.10.14.

engages in speculative exchanges. As one practitioner[5] explained to me, Islamic finance is founded on "funding and the trading of something that is tangible versus something that is intangible, that is speculative, that is notional, that is not *even there*." Speculation is akin to gambling (a sin) and the creation of capital that is not based on productive labour. The emphasis of the prohibition against *gharar* aims to reduce gambling on aleatory promises and the potential for the abuse of information asymmetries (Pitluck, 2012: 435). As such, it seeks to protect those partaking in finance from hidden dangers and exploitation, ensuring the fairness of transactions as well as reducing the possibility of acrimonious disputes.

In accord with the consensus on these two prohibitions, Islamic finance practitioners seek to accumulate capital using financial instruments that avoid interest or that entail engaging in excessive risk. In addition, and based on the underlying philosophy of these prohibitions, Islamic finance promotes the sharing of risk and equity-based (as opposed to debt-based) investments that have the capacity to promote economic growth. As such, many Islamic finance practitioners and scholars view forms of finance based on profit-and-loss-sharing contracts (*muḍāraba* and *mushāraka*) to be the Islamic ideal. As Muftī Taqi Usmani states, "The ideal instrument of financing according to Shari'ah is musharakah where the profits and losses both are shared by both the parties according to equitable proportion" (Usmani, 2004: 164). Not only is it believed that such instruments ensure that the borrower and financier equally share in their exposure to risk—unlike in conventional finance where the borrower bears most of the risk—but also that they fairly share in the potential profits accrued as part of the venture. Furthermore, it is believed that by means of employing these contracts Islamic finance institutions would become partners rather than lenders, assuming long-term equity stakes in business ventures like contemporary forms of venture capital.

In addition to these two major prohibitions there are a host of other conventions that are cited by practitioners as differentiating Islamic finance from practices in the conventional field. These include limiting the provision of finance for industries to only those that engage in permissible business sectors. Among others, this excludes businesses whose primary source of income is derived from alcohol, pornography, prostitution, pork-related products, gambling, tobacco, and conventional financial services (because of the prohibition of *ribā* and *gharar*). Some go further and argue that Islamic finance entails socially responsible investment in a

[5] Interview with author, 2.10.14.

manner that supports "Environmental, Social and Governance" (ESG) objectives. Others, especially those in the asset management industry seeking investors' funds, emphasise the Qurʾān's injunction against the hoarding of wealth: "They who hoard up gold and silver and spend it not in the way of Allah, unto them give tidings (O Muhammad) of a painful doom" (9:34). As one asset manager[6] informed me, "I like the underlying premise that money must create economic activity. For me that's the most important thing. Having lazy money sitting in the bank doing absolutely nothing when you can create jobs, when you can create employment, you can feed people, you can generate economic upliftment and economic activity. For me, that's very important." Others stress conventions that govern economic rationality at a more subjective level. As opposed to what they perceive to be the unrestrained capitalist market rationality that drives the conventional industry, Islamic finance practitioners should be opposed to greed and the pursuit of profit maximisation at all costs. Rather instead, one must conduct oneself in a manner that is responsible, accountable and transparent. In contrast to the prohibition against *ribā* and *gharar*, however, the consensus regarding these and other principles cited by practitioners in the field is less settled.

1.4 Why Islamic Finance? Why South Africa?

Islamic finance is one of the fastest growing industries globally and represents the most visible institutionalised effort to reorganise economic activity around Islamic principles. Islamic finance draws together a vast network of financial professionals, institutions, state financial regulators and Islamic jurists who are at the forefront of the cultural production of new religiously inspired markets, practices and economic ideas that are rapidly proliferating around the globe. As the most dynamic arena in which Islamic jurists are actively involved in defining the relationship between Islam and modern forms of economic practice, the Islamic finance field represents a critical space for the construction of new Islamic economic norms sanctified by Islamic law. Indeed, the field represents a central site where authoritative discourses on what constitutes ethical Islamic economic practice are being produced, transformed, and achieve coherence. Not only does this impact the lives of those who work in the market, but by virtue of the increasingly powerful role of finance in organising the social order as a whole, the significance of these frameworks is profoundly significant for broader society.

[6] Interview with author, 27.10.14.

But, why focus on Islamic finance in South Africa? South Africa is a compelling context in which to examine the interplay between neoliberalisation and Islamisation in general, and the construction of market ethics in the Islamic finance field in particular. The development of Islamic finance in South Africa has been remarkable given the relatively small size of the minority Muslim population. With the exception of Sudan, South Africa was the first country in sub-Saharan Africa to establish an Islamic finance sector in 1989. In recent years, the Islamic finance sector represents one of the fastest growing industries in the country (Vahed & Vawda, 2008: 453). In addition to one fully fledged Islamic bank, two out of the four major high-street banks now offer Sharīʿa compliant products and South Africa has the largest number of Sharīʿa compliant investment funds on the continent. The South African state and South Africa's powerful banking and finance corporations have been ahead of many of their international and fellow African counterparts in supporting the growth of the sector. Indeed, as will be demonstrated in Chapters Three and Four, the genesis and continued sustenance of the field is intimately related to the involvement of South African conventional banking and finance corporations and, most importantly, the South African state. The promotion of Islamic finance has come to be a key strategic priority for the state in its efforts to increase investment, economic development and nation-building. As a result, South Africa's largest cities of Johannesburg, Cape Town and Durban currently serve as a regional base for numerous international finance firms and multinational corporations who are developing expertise and experience in Islamic finance that can be used as a model for creating Islamic finance markets elsewhere in Africa.

At the same time, the growth of Islamic finance has occurred alongside massive transformations in South Africa's economy. The severely limited autonomy of the state to control economic policy choices in the post-apartheid context both coincided with and supported the rising prominence of the nation's banking and finance sector. Increasingly, banking and finance came to be one of the most significant industries contributing to South African GDP. Amidst these changes in the economic field, finance has been seen by some academic observers to have played a decisive role in exacerbating and deepening levels of socio-economic inequality that prevailed during the apartheid period (Bond, 2013). The legacy of finance in South Africa remains deeply tied to forms of economic exploitation and racial oppression during the colonial and apartheid era. South Africa has some of the highest levels of income inequality in the world. While the numbers of those unemployed and in abject poverty have increased, old and new elites, a rapidly expanding black and Muslim middle class, and unionised skilled blue-collar classes have been reaping the rewards of South Africa's economic successes. In this context of vast inter and intra-racial economic divide, widespread poverty and staggering inequality, finance has become one of the most politicised aspects of the South African economy. While small and medium sized businesses struggle to access finance and 37 percent of the population do not have a bank account, finance has been fuelling middle class consumption while South Africa's powerful financial corporations and their stakeholders make staggering profits (Ashman & Fine, 2013). Given this legacy of finance, high levels of socio-economic inequality, and the effervescence of Islamic revivalism, South Africa represents one of the most fertile contexts in which to explore the critical relationship between religious ethics and neoliberal economics. It was this very combination of factors that first drew me to study Islamic finance in South Africa. Like many other academics, I was initially drawn to study Islamic finance because of the claims of Islamic economics to introduce a new form of finance that married the pragmatics of business with an ethical framework that championed socio-economic justice, equity and development.

Finally, interest in South Africa as a case study relates to the highly contested religious legitimacy of Islamic finance. Among South Africa's Muslim scholars (*ʿulamā*), there is no established consensus regarding the legitimacy of Islamic finance. Indeed, Islamic finance has been a source for intense contestation among *ʿulamā* in the broader South African religious field. At the heart of these debates is the definition of what Islamic finance is, how it is practiced, who gets to define it and under what authority. Moreover, in many respects the debate on Islamic finance is a contestation over contemporary Islamic economic conduct itself, what constitutes ethical economic practice, and valuations of religious worth. From an analytical perspective, these instances of contestation over the ethics and religious legitimacy of financial practice—where Islamic finance has not yet established itself as a taken-for-granted part of Islamic orthopraxy—are opportune moments in which to observe discursive processes of semiotic meaning making. South Africa offers a fertile arena in which to explore how tropes in Islamic ethical discourse are mobilised in attempts to give symbolic meaning and value to (post)modern forms of practice whose legitimacy has been put in question in the Muslim public sphere.

South Africa also presents a unique case where practitioners are involved in confronting the disjuncture of Islamic finance and where they are embroiled in a struggle to define the symbolic meaning and value of market practices and products. Contestations over the legitimacy of

Islamic finance were not merely of concern to those within the scholarly realm and the Muslim public sphere, but were of critical concern to the many Muslim Islamic finance practitioners in the market. In a field whose *raison d'être* is dependent on religion, the symbolic value of practices in the Islamic finance field was of vital importance. As I witnessed among my informants in the field, contestations over the symbolic value of Islamic finance were a matter of critical concern for two primary reasons. On the one hand, the commercial success of financial institutions, the career trajectories of Islamic finance professionals and the very survival of the field as a whole depend on the symbolic value that could be ascribed to market activities and financial products. As a market of symbolic goods where consumer confidence and the value of financial products depended on representations of religious authenticity, symbolic value was a crucial part of the competitive pursuit to accumulate economic profits. On the other hand, at a personal level the religious significance of daily work in the Islamic finance field was a critical object of subjective reflectivity for Muslim practitioners. They were concerned with the virtue of their chosen career paths both in terms of their reputational standing in the broader Muslim community, but also in terms of their personal relationships with God and efforts to lead a virtuous life. Many entered the field inspired by the utopianism of Islamic economic theory to transform the world for the better and with an intention to avoid engaging in prohibited forms of conventional economic practice for the betterment of the self.

1.5 Research Design

Drawing on a conceptual framework inspired by the French sociologist Pierre Bourdieu (discussed in Chapter Two), this thesis engages in a "field"-based study that is attentive to the context, dispositions and everyday practices of Islamic finance practitioners in South Africa. I examine Islamic finance as deeply connected to, and affected by, the South African state, the conventional financial market, and the religious field.[7] I studied the biographies, economic activities and discursive practices of current and former Muslim Islamic finance professionals alongside the socio-structural forces that shaped the field in which they worked. In so doing, I

[7] Each of these fields, located within the sphere of the South African nation state, are connected to, and affected by, global fields. Thus, for example, the South African religious field is connected to, and affected by, the global religious field; the conventional finance field is connected to, and affected by, the global conventional finance field; and so on and so forth. Considerations of the interrelationship between local and global fields are inherent in the analysis of field dynamics presented in this thesis.

explored the everyday practices, motivations and beliefs of practitioners as they negotiated the interplay of processes of financialisation and Islamisation.

This thesis consciously attempts to avoid debates taking place within the theoretical academic discussions on Islamic economics that are preoccupied with truth seeking and authenticity—what economic model, financial instrument or type of corporate organisational structure counts as "truly" Islamic—that are prone to the danger of essentialising textual representations of Islam decontextualised from material praxis. The production of symbolic value surrounding Islamic finance does indeed involve texts—whether concerning Islamic economic theory or commercial Islamic law—but it is also debated, challenged and, in some cases, transformed in the market beyond the purview of texts. As such, this study posits that it is neither adequate merely to reconstruct the text-based theoretical or legal debates about Islamic finance, nor engage in abstract, idealised analyses that are inattentive to the context in which practitioners operate. Indeed, as Ibrahim Warde (2000: 23) has cogently argued, context will tell us more about practices than text: in order to understand the dynamic nature of Islamic finance one must place an emphasis on context—historical, political, economic, social and cultural—and be attentive to the deep embeddedness of actors within particular institutional and cultural frameworks. As such, this study concerns itself with the discourses and processes of symbolic meaning making that take place at ground-level, involving a group of actors with a variety of religious dispositions, beliefs and tastes who are confronted with the everyday pragmatics of a particular market context. I am first and foremost informed by how practitioners conceive of and account for their market activity in relation to frameworks of Islamic virtue. But also, and necessarily, these claims to what represents an Islamic "good," or what is authentically Islamic, are readily discussed by those found outside of the market in the broader religious field. As such, I approach Islam as a "discursive tradition" in the Asadian (1986) sense, applying an analytical lens attentive to the contextual field in which market actors operate and the structural opportunities and challenges this poses for financial practice, religious dispositions and the corresponding capacity for religious discourse to ascribe meaning and value.

The evidence that undergirds this thesis derives from data collected during fieldwork conducted between 2013 and 2015 in the South African Islamic finance field. In terms of its geographic focus, this research project concentrated on the practices and discourses of Muslim professionals that worked for financial institutions located in Cape Town, Durban and Johannesburg, South Africa's three largest economic hubs. The corporate headquarters of every institution active in the field were in one of these cities. These urban centres not only represented the central nodes in an expansive national and international financial network, but they were also where the presence of South African Islam was particularly felt; as the home, workplace or place of worship for a significantly large proportion of the nation's Muslim population. Multiple key institutions, functions and individuals constitute the Islamic finance field in South Africa. I use the designation "Islamic finance institutions" as a catch-all term to refer to wholly dedicated Islamic banks, what are referred to as "Islamic windows"—the banking divisions of conventional banks responsible for the operational management of Islamic financial services—and teams, or departments, responsible for the management of Sharīʿa compliant funds within asset management companies. Islamic finance institutions have departments involved in a variety of functions similar to conventional banking and investments, such as product development, research, and credit, risk and investment management. The most distinguishing feature of Islamic financial institutions is that they also have independent Sharīʿa Supervisory Boards (SSBs), with some banks also having an additional in-house Sharīʿa compliance department. As I shall explore in more detail later in this thesis, essentially these units are comprised of religious scholars with a specialisation in Islamic commercial law who are responsible for ensuring that the products, contracts and transactions of Islamic finance institutions are Sharīʿa compliant. Within the field there are also a variety of auxiliary financial and legal (including Sharīʿa) service providers that support the operations of Islamic finance institutions. And, of course, industry lobby associations and state financial regulators also play a role. For the purposes of this study, I targeted every major institution active in the field. While this involved a number of financial service providers, lobby associations and government departments, in terms of what I designate as "Islamic finance institutions," this amounted to an engagement with all four of the banks, as well as five of the seven asset management firms, that were active in the field during the time of my fieldwork. Two asset management companies that offered Sharīʿa compliant funds declined to participate in my research.

From this broad institutional landscape, I conducted interviews with five principle categories of experts that were active in the South African Islamic finance field. Firstly, I engaged with Sharīʿa scholars who have specialised training in the discipline of Islamic jurisprudence and are hired by Islamic finance institutions to sit on Sharīʿa Supervisory Boards. The second group I engaged with were Islamic finance professionals, and included senior banking executives, portfolio managers and investment analysts employed by various Islamic financial institutions. The third type of experts I engaged with were financial professionals that worked for major multinational financial corporations that provided advisory, consultancy, accounting and auditing services for Islamic finance institutions. Fourth, I engaged with senior industry lobbyists that worked for a trade association responsible for representing South Africa's banking industry. The fifth category of informants were senior economic planners within government directly responsible for engaging with financial service providers and devising state policy. In addition to these participants in the South African field, in the UK I also interviewed an internationally renowned financial journalist and consultant with expertise in Islamic finance. In total, 31 informants drawn from the above categories participated in this research. These informants were identified and selected using both purposive and snowball sampling techniques. Prior to embarking on fieldwork, I engaged in extensive online research to map the field and its key players. I compiled a detailed database of key actors in the field which was then utilised to generate invitational emails sent to invite participation. As I travelled around the country conducting fieldwork I was also able to build contacts through informal networking in the Muslim community. In addition, while conducting interviews I asked informants to nominate and refer me to other significant actors in the field who might also be willing to participate.

Representative of South Africa's rich diversity, the Islamic financial field has drawn the participation of professionals from a wide variety of backgrounds. Along with those of foreign origin, Asian, Black African, "Coloured" (mixed ethnicity) and White South African professionals were all to be found from a wide variety of backgrounds and religious persuasions—Muslim and non-Muslim it should be noted.[8] Given my research objective to explore the relationship between Islam and market practice, I specifically targeted Muslim Islamic finance professionals. In this thesis I use the designation "Muslim Islamic finance professional" to refer to the employees of Islamic finance institutions that self-identified as being Muslim. My informants represented a diverse array of Islamic identities and schools of thought; from traditionalists to modernists, and from those born into Muslim families to converts who embraced Islam later in life. An acknowledgement of this empirical phenomenon

[8] In using these classificatory terms, I share the view with Vahed and Jeppie that these terms are problematic and that the "the division of people into biological groups differentiated by colour ('race'), to which we can attribute specific features, has no scientific validity or explanatory value in social science. However, the categorisation of South Africans according to race is a legal and social fact, even in post-apartheid South Africa" (Vahed & Jeppie, 2005: 281).

has been overwhelmingly missed in both the majority of academic studies focussed on Muslim actors in economic markets as well as the study of Islamic finance which have tended to treat the identity of Muslims as a monolithic whole. As will become apparent in this thesis, it is critical to appreciate the diversity of Muslims involved in Islamic finance, the array of Islamic identities and ethical frameworks they reference, and correspondingly the variety of religious dispositions involved in the rationalisation of economic practice in the field.[9]

In-depth interviews were carried out face-to-face in a semi-structured format. Due to the time constraints of my informants in the fast-paced financial world, this interview technique was chosen in preference to unstructured interviews because it maintained a degree of focus and was more efficient in seeking answers to key topics during a single interview. This format of interviewing offered the combined benefit of "the flexibility of the unstructured, open-ended interview with the directionality and agenda of the survey instrument to produce, focused qualitative, textual data at the factor level" (S. Schensul, J. Schensul & LeCompte, 1999: 149). The advantages of semi-structured interviews were particularly salient when engaging, as I did, in elite interviewing. Elite interviewing involves respondents, either professionals, politicians, or those in other positions of power and authority, who are experts on a given topic and granted a degree of freedom to direct the interview conversation to highlight aspects that are particularly important to them (Leech, 2002: 663). This format of interviewing offered the potential to attain unanticipated or unexpected answers, which could have been lost in the limited questioning of structured interview methods (Robson, 2002: 276). Semi-structured and unstructured interviews, as opposed to structured interviews, had the advantage of allowing me to utilise probes and prompts which enriched the quality of responses. Informants were encouraged to expand upon their answers and have some agency in steering the flow of discussion to express information they deemed important. This format of interviewing encouraged greater rapport and cooperation which was critical in obtaining comprehensive answers. Utilising the semi-structured format enabled me to explore the dispositions, discourses, experiences, ethical frames and beliefs of Muslim practitioners both at a personal level but also in relation to their work in the Islamic finance field.

[9] While the participants involved in this research were diverse in terms of their Muslim backgrounds, it should be noted, however, that the field was significantly dominated by males of Indian South African descent. This racial and gender bias was, unfortunately, unavoidable given the demographics of professionals in the field.

In accord with the ethics clearance of the University of Cape Town, I obtained consent from the individuals that participated in interviews. This entailed informing participants of the purpose of the research project, that the choice of participation is voluntary, how interview data will be used, and the benefits as well as any potential risks of their involvement. Prior to commencing interviews, I provided interviewees with a consent form describing these points and asked for their written signature indicating their willingness to participate. My informants were given assurances that their privacy would be respected and that their personal details would not be disclosed in a manner that would make them identifiable. The confidentiality of my informants has been maintained throughout the research, analysis and reporting phases of this study. Throughout this thesis all informant names have been changed to maintain confidentiality and anonymity. As this research deals with potentially sensitive issues, the matter of consent and confidentiality were particularly pertinent and were treated with great respect. In addition, I have taken the extra step of changing the names of the financial institutions where my informants were employed.

In order to overcome the threats to the validity of data collected utilising qualitative research methods, this study has employed data triangulation—the use of more than one method of data collection—and also source triangulation—whereby multiple data sources are investigated. In doing so, I have endeavoured to uphold the empirical validity of my research findings. Correspondingly, I supplemented and cross-checked data obtained during interviews with participant observation as well as multi-media and document-based archival research. As part of my fieldwork I conducted participant observation during seminars and marketing events hosted by Islamic finance actors. Furthermore, I conducted archival research in South Africa and the UK in addition to the collection and analysis of reports, brochures, newspaper articles and Internet based information.

1.6 Limitations and Delimitations

Inevitably, there are some limitations to the analysis presented in this thesis. Firstly, it has been beyond the scope of this study to engage in an in-depth analysis of the influence of consumers in shaping the practice of producers in the Islamic finance field. While this may have helped examine the possible homology between Islamic finance products and consumer taste (see Bourdieu, 2005a), it would have been extremely difficult, if not unethical, to clearly link the Islamic finance actors I studied with their clients for fear of breaching laws of privacy and confidentiality. During the course of my research I discovered three studies (Vahed & Vawda, 2008; Bick, Loonat & Saini, 2011; Vawda, 2013) that present aggregate data on Islamic finance consumer perceptions collected via surveys in South Africa. As and when I do refer to consumer perceptions and attitudes, I draw on these sources in addition to the accounts of my informants. Moreover, often being account holders and equity stakeholders themselves, the Islamic finance professionals I encountered were producers *and* quasi-consumers of Islamic finance.

The second limitation of this study is that it is not concerned with an assessment of the success of attempts to ascribe symbolic meaning and value to market products and practices. As such, I do not quantitatively measure levels of economic capital accumulation against symbolic practices such as, for example, marketing strategies. Instead, this project is concerned with semiotic processes at the level of individual rationality and subjectivity. I am cautious and reluctant to view semiotic strategies as solely being concerned with making economic profit. As such, I purposefully steer clear of making claims of sheer economically-oriented instrumentality on the part of market practitioners.

1.7 Chapter Summary

This study explores the factors that led to the consecration of neoliberalism in the South African Islamic finance field. In order to do so, I demonstrate the structural forces that led to the disjuncture between the theory of Islamic finance and practice, and correspondingly how Muslim practitioners have reconfigured notions of the ethical in order to make market practice adequate with Islam. The organisation of this thesis in two main parts reflects the bifurcated components of this argument, moving the focus of analysis from the objective structures of the Islamic finance market to the practices and dispositions of individual Muslim practitioners. However, before delving into this discussion, in Chapter Two I begin by presenting a detailed discussion of the theoretical and conceptual framework that will be utilised in this thesis. Advocating for the study of Islamic finance as a study of the ways in which the interests, values and meanings associated with Islam and the neoliberal financial economy are placed in a dynamic dialectical relationship—negotiated, contested, recalibrated and legitimised—the approach developed in this chapter introduces a set of conceptual resources inspired by Pierre Bourdieu. In this chapter I develop a framework primarily grounded in Bourdieusian "field theory" to explore the Islamic consecration of neoliberalism. Along the way I introduce complimentary concepts developed by some key thinkers that add further analytical precision to the exploration of processes of Islamisation and neoliberalisation. I argue that this conceptual schema is well-equipped to capture the (trans)formation of Islamic market ethics and dispositions as well as the ways in which the symbolic value and legitimacy of market products are socially contested and consecrated.

Part 1 of this thesis documents the processes that led to the disjunction of Islamic finance—the disconnect between the ethical ideals of Islamic economics and the reality of market practice—and correspondingly how it has produced a crisis of belief in the legitimacy of the market and its practices. In Chapter Three, I embark on this analysis by conceptualising the Islamic finance market as a field and exploring its historical emergence. More specifically, I explore the instrumental role of the South African state in supporting the growth of the Islamic finance field. I document how the emergence of the field has been facilitated by the state as part of its efforts to navigate neoliberal market forces and further its nation-building agenda. I argue that the growth of the Islamic finance field is a product of a new mode of governance initiated by the state in an attempt to strategically navigate the opportunities and challenges posed by the rising structural influence of neoliberalism and the resurgence of religion. I will show how by means of a series of legislative amendments and policy interventions the state has sought to strategically nurture the growth of the Islamic finance field, harnessing its resources and practices to recalibrate circuits of capital in order to address pressing development concerns. For the Islamic finance industry, state support has improved the visibility, accessibility and competitiveness of the field and its products, creating new opportunities for market actors to accumulate capital.

In Chapter Four, I show how the goal of the Islamic finance project to establish an autonomous field of financial praxis organised around Islamic economic principles came under the spell of the hegemonic force of neoliberalism. More specifically, this chapter will demonstrate how the field has been unable to institutionalise an autonomous market logic framed around the theory of Islamic economics, but rather instead it has been drawn into a neoliberal logic of competition determined by the conventional finance field. Focussing on the second phase in the growth of field, from the mid-2000s onwards, this chapter will analytically trace the process of how a combination of institutional and network forces imposed by the South African state and an influx of market actors from the conventional finance field have supplanted the socio-economic objectives of Islamic economics with a neoliberal market logic. Neoliberal conventions deriving from the conventional finance field have come to profoundly shape the rules of the game, the stakes of competitive behaviour and the logic of practice in the field. Homing in on one of these conventions, specific attention will be placed on shareholder value maximisation, a constituent feature of neoliberal ideology introduced as part of the financialisation of the South African economy. As will be shown, the dominant influence of the ideology of shareholder value has had the effect of drawing Islamic finance practitioners and firms into a competitive game where the ultimate objective of market practice is the maximisation of profit above all other social and economic considerations.

Chapter Five concludes the analysis presented in Part 1 by documenting how the neoliberal logic that has taken hold of the field has shaped market practice, and correspondingly how the resultant disjuncture between Islamic principles and market practice has created a crisis of belief in the legitimacy of Islamic finance. As will be demonstrated, market actors have abandoned idealised forms of equity-based financing believed to be authentic representations of Islam. Instead, they have adopted controversial efficiency-based financial products and procedures whose legitimacy is in doubt. This chapter argues that the disjuncture between Islamic principles and the reality of market practice has been objectified in the Muslim public sphere undermining perceptions of the legitimacy of the field. Symptomatic of what Bourdieu refers to as a "crisis of belief" (Bourdieu, 1998b: 122), market actors' preference for modes of financing that ostensibly replicate the substance of conventional finance has produced uncertainty and contestation over whether the practice of Islamic finance coheres with Islam. As I will show, the crisis of belief has critically undermined perceptions of the symbolic value of the field, its actors, and their financial products as authentic representations of Islam.

The thematic focus of Part 2 of this thesis investigates how Muslim practitioners have experienced and responded to the crisis of belief. In particular, I concentrate on the role of religion in discursive, practical, and subjective efforts to ascribe symbolic meaning and ethical value to Islamic finance. I explore Muslim practitioners' attempts, at a public and personal level, to make Islam adequate with forms of financial practice ostensibly shaped by neoliberal norms and values; that is, in other words, the processes by which Islam is mobilised to consecrate neoliberalism. Chapter Six focusses on the role of figures of religious authority in redefining the religious objectives and notions of the ethical in Islamic finance. I examine the influential role of Sharīʿa scholars and their efforts to resolve the crisis of public belief in Islamic finance as part of a process I refer to as "official adequation." Official adequation can be seen to be a consecrating process whereby Sharīʿa scholars mobilise their religious authority to construct and perform a new authoritative discourse on Islamic finance which aims to publicly project a vision of the field, its products and logic of practice as authentically "Islamic." Official adequation works towards constructing and circulating a particular vision of the authenticity of Islamic finance to be publicly recognised as the "truth." I argue that through the lens of official adequation we are not only able to observe the role of Sharīʿa scholars in the production of belief in the symbolic value of Islamic finance, but also their agency in consecrating the dominant neoliberal logic that has taken hold of the field.

In contrast to dismissive academic accounts that present Islamic finance practitioners as blindly or purposefully oblivious to the disjuncture of Islamic finance, in Chapter Seven I argue that contestations over the Islamicity of market practice are intimately felt by Muslim practitioners. This chapter explores their attempts to make the everyday practice of working in the field adequate with subjective understandings of Islamic normativity and ethics. By means of a framework largely built around Bourdieu's theory of the interrelationship between the habitus and the field, I will analyse the link between practitioners' religious dispositions and two noticeable courses of action I witnessed: adaptation to, or exit from, the field. I will show how for those able to adapt, we are able to observe how practitioners have constructed a new discourse to infuse the practice of Islamic finance with a new sense of symbolic meaning and value. Revolving around diverse socialised conceptions of Islamic piety, ethics and virtue, I refer to these processes as forms of "subjective adequation." The modes of subjective adequation I discover show how Muslim practitioners have subjectively established a new Islamic economic ethos that consecrates the neoliberal interests and values that have taken hold of the Islamic finance field. I argue that these innovative modes of adequation supported the status quo of Islamic finance irrespective of whether it is living up to the ideal. Moreover, it provided practitioners with a belief in the righteousness of their work.

The final and concluding chapter, Chapter Eight, connects the dots presented in the preceding analyses into one cohesive whole. The consecration of neoliberalism described in this thesis demonstrates how market practices, ostensibly shaped by neoliberal norms and values, are inscribed with symbolic meaning and value corresponding to notions of virtuous Islamic conduct and the cultivation of piety. I discuss the theoretical implications of this phenomenon for our understanding of Islamic finance, but also for broader discussions of the relationship between religion and neoliberalism.

2 Rethinking Islamic Finance: A Bourdieusian Reading of the Islamic Finance "Field"

From its beginnings in the 1970s, at both a theoretical and practical level, the driving impetus of the Islamic finance project has been to establish a distinct sphere of market activity separate from the capitalist sphere (Tripp, 2006). Similar to other efforts to organise various spheres of social life around Islamic law and notions of normativity as part of the broader process of Islamisation, the quest to carve out an autonomous, self-regulating space within the modern financial economy has been a fundamental objective. As will be discussed in this thesis, the Islamic finance project seeks to establish modes of financial intermediation structured around economic frames of legality deriving from the Sharīʿa. But also, and importantly, it sets out to structure market activity around an autonomous economic script—the theory of Islamic finance—which positions itself as distinct from the capitalist market paradigm. Indeed, the social and economic objectives espoused in the theory of Islamic finance claim to be a radically distinct from the capitalist economism and market reason that drives market activity in the conventional financial market.

These attempts to Islamise the financial sector, however, have not taken place in a void. Since its inception in the latter decades of the twentieth century, the emergence of Islamic finance has coincided with the ascendency of neoliberalisation and its sweeping transformative effects in restructuring local and global markets. These transformations, which in the South African context began in the early 1980s (Ashman & Fine, 2013), have entailed the rising hegemony of neoliberal economic theory and the accelerated extension of its market logic into all aspects of life. The logic of neoliberalism, with its emphasis on economism, competitiveness and profit maximisation above all other social and economic considerations, is increasingly transforming collective beliefs and interests, giving birth to new modes of behaviour and new institutions (Lebaron, 2014). Much like other spheres of economic and social life, the Islamic finance field has inevitably had to contend with the ascendency of neoliberal hegemony. Within the Islamic finance market, economic practices and objectives are not only shaped by religious frames, but also by the opportunities and constraints of a market directly structured by neoliberal forces mediated by the state and conventional financial institutions; religious ethics are laid bare to the forces of the market. In a paradoxical fashion, Islamic finance is always defined in opposition to conventional finance and yet neoliberal economic rationality often frames the outlook and actions of Islamic finance practitioners, even though they seek to make Islamic finance an alternative form of financial mediation (Rudnyckyj, 2014a: 111). Like other emergent consumer markets for Islamic symbolic goods (the veiling-fashion industry, *ḥalāl* foods, media, etc.), producers and consumers of "Islamic" products are inserted into an environment structured by the rationality and imperatives of neoliberalism. Market actors "must navigate the solidarity, social responsibility, other-worldly orientation and 'high morality' of Islamic ethics, while at the same time adhering to the demands of competitiveness, global integration, profit-making in an interest-based economy and this-worldly concerns" (Gökarıksel & Secor, 2009: 11). The spectre of Islamic finance raises important considerations of two market logics and market moralities that appear to clash. Moreover, the Islamic finance sector is an important lens through which to view the relationship between processes of Islamisation and neoliberalisation. But, how can we best analyse the interplay between neoliberal and religious market ethics and logics taking place in the Islamic finance field?

Despite being two of the most widely observed social phenomena of our times, the simultaneity of the global resurgence of religion and neoliberalism has been noticeably under-theorised. Among social scientists in general, as far back as the work of Marcel Mauss (1925) and Karl Polanyi (1944) there has been a prevailing view that modernity is characterised by the progressive "disembedding" of the economy from the cultural and religious fabric of society (Robertson, 2005 [1987]: 2668–2669; Osella & Rudnyckyj, 2017: 2). While in the last few decades there has been an active effort among economic sociologists and anthropologists to counter this narrative by pointing to the ongoing salience of the social and the cultural in shaping market values and "cultures," with a few exceptions these discussions have scantly engaged with the role of religion (Osella & Rudnyckyj, 2017: 10). Moreover, within the field of religious studies in particular, the lack of theoretical attention has been symptomatic of scholarly apprehension to bring the spheres of the "marketplace and the temple"—economics and religion—into too close a proximity for fear of claims of "reductionism" perceived to transgress the *sui generis* or irreducible characteristics of religion (Urban, 2003: 354). Perhaps it should come as little surprise, then, that scholars have pointed to the fact that Islamic finance has been remarkably "under-theorized by the heuristic tools of social scientific thought" (Pollard & Samers, 2007: 314; see also Warde, 2000; Maurer, 2005a; Fang, 2014).

In order to address this lacuna, this chapter introduces a set of conceptual resources inspired by the French sociologist Pierre Bourdieu. At first blush, utilising a Bourdieusian framework to explore the dynamism of religious and market moralities may seem counterintuitive.

Bourdieu's theoretical and conceptual approach has been read by some as reductionist, deterministic and unable to account for change. Across the social-scientific disciplines Bourdieu is often presented as primarily a theorist of social reproduction rather than a theorist of transformation. As, for example, the anthropologist James Laidlaw definitively claims: "Bourdieu's is a sophisticated account of how social reproduction accomplishes itself, of how material structures produce agents with the dispositions required to reproduce those structures…. It is therefore a relentlessly watertight explanation of a world in which it would be a miracle if anything were ever to change" (Laidlaw, 2014: 9). This static view renders Bourdieu's framework insufficient to capture the nuances of social change. These widespread misconceptions, I contend, are symptomatic of the limited reading of Bourdieu's works, particularly among scholars in the Anglophone world (Gorski, 2013: 1–2). In contrast to these critical assessments there are a growing number of scholars who have been pointing to the fruitful utility of the Bourdieusian framework for simultaneously capturing transformative processes as well as more persisting features of distinct social dynamics (Gorski, 2013; Hilgers & Mangez, 2014; Go & Krause, 2016). Furthermore, of particular relevance for this study, in the realms of both the financial market and the religious sphere, scholars have demonstrated the efficacy of this schema for capturing processes of transformation shaping, and shaped by, the values orienting actors' activities (Ho, 2009; Petzke, 2016). By bringing together Bourdieu's insights on the economic and symbolic spheres of life, this chapter seeks to outline an approach to explore the convergence between processes of neoliberalisation and Islamisation, and the corresponding dialectic between market and religious values in the Islamic finance field.

In this chapter I develop a framework primarily grounded in Bourdieusian "field theory" to explore the Islamic consecration of neoliberalism. I argue that this conceptual schema is well-equipped to capture the (trans)formation of Islamic market ethics and dispositions as well as the ways in which the symbolic value and legitimacy of market products are socially contested and consecrated. I begin by introducing Bourdieu's concept of the "field" in conjunction with the closely related concepts of "relative autonomy," "*nomos*," and "subfields." These concepts are vital for understanding the contextual factors that led actors in the Islamic finance field to ascribe to neoliberal values and norms deriving from the conventional financial sector and mediated by the South African state. Conceptualising the resultant disjuncture of Islamic finance as symptomatic of what Bourdieu refers to as a "crisis of belief," this chapter then proceeds to demonstrate the analytical utility of the concepts of "religious capital," "official discourse," "habitus," "*illusio*," and "adequation" for understanding how Muslim Islamic finance practitioners respond to the need to adapt to the dominance of conventional market values. These concepts are vital for illuminating how, at a public and subjective level, market actors attempt to reconfigure understandings of Islam in order to infuse their market practices and products with symbolic meaning and value. I argue that these strategies are not only shaped by the contingencies of the market, but also by practitioners' dispositions informed by their individual life trajectories and appreciation of Islamic discourses of piety. In so doing, we are able to appreciate the processes by which articulations of Islamisation are recalibrated to consecrate forms of market practice ostensibly shaped by neoliberal norms and values.

2.1 Accounting for the Disjuncture of Islamic Finance: Fields, Their Logic (*Nomos*) and the Matter of Autonomy

A fundamental contention of this thesis is that the Islamic finance field has failed to institutionalise a mode of financial praxis consonant with the ideals proposed in the theory of Islamic finance. This has led to what I refer to as the "disjuncture of Islamic finance"—the discrepancy between theory and practice—and correspondingly the ascendency of forms of market practice shaped by neoliberal norms and values. But, what factors have contributed to this development and how are we to understand them within a conceptual framework? In this section I develop a framework with which to understand the disjuncture of Islamic finance based on Bourdieu's field theory.

In Bourdieu's conceptualisation of the social world there are a series of relatively autonomous "fields" in which social actors (individuals, groups, or organisations) operate. Fields are uniquely structured social spheres or markets, microcosms of differentiated space where actors engage in specialised practices correlating to a specific set of beliefs and interests. There are multiple fields in the modern world and each corresponds to a specific type of activity, or occupation, where actors compete for various species of capital (economic, social, symbolic, cultural, religious, etc.) by playing a game that adheres to a specific set of (implicit or explicit) rules.

A field not only represents a distinct social sphere in which actors engage in a form of specialised activity, but also a social sphere governed by a specific law (or logic) of competition that is relatively independent from the logics of other fields or the broader environment

(Buchholz, 2016: 37). Each autonomous field, Bourdieu says, has its own "*nomos*," a "specific logic" or "fundamental law," which entails a set of common beliefs and principles—such as, for example, the "rules of the game," what constitutes the "stakes" of the game (i.e. the objectives of practice), and some kind of shared appreciation of how to go about achieving them—which constitute a framework governing the practice of actors within the field (Bourdieu, 1996: 223–227, 2000a: 96–97, 126). The *nomos* also constitutes a given field's taxonomical classificatory framework of value—good/bad, ethical/unethical, pious/sacrilegious, etc.—that defines "the thinkable and the unthinkable, the prescribed and the proscribed" (Bourdieu, 2000a: 97). In short, the *nomos* constitutes a given field's instituted point of view, a dominant mode of rationality or common-sense worldview that, to some degree, shapes the perspectives and practices of its actors, and the dynamics of the field.

The degree of "relative autonomy" (Bourdieu, 1993: 55) a given field possesses refers its capacity to self-determine and institutionalise a distinct domain of activity based on its own internally defined *nomos* rather than it being unwittingly shaped by external forces. Fields are inextricably interconnected, however, and hence their autonomy from external constraints and determinations can only ever be "relative." Fields with high degrees of relative autonomy are able to establish a microcosm of activity largely based on their own terms, where practices are largely framed by an internally defined logic or law. In contrast, fields with low degrees of relative autonomy, or "heteronomous" fields (Bourdieu, 1996), find that their *nomos* is significantly shaped by the logic and values that derive from interconnected fields. The variable of field autonomy is scalar and temporal: fields have greater or lesser degrees of relative autonomy and these can vary over time.

Bourdieu suggests that by charting the "genesis" and the "indices of the field's autonomy" we can explore the structural forces that have historically shaped the autonomy of the field and its *nomos*. Each field owes its existence to a gradual historical process of emergence or "genesis" (Bourdieu, 1996) whereby the coming together of its constituent structural components eventually leads to a point of distinction. Beyond the institutionalisation of a specific *nomos*, other notable "indices of the field's autonomy" (Bourdieu, 1996: 292) are field-specific institutions and the appearance of specialised agents (a new elite) that dominate the network of actors in the field. Institutions ensure that the field's specific *nomos* is recognised, consecrated, upheld and infused within the disposition of actors that engage in the field. They help ensure the field's "capacity to control the recruitment, socialisation, and careers of actors, and to impose its own specific ideology" (Swartz, 1996: 81). The process of autonomisation also entails the emergence of a new elite; a specialised group of field-specific professionals or experts (for example, priests in the Christian religious field; or, intellectuals in the academic field, etc.) correlatively imbued with new forms of field-specific knowledge and the mastery of new forms of practice (techniques, concepts, discourses, rituals, etc.) that are recognised as representative of the *nomos* of the field (Bourdieu, 1996: 291–293). As the autonomy of their respective field increases, this network of experts increasingly reject all external valuations of worth and constraints apart from the field's internally rationalised "technical imperatives and credentials" (Bourdieu, 1993: 112).

While relative autonomy is a key analytical criterion for field emergence, it is important to stress that it is not always achieved to a high degree. Some fields, as this thesis argues is true for the case of the Islamic finance field, lack relative autonomy. As such, it is important to appreciate their characteristics. Fields may lack relative autonomy as a result of being dominated by external forces that undermine efforts to develop a *nomos* grounded in its own set of values or ideological principles. Indeed, some fields are not simply victims of the powerful influence of external fields, but rather instead they emerge as "subfields" encapsulated within the structure of a broader encompassing field. The emergence of subfields is characterised by "an internal differentiation of an already existing field, not the breaking off into a new field" (Go & Krause, 2016: 22). Subfields often find that their *nomos* is determined by the logic and values that are imposed by the broader overarching field, but in addition they also have their own specific values and stakes that constitute their logic of competition (Steinmetz, 2016). Many of the institutional forces present in the encompassing field bring to bear the same constraints, sanctions and hierarchies of legitimacy on actors. In addition, subfields usually do not have their own network of subfield-specific actors, but rather this group of actors are interconnected with the overarching field. As such, field actors usually pass through the same gatekeeping mechanisms, obtain the same qualifications (e.g. degrees) from the same institutions (e.g. universities) responsible for consecrating the field-specific *nomos*, and compete for the same positions and prizes as those found in the overarching field (Steinmetz, 2016: 109). For some actors in a subfield, the subsequent lack of autonomy can be a source of overt tension with its environing field. Despite largely having to adhere to the logic of competition that is imposed on them, actors tend to define themselves against these values and cognitive frames.

Utilising the concept of the field, the economic sociologist Jens Beckert (2010) provides a useful conceptual elaboration for the way in which Bourdieu's indices of autonomy, or what he refers to as the three "socio-structural" forces ("institutions," "social networks" and "cognitive frames"), interrelate and help us to understand processes of change in "market fields"—economic fields involving a host of market actors, including producers (firms), lobbying groups, consumers and regulatory actors such as the state. Beckert argues that social networks and institutions can either stabilise or change the *nomos*—what he refers to as the dominant "cognitive frame"—that structures economic activity in market fields. He argues that networks can either contribute to the hegemony of the dominant "cognitive frame" (or *nomos*) in a particular market field by ensuring that it is well understood, authorised, advocated and legitimised (Beckert, 2010: 619). Or, an influx of a powerful network of market actors from an external field can utilise their influence and capital to alter the *nomos* of a field to fit with their interests and presuppositions of acceptable economic practice. Similarly, Beckert (2010: 610) argues that institutions are a vital social structural force that have the ability to shape the *nomos* of a market field and shared understandings of economic practice that not only provide "scripts" for how market actors should, in part, act but also contribute to the creation of a market culture (see also Fligstein, 1996: 657). Institutions exercise their force both overtly and coercively. For example, through the legal apparatus financial regulators can directly punish market actors that engage in non-conformist economic practices with penalties and sanctions. Institutions responsible for socialisation and professionalisation (e.g. universities and trade associations) shape the market *nomos* by consecrating acceptable forms of knowledge through the filtering role they play as gatekeepers to market entry. But also, at a deeper subjective level institutional forces can coercively reward or punish economic practices that respectively adhere to or deviate from the *nomos* via the influence they have over the stakes of the field. Market actors that adhere to the institutionalised market logic can accumulate greater levels of symbolic and economic capital than those who do not. In the quest to compete for the stakes of the field it is in the interest of market actors, and of fundamental importance to their survival, to play by the rules of game inscribed in the *nomos*. As Biggart and Beamish argue, "Actors who ignore established arrangements and conventions risk being unintelligible to others or judged immoral or irrational" (Biggart & Beamish, 2003: 448). Market actors are thus compelled to adhere to the *nomos* of the market field in the interest of being seen to be legitimate by state authorities, consumers and investors.

It is because the Islamic finance project declares itself to be an alternative form of financial mediation, to be based on a unique set of religiously-inspired economic values, and seeks to institutionalise these as the dominant market logic of the field that the utility of the concepts of autonomy and *nomos* are particularly salient. Taken together, I suggest that Bourdieu's theory of autonomy and Beckert's theory of market fields provide a framework with which to assess the degree to which the Islamic finance field has been successful in institutionalising an autonomous *nomos* based on the principles of Islamic economics; or, to the contrary, whether as a result of the lack of autonomy of the field the *nomos* of the field has been shaped by external forces. More specifically, we are provided with a language to think about the historical role of institutions and social networks in the (trans)formation of the dominant market logic that governs the practice of actors in the Islamic finance field.

Drawing from these theoretical insights, Part 1 of this thesis will place an analytical emphasis on the concept of field autonomy and the market logic framing the practice of market actors, the *nomos*, in order to explore the factors that have resulted in the disjuncture between the theory and practice of Islamic finance. In Chapter Three, I embark on this analysis by conceptualising the South African Islamic finance market as a field. Focussing on its historical genesis and the variable of autonomy, I document how the Islamisation of the financial market has not taken place in, nor did it emerge from, a void. I explore how institutional forces orchestrated by the state and a powerful network of conventional financial actors have played a decisive role in shaping efforts to Islamise the financial market. More specifically, building on Bourdieu's reading of the genesis of market fields in the neoliberal context (described in Chapter Three), I explore the instrumental role of the South African state in supporting the emergence of the Islamic finance field. In Chapter Four, I the show how the ideals of establishing an autonomous market logic based on the theory of Islamic finance failed. Utilising Bourdieu's conceptualisation of field autonomy, I demonstrate how during its genesis a combination of institutional and network forces imposed by the South African state and the influx of a dominant network of conventional market actors have had the effect of positioning the Islamic finance field as a subfield of the conventional finance field. Focussing on the aspect of *nomos* I describe how as a result of this process Islamic finance actors have been unable to institutionalise modes of market rationality grounded in the Islamic economic ideals, but rather instead they have been drawn into a game where the ultimate objective of economic practice is framed by the universalising force of neoliberalism in general, and in particular by the priority to maximise shareholder value that has accompanied the ascendency of financialisation. And finally, in Chapter Five I document how the neoliberal market logic that has been inscribed as part of the *nomos* of the field has shaped dominant modes of market practice resulting in a disjuncture between the theory and practice of Islamic finance.

2.2 Disjuncture and Crisis

What are the repercussions for a field and its actors if they fail to institutionalise modes of practice structured around an autonomous logic and set of idealised values? Bourdieu's field theory also provides us with resources for thinking about such a scenario, and correspondingly the consequences of the disjuncture of Islamic finance. Bourdieu's framework gives us a sense of the destabilising impact the dominance of capitalist normativity can have for fields that seek to pursue an autonomous market logic. He suggests that not only can it result in the subordination of core interests and values to the dominant paradigms imposed by neoliberalism, but that the resultant dissonance of market practice can be a catalyst for social contention and a crisis of belief in the legitimacy of a market field, its actors and their products.

Bourdieu argues that the matter of maintaining belief is particularly crucial for the functioning and sustainability of "fields of cultural production" (art, literature, religion, etc., and, I argue, Islamic finance). Fields of cultural production are markets for symbolic goods where the assessment of the value of products are largely determined based on their *symbolic value*. Symbolic goods, Bourdieu explains, "are a two-faced reality, a commodity and a symbolic object. Their specifically cultural [or symbolic] value and their commercial value remain relatively independent" (Bourdieu, 1993: 113). In contrast to functional, or commercial value, symbolic value "refers to the meaning a good has for its owner and in the owner's social environment that extends beyond the good's physical effects" (Aspers & Beckert, 2011: 13). The attribution of symbolic value can be related to aesthetic, religious, ethical or some other kind of intangible valuation of worth. For Bourdieu, symbolic value is not objective, but rather is based on intersubjectively shared meanings that are socially constructed, or produced, by actors in a field. In Bourdieu's reading, the ascription of symbolic value is reliant on the "production of belief" (Bourdieu, 1980); a belief that products, their producers, and modes of production are an authentic, or "pure," representation of symbolic value based on a taxonomy framed by a particular cultural, aesthetic, or religious tradition. "Any act of cultural production," Bourdieu argues, "implies an affirmation of its claim to cultural legitimacy: … claims to orthodoxy" (Bourdieu, 1993: 116). It follows that the legitimacy of fields of cultural production, and correspondingly the symbolic value of their products, are contingent on upholding a perception of belief; that is, a belief that products are culturally legitimate and have more value than that which relates to their economic equivalence.

Fields of cultural production are dependent on a belief that is founded on the repression, or denial, of economic interest. These are fields where, in order to be seen as legitimate, the logic that drives the production of goods and the objectives of market activity must not be seen to be determined by economic interest. While Bourdieu suggests economic interest inescapably underlies the logic of the market to some extent, producers of symbolic goods must always maintain an air of what he refers to as “disinterestedness” (Bourdieu, 1993: 79). Disinterestedness can be said to refer to a concern with the ethical or the sacred; the subordination of self-interest to a general interest in the pursuit of a more noble cause than the vulgarities often attributed by cultural and religious traditions to the dominion of the economic. Normative adherence to the ultimate principle of disinterestedness is fundamental for the functioning of the field and the production of symbolic value. As Bourdieu (1980: 268) furthers:

> Because the fields of cultural goods production are universes of belief which can only function insofar as they succeed in simultaneously producing products and the need for those products through practices which are the denial of the ordinary practices of the ‘economy’, the struggles which take place within them are ultimate conflicts involving the whole relation to the ‘economy.’

Bourdieu's (1991a, 1993) numerous studies of the cultural and religious spheres of modern life frequently mention the taboo of bringing the symbolic into too close a contact with economic and commercial interests. A contamination which “objectifies” the symbolic, it poses a threat by exposing what Bourdieu posits to be the arbitrariness and contingency of all that is held to be “sacred.” Indeed, Bourdieu suggests that crises of belief in markets for symbolic goods often occur when actors’ practices are objectively demystified, when a form of calculated behaviour is brought “brutally back to its ‘economic’ truth” (Bourdieu, 1998b: 113). In Bourdieu’s reading then, market practices that are seen to closely resemble a logic of calculated economism and products created for their commodity value will be symbolically devalued, if not render the whole enterprise of cultural production in the field illegitimate.

Bourdieu suggests that the matter of disinterestedness is not only of fundamental importance for public perceptions of the legitimacy of fields of cultural production and the accumulation of capital therein, but it also has personal significance for market practitioners. For market practitioners, their decision to enter and remain in fields of cultural production is contingent on their "interest in disinterestedness" and their belief in the unique value of working in the field (Bourdieu, 1993). Fields of cultural production often involve actors who are, more often than not, not only interested in accumulating economic capital, but also, and importantly, the pursuit of a disinterested objective. For example, academics can be said to be interested in the disinterested pursuit of truth and knowledge for its own sake, and religious adepts can be said to have an interest in the disinterested pursuit of the cultivation of piety. Actors often remain committed to the field because of their belief that it offers them the opportunity to receive rewards for their disinterestedness. The reward for disinterestedness in fields of cultural production often relates to symbolic capital, the accumulation of which Bourdieu suggests drives the involvement of market stakeholders. For Bourdieu (1991b: 237), every practice functions as a "*distinctive sign*" and when an actor performs a practice that is recognised as culturally legitimate or virtuous it thereby confers on them symbolic capital. Bourdieu defines symbolic capital as "all the forms of perceived being which make up a social being that is known, 'visible', famous, admired, invited, loved, etc." (Bourdieu, 2000a: 241). Symbolic capital can be a sign of ethical virtue, honour, prestige or other socially recognised quality worthy of esteem as defined within a particular sphere of social life. In the field of art, for instance, symbolic capital is associated with the charisma or "genius" of the artist, whereas in the field of religion the symbolic capital of a religious leader is associated with piety.

Bourdieu's earlier works tended to treat the pursuit of symbolic capital, and thus by extension ethical practice, as ultimately, and even though disguised, power driven. He suggested that each field has a mechanism whereby symbolic capital could be converted into power (e.g. economic or political capital) and that this latter ultimate stake was the driving force for the competition between actors in the field. In Bourdieu's earlier works, his treatment of the relationship between symbolic capital, ethics, and his assessment that ethical practice is always a covert strategy related to the pursuit of power has come under scholarly criticism for its reductive reading of ethical life (see Laidlaw, 2014). However, as Pellandini-Simányi's (2014) careful reading of Bourdieu's corpus has illuminated, he later revised his understanding of the relationship between symbolic capital and ethical practice. As a case in point, in *Pascalian Meditations* Bourdieu (2000a: 240) describes the social pursuit of symbolic capital as not only tied to a pursuit of social recognition, but also related to an ontological human quest to lead a meaningful life. His revised reading of the importance of symbolic capital not only refers to the ubiquitous quest for social recognition, but also the pursuit of leading a life with purpose and having a sense of self-worth. From this reading then, Bourdieu's suggestion was that actors participating in fields of cultural production can be said to be driven by the quest for social recognition and leading a meaningful life based on a belief that the field offers them the opportunity to perform a form of ethical practice.

With that said, it should become apparent that Bourdieu's framework is able to help us appreciate that the significance of the threat posed by a crisis of belief in a field of cultural production is far more significant than just the symbolic devaluation of goods. The objectified encroachment of commercial practices and interests into the sphere of the "sacred" creates uncertainty and doubt for practitioners with an interest in symbolic capital and ethical practice. Practitioners invested in the field of cultural production are faced with a dilemma: wondering if, on the one hand, the field affords them the opportunity to achieve social recognition and a sense of ethical virtue; or, on the other hand, whether their work in the field is devoid of any additional significance than what one would find in the profane conventional commercial sector. In his studies of the field of literature, Bourdieu (1993: 130) describes how "commercial" writers, well aware that they were primarily producing works in the interest of maximising economic profits and not for the idealised aesthetics of their craft, were resigned to a "disenchanted" image of their own function. Bourdieu's (1993: 130) disenchanted "commercial writers" treated their work as merely "a job like any other," forced to experience the contradictions between the noble aspirations of their chosen craft and the profane function of their works. Worse still, not only can this crisis of belief effect practitioners' personal sense of self-worth, but Bourdieu argues that it can also lead to public critique and the loss of social standing. Within the field of art, Bourdieu describes how the "zealots," puritanical artists who "preach a return to the sources," condemn the "merchants in the temple," artists who "bring 'commercial' practices and interests into the area of the sacred" (Bourdieu, 1980: 268). Similarly, Bourdieu (1991a) observed how in the religious field the priestly establishment condemn the heretical "sorcerers" who produce sacrilegious "goods of salvation" in order to cater for the worldly needs of the religious laity in exchange for material reward.

Bourdieu helps us to see that the imposition of economism throws the symbolic ordering of fields of cultural production into disarray. Bourdieu suggests that the ensuing crisis may not only threaten public perceptions of the symbolic value of goods and the legitimacy of the market, but it may also place practitioners in a precarious dilemma. Coupled with the concept of field autonomy, then, I propose that the advantage of Bourdieu's framework is that it not only helps us to understand some of the key contributing factors that led to the disjuncture of Islamic finance, but also how disjuncture is experienced in the field. Applying Bourdieu's conceptualisation of fields of cultural production to Islamic finance moves our gaze to the import of symbolic value for the stakeholders in the field. We are able to appreciate how disjuncture and the onset of crisis not only threatens the legitimacy of the field and the accumulation of capital, but also practitioners' belief in the virtue of their everyday market activity. Furthermore, Bourdieu helps us understand how the objectification of the economism of dominant modes of practice, shaped by neoliberal norms and values, is likely to result in public contention, critique and a high level of reflexivity among practitioners. It is not my intention to naively claim that the Islamic finance project seeks to be wholly "disinterested." There is no question that Islamic finance is about business and making money. Indeed, as I have described in the introduction to this thesis, the pursuit of profit does not contradict the Islamic legitimacy of market practice. However, it is important to note that the legitimacy of Islamic finance *is* definitively staked on its claims to follow a market logic and objectives based on more than just profit maximisation. The idealised objectives and interests of market practice are framed by the disinterested pursuit of a higher moral and religious ideal. And fundamentally, the *raison d'être* of Islamic finance is based on the belief that products and market activity have an element of value beyond their economic functionality; that they have symbolic value as authentic representations of Islam.

In Chapter Five, I read the contestations that I observed over the legitimacy of Islamic finance as symptomatic of what Bourdieu refers to as "crisis of belief." Within the field this crisis has exposed the disjuncture between the ethical and normative ideals proposed in the theory of Islamic finance and the observed capitalist economism that drives market practice. Correspondingly, I explore how dominant modes of market practice that appear to mimic conventional modes of finance have compromised the belief in the symbolic value of Islamic finance. I describe how the field has been exposed to a sustained critique by some vocal Muslim scholars (*ʿulamāʾ*) in the broader South African religious sphere as they have put into question not only the legitimacy of Islamic finance products, but also the integrity of Muslim practitioners who work in the field. Moreover, by focussing on the highly reflexive discourses of practitioners themselves, in Chapter Seven I document how some grapple with the contradictions of idealised Islamic economic ethics and the values and logic underlying the everyday reality of the market. I document how practitioners are cognisant of the fact that the necessities and constraints of the market do not allow much space for them to exercise a “disinterested” market rationality. Consequently, their “interest in disinterestedness” is put in a precarious position.

2.3 Adequation and the Production of Symbolic Value

We are now in a position to ask: How do Muslim practitioners who are dependent on upholding a belief in the symbolic value of Islamic finance respond to disjuncture and the dominant influence of neoliberal norms and interests? How do they make this everyday market reality adequate with Islamic norms and values? Or in Bourdieusian terminology, in a field of cultural production facing a crisis of belief—where the disjuncture of idealised religious values and the dominion of economic interests are both objectified—how is symbolic value produced and/or maintained? Bourdieu suggests that we can expect the disjuncture of Islamic finance to be intimately felt by Muslim practitioners in the field and, as such, to be a catalyst for subjective reflexivity and symbolic action. For Bourdieu, moments of disjuncture and symbolic crisis are key moments in which to analyse the beliefs and behavioural choices of actors as they respond to and enact change in normative and symbolic frameworks. He suggests that actors either exit the field—voluntarily or coercively—or strategically respond to the crisis by means of adaptation and innovation. The latter strategic response provides an opportunity to observe processes of semiotic meaning making as actors attempt to build on discursive and ethical traditions in order to reframe appreciations of material practices within an objective reality. These are decisive moments in which to observe actors’ efforts to construct new discourses capable of resolving the crisis of belief by infusing new meaning and symbolic value to economic practices. As such, by virtue of the symbolic crisis in the Islamic finance field we are provided with an invaluable window in which to observe the construction of new conceptions of ethical market practice formulated in order to navigate the neoliberal context.

In order to explore the construction of these new Islamic frames I turn to the analysis of “adequation.” In its simplest terms, the concept of adequation refers to actions that seek to make ideas, or language, commensurate with reality. Adequation is defined as “the action of bringing one’s concepts in accord with reality, words with things, mind with matter” (Maurer, 2005a: xiii). In linguistics, adequation can be seen to be a form of semiotic action, or strategy, which seeks to establish a socially recognised appreciation of sameness. As Bucholtz and Hall explain, adequation is a relation in which “potentially salient differences are set aside in favour of perceived or asserted similarities that are taken to be more situationally relevant" (Bucholtz & Hall, 2004: 383). Unlike reconciliation, a restoration which seeks to bring things back together, adequation is an innovative and productive process that seeks to make ideas or language commensurate with a new material reality. Processes of adequation bring together an idea and a material form in order to define or categorise something, to give it meaning. For example, when an idea of essence is made adequate with a material object we arrive at the assertion of the truth of the object. Or, more precisely for our purpose, when a notion of the ethical is made equivalent with an economic act we arrive at an assertion of the objective meaning of moral, or virtuous, market practice. When a thing or reality is made adequate with a framework of ethics, we can observe the role of processes of adequation as part of classificatory systems that ascribe that thing, or reality, with symbolic value. Indeed, adequation can be viewed as a semiotic resource that is employed to construct and assert a vision of the world as a valid truth claim (Hodges, 2007). Debates about adequation are often found in contestations over referentiality, truth, authenticity, and representations of the "real."

Recently the concept of adequation has been deployed in anthropological studies of Islamic finance. Bill Maurer (2005a) and Sarah Tobin (2016) have used the concept of adequation to analyse practitioners' attempts to make market practices and products commensurate with understandings of Islamic norms and values; or, as Tobin (2016: 107) puts it, notions of "the real Islam." In the context of the Islamic finance field, analysing processes of adequation "reveals the Islamizing processes at play in banking and finance efforts" (Tobin, 2016: 109). Tobin's ethnographic study of Muslim professionals at a Jordanian Islamic bank has helpfully identified processes of adequation taking place at two levels. Firstly, at a public level, Islamic finance institutions and their Sharīʿa Supervisory Boards were engaged in a concerted effort to adequate the praxis of Islamic finance with representations of the "real" Islam. These "producers," Tobin says, aim to "make adequate" their vision for Islamic realities by injecting Islamic references, values, or ideas into these economic processes and their associated institutions, marking them somehow distinctly and singularly "Islamic" (Tobin, 2016: 107–108). At a public level producers were engaged in "an overt and obvious alteration" of symbols, meanings, and knowledge in the hope that adequation would lead to public appreciation of the legitimacy of Islamic finance (Tobin, 2016: 129). Secondly, within the financial institutions themselves, Tobin suggests that Muslim professionals were engaged in modes of adequation at a subjective level. Tobin describes how practitioners engaged in reflexive semiotic processes, whereby they attempted to adequate the everyday practice of working for an Islamic finance institution with subjective understandings of Islamic normativity and ethics.

In this study I would like to spend some time in the space opened up by these studies, but would like to chart a different course for exploring processes of adequation taking place in the Islamic finance field. The concept of adequation follows a long and illustrious intellectual history from Aquinas to Kant, from Kant to linguistic theorists such as Gustav Stern (1931, cited in Maurer, 2005a: xiv), and then from linguistic theory to its deployment in studies of Islamic finance (Tobin, 2016: 108). In this genealogical trajectory of the concept, I would like to make a detour from linguistic theory to Bourdieu's conceptual framework. This choice may seem surprising at first glance. For, at least in Bourdieu's translated works in English, one is hard pressed to find explicit reference to the term adequation in his conceptual terminology. However, processes of adequation can be seen to be part and parcel of his framework for understanding the functioning of symbolic power. Bourdieu's analysis of processes of adequation can be seen to focus on the objective interests of dominant social groups that shape the practices and values within a given social reality (the "field"), and the adequation of authoritative discourses and dispositions to those interests. Moreover, the semiotic processes and actions that lead to the social construction of notions of truth, symbolic value and legitimacy are a central feature of his theoretical model, particularly in his studies of the symbolic realms of social life (art, religion, literature, etc.) (see Bourdieu, 1984). In this section I describe how Bourdieu's conceptual framework provides a language with which to explore and reflect on the ways actors respond to the disjuncture of Islamic finance and their complex attempts to make market objectives, practices and products adequate with Islamic conceptions of virtue. In so doing, I suggest that Bourdieu's framework provides us with the resources to explore processes of adequation that have resulted in the Islamic consecration of neoliberalism and the production of symbolic value.

Exploring modes of adequation utilising a Bourdieusian schema points to the interrelation between the market, Islamic discourse, figures of Islamic authority, and Muslim dispositions; or respectively in Bourdieusian terminology, the field, "official discourse," "religious capital" and the "religious habitus." I suggest that viewing adequation in the Islamic finance field through a Bourdieusian lens allows us to observe two interrelated processes, taking place at two different levels, and involving two different types of Islamic finance professionals. First, Bourdieu's concepts of official discourse and religious capital bring our attention to the role of

Sharīʿa scholars, *ʿulamāʾ* who play an influential role in legitimising, or consecrating, Islamic finance at a public level through a process I refer to as “official adequation.” Second, I argue that combined with the concept of religious habitus, Bourdieu’s schema helps us to understand how Muslim practitioners adapt to the field and, in so doing, make notions of Islamic virtue equivalent with everyday market activity as part of a process I refer to as “subjective adequation.”

2.3.1 Official Adequation: Consecration, Religious Capital and Official Discourse

Bourdieu argues that in moments of crisis, where the symbolic ordering of a field is compromised because of the failure of an authoritative discourse to be adequate with objective appreciations of reality—as is the case in the Islamic finance field where social actors have objectified the disjuncture of market practice with the idealised principles of Islamic finance—one often finds attempts to construct a new discourse that can resolve this crisis of belief:

> The relationship between language and experience never appears more clearly than in crisis situations in which the everyday order *(Alltaglichkeit)* is challenged, and with it the language of order, situations which call for an extraordinary discourse (the *Ausseralltaglichkeit* which Weber presents as the decisive characteristic of charisma) capable of giving systematic expression to the gamut of extra-ordinary experiences that this, so to speak, objective *epoche* has provoked or made possible (Bourdieu, 1977: 170).

Field theory posits that in order to resolve a crisis, actors must propose and establish a new framework of understanding that is collectively recognised or else it can lead to the eventual collapse of the field (Fligstein & McAdam, 2011: 18). This response opens up the possibility to observe discursive processes of semiotic meaning making as actors invested in the field seek to re-establish an order framed around a new set of interests and values.

In an article published in 1991 entitled “Genesis and Structure of the Religious Field,” Bourdieu examined the role of religion in the production of cognition and perceptions of truth. Bourdieu argues that one of the principal social functions of religion is the construction of notions of official legitimacy and objectivity, to create a consensus as to appreciations of symbolic meaning and value. This function, Bourdieu says, relates to the historical role of religion as a chief agent in a process Bourdieu refers to as “consecration.” At one level, consecration is defined as “a power to consecrate objects … and therefore to give value” (Bourdieu, 1980: 262). Within fields of cultural production, consecration can be seen to entail an act of adequation whereby symbolic goods, their producers, and modes of production are made equivalent with valued aspects of a cultural or religious tradition; that is, they are legitimised and infused with symbolic value. However, at a broader level, acts of consecration are also acts that "sanction and sanctify a particular state of things, an established order," by transmuting an ethos (relative and arbitrary) into ethics, "a systematized and rationalized ensemble of explicit norms" (Bourdieu, 1991a: 14, 1991b: 119). Consecration, Bourdieu furthers, "confers upon a perspective an absolute, universal value," distinguishing it from relativity and simply a particular "point of view" of things (Bourdieu, 1989: 22).

Bourdieu's analysis focussed on the historical role played by the Catholic Church in consecrating the dominant political order found in France. However, in his later career and with his growing awareness of the rise of neoliberalism he also indicated that religion (again, the Catholic Church) was also showing signs of consecrating the dominant contemporary economic order. As Bourdieu stated in an interview with a journalist in 2001, "The Catholic church is not anti-capitalist. It would really only like to pour some communion wine into the water of neoliberalism" (Bourdieu & Leick, 2001; Rey, 2007: 9). Taking the liberty of inserting the "economic" for the "political," I suggest we can revise Bourdieu's reading of the consecrating role of religion in the neoliberal period as follows:

> [Religion] contributes to the maintenance of [economic] order, that is, to the symbolic reinforcement of the divisions of this order, in and by fulfilling its proper function, which is to contribute to the maintenance of the symbolic order. It does this by imposing and inculcating schemes of perception, thought, and action objectively agreeing with [economic] structures and grants these structures the supreme legitimation of "naturalization" (Bourdieu, 1991a: 31–32).

Religion, for Bourdieu then, sanctifies the interests of dominant economic and political elite by consecrating their values and practices, making them adequate with conceptions of religious virtue. We can suggest that acts of religious consecration not only have the power to produce symbolic value within markets for symbolic goods, but they can also legitimate and naturalise the interests and values of the dominant neoliberal order.

Bourdieu suggests that "religious specialists" (Bourdieu, 1991a) play a key function as consecrating agents. While Bourdieu's limited forays into the religious field reduce his description of religious specialists to Catholic priests, this function is equivalent to the authoritative role of the *ʿulamāʾ* and similar religious adepts found in other religious traditions

(Buddhist priests, Hindu Brahmins, and the like). In Bourdieu's schema religious specialists have the unique sanctioning authority to modify religious representations and practices, thereby altering religious norms and appreciations of the ethical (Bourdieu, 1991a). Bourdieu suggests that the efficacy of religious specialists' consecrating function is contingent on two factors. First, in order to have the ability to consecrate, religious specialists must be collectively viewed by the laity and their fellow peers as being in possession of "religious capital." Religious capital is the product of accumulated religious labour, often associated with institutional training in the mastery of bodies of knowledge (law, concepts, sacred discourse, etc.) and practices (rituals, techniques, bodily comportment, etc.) specific to the religious field. Within a given religious field, receiving training at a particular religious institution or under the apprenticeship of a certain authoritative religious figure can imbue a religious specialist with a greater amount of religious capital. Religious capital endows its possessor with the invested authority of the religious community and has the power to institute a definition of who and what is, or is not, a legitimate part of a religious tradition. Like symbolic capital, religious capital endows its possessor with "symbolic power," a power to preserve or transform principles, classifications and to "make things with words" (Bourdieu, 1989: 23). Moreover, like symbolic capital, religious capital confers authority and recognition. Symbolic power and recognition empower religious specialists with the ability to consecrate, and in so doing, the capacity to carry out an act of adequation; that is, to carry out a "decomposition, an analysis, and a composition, a synthesis, often by use of labels," and in so doing to "organize the perception of the social world" (Bourdieu, 1989: 22). For, as Bourdieu (2000a: 242) posits:

> To be known and recognized also means possessing the power to recognize, to consecrate, to state, with success, what merits being known and recognized, and, more generally to say what is, or rather what is to be thought about what is, through a performative act of speech (or prediction) capable of making what is spoken of conform to what is spoken of it (a power of which the bureaucratic variant is the legal act and the charismatic variant is the prophetic pronouncement).

With this vignette, Bourdieu moves us nicely to a second contingent factor in acts of religious consecration: "official discourse." Bourdieu argues that not only are religious acts of consecration reliant on the authority of religious specialists, but that the religious discourse these actors mobilise must itself be *recognised* as legitimate (Bourdieu, 1991b: 170). In other words, not only do religious specialists have religious capital, but so do certain authoritative discursive forms and traditions (Verter, 2003: 157). The laity, or the group who are to be convinced of the consecrated nature of an objective reality (whether that be a field itself, or the interests that drive practices therein) must also believe in the sanctity, or orthodoxy, of the discourse used to explain and justify that reality. One of the "symbolic strategies" religious specialists use to impose their vision of reality is to mobilise the symbolic power of a euphemised discourse collectively recognised by the group—i.e. authorised Islamic discourse—to make subjective ideas commensurate with objective perceptions of reality in a field. Bourdieu refers to this discourse as "official discourse" or "official language," a language that is objectively recognised by members of a community as synonymous with their religious identity, or disposition (Bourdieu, 1991b: 223). As a special type of discourse with both legal and quasi-divine characteristics, this discourse consecrates and adequates. It performs "an act of knowledge or cognition," Bourdieu says, "which begets recognition and which quite often, tends to assert what a person or a thing is and what it is universally, for every possible person, thus objectively" (Bourdieu, 1989: 22). Moreover, official discourse establishes the normative and cements a certain point of view as the "official" point of view, to be recognised universally by all as "transcendent over particular points of view" (Bourdieu, 1989: 22). Official adequation in the Bourdieusian schema, then, is contingent upon the mobilisation of the symbolic power of an authorised discourse to make ideas—often subjective and arbitrary—commensurate with the reality of the interests and practices objectively perceived within a field.

A Bourdieusian lens suggests that we view religious specialists' discursive acts of consecration as *performative* acts. The adequation of a reality (of practices, products, ethics, logic, etc.) and religious orthodoxy should not be seen as an objective fact, but rather as a *representation*. Bourdieu reminds us that "*representations*" are "performative statements which seek to bring about what they state, to restore at one and the same time the objective structures and the subjective relation to those structures" (Bourdieu, 1991b: 225). Discursive acts, in this schema are to be seen as instruments that are utilised in the "permanent struggle to *define* 'reality'" (Bourdieu, 1991b: 224). As such, we should treat forms of official adequation as representations, discursive acts that have the performative intention to make people see and believe that market practices, products and values are legitimate *vis-à-vis* authoritative religious discourses. This procedure is tied to the production of symbolic value in fields of cultural production, a value without which the field would collapse. Discourse plays a fundamental role in transforming an ordinary product into a cultural one, constructing both a belief and a framework of terms of reference for appreciating their symbolic value (Parkhurst Ferguson, 1998). Forms of official adequation carried out by religious specialists are fundamental to the construction and maintenance of consumer belief in the religious authenticity and sanctity of the goods produced.

Bourdieu's concepts of consecration, religious capital and official discourse provide a way of thinking about the role of Sharīʿa scholars in making the neoliberal interests and corresponding practices of the Islamic finance field adequate with performances of Islamic normativity and legality. Hired by financial institutions as Sharīʿa Supervisory Board consultants, and increasingly in positions as fully-established banking executives and financial analysts, *ʿulamāʿ* play an influential symbolic role within the field. In this thesis I treat the *ʿulamāʿ* involved in Islamic finance as "religious specialists" and the discourse they mobilise, often heavily inflected with Islamic jurisprudence (*fiqh*), as a form of "official discourse." In Chapter Six, I describe how, in many respects, the *ʿulamāʿ* are the "producers" of symbolic goods (Sharīʿa compliant financial instruments and products) that are the primary commodity in the Islamic finance field. I document how the discourse, legal techniques and financial arrangements they are responsible for orchestrating can be seen to symbolically produce and consecrate forms of market practice ostensibly shaped by neoliberal norms and values as Islamic.

2.3.2 Subjective Adequation: The Field and the Religious Habitus

The consecrating strategies of the *ʿulamāʿ* can be seen to be one type of adequation that works to legitimise the market and its products as authentically Islamic at a public level. However, as I was to discover in my encounters with practitioners there were also more subtle, subjective forms of adequation afoot. Revolving around individualised conceptions of Islamic piety, ethics and virtue, I refer to these processes as forms of "subjective adequation." I suggest that we can make sense of modes of subjective adequation using Bourdieu's conceptualisation of the interrelation between the field and the habitus.

Bourdieu describes the habitus as a set of embodied dispositions, the complex socialised subjective core of an individual. It is "at once a system of models for the production of practices and a system of models for the perception and appreciation of practices" (Bourdieu, 1990a: 131). The habitus is both structured and structuring; meaning that our habitus is structured by the conditioning of the field, but it also shapes our thoughts and behaviour, thus making us agents in the very structuring of the field itself. Bourdieu suggests that our conception of ethics, norms and notions of virtue are socialised as part of our habitus, shaping our everyday thoughts and actions. The habitus is a pre-reflexive, internalised sense of the social world and existing moral frameworks acquired throughout one's life (Pellandini-Simányi, 2014: 654). Within the habitus, notions of the ethical become embodied and inculcated through practice as we navigate and develop a practical and symbolic sense of the social world during the course of our lives.

The interrelationship between Bourdieu's concepts of the field and habitus allow us to appreciate the set of conditions required for actors to enter into and remain in fields by means of a process of adaptation. Adaptation requires that our habitus is able to adapt to the opportunities and constraints of the field, and generate a belief in the value of the dominant interests that structure the logic of practice therein. Each field has a central set of ethics corresponding with the interests (or objectives) and practical achievements that are most valued in the field (Pellandini-Simányi, 2014: 656). Adaptation is dependent upon our ability to either appreciate, or *shape*, modes of practice and the objectives of the field in order for us to perceive them as being virtuous and therefore of symbolic value in terms of ethical frames socialised within our habitus. We unconsciously bring our ethical frames, socialised throughout our life trajectory, into a dynamic relationship with the ethical frames that have historically evolved within the particular fields in which we are active. Thus, adaptation can be seen to be the successful outcome of the meeting of the field and the habitus, each of which have their own formative ethical histories: on the one hand, the dominant ethical frame structuring the field that has evolved over the course of its history; and, on the other hand, our ethical code located within our individual habitus that has evolved over the course of our life trajectory. As Bourdieu states, "The definition of acceptability is found not in the situation but in the relationship between a [field] and a habitus" (Bourdieu, 1991b: 81). As Pellandini-Simányi has noted, "Bourdieu's analysis of the 'complicity' between the habitus and the fields is invaluable in understanding the ways in which these personal and field-specific ethical commitments meet and transform one another" (Pellandini-Simányi, 2014: 670).

I argue that it is by means of the adaptation between the habitus and the field that actors can be considered to engage in a process of subjective adequation. Although Bourdieu does not refer to subjective adequation specifically, he does refer to its process as part of the dynamics of the relationship between the habitus and the field. For example, Bourdieu defines the relation between the habitus and the field as "a relation of knowledge or *cognitive construction*" (Bourdieu & Wacquant, 1992: 127). "Social reality exists," Bourdieu says, "twice, in things and in minds, in fields and in habitus, outside and inside of agents" (Bourdieu & Wacquant, 1992: 127). And, in conjunctures where the habitus adapts to the logic of the field, "Each agent, wittingly or unwittingly, will nilly, is a *producer* and reproducer *of objective meaning*" (Bourdieu, 1977: 79, emphasis added). Socially constructed itself, the habitus has a capacity to "construct social reality" by investing practices with "socially constructed organizing principles that are acquired in the course of a situated and dated social experience" (Bourdieu, 2000a: 136–137). Our habitus "contributes to constituting the field as a meaningful world, a world endowed with sense and value, in which it is worth investing one's energy" (Bourdieu & Wacquant, 1992: 127). Being at home in a field, the habitus is naturally inclined to infuse the logic and interests that drive practices in the field with symbolic value.

Not only does the process of adaptation produce a sense of objective meaning out of the logic of practice and rules of the field, but it also makes a "virtue of necessity." The structural forces at play within each field create a set of constraints, or conventions, that each actor must abide by depending on their position in the field. Bourdieu posits that our habitus continuously transforms the necessities of the field into a virtue, and the inherent "constraints into preferences" (Bourdieu, 1984: 175). Similar to the notion of "elective affinity" (Weber, 1985 [1905]), Bourdieu says that we organically present our choice for forms of practice that are forced (conforming to the dominant interests and values of the field) as a virtue. When we don't have the power (capital) to change the field to our liking, nor the freedom of opportunity to act as we may desire, we develop a "taste" for what is possible. In the words of Ermakoff, "It is less costly to make virtue out of necessity than to engage in a fruitless denial of reality that would amount to a denial of structures. Better make peace with constraints that appear indomitable than exhaust oneself in vain" (Ermakoff, 2013: 96). The suggestion being, when one finds oneself in a dominated position, unable to institute a set of independent practices and values, for example, it is economically and psychologically better to adjust to the inevitable rather than remain in perpetual dissonance. This is a sort of survival instinct motivating us to adhere to the rules of a field in which we are involved so as to enable us to accumulate or preserve our store of capital; not only with regards to the practicalities of economic capital, but also with regard to social recognition and the sense of self-worth associated with symbolic capital. Actors have to observe the forms and formalities governing the field or otherwise their actions will be rendered irrelevant and illegitimate (Bourdieu, 1991b: 20). As part of our unconscious desire to maintain or accumulate capital we must play by the dominant rules, or at least appear to be doing so.

If we are successful in our adjustment to the field, then, we tend to unconsciously transform the demands of the field into individualised, subjective appreciations of value and virtue. As part of this transmutation we develop an interest in the field, become invested in it—in both an economic (time, money) and psychoanalytical sense—and develop a deep-seated belief in the value of the game and its stakes, without ever questioning them (Lipstadt, 2003: 398–399). Bourdieu refers to actors' investment in the field, their tacit adherence to its *nomos* and deep-seated belief in its stakes as the "*illusio*" (Bourdieu, 2000a: 96–101). The *illusio* varies from one individual to another and is developed in the conjunctural relationship between our habitus and the field (Bourdieu, 1996: 228; Hilgers & Mangez, 2014: 23). As a result of this dynamic process we subjectively infuse our vocation in the field with a mission, and ascribe a quasi-sacred purpose to our practices. Our cognition of the everyday practices, ethical frames and interests that we engage in within the field are subconsciously made adequate with our own desires and repertoire of notions of the ethical socialised within our habitus. As a result of this process, the practices we engage in simultaneously target the achievement of two goals; one dictated by dominant interests that structure the field (i.e. in the case of neoliberalism, the maximisation of profits), and the other based on a belief that we are subjectively pursuing our own interests and conception of virtue. For as Bourdieu argues, it is in conjunction with an adjusted habitus that each field "offers to agents a legitimate form of realizing their desires, based on a particular form of the *illusio*" (Bourdieu, 1996: 228–229). On the one hand, then, "fields use the agents' drives by forcing them to subject or sublimate themselves in order to adapt to their structures and to the ends that are immanent within them"; but at the same time, "agents take advantage of the possibilities offered by a field to express and satisfy their drives and their desires, in some cases their neurosis" (Bourdieu, 2000a: 151). The interests driving practice, and the ethical frames constructed to support them, are mediated in the relationship between our habitus and the opportunities and constraints of a field—the "space of the possibles" (Bourdieu, 1996: 88).

Bourdieu's conceptualisation does not assume a harmonious adaptation between the habitus and the field, however. We are presented with a vision of how forms of subjective adequation work, but also with a theory for how they can fail. Bourdieu's conceptualisation of fields and habitus alerts us to instances where there is an irreconcilable disjuncture between the habitus and normative modes of practice entailed in playing by the rules of the game (Bourdieu, 2000b, 2005b: 86). Bourdieu suggests that we experience lesser or greater levels of "hysteresis" depending on the respective alignment or misalignment of our habitus to the field, and our attempts to adjust to its logic and rules (Hilgers & Mangez, 2014: 17). Some actors are simply unable to adapt to the dominant values and necessities of practice in the field. In failing to adapt to the forms and formalities of the field, they can be coercively forced out of the field because of the authoritative sanctioning power of institutions responsible for policing compliance with the rules of the game. Alternatively, actors can voluntarily choose to leave the field because of their inability to make the values of the field adequate with those located within their habitus; or, because their position in the field does not afford them the power to change the rules of the game as they would find acceptable. The choice to leave the field, indicative of a loss of belief in the value of the field and the stakes it offers, can make strategic sense. In the interest of preserving one's sense of self-worth and social recognition (symbolic capital) in other domains of life (e.g. the religious field) it may make sense to leave a field that is being publicly condemned and that one has personally lost faith in.

In sum, Bourdieu's schema of adaptation between the field and the habitus helps us to understand how the logic and cognitive frames that structure the former are subjectively made adequate with those that structure the latter. Much like forms of official adequation, I argue, the process of adaptation makes the dominant interests and logic of the field adequate with conceptions of virtue in a manner that produces symbolic value. The difference being, these innovative productions of symbolic value take place at a subjective level. Bourdieu's framework illuminates how it is in the interaction between various types of habitus and the field that modes of adequation are subjectively (and largely subconsciously) constructed. By drawing attention to how actors discursively account for and conceive of their economic activities and choices, which express the deep-rooted dispositions of the habitus, the analysis of discourse brings to light the ethical expression of the necessities and interests inscribed in the field (Bourdieu, 1991b: 88–89).

So, how then can we identify and study processes of subjective adequation? In Bourdieu's schema, processes of subjective adequation are implicit in the adaptation of the habitus to the field and largely take place unconsciously. However, much like forms of official adequation, subjective adequation often becomes manifest in the discourse of actors in the field. It is in relation to the structural conditions found in the field that the adjusted habitus produces discourses and practices. Being invested in the field, actors tend to adequate the dominant interests, necessities and values of the field with conceptions of virtue and express these through their discourse (Bourdieu, 1984: 372–396). "[D]iscourse about a work is not a mere accompaniment, intended to assist its perception and appreciations," Bourdieu argues, "but a stage in the production of the work, of its meaning and value" (Bourdieu, 1980: 298). Furthermore, Bourdieu suggests that the discourse actors utilise to accompany their practices are an essential part of maintaining their own sense of belief in the virtue of their practices and the cultural legitimacy of the field. For example, in the religious field "[t]he religious discourse which accompanies practice," Bourdieu argues, "is an integral part of […] an economy of symbolic goods" (Bourdieu, 1998b: 114). "[R]eligious work includes a considerable expenditure of energy aimed at converting activity with an economic dimension into a sacred task; one must accept wasting time, making an effort, even suffering, *in order to believe* (and make others believe)" (Bourdieu, 1998b: 119, emphasis added). Like forms of consecration, actors' representations of adequation should also be seen as *performative* discursive acts with the intention to make others, *and themselves*, see and believe in the symbolic value of their practices and the interests which drive the logic of practice in the field in which they are involved.

How then can we apply this framework of the interrelationship between the field and the habitus to study modes of subjective adequation actors engage in within the Islamic finance field? Bourdieu's schema suggests that faced with market logic shaped by neoliberal interests and values, we can expect Islamic finance practitioners to either leave the field (voluntarily or coercively) or else constructively adapt to the necessities and constraints of the market context they find themselves in through modes of subjective adequation. In order to understand how these subjective modes of adequation are specifically informed by the *religious* dispositions of Muslim practitioners one must turn to Bourdieu's concept of the "religious habitus."

The religious habitus is a constitutive part of the unified habitus of an agent specifically related to the religious dimension. Bourdieu defines the religious habitus as "the generative basis of all thoughts, perceptions, and actions conforming with the norms of a religious representation of the natural and supernatural world" (Bourdieu, 1991a: 22; Rey, 2004: 337). Like other aspects of the habitus, the religious habitus is inculcated through education and practice. The religious habitus is a socialised religious subjectivity with multiple component parts. It is socialised under the influence of religious specialists, institutions, and authoritative discourses imbued with religious capital, all of which combine to instil certain patterns of behaviour, rituals, knowledge, religious identities, religious tastes, and preferences. Also, and most importantly for our purposes, the religious habitus is also where ethical frames associated with the religious traditions are socialised, embodied and inscribed. Within the Islamic tradition, for example, the concept of habitus (*malaka*) has deep roots in Islamic discourses on ethics, being related to the notions of *akhlāq* ("character") and *adab* ("etiquette," "civility" or right conduct), the cultivation of which is considered a virtue (Moosa, 2005: 237–238; see also Cheddadi, 1994). That said, each religious tradition and the sub-set of religious movements found therein can be said to work towards the inculcation of a particular form of religious habitus among its members. In this way, the religious habitus is closely related to the cultivation of a religious identity or lifestyle, and a distinct stylistic affinity. Like other aspects of the habitus it is also "generative" and "transposable" (Thompson, 1991: 13), meaning that it is capable of generating a variety of practices and perceptions that cohere with one's religious disposition in the various fields of social life in which one is active (for example, the economic field, academic field, political field, etc.). As such, we can expect the religious habitus of agents to generate parallel styles of expression and "deeply structured patterns of conduct that appear across a wide variety of domains" (Swartz, 2002: 64).

In the domain of the Islamic finance field individual practitioners bring to bear distinct types of Muslim habitus. We can talk of multiple and varied types of Muslim habitus with different assemblages of dispositions, beliefs, ethical preferences, and inclinations associated with several competing Islamic frameworks (for example Muslim identity groups, movements or schools of law, etc.) and forged over the course of a life trajectory. Each influenced in their own way by the religious field, these socialised dispositions towards matters of Islamic orthodoxy and orthopraxy are also inflected by class, race, nationality, gender and other aspects related to specific cultural and historical contexts. Each of these subjective identities attempts to negotiate its own process of subjective adequation with market practices.

In sum, Bourdieu's schema of the interrelationship between the field and the religious habitus helps us to understand how Muslim practitioners might adapt to the market necessities that structure the Islamic finance field through diverse modes of subjective adequation. The key advantage of Bourdieu's framework for studying modes of subjective adequation is that it allows us to think about how market actors can adapt to the dominance of neoliberal market forces by innovatively constructing new ethical frames to give their market practices symbolic value. Despite the disjuncture of Islamic finance, it allows us to explore how market practitioners may adequate market practice with alternative Islamic frames and notions of the ethical. We can observe how subjective adequation becomes dependent upon the ability of their religious habitus to appreciate, or shape, modes of practice within the field so that they are perceived as being legitimate, virtuous and therefore of symbolic value in terms of ethical frames socialised within their religious habitus. We are given a framework with which to think about how practitioners' habitus may enable them to adjust to the "forms and formalities" imposed on the Islamic finance field by turning neoliberal market necessities into Islamic virtues. That is, how practitioners have subjectively established a new Islamic economic ethos that consecrates the neoliberal interests and values that structure the field. On the other hand, this framework allows us to observe how the ability of practitioners to rewire Islamic ethical frames with economic practice may not always be successful. These fractures provide vital insights into the limitations of subjective attempts to adequate Islam with the neoliberal interests and values that structure market praxis. In Chapter Seven, I explore the religious habitus and discourse of three Islamic finance practitioners that open a window with which to view processes of subjective adequation and the production of symbolic value.

2.4 Conclusion

The dual objectives of this study are to investigate the factors that led to the disjuncture between the theory and practice of Islamic finance in South Africa, and to explore the relationship between ongoing forms of market practice and Islamic conceptions of virtue. In order to pursue this research agenda, I have sought to develop a framework built around Bourdieu's field theory with which to explore a phenomenon I refer to as the Islamic consecration of neoliberalisation. I have argued that Bourdieu's theorisation of field genesis and autonomy allow us to explore the interplay between processes of Islamisation and neoliberalisation that have accompanied the emergence of the Islamic finance field. The concept of *nomos* allows us to see how the field has failed to institutionalise an autonomous market logic structured around the idealised values and interests propounded in the theory of Islamic finance. To the contrary, we can observe how a competitive logic structured by neoliberal norms and interests has taken hold of the field. Bourdieu's conceptualisation of fields experiencing a crisis of belief provide us with a language for thinking about how Muslim practitioners experience and respond to the disjuncture of Islamic finance; that is, how it is a catalyst for critique, reflexivity and symbolic action. And lastly, by means of a Bourdieusian reading of processes of adequation I have argued that we are able to observe practitioners' public and subjective attempts to produce new conceptualisations of the symbolic value of Islamic finance by making forms of market practice—ostensibly shaped by neoliberal interests and values—commensurate with authoritative Islamic discourses and ethical frames. On the one hand, the concepts of religious capital and official discourse allow us to observe the role of religious scholars in processes of public adequation and consecration; while on the other hand, Bourdieu's theorisation of the adaptation between the religious habitus and the field enable us to explore how individual practitioners have the capacity to carve out a space to practice their own religious pieties and praxis in a market shaped by neoliberal forces. In so doing, I suggest Bourdieu's framework allows us to observe the construction of new notions of the ethical in Islamic finance as part of the Islamic consecration of neoliberalism.

In presenting this theoretical approach I have sought to demonstrate how Bourdieu's framework provides a useful set of tools with which to think about the relationship between processes of financial Islamisation and neoliberalisation. Bourdieu provides us with a language to think about how dominant neoliberal values and interests shape the space in which Islamic market values are formed, but also how they are refracted and translated to cohere with authoritative Islamic frames and idioms. As such, we have the resources to understand how religious values are transformed by market forces, but are not lost. Moreover, Bourdieu allows us to take the religious interests and beliefs of market actors seriously by means of a dynamic framework for understanding the symbolic value of market practices, products and objectives. Thus, Bourdieu presents us with a model of entanglement and hybridity with which to explore the complex dialectical relationship between religious and market forces without falling into the trap of deterministic reductionism.

3 Negotiating a Sacred Alliance: Islamic Finance and the South African State

This chapter is the first of two chapters that explores some of the key developments that have accompanied the emergence of the Islamic finance field in South Africa. In keeping with the Bourdieusian methodological imperative to return to history and account for the "genesis" (Bourdieu, 1996) of the field, this chapter will discuss the emergence, transformation and growth of the Islamic finance field, focussing on the key factors that are crucial for understanding the structural forces that lie behind its current dynamics. First, this chapter will begin by providing a brief overview of the historical context out of which the Islamic finance field emerged, situating it within larger histories of Muslim finance and Islamic resurgence in South Africa. In particular, it will focus on the historical origins of the Islamic finance movement in South Africa and the emergence of the first experimental Islamic finance institutions in the late 1970s and 1980s. Second, building on Bourdieu's theory of the construction of market fields, the main body of this chapter will demonstrate how since the mid-2000s onwards the field took shape primarily owing to the agency of the South African state. More specifically, it will show how the growth of the Islamic finance field has been facilitated by the state in an attempt to strategically navigate the opportunities and challenges posed by the rising influence of neoliberalism. This chapter argues that the growth of the field and its recognition as part of the South African economy has been a product of a new understanding of a mutually beneficial relationship between the state and Islamic finance.

3.1 The Construction of Market Fields: State Policy and Social Networks

Bourdieu (1996) argues that it is only by means of charting the genesis of a field, the historical evolution of its distinct structural properties, that one can come to an understanding of a field (or market) and its dynamics. More specifically, and in the words of Marion Fourcade, "As Pierre Bourdieu suggested long ago, any understanding of the form under which a particular field presents itself, of the forces that lie behind its current dynamics, and of the stakes that will shape its future must begin with a return toward history—and more specifically with a study of that field's conditions of emergence (or its genesis)" (Fourcade, 2007: 1015). But, how in particular can we understand how *economic market* fields emerge, the processes that have accompanied their development, and have structured the market environment in which actors now find themselves? In contrast to the neoliberal economic "myth" that markets emerge spontaneously of their own free agency and work in accord with "natural" economic laws independently of governments (see Graeber, 2011), Bourdieu's analysis of economic fields in capitalist societies has pointed to the central role played by the state[10] in constructing markets and shaping their internal dynamics. Bourdieu argues that market fields are a "*political creation*" (Bourdieu, 2005a: 225).

Bourdieu's investigation of the relationship between the state and market fields is best represented in *The Social Structures of the Economy* where he engaged in a case study of the emergence of a new market for single-family housing in France during the latter half of the twentieth century. More specifically, he describes the agency of the state in effectively constructing the housing market field by carving out pro-market legislation and policy, which had the twofold effect of facilitating market supply and demand (Bourdieu, 2005a: 16). Market supply was created by legislative reforms that specifically aimed to reduce the obstacles faced by market actors (construction companies, developers etc.) in entering the market and finding demand for their products. This was achieved through the introduction of policies that cut the costs faced by market actors in the production and sale of products, thereby increasing their window of opportunity for economic profitability. Consumer demand for single-family housing was created by state policy that made this new form of housing desirable and affordable.

Bourdieu not only illustrates how the French state enabled the emergence and growth of this new market field by creating pro-market policy, but also why. Among other factors, Bourdieu highlights two main driving forces that precipitated the intervention of the French state. Firstly, he describes how from the 1960s onwards neoliberal economic policy gained ascendency

[10] It is important to note that Bourdieu conceptualised the state as itself a field made up of "an ensemble of administrative or bureaucratic fields (they often take the empirical form of commissions, bureaus, and boards) within which agents and categories of agents, governmental and nongovernmental, struggle over this peculiar form of authority consisting of the power to *rule* via legislation, regulations, [and] administrative measures (subsidies, authorizations, restrictions, etc.)" (Bourdieu & Wacquant, 1992: 111). In other words, the state is not a homogenous black box, but rather a field of bureaucratic powers where competing and transnationally linked agents and institutions struggle to assert their authority. Aside from implicitly conceptualising South African financial regulators as operating in a subfield lacking autonomy from an overarching global finance field, it has been beyond the scope of this study to treat the South African state in its entirety as a field, exploring all the ways in which its internal dynamics have resulted in legislative interventions that have shaped the Islamic finance field.

among influential groups in the French government (Bourdieu, 2005a: 12, 90–91). They saw the construction of the new housing market as a way to attach a previously detached segment of French society—low-income renters—into the established social and "economic order" (Bourdieu, 2005a: 90). Moreover, the construction of the market was part of a strategy to promote national and foreign trade, and to open up market opportunities for powerful firms, such as banks, to find new avenues for accumulating profit. The second driving force that precipitated the genesis of the housing market related to the lobbying efforts of a powerful network of market actors (housing and finance firms, and lobbyists acting on their behalf) who pressurised the state to a adopt pro-market policy that would facilitate the growth of the market for one reason or another, usually in order to exploit new business opportunities (Bourdieu, 2005a: 92–99).

In effect, what Bourdieu's theoretical and empirical insights of the market-making role of the French state describes are a constituent feature of what scholars of neoliberalism in the Anglophone Global North have now come to refer to as "roll-forward" or "roll-out" neoliberalisation. In contrast to the "roll-back" phase of neoliberalisation that reached its height in the 1980s characterised by the deregulation of markets and the active destruction of social welfare and collectivist institutions, "roll-forward" neoliberalisation refers to a "creative" phase in the process of neoliberalism associated with the 1990s onwards (Peck & Tickell, 2002). More specifically, scholars of neoliberalism have described how "roll-forward" neoliberalisation involves a range of policies and processes including "market-oriented" reform, "financialisation," "technocratic economic management" and the introduction of "rule regimes" (Brenner, Peck & Theodore, 2010), but most importantly for our purposes here, the state's active, interventionist role in making markets as part of a broader processes of state-building (Peck & Tickell, 2002). Market field construction and intervention has become a key site of activity for modern states in their efforts to further economic development and remain competitive in the neoliberal context.

Interestingly, much like Bourdieu's observations of the active role of the state in creating new market fields, scholars of Islamic finance have been taking note of the ways in which governments around the world have played a central role in creating pro-market policies that have facilitated the emergence and growth of Islamic finance markets. Michael Samers (2015) has argued that the recent emergence and development of Islamic finance markets in the UK and the US has been directly related to the process of "roll-forward" neoliberalisation. He has observed how, particularly in the case of the UK, the state has adopted a proactive stance in supporting the emergence of an Islamic finance market since the early 2000s primarily through the introduction of pro-market policy and legislation. Similar to Bourdieu, Samers illustrates how this new policy was a product both of state economic interest to further economic development and also the lobbying activities of a powerful network of "non-state" actors (bankers, financiers, lawyers, lobbyists, and religious scholars) eager to promote the development of Islamic finance for one reason or another; a coming together of interests he refers to as "a marriage of convenience" (Samers, 2015). Elsewhere, Daromir Rudnyckyj (2014b) has documented the ways in which the Malaysian state has been promoting the construction of an Islamic finance market since the 1980s as part of a development strategy to maintain the nation's impressive record of economic growth. Echoing Bourdieu's analysis of the genesis of market fields, Rudnyckyj points to the agency of the state and a network of non-state actors in constructing policy and legislation that has "incubated" the Islamic finance field and been a critical factor for its growth. Both Samers and Rudnyckyj show the close correlation between the construction of Islamic finance markets and nation-building that has been adopted by states as part of strategic efforts to navigate the neoliberal context. Moreover, they demonstrate how the coming together of processes of "roll-forward" neoliberalisation and Islamic revivalism have created new forms of mediation between the financial sector, religion, and economic policy orchestrated by (secular) states to further socio-economic development.

Building from these theoretical and empirical insights, this chapter will seek to chart the historical genesis of the South African Islamic finance field. More specifically, drawing from Bourdieu's theory of market fields it will be shown how the emergence, growth and ongoing viability of the field has been fostered by the state. As will be demonstrated, the history and ongoing structuration of the field has been interconnected with the state's political and economic agenda to further nation-building in the context of a particular and dynamic set of national and global circumstances. I will begin by charting how since the time of its inception in the late 1980s as a niche market, the Islamic finance field has increasingly been brought under the influence of the state. Key emphasis will be placed on the policy interventions and legislative reforms introduced by the state since 2010 to enable Islamic finance instruments and practices. It will be shown how the growth of Islamic finance and its recognition as part of the South African economy is grounded in new modes of governance based on an understanding of the mutually beneficial relationship between the financial sector, the state and its diverse religious constituencies. My intention is not to replicate studies that have charted the emergence of Islamic finance fields elsewhere, however. Instead, I will seek to document how the particularities of the South African religious, economic and political context have shaped the genesis of the field. As such, I will demonstrate how and why, under the influence of the ascendency of "roll-forward" neoliberalisation and the resurgence of Islam, the state has supported the growth of the field and adopted a pro-market policy. Firstly, I will seek to show how a powerful network of market actors have mobilised their social capital and strategically mined South Africa's democratic Constitution to successfully lobby for legislative reform and state support. Secondly, I will document how these lobbying efforts increasingly found favour with the state as it has come to appreciate the promotion of Islamic finance as part of a nation-building strategy to further economic development and growth in a neoliberal context. I aim to show how the state has sought to strategically nurture the growth of the field, harnessing its resources and practices to recalibrate circuits of capital in order to address pressing development concerns. For its part in this mutually beneficial relationship, state support has led to the increasing visibility, accessibility and competitiveness of the Islamic finance field and its products.

3.2 Muslim Finance and the Origins of the Islamic Finance Movement in South Africa

The history of Muslim[11] involvement in finance can be traced back to the colonial period. While the shadow of colonialism and apartheid has shrouded our knowledge of much of the early financial dealings of "African" and "Coloured" Muslims, there is an emergent picture of the

[11] Representing approximately 1.5 percent of South Africa's population, Muslims constitute a minority religious group in South Africa. In terms of race, class and culture, Muslims are highly diverse. This heterogeneous community predominantly consists of those of "Indian" or "Coloured" (mixed) ethnicity, but there is also a small but rapidly growing "African" Muslim population. Muslims first arrived in South Africa in 1658 as part of the Dutch settlement of the Cape. They were soon followed by Asian and African slaves owned by the Dutch East India Company as well as political exiles from the Indonesian archipelago (Tayob, 2004: 255). A second significant group of Muslims began arriving from the Indian subcontinent in Natal from 1860. The majority of South Asians were brought to South Africa as indentured labourers under the aegis of British colonialism, but they were also followed by a smaller group of merchants who arrived of their own free will in order to pursue trading opportunities. Muslims of sub-Saharan African origin also have a long history of migration that has rapidly increased since the opening of South Africa's borders in 1994. It is not surprising then that South African Muslims are divided by religious tradition, class, language, race, culture and are drawn from a wide range of socio-economic backgrounds (Vahed & Vawda, 2008: 454).

financial activities of the Indian Muslim population in Natal. As Padayachee and Morrell (1991) have discovered, a small but powerful group of Muslim "passenger Indians" arrived in Natal in the last quarter of the nineteenth century. Agents for well-endowed trading houses located in India, these merchants were part of an extensive diasporic network with a long history, connecting India and Africa in forms of trade and credit extension. In their new home in South Africa, they established powerful commercial and financial networks. Starting out in the Natal economy and quickly spreading into the Transvaal, these merchants provided a vital supply of finance to indentured labourers and small-scale businesses whose needs were being neglected by colonial institutions reluctant to do business with Indians. Indian merchants quickly established alternative means of finance to that offered by "Western" banks; often based on partnerships with profit-and-loss-sharing arrangements allowing risk to be shared while also facilitating business growth (Vahed, 2005). These modes of finance were often tied to circles of trust, with a preference given to offering credit to fellow Indians, Muslims, and those with similar familial ties in India. However, there were also instances where credit was granted to African and white clientele. From the first few decades in the twentieth century onwards the significance of these financial networks gradually diminished corresponding with the rise of discriminatory race-based policies which severely curtailed the money lending and informal credit networks of Indian merchants. This shift coincided with a change of tack towards Muslims among some of the white-dominated colonial banks. Previously discriminatory colonial banks, such as Standard Bank, gradually saw the business opportunity in catering towards the needs of successful Muslim business owners for whom they began to be more willing to provide financial services, albeit constrained by the policies of racial segregation from 1910 to 1994 (Vahed & Vawda, 2008: 456). While some Indian merchants and traders found their business enterprises severely crippled by the progressively harsh restrictions imposed under the colonial and apartheid governments, others thrived in the "artificially protected market" afforded by the racially segregated social order (Padayachee & Morrell, 1991: 102). The absence of white (often by choice) and African (often because of harsher racial legislation) competition in certain markets created economic opportunities for growth, especially in the retail and wholesale trade in Natal and later in the Transvaal.

From this legacy of Muslim involvement in finance during the colonial and apartheid period, there are a number of historical features that have shaped the market context of Islamic finance in South Africa. Firstly, race has continued to shape the nature of business and financial enterprise in the Muslim community. With a few exceptions (mostly found in the Western

Cape), the South African Muslim business community is largely dominated by Muslims of Indian descent. Within the Islamic finance field this has been reflected in terms of the demographics of professionals, investors and consumers involved. Consequently, forms and expressions of Islamic finance have largely been shaped by the commercial activities and religious proclivities of the Indian Muslim population. Secondly, the historical evidence shows that despite the prohibition against *ribā* many Muslim financiers and traders engaged in lending and borrowing based on interest-bearing transactions during the colonial and apartheid period, either as part of early informal credit networks or later in terms of their engagement with the formal banking sector (Vahed, 2005; Vahed & Vawda, 2008). Either flouting the prohibition entirely, or independently devising innovative methods to remove interest related income from revenue, Muslims routinely engaged in forms of finance that were not based on Islamic principles. This trend continued in the post-apartheid context as most Muslims have been seemingly content to engage with conventional financial institutions and modes of finance. That said, the impetus for the establishment of Islamic finance did not come from the Muslim consumer public, but rather can be traced to the rising historical significance of organisations established to promote normative Islamic behaviour and beliefs.

The discourse of Islamic economics first entered the South African religious milieu as part of the process of Islamic revival that began in the 1960s. Having established contacts with Islamic bodies beyond the borders of the country, Muslim organisations progressively began introducing new reformist ideas from the Arab world and Indian subcontinent (Tayob, 2004: 263–264). One fundamental aspect of this intellectual current proposed new terms for reorganising economic life according to an emergent body of knowledge that has come to be known as "Islamic economics." Islamic economics is not a premodern Islamic tradition, but rather emerged as an intellectual movement amidst the resurgence of activism that swept the Muslim world in the 1970s and the call from reformers and intellectuals of newly independent nations to restructure their economies based on Islamic principles. It became a central pillar of the broader "Islamisation of knowledge" project, an intellectual movement which sought to inject an "Islamic worldview" into the philosophy of science and economics (Nasr, 1991). Islamic economics professes an alternative economic framework to both Western capitalism and socialism drawing on the historical tradition of Islamic institutions and law. Claiming to provide a more just and equitable model for economic growth than either of the two dominant modern economic paradigms, Islamic economics presents itself as a third way that avoids the unethical excesses of modern capitalism while harnessing the entrepreneurial spirit of private ownership and trade. Although Islamic economics proposes a wholesale transformation of the economic system, the programmes pursued as part of this project are modest in scope, largely focussing on the establishment of two types of institutions: banking and financial institutions that will uphold the prohibition against *ribā* and *gharar*; and, charitable or developmental institutions for the management and distribution of almsgiving based on the principle of *zakāt* (charity), the second pillar of Islam (Hefner, 2006: 17–18). Within the South African context, the ideas of Islamic economics were excitedly taken up and discussed by revivalist organisations that adopted what could be said to be a "modernist" approach. The Muslim Youth Movement (MYM), an Islamist organisation founded in 1970 inspired by the Muslim Brothers of Egypt and the *Jamāʻat-i-Islāmī* in Pakistan, spearheaded innovative attempts to institutionalise Islamic economics on two fronts. Firstly, with the launch of Jaame Investment Ltd., a financial company, in 1976 the MYM introduced the first institutional prototype for Islamic finance in South Africa. Secondly, a year later in 1977 the same organisation established the South African National Zakah Fund (SANZAF) to coordinate the collection and distribution of *zakāt*. The intention behind the launch of Jaame Investment Ltd. was not to compete with South Africa's established banks and building societies, but rather it was established with the objective of "promoting the principles of Islamic economics and striving for an interest-free Muslim society. The primary aim was the uplifting of the Muslim *ummah* as a whole through the implementation of Islamic economic principles" (Taliep, Hassan & Yusoff, 2010: 242). A pioneering experiment to institutionalise Islamic economics, Jaame Investment Ltd. suffered from mismanagement and eventually folded its operations in 1989. Nonetheless, this project stimulated new thoughts and discussions about the relationship between the revival of Islam and finance that proved to be a catalyst for the later emergence of the Islamic finance field in South Africa. Following on from the early experimental efforts of Jaame Investment Ltd., a number of Muslim entrepreneurs were at the forefront of efforts to establish Islamic financial institutions. Inspired by the discourse of Islamic economics, many of the individuals involved in these efforts were loosely affiliated with, or participating members of, Muslim revivalist organisations that emerged in the 1970s and 1980s.

3.3 The Murky Emergence of the Islamic Finance Field

The emergence of the first formally recognised Islamic finance institutions occurred slowly in the 1980s, a context that presented unprecedented political and economic turmoil for the apartheid state. Social and political unrest associated with the anti-apartheid movement was reaching a boiling point. Correspondingly, the state had entered into negotiations with disaffected political factions in an effort to maintain its grip on the country. On the economic front, the state was contending with an economic crisis exacerbated by trade sanctions imposed by the international community. Although unclear whether it was one, or a combination, of these factors that functioned as a catalyst, since its inception the relationship between the Islamic finance field and the state has been built on strategic concessions governed by the political and economic interests of government and the demands it has faced from internal and external forces.

National politics and the workings of an influential Muslim social network tied to the African National Congress (ANC) were said to be a contributing factor that led the state to authorise the launch of the first Islamic bank in South Africa, Islamic Bank Ltd. Established in Johannesburg in 1981, it took eleven attempts for the bank to receive a banking licence from the South African Reserve Bank (SARB) in 1988 (Taliep, Hassan & Yusoff, 2010: 244). Nathie has suggested one of the primary factors behind the bank finally procuring a licence was through "private promptings" and that the bank was earmarked by the SARB as a "test case" to see whether Islamic finance could work in South Africa (Nathie, 2010: 13). However, it begs the question as to why the apartheid state would give any concessions to Muslim business interests given its long history of harsh restrictions (Padayachee & Morrell, 1991; Hiralal, 2007) if it were not incentivised to do so in order to address certain challenges presented by the political and economic context of the 1980s. During field research I encountered two explanations that referred to the political interests of the state. First, there were rumours that the founding director of Islamic Bank Ltd., Ebrahim Kharsani, received a banking licence because he was a well-connected member of the ANC. Second, an alternative rationale was that the Registrar of Banks made a concession to influential voices in the Muslim community to fulfil a certain political agenda. Either way, the political interests of the state and the manoeuvrings of powerful Muslim networks seemed to be conspiring beneath the surface.

In terms of the state's economic interests, the politics of oil has also been implicated as a possible impetus for the emergence of the Islamic finance field. Under the impact of the economic embargo of the 1980s the apartheid regime faced an oil supply crisis (Hengeveld & Rodenburg, 1995). Attempts to ameliorate this critical shortage have been cited as one possible motivating factor linked the SARB's decision to grant a banking licence that facilitated the establishment of another Islamic bank, what I will refer to as Bank Al-Nur,[12] one year following the licence granted to Islamic Bank Ltd.. In 1989 Bank Al-Nur was established through a partnership between local Muslim businessmen, some of whom were members of the MYM, and the Bank Al-Nur Group, a powerful Saudi owned conglomeration. A narrative that circulated among some of my informants was that the apartheid state granted concessionary privileges to Middle Eastern business interests as part of the terms of its negotiations to secure covert deliveries of crude oil. Not an outlandish scenario given the shadowy networks of middle-men and illicit flows of oil during this period (Hengeveld & Rodenburg, 1995), it is nonetheless hard to definitively establish the facts.

Given these considerations there is a strong case to suggest that the curious circumstances in which the first Islamic banks were officially recognised in South Africa were tied to the state's political and economic concerns that coincided with the interests of influential Muslim networks seeking to institutionalise new modes of financial practice based on Islamic principles. Indeed, the plausibility of this is compounded by the fact that it is well known that both institutions that were granted banking licences by the state failed to meet the requirements for establishing a bank as stipulated in South Africa's rigorous financial sector laws. To begin with, neither bank could not be convincingly said to be fit for purpose, or that their business models were what was normally required of prospective banking institutions in terms of risk management. The executive leadership of both institutions had little or no banking experience and Bank Al-Nur's initial business model was precariously reliant on a single market sector for its business—the Durban textile industry. Furthermore, the Registrar of Banks made an even more puzzling concession by treating Bank Al-Nur as a locally owned bank—a legal requirement for a banking licence—even though technically this was not the case given that its major shareholder, the Bank Al-Nur Group, was a foreign entity. Suffice it to say, while the colourful political interrelationship between the state and the banking and financial sector has a longstanding history in South Africa (Okeahalam, 1998; Ashman & Fine, 2013), the genesis of the Islamic finance field was similarly tied to state interests. It was in these circumstances that the apartheid state, admittedly with no prior knowledge of Islamic finance, facilitated the emergence of the field as an ad hoc political and economic strategy. Economic practices based on Islamic principles were authorised at the fringes of an established banking and financial market by a state buckling under crippling political and economic pressure.

[12] All names have been changed.

3.4 The Second Phase of Islamic Finance: State Facilitation of Supply and Demand

Following the first democratic elections and the coming to power of the ANC in 1994 relations between the state and the Islamic finance field continued in an amicable fashion. The new democratic state continued in its tacit recognition of this niche market for political interests and maintaining ties of mutual patronage between the ANC and the rapid rise of Muslim wealth. However, during the late 1990s and early 2000s the composition of market actors in the field underwent a process of radical transformation. As I shall discuss in greater detail in the following chapter, in 1997 the Islamic finance field lost one of its first pioneering institutions, Islamic Bank Ltd., which collapsed due to corporate mismanagement. More significantly, almost two decades after the establishment of the first Islamic finance institutions in South Africa, in the mid-2000s the field witnessed a second phase of growth with the entrance of a number of well-established banking and finance institutions from the conventional finance field. Two of South Africa's four major banks, namely First National Bank (FNB) and Amalgamated Banks of South Africa (ABSA), entered the market in 2004 and 2006 respectively. Both banks established "Islamic windows" through which they began rolling-out the provision of Islamic finance products and services throughout their extensive network of branches nationwide. The same period also witnessed a prolific expansion of asset management companies into the field. The first Sharīʿa compliant fund was the Oasis Crescent Global Equity Fund established by Oasis Asset Management in 1998. This was followed by the entrance of a number of other conventional asset management firms that established Islamic investment funds. The entrance of these new market actors was symptomatic of shifting perceptions of Islamic finance at both a global and local level. Increasingly, from the late 1990s Islamic finance came to be seen by internationally influential market regulators and multinational financial conglomerates in the Global North as a legitimate and accepted form of finance (Warde, 2000: 85–87). South African conventional finance institutions attentive to this global trend and the growing local consumer appetite for Islamic finance products determined that the time was right to penetrate the niche market which had hitherto been monopolised by a small number of market actors.

Under the watchful eye of South Africa's financial regulators, the state authorised the entrance of Islamic finance suppliers and their products into the nation's banking and finance market.

However, during the initial period of rapid institutional expansion between the late 1990s to the early 2000s, the state largely maintained a hands-off approach to Islamic finance, leaving market players to compete among themselves under the regulatory and policy framework designed for the conventional finance sector. This framework presented significant challenges for Islamic finance institutions, constraining their operations and adversely affecting their ability to generate revenue that met the dual regulatory requirements of conventional and Sharīʿa compliance. However, this restrictive market context and the approach of the state towards Islamic finance drastically changed towards the end of the first decade of the new millennium. Signalling a second phase in the development of the field, the state made a series of interventions that profoundly altered the institutional forces that structured market dynamics in the field. Similar to the measures taken in the UK and Malaysia, the South African state strategically sought to nurture the growth of Islamic finance, accelerating the institutionalisation of the field and opening up new commercial opportunities for market actors to exploit. Echoing Bourdieu's observations of the birth of the market for single-family homes in France, the growth of the field was enabled through state intervention and the introduction of pro-market policy. And, much as in the case of the French housing market, state intervention has facilitated the construction of market supply and, to some extent, demand.

3.4.1 Facilitating Supply

The primary means by which the state has taken active measures to promote the development of the Islamic finance field has been through reforming financial legislation and regulation. In June 2008 the National Treasury invited major market players to a meeting in Pretoria to identify the challenges they faced in conducting business and to make submissions regarding the "relief" they sought from the state to overcome these obstacles (Vahed, n.d.: 56). Titled "Exploring Regulatory Constraints to the Developments of Islamic Finance in South Africa," the meeting was attended by the National Treasury, the Financial Services Board (FSB), the South African Reserve Bank (SARB), as well as the major players from the banking, asset management, accounting and insurance sectors. From this group of stakeholders, "working groups" were established to investigate the ways to bring Islamic finance into the mainstream of the South African commercial framework (Taliep, Hassan & Yusoff, 2010: 257).

In May 2010 the South African National Treasury's Taxation Laws Amendment Bill introduced the first of a series of legislative changes to alleviate regulatory obstacles adversely affecting the commercial viability of Islamic finance products (South African Revenue Service & National Treasury of South Africa, 2010). Section 24JA of the Amendment Bill made provisions for diminishing *mushāraka*, *muḍāraba*, and *murābaḥa*,[13] three of the most commonly utilised Islamic contracts in the field. This amendment was followed in 2011 by a change to Regulation 28 of the Pension Funds Act to overcome an obstruction restricting the option of pension funds to invest in Sharīʿa compliant investment instruments (National Treasury of South Africa, 2011). While ostensibly similar to their conventional counterparts, prior to regulatory accommodations many Islamic finance products and practices did not "fit neatly into existing legal, regulatory and accounting systems" (Warde, 2000: 183). As a result of this mismatch, Islamic finance institutions often faced a host of financial and operational burdens that hindered the growth of the field and put them at a disadvantage with their competitors in the conventional finance field. Legislative and regulatory reforms made to accommodate Islamic finance instruments sought to put them on an equal footing with conventional finance products. Introducing the launch of amendments made to the Taxation Laws Amendment Bill in the National Assembly in 2010 Pravin Gordhan, then the South African Finance Minister, explained:

> Another important area of [policy] innovation relates to the growing use of Islamic financing …. At issue is the tax system's lack of recognition of Islamic finance, as it mainly focuses on traditional forms of finance. The proposed amendments will level the playing field in respect of certain Islamic financial products when undertaking savings and investments and when attempting to [obtain] bank finance (Parker, 2010).

Framed as changes to enable a "neutral" regulatory environment for Islamic finance, the state's legislative interventions increased the supply of Islamic finance products on offer in the field and created new market opportunities for Islamic finance actors to exploit. Market supply was facilitated through the new assortment of products and instruments Islamic finance institutions were now able to sell as part of their Sharīʿa compliant offering. Moreover, the state removed some of the obstacles to profitability and consumer access, creating a fertile market for the entrance of an increasing number of market suppliers. Market actors have enthusiastically seized upon these new opportunities and today Islamic finance institutions competitively promote Sharīʿa compliant mortgages, car and home financing products, savings accounts and investments funds.

[13] These Islamic finance contracts will be discussed in greater detail in Chapter Five.

3.4.2 Facilitating Demand

The state has also supported market actors' concerted efforts to improve the desirability of their products and levels of consumer awareness of this new market. The appeal of Islamic finance products is contingent on both Islamic and conventional economic frames of evaluation. What that means is that consumer evaluations of Islamic finance products are often based on perceptions of Sharīʿa compliance and how well they perform economically. Consumers are concerned about products being authentic representations of Islam as well as being credible, cost-effective and competitive in a conventional economic sense. The state has supported the field in both respects.

Firstly, concerning economic (in a conventional, utilitarian sense) evaluations, the state has played an instrumental role in increasing consumer demand for Islamic finance products by improving their competitiveness. The state's legislative amendments reduced many of the costs and obstacles faced by Islamic finance providers enabling them to offer products with competitive pricing structures and rates of return *vis-à-vis* those offered by competitors in the conventional finance field. Market providers were provided with a green light to develop and offer an array of increasingly sophisticated products comparable to those offered by their conventional counterparts, thereby enabling them to cater to consumer demand. Regulatory infrastructure was established to reduce confusion regarding Islamic finance contracts and introduce more rigorous oversight. This has improved levels of confidence for consumers, investors and market actors alike.

In terms of promoting perceptions of religious legitimacy, the state has recognised, supported, and to some degree enforced the legal requirement that certain Islamic finance institutions must have some form of religious oversight. More specifically, the Financial Services Board (FSB) has mandated that all asset management firms who offer Islamic investment funds are required to hire Sharīʿa scholars to sit on Sharīʿa Supervisory Boards (SSBs) who are responsible for ensuring that funds billed as "Sharīʿa compliant" can be deemed to be so. As we shall see in greater detail in Chapter Six, these Sharīʿa scholars play a central role in publicly consecrating the field and its products. Furthermore, the FSB has mandated that these firms must also adhere to the "Sharīʿa Standards" of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI), an international standard-setting body for the global Islamic finance industry based in Bahrain. Both of these regulatory requirements can be seen to have conferred greater levels of religious legitimacy to the field and its products.

As part of the state's strategic interventions to support the Islamic finance field it has enlisted the Banking Sector Education and Training Authority (BANKSETA) to create awareness and knowledge of Islamic finance. BANKSETA is an institution operating under the direction of the Department of Higher Education and Training mandated to develop skills in the banking and microfinance sector. Under the leadership of its CEO, Max Makhubalo, in 2010 BANKSETA launched an "Introductory Course to Islamic Banking." Billed as one of the first training programmes of its kind in a Muslim minority country, BANKSETA began offering an education in Islamic finance to its members in the national banking sector. To create this course, BANKSETA contracted some of the leading Sharīʿa scholars in the Islamic finance field. The rhetoric evident in BANKSETA's policy documents and press releases announcing the launch of the course clearly demonstrate the objectives and rationale of the state in supporting the construction of new expertise and spreading knowledge of Islamic finance. BANKSETA has funded the creation and delivery of this course "in support of transformation and celebrating diversity within the financial sector" (BANKSETA, 2010: 1). The target for this educational project is to further the growth of the field in terms of both market producers and consumers: "training is available to all South African banks interested in offering Islamic banking products and will be used to train staff members who are involved in the delivery of Islamic banking products at all levels and especially to the broader Muslim community" (BANKSETA, 2010: 1). This is an invitation for conventional banks and financial institutions to learn about the field and its products with a view to becoming market suppliers themselves.

In addition, the BANKSETA programme can clearly be seen to be an initiative that aims to strengthen the marketing capabilities of Islamic finance institutions and their staff to more effectively sell products to the Muslim community. Heralding the launch of the training programme in a press release, Muftī Suliman, a Sharīʿa scholar who contributed to its creation, stated: "one of the significant obstacles to the progression of Islamic Finance is the lack of awareness amongst people about Islamic alternatives to conventional banking. Mr Max Makhubalo of BANKSETA has boldly initiated a venture which will aid in eradicating this hindrance" (Suliman, 2010: 2). Muslim and non-Muslim banking staff are provided with training on the financial mechanics of Islamic finance products and, more broadly, on religion so that they reach "a point where they have a solid understanding of the financial aspects under

Shari'ah Law" (BANKSETA, 2010: 3). The objective is to equip them with the knowledge to effectively market products by appealing to Muslim consumers' economic and religious evaluations of Islamic finance by reassuring them that products are cost-effective and a legitimate part of Islamic practice.

3.5 Why Facilitate Islamic Finance?

As I have sought to demonstrate in the discussion presented above, in many ways the development of the Islamic finance field has been facilitated by the state. But, why did the state make such an effort to introduce these interventions and adopt a pro-market policy in support of the development of field? In this section I will discuss two of the driving factors for greater state involvement. More specifically, I will describe how a combination of market forces consisting of the lobbying efforts of a powerful network of market actors and broader processes associated with neoliberalisation served as a catalyst for the state's active intervention.

3.5.1 Lobbying the State: Islamic Finance Networks and Discourses

Part of the reason for the state's adoption of a pro-market policy can be attributed to the agency of the new, powerful network of banking and finance institutions that entered the Islamic finance field during its second phase of institutionalisation. The arrival of banking heavyweights ABSA and FNB as well as a significant number of South Africa's major investment firms introduced an unprecedented level of economic and social capital which they collectively leveraged to push the state to bring about positive policy interventions favourable to the development of the field. Keen to exploit the new market opportunities on offer, this powerful network of market actors formed an influential industry lobby through which they mobilised their collective power to influence the state's perception of Islamic finance as a credible and compatible mode of finance that should be included within the nation's established financial framework. One of the main avenues through which they have exercised their influence is through two powerful market institutions: the Association for Savings and Investment South Africa (ASISA) and the Banking Association South Africa (BASA), industry bodies that represent the asset management and banking sectors respectively. ASISA and BASA established working groups for their members operating in the Islamic finance field via which they lobbied state policy makers and regulatory authorities to adopt pro-market policies.

The ultimate success of these lobbying efforts did not rest on the sheer collective power of this social network alone. To secure the enabling support of the state, Islamic finance stakeholders also adeptly leveraged the legitimising power of two authoritative discourses that had recently demonstrated their potency in setting a precedent for pro-market reform. First, stakeholders made an argument based on economic pragmatism and neoliberal *doxa*. In addition to making the state aware of the rapidly increasing pool of capital in the global Islamic finance industry, stakeholders pointed to the precedent set by the UK in facilitating pro-market reforms as part of its economic strategy to unlock the potential of Islamic finance. As noted previously, in the early 2000s the British government made a number of strategic interventions in order to support its ambitions of establishing the country as a leading hub for Islamic finance in the West (Samers, 2015: 1177–1178). Nurturing the growth of Islamic finance became part of the British state's economic strategy to construct new markets as part of the broader process of "roll-forward" neoliberalisation. Citing the British example, South African Islamic finance stakeholders argued that legislative changes should be enacted on the grounds that National Treasury should keep in step with contemporary trends "consistent with international best practice" (Vahed, n.d.: 60). Second, stakeholders bolstered their advocacy efforts by leveraging local tropes in the ongoing negotiation of religious rights and the South African Constitution. More specifically, they adeptly tapped into the trend adopted by South Africa's diverse religious communities who sought to harness the new rights they were afforded in the democratic, post-apartheid context (Vahed & Vawda, 2008: 455; Tayob, 2011: 23). South Africa's new democratic political dispensation and Constitution had altered the status of Muslims and granted equal recognition and support. As Vahed and Jeppie have observed, "many Muslims have made use of South Africa's new political freedoms and its liberal Constitution to pursue their distinctive rights" (Vahed & Jeppie, 2005: 267). Market stakeholders tapped into this trend to push for the right to have Islamic finance accommodated by state law. As such, demand for legislative change did not come from the Muslim consumer population below, but rather from Islamic finance stakeholders who utilised this discourse to challenge pre-existing financial legislation. They argued that Islamic financial services were necessary to enable South African Muslims to fulfil religious obligations in their financial dealings. Moreover, they argued that Islamic financial instruments and products were facing unfair treatment because the state's "prejudiced" and "discriminatory" (Vahed, n.d.: 59) tax legislation was making them expensive and uncompetitive compared to those offered by their conventional banking and finance counterparts. In short, they demanded regulatory reform so that they received equal treatment to that which conventional market actors enjoyed based on an argument grounded in religious rights.

3.5.2 Nation-Building and Neoliberalisation: The New Islamic Finance Strategy

Broader macro-economic transformations added to the contingency of factors that acted as a catalyst for greater direct state involvement in facilitating the growth of the field. Having initially adopted a stance of apprehension to the rising hegemonic influence of neoliberalisation,[14] by the turn of the millennium the ANC-led government had backpedalled on its substantive socio-economic promises culminating in the maturation of a decidedly neoliberal policy stance (Koelble & LiPuma, 2006: 622; Bond, 2013: 576). Transnational forces, crosscutting the global and the local, related to the circulation of capital limited the freedom of the state to pursue economic programmes and policies outside of those authorised by the regulatory framework imposed by neoliberal institutional forces (Koelble & LiPuma, 2006: 624). The severely limited autonomy of the state to control economic policy choices both coincided with and supported a significant shift in the South African economy characterised by the ascendency of financialisation. The banking and finance sector increasingly became one of the most significant industries contributing to South African GDP. This shift coincided with an economic reorientation away from previously significant market sectors involved in the production of real goods (Bond, 2013: 578). Amidst these changes in the economic field the state faced a critical shortage of capital to fund the transformative and developmental programmes promised by the new government. The state's sovereign spending deficit was further exacerbated by persistently high levels of capital flight owing to liberalisation, deregulation and the internationalisation of private capital flows at end of apartheid period. As a result of these factors, the state was limited to working within the neoliberal framework and a reliance on the banking and finance sector in order to address the nation's critical development challenges.

In 2004 National Treasury announced a new policy strategy to position South Africa as a Financial Centre for Africa (FCA). Seeking to leverage South Africa's relatively advanced and

[14] Indeed, as Chidester, Dexter and James have noted, in 1999 Thabo Mbeki, then the South African President, declared, "We must be at the forefront of the struggle against the god of the market, a superhuman power to which everything human must bow in a spirit of powerlessness" (Chidester, Dexter & James, 2003: vii–viii).

sophisticated financial sector, the state sought to make a number of policy interventions to accelerate growth and position the nation as a financial hub for Africa. The twofold objective was to source new channels of foreign investment for the state and enable South Africa's financial market providers to develop their capacity, products and expertise in order to penetrate other African markets. In a speech made in August 2004 Lesetja Kganyago, Director-General of the National Treasury, announced that one of the "six pillars" of the FCA policy entailed providing "a fertile and supportive environment for the development of new markets," achieved by the "combination of a vibrant private sector, a regulatory regime that allows for experimentation and innovation, and intelligent use of the scale and policy instruments of the public sector" (Kganyago, 2004: 9). By 2007-2008 this policy was revised to include exploring Islamic finance as one of the new markets earmarked for strategic intervention (Vahed, n.d.: 45). It was at an auspicious juncture in national and global financial history for the state to see the potential benefits of incubating the Islamic finance field. In a confluence of circumstances, the global financial crisis of 2007-2008 coincided with the spectacular growth of liquid assets in the Middle East and the equally rapid expansion of Islamic finance.

Conscious of a need to diversify its pre-existing financial networks—entrenched in circuits tied to financial hubs in the Global North whose vulnerability was exposed during the crisis—the state sought new fiscal strategies to secure its survival in the competitive neoliberal context. In its effort to find a solution, the National Treasury began to pay more attention to the advocacy initiatives of the Islamic finance lobby. The state was significantly influenced by lobbyists who presented case studies of the pioneering institutional interventions made in the UK, similarly a (quasi-)secular state with a Muslim minority population that had taken steps to tap into Middle Eastern liquidity. Pro-market interventions made by Lord Edward George, then Governor of the Bank of England, played an influential role in enhancing the perceived legitimacy of Islamic finance throughout global financial markets (Fang, 2014: 1185–1189). The UK's support of Islamic finance resonated significantly with South African policy makers, especially given the financial sector's long and enduring connection dating back to the colonial period (Andreasson, 2011: 654). Furthermore, by 2010 industry observers noted that with close to $1 trillion in estimated assets under management in the global Islamic finance industry and "the presence of a 3 million and relatively affluent Muslim minority, the South African government has been forced to take more notice of this development" (Parker, 2010). It became clear that the state recognised that not only would Islamic finance stakeholders benefit from legislative accommodations, but that there would be advantages for the country as a whole. Signifying an incontrovertible shift in the state's stance, in 2010 the National Treasury announced that it was actively seeking to promote the local Islamic finance sector as part of its agenda to establish the nation as Africa's premiere financial hub (South African Revenue Service & National Treasury of South Africa, 2010).

As was the case in Malaysia, a major impetus driving state interest in supporting the growth of Islamic finance has been to establish new networks of capital from those inherited from its colonial and postcolonial past. In 2014 this plan came to fruition resulting in the state benefiting directly from its efforts to incubate the Islamic finance field. Following legislative amendments made in 2011 and more than three years of collaboration with stakeholders in the field, in 2014 the state launched South Africa's first Sharīʿa compliant sovereign bond (*ṣukūk*) to international investors. A resounding success in terms of sourcing new streams of international finance for the state, the $500 million "rainbow" *ṣukūk* was 4.24 times oversubscribed (Parker, 2014). This Islamic finance instrument provided the state with a desperately needed injection of cheap debt capital which could be allocated to supplement pressing infrastructure development projects. Indeed, as one government insider, Latief,[15] informed me:

> Government's interest is to reduce the cost of debt and … to create financial services instruments that could easily be purchased by purchasers that are interested in Islamic financial services instruments…. One of the key reasons why South Africa is keying in on reducing the cost of capital is that there is a very large infrastructure backlog in South Africa…. An easy choice, an obvious choice, would be to start looking at the exploitation of petrodollars to start funding those type of activities. I think it's a lot because of necessity….

South Africa's sovereign *ṣukūk* represents a case of a secular state enlisting Islamic finance to access cheap finance capital and diversify its sources of foreign investment in order to hedge against the financial risks and uncertainty presented by the neoliberal context. This remapping of finance afforded by the rise of Islamic finance points to new flows of circulatory capital in postcolonial political-economic geography (Pollard & Samers, 2007).

3.6 Conclusion

This chapter has described some of the key aspects of the historical emergence, or "genesis," of the Islamic finance field in South Africa. It has demonstrated how the genesis of the field

[15] Interview with author, 9.10.14.

has been intimately interrelated with the state. In many ways a construction of the state, the field and the structural changes that have supported its growth and continued viability are a testament to the extent of this relationship. Since the 1980s the state has cultivated a mutually beneficial relationship with the field to serve its political and economic interests. So far as it has seen Islamic finance to be a tool that could be harnessed in the nation's interest, it has allowed for the introduction of religious economic practices, identities and symbols in the economic sphere. In so doing, Islamic finance has been authorised by the state as an everyday presence in the social and economic domain.

As this chapter has described, the field took shape in two major phases: the emergence of the first experimental Islamic finance institutions in late 1970s and 1980s, and accelerated institutionalisation and growth from the mid-2000s onwards. Beginning as a small fringe market, the establishment of the first Islamic finance institutions was driven by market actors inspired by the Islamic finance movement that was part of the broader process of Islamic resurgence in South Africa. These early experimental ventures of the 1980s were formally authorised by the state for political and economic reasons, with Islamic finance tolerated as a niche market at the fringes of the established conventional financial sector. Then, with the ascendency of neoliberalisation and the entrance of major market players from the conventional financial sector, in the early 2000s the state took decisive steps to facilitate the growth of Islamic finance, moving it into the mainstream of the financial sector and facilitating market supply and demand. As I have argued, the active interventions made by the state to construct the Islamic finance market are part of a strategy to further its nation-building agenda while navigating an economic climate shaped by market forces associated with neoliberalisation in general, and financialisation in particular.

More than merely providing a history of the field, this chapter has sought to underscore that the growth of field has been contingent on the ascendancy of a combination of market actors and forces, including the state, financial institutions from the conventional finance field and processes of neoliberalisation. More specifically, I have described how the state has established a new pro-market policy towards Islamic finance owing to the lobbying pressure exerted by a powerful network of financial institutions combined with the rising influence of neoliberal economic theory and the assertion that nation-building can be facilitated by the construction of new markets. In the remainder of this thesis I will seek to show how ironically, while they have contributed to the growth of the field, these market actors and forces have problematically shaped the dynamics of the field and contributed to the disjuncture of Islamic finance. As we shall see in the following chapter, during the second phase in the development of the field neoliberal economic conventions mediated by the state and introduced by market actors from the conventional finance field have constrained the autonomy of the field to establish a logic of practice based on Islamic economic values.

4 Taken in by the Logic of Conventional Finance: The Constrained Autonomy of the Islamic Finance Field

> Economism recognizes no other form of interest than that which capitalism has produced, through a kind of real operation of abstraction, by setting up a universe of relations between man and man based, as Marx says, on 'callous cash payment' and more generally by favouring the creation of relatively autonomous fields, capable of establishing their own axiomatics (through the fundamental tautology 'business is business', on which 'the economy' is based). It can therefore find no place in its analyses, still less in its calculations, for any form of 'non-economic' interest. It is as if economic calculation had been able to appropriate the territory objectively assigned to the remorseless logic of what Marx calls 'naked self-interest', only by relinquishing an island of the 'sacred'… (Bourdieu, 1990b: 113).

Continuing the thematic focus of the previous chapter, this chapter will discuss some of the key developments that have accompanied the historical emergence, or "genesis," of the Islamic finance field and have shaped the forces that lie behind its current dynamics. It aims to show how the goal of the Islamic finance project to establish an autonomous field of financial praxis framed around Islamic principles came under the spell of the hegemony of neoliberalism. More specifically, this chapter will demonstrate how the field has been unable to institutionalise an autonomous market logic framed around the theory of Islamic finance, but drawn into a neoliberal logic of competition determined by the conventional finance field. Focussing on the second phase in the growth of field, from the mid-2000s onwards, this chapter will analytically trace the process of how a combination of institutional and network forces imposed by the South African state and an influx of market actors from the conventional finance field have supplanted the socio-economic objectives of Islamic finance. Neoliberal conventions deriving from the conventional finance field have come to profoundly shape the rules of the game, the stakes of competitive behaviour and the logic of practice in the field.

This chapter will unfold as follows. It will begin by recalling how concepts applicable to Bourdieusian and Bourdieu-inspired field analysis help explain some of the transformative processes that have resulted in a neoliberal market logic taking hold of the Islamic finance field. In the second section this chapter will seek to delineate the theory of Islamic finance, exploring its fundamental principles and objectives. Here, a fundamental claim will be made that undergirds the argument presented in this chapter and the thesis as a whole: the legitimacy of Islamic finance rests on the practice of Sharīʿa compliant modes of finance based on an autonomous market logic (*nomos*) and a set of stakes that are different from those that frame the neoliberal logic of practice in the conventional financial sector. In the third, main section, of this chapter I will examine the structural transformations that have led to the disjuncture between the idealised objectives of Islamic finance and the logic of competition that frames the activity of market actors in the field. By means of placing an analytical emphasis on the concept of field autonomy and the historical processes that have shaped the *nomos* of the field, I will demonstrate how the South African state and the entrance of a dominant network of market actors from the conventional finance field have shaped the institutional and network forces that structure the Islamic finance field. More specifically, I will describe how they have constrained the autonomy of field, positioning it as a subfield of the conventional finance field. Correspondingly, I will show how the Islamic finance field has not been able to institutionalise a market logic organised around Islamic economic principles. Instead, neoliberal conventions have come to profoundly shape the rules of the game, the stakes of competitive behaviour and the logic of practice in the field. Homing in on one of these conventions, specific attention in particular will be placed on the influence of shareholder value, a key component of the neoliberal discourse that has been introduced as part of the financialisation of the economy. As will be shown, the hegemonic influence of shareholder value has drawn Islamic finance actors into a game where the ultimate objective is to maximise profits above all other social and economic considerations. To illustrate these transformative processes that have been shaping the *nomos* of the field, I will explore the case of Bank Al-Nur, one of the first Islamic finance institutions in South Africa. I will demonstrate how an institution that started out as a quasi-philanthropic experiment inspired by the ideals of Islamic economics gradually came under the spell of the conventional finance field and the influential neoliberal convention of shareholder value maximisation. My intention in this chapter is not to argue that Islamic finance actors once practiced an ideal form of Islamic finance that was subsequently transformed by a neoliberal market logic. Instead, I seek to show how the increasing solidification of a market logic based on the objective to maximise profits at all costs coevolved with the historical genesis of the field.

4.1 Understanding the (Trans)Formation of the Logic of Islamic Finance: Autonomy, Institutions and Social Networks

Bourdieu's concept of field autonomy will be the common thread sustaining the analysis presented in this chapter. As discussed in Chapter Two, the degree of "relative autonomy" a field possesses refers its capacity to self-determine and institutionalise a distinct domain of activity based on its own set of rules and values rather than these being unwittingly imposed by external forces. Each field, Bourdieu says, develops its own "*nomos*," a "specific logic" or "fundamental law," which entails a set of common beliefs and principles—such as, for example, the "rules of the game," what constitutes the "stakes" of the game, and some kind of shared appreciation of how to go about achieving them—which provide a framework governing the practice of actors within the field (Bourdieu, 1996: 223–227, 2000a: 96–97, 126). For Bourdieu, fields with high degrees of relative autonomy are able to establish a microcosm of activity largely based on their own distinct *nomos*, whereas fields with low degrees of relative autonomy—such as subfields—find that their *nomos* is shaped by the logic and values that derive from interconnected, or overarching fields. Bourdieu suggests that by charting "indices of the field's autonomy" (Bourdieu, 1996: 292)—for example, the institutions and social network of actors that dominate the field—we can explore the structural forces that have historically shaped the autonomy of the field and its *nomos*. Utilising the concept of the field, Jens Beckert provides a useful conceptual elaboration for the way in which these indices of autonomy, or what he refers to as the three "socio-structural" forces ("institutions," "social networks" and "cognitive frames"), interrelate and help us to understand "processes of change in market fields" (Beckert, 2010: 620). Beckert argues that social networks and institutions can either stabilise or change the *nomos*—what he refers to as the dominant "cognitive frame"—that structures economic activity in market fields. Bourdieu's theory of autonomy and Beckert's theory of market fields provide a framework with which to assess the degree to which the Islamic finance field has been successful in institutionalising an autonomous *nomos* based on the principles of Islamic economics; or, to the contrary, whether as a result of the lack of autonomy of the field its *nomos* has been shaped by external forces. More specifically, we are provided with a language to think about the historical role of institutions and social networks in the (trans)formation of the dominant market logic that governs the practice of actors in the Islamic finance field.

4.2 The Autonomous Economic Script of Islamic Finance

To fully appreciate the (trans)formation of the market logic that has come to govern the field it is first necessary to gain an appreciation of the market rationality that was intended to form the basis of its *nomos*. As we have observed in Chapter One, Islamic finance refers to modes of financial intermediation (the provision of capital) that are structured based on the prescriptions concerning economic activity contained in the traditional authoritative sources of the Islamic tradition—the Qurʾān, the *Sunna* of the Prophet and the *aḥādīth*—and as such, consistent with Sharīʿa law. Islamic finance casts itself as a distinct alternative, an "other," to dominant capitalist forms of conventional finance (Maurer, 2005a: xv). Proponents argue that it is grounded in an alternative market rationality based on a separate set of epistemological and ontological foundations than those of the utilitarian capitalist framework. The market rationality espoused in the theory of Islamic finance claims to be distinct from the neoliberal market rationality that frames the conventional finance sector in so far as it puts a limit on economism and the economic bottom line (Rudnyckyj, 2011). As Warde posits, "the defining difference is that while 'conventional' finance usually seeks profit maximization within a given regulatory framework, Islamic finance is also guided by other, religiously-inspired goals" (Warde, 2000: 5). Islamic finance was inspired by the goal to restore a "moral economy," believed to have been eroded by capitalism, through the institutionalisation of a market logic framed around Islamic principles and values (Tripp, 2006). While the legitimate aim of market practice includes the pursuit of profit and efficiency (El-Gamal, 2006), these economic stakes are to be bounded, or superseded, by an additional set of socio-economic goals informed by the objectives of Sharīʿa law (*maqāṣid al-Sharīʿa*). The primary objectives that serve as fundamental axioms for the logic of Islamic finance are to promote socio-economic justice and equity. As such, the market logic of Islamic finance emphasises that capital should be used for productive purposes to stimulate economic growth and development in a way that benefits not only the individual owners of capital, but also the broader social and economic community as a whole. Proponents of Islamic finance claim that this framework of value represents a distinct departure from neoliberal economism and market rationality. As Muftī Taqi Usmani, a global authority on Islamic finance, states, "Unlike the conventional financial institutions who strive for nothing but making enormous profits, the Islamic banks should [take] the fulfillment [*sic*] of the needs of the society as one of their major objectives and should [give] preference to the products which may help the common people to raise their standard of living" (Usmani, 2004: 168). In a broad sense then, it can be said that the intended outcome of Islamic finance practice is to bring about a more just, equitable form of financial intermediation that promotes socio-economic development, efficiency and generally avoids the morally reprehensible aspects of the neoliberal conventional financial system.

It is because the Islamic finance project declares itself to be an alternative form of financial intermediation, to be based on a unique set of religiously-inspired economic values, and seeks to institutionalise these as part of the organising *nomos* or logic of market practice that the matter of autonomy is crucially important. The Islamic finance project seeks to establish a field where market activity is structured around an autonomous economic script—the theory of Islamic finance—which positions itself as distinct from the neoliberal market values and logic that drives economic transactions in the conventional financial market. In short, the autonomy of the field rests on its capacity to institutionalise the theory of Islamic finance, its logic, objectives and values, as the dominant *nomos* of the field.

4.3 The Genesis and Restricted Autonomy of Islamic Finance

> [T]he 'economic' logic of interest and calculation is inseparable from the constitution of the economic cosmos in which it is generated… (Bourdieu, 2005a: 9).

> [T]he most consciously elaborated strategies can be implemented only within the limits and in the directions assigned to them by the structural constraints… (Bourdieu, 2005b: 76).

It was the first month of fieldwork. I had secured an interview with one of the leading figures in the field, Nabil,[16] the chairman of a firm I will refer to as Prism Investments, a boutique asset management company in Cape Town. Eager to explore what I had thought would be an identifiable relationship between Islamic economic principles and investment practices at his firm, I was armed with a poorly conceived question:

> RTN: You have given me a comprehensive idea of your [religious] background in terms of your upbringing and your mind-set…; do you think that [it] shapes the practices that you do here at [Prism Investments] in any kind of way?

Still starry-eyed with the world of finance and bamboozled by its penchant for jargon, I was unprepared for the response I received:

> Nabil: I am first informed by 'best practice,' and the 'best practice' is not determined by me. 'Best practice' is determined by rules and regulations in terms of: in South Africa it's called the King Code of Corporate Governance; it's called international best practice, it's called the IGN (International Governance Network); it is informed by the regulator, it's informed by the Public Finance Act; and, it is informed by the Shareholders' Agreement, my shareholders' agreement; and then, it is obviously informed by the Sharīʿa teachings specifically on that. So, it is not mine.

[16] Interview with author, 2.10.14.

I had been naively expecting to hear something related to the ideals espoused in Islamic economics, but what Nabil conveyed was the influence of structural constraints that shaped the norms of "best practice" in the field. Religion, in the form of the "Sharīʿa teachings specifically on that," seemed like almost an afterthought in this long itinerary of conventions that governed his framework of market rationality. I was disappointed, but more so concerned, as Nabil's response complicated my initial research question which sought to examine what I naively assumed to be a straightforward link between the principles of Islamic finance and market practice. Nabil's pragmatic assessment of the rules, regulations and conventions steering decision making in the field, the first of many similar accounts I was to hear among my informants in the field, highlighted the fundamental significance of structural forces in shaping the logic of Islamic finance and gave me a glimpse of the lack of autonomy of the field.

4.3.1 Financial Regulation: Maintaining the Conventional Order

As we have seen in the previous chapter from the mid-2000s the state has taken a keen interest in Islamic finance. Following paradigmatic innovations elsewhere in the world the state has sought to harness Islamic finance in order to address pressing socio-economic development concerns in the post-apartheid context. For its part in this mutually beneficial relationship, the Islamic finance field has been symbolically legitimated and legislative concessions have removed obstructions facilitating growth. However, as I will discuss in this section, the state has set limits on faith-based mediations of acceptable economic practice and has enforced a dominant neoliberal market logic that sits at odds with the Islamic economic frame.

A crisis in the Islamic finance field during its nascent stage of emergence served as a catalyst for greater state regulatory oversight that was to have far-reaching repercussions for the autonomy of the field. In 1997 South Africa's first Islamic bank, Islamic Bank Ltd., collapsed due to corporate mismanagement (Okeahalam, 1998: 37; Nathie, 2010; Parker, 2010; Gelbard et al., 2014: 10). A wake up call, the failure of Islamic Bank Ltd. led to the intervention of state regulators who were called in to manage the liquidation process and compensate stricken depositors (Warde, 2000: 199). The fallout not only severely damaged Muslim consumer confidence in Islamic finance, but also alerted state regulatory authorities of the reputational and fiscal risks posed by potential mismanagement in this niche market. As Nathie has observed, "Banks in distress present a threat to orderliness and stability in financial markets"

(Nathie, 2010: 7). A failure of a bank so soon in the reign of the new South African democratic state during a critical time when it was seeking to maintain levels of international investor confidence was a cause for concern and pointed to the need for a more active regulatory role. Unable to obtain accurate financial records from Islamic Bank Ltd., the South African Reserve Bank (SARB) launched its own investigation into the causes and ramifications of the collapse. The failure of Islamic Bank Ltd. was not due to its adherence to Islamic financial principles. In fact, it operated in contravention of Sharīʿa rules, engaging in *ribā*-based loans that "effectively constituted the antithesis of Islamic financial norms and practices" (Nathie, 2010: 17–18). As revealed by the SARB investigation, the failure of the bank was due to bad banking practice and mismanagement. The "Inspectors' Report" pointed to a series of contraventions of banking regulations: poor management; credit risk problems, including unsecured and nepotistic insider lending; and, non-compliance, irregularities and accounting shortcomings (Nathie, 2010: 15–18). These irregularities, of course, also contravened Islamic banking norms and best practice.

It is significant to note that during the SARB investigation the management of Islamic Bank Ltd. attempted to make a duplicitous argument that as an "Islamic" bank—even though they were found to be in contravention of Sharīʿa rules—they were entitled to some degree of autonomy to regulate their own affairs (Okeahalam, 1998: 38). However, the state's response to the failure of Islamic Bank Ltd. resulted in exactly the opposite: stricter monitoring and enforcement of the nascent Islamic finance field to ensure that actors adhered to the same set of regulations as those that were established for the conventional field. This early crisis in the field alerted state regulators to the dangers posed by Islamic finance actors who attempted to establish the grounds of their independence from the conventional market order based on their perceived right to engage in alternative economic practices in accordance with their religious beliefs. Ironically, while the intentions of these early pioneers in the field were to provide the Muslim community with the autonomy to conduct financial practices based on Islamic principles, the outcome of the collapse of Islamic Bank Ltd. laid the seeds for the constraints the field would be subjected to over the coming years.

Following the turn of the millennium, as Islamic Bank Ltd. slowly entered into the process of liquidation, the state increasingly mobilised its powerful influence over the structuration of the field. The principle means by which the state has exercised its authority has been through financial legislation and regulation. The constraining impact of state regulation has had the effect of denying the field any semblance of independent autonomy. The state played a significant role in positioning Islamic finance as a niche of the broader market, a subfield of the conventional finance field. This was made patently clear by my informants, many of whom reflected on their experience of operating within this structural environment with varying degrees of frustration. One of the more frustrated was Bilal,[17] a long-standing board member and industry veteran at Bank Al-Nur. Lamenting the restrictive influence of the state for the autonomy of the field, Bilal stated, "the Reserve Bank, they don't understand Islamic banking; so, they almost apply the conventional banking requirements on us. Maybe in the Arab world, where the majority are Muslims, they can look at it seriously. Here, I'm afraid … it is towards this way."

In a less frustrated and more pragmatic fashion the state's role in positioning Islamic finance as a subfield of the conventional sector was acknowledged by Khalid,[18] a Chairman at one of the leading multinational audit and advisory firms operating within the field. An industry veteran, since the mid-1990s Khalid had carved out a career as a global specialist in Islamic finance precisely because of the need for the subfield to comply with the institutionalised rules established for the overarching conventional field. As part of his role, he was responsible for advising major players in the field on how to navigate the South African regulatory environment. Moreover, Khalid maintained a longstanding relationship with the Registrar of Banks, whom he liaised with closely and provided consultative services when it came to the Regulator's queries regarding Islamic finance. Khalid made it clear that he believed there was a "mismatch" between the ideals of Islamic finance and the conventional institutional framework enforced by state regulators. As he furthered:

> If you look at regulations, … I know when we were talking to the Reserve Bank, they've always maintained that if you are a bank, whether an Islamic bank, whatever bank, you've got to fit in within the rules of the law and that is how you have to operate. You cannot tell me that you are an Islamic bank, you are going to operate differently. … To run an Islamic bank separately, ignoring everything that is out there, is not going to work until the whole world, or the whole Islamic world, decides this is the way we are going to do it. Right now, I think the conventional is too strong. … The Reserve Bank, as far as they are concerned, say these are the rules and you have to play accordingly.

[17] Interview with author, 18.3.15.

[18] Interview with author, 27.10.14.

Khalid's account echoed those of my informants[19] at the Banking Association of South Africa (BASA) who had lobbied for accommodating legislation on behalf of their members in the Islamic finance field. As Gerhard, a senior lobbyist informed me, the objective of BASA has been to "neutralise" the regulatory environment so that Islamic banks can offer their products "compliantly and neutrally" within the established conventional institutional architecture. However, the clash of the two different frameworks of economic rationality had presented "challenges." During our interview, Iqbal, Gerhard's senior colleague, posed a rhetorical question indicative of the "challenges" involved in advocating for legislation that sought to balance the logic of Islamic finance with the South African conventional institutional framework: "how do you find that balance between religious doctrine and banking regulation and banking priorities?" Iqbal's definition of the conundrum conceptualised an image of two disparate market rationalities, or sets of economic conventions, that sat opposed. And, what went without saying was that "banking priorities" referred to economic rationality of the conventional finance field.

Taken together, these accounts point to the ongoing balancing act between Islamic finance, the constitutional rights afforded to religion, and financial regulations and priorities that have shaped, and been shaped by, the conventional finance field. When it comes to state legislation, these set of considerations have played a decisive role in structuring the relative autonomy, or lack thereof, of the field. Within the global context it has been acknowledged that establishing the parameters of financial regulation for Islamic finance often entails a difficult balancing act between different, and often contradictory, religious and conventional economic frames (Warde, 2000: 181–183; Rethel, 2011: 88). In the South African context, when it comes to more general considerations of legislative change and religion, the Constitution has a limiting clause which is ultimately determined by the test of economic "practicability" (Chidester, Hadland & Prosalendis, 2003: 300). In the case of Islamic finance, the state has made no allusions that "practicability" entails this new market segment adhering to conventional norms so as to uphold market order and global perceptions of economic legitimacy. Indeed, while the state has made strategic interventions to support the growth of the field as part of a strategy to further national development, this motivation has also restricted the relative autonomy enjoyed by the field. Within the neoliberal South African context, the limitations to which the state has granted the Islamic finance field autonomy have been shaped by conventional cognitive frames

[19] Interview with author, 13.11.14.

and the extent to which the field can be rationalised as fitting within the norms and logic of the dominant neoliberal global financial field, norms the state itself is pressurised to abide by.

South Africa's conventional banking and finance sector is of central importance to the state's economic development strategy and its ambitions to become a regional financial hub. Although the country has some of the most advanced regulatory structures among the global emerging markets (Andreasson, 2011), in order to enhance the competitiveness and attractiveness of its financial sector the state is under severe pressure to implement an increasing number of international financial regulations. As Warde has observed, "once confined to developed countries, the new rules of global finance are now extending to the rest of the world" (Warde, 2000: 181). The ever more circulatory nature of global finance (Lee & LiPuma, 2002, 2005), the spread of liberal ideology, the increased incidence of financial crises and the growing influence of international financial institutions in emerging markets are all contributing factors that account for this development.

The experience of my informants who had engaged with state regulatory authorities was that maintaining market stability and order according to national and international regulatory standards was a key priority for the SARB and FSB. As such, the state had mandated that Islamic finance must adhere to the same set of rules established for the conventional field because otherwise, as Khalid explained, "If you operate differently then there is a systemic crisis and you might bring the whole system down. From the Reserve Bank, from the Registrars [Registrar of Banks], you are not allowed to do that because you have to maintain your financial stability at all times." While South African regulators had made legislative accommodations for certain commonly used Islamic finance contracts (as discussed in the previous chapter), in effect these changes were only to the extent that they created an enabling framework for Islamic finance instruments that could be rationalised as conforming to conventional norms. However, in the interest of maintaining market order state regulators were clear that they were not open to entertaining the creation of new rules that would enable actors to legally engage in distinct, alternative economic practices that deviated from the conventional mould. As Gerhard had observed during BASA's lobbying engagements with the state regulator: "He [the Regulator] doesn't want to introduce niche regulation because then other niche products also want regulatory carve out, amongst others, because it gives them recognition in the Companies [Act]—you are *special*, you have got your *own* regulatory framework." Creating an alternative regulatory structure would not only undermine market order, but would be extremely costly to manage and set an unwanted precedent that other religious or cultural groups could exploit to similarly demand the creation of accommodating financial legislation. In a matter of fact summative reflection on the state regulator's position Iqbal stated, "at the end of the day, the religious dictate will have to align to good banking practice in some form or other." Put another way, what Iqbal meant by this was that the state's position was clear: Islamic finance must adhere to the established conventions of the overarching conventional field.

Within the field, my informants indicated that there was a clash of cultures of credit and risk. A central ethos structuring the new family of financial regulations being introduced is an emphasis on financial institutions minimising their exposure to risk. These regulations preclude the possibility of the state allowing market actors to adopt practices that deviate in any significant manner from the norms grounded in conventional financial practice; norms that often sit at odds with the developmentally focussed ideals of Islamic finance. Regulators were only interested in ensuring that financial institutions maintain a conservatism towards granting credit and do not expose themselves to risk. In so far as the developmental objectives of Islamic finance rest on the ideals of profit-and-loss-sharing and an equalisation of risk, state regulation was a powerful structural force that precluded the possibility of market actors engaging in such practices. As noted in Chapter One, the principle of profit-and-loss-sharing is believed to be one of the philosophical cornerstones on which ideal Islamic finance instruments (i.e. *mushāraka and muḍāraba*) are thought to be built. With Islamic finance institutions supposed to bear an equal share of risk with their clients, this ethos creates obvious problems as it does not fit with the risk-averse regulatory framework designed for the conventional finance sector. As such, financial regulation has compelled market actors in the Islamic finance field to adopt risk-averse modes of financing whereby most of the exposure to risk is borne by consumers.

Once again expressing his frustration, Bilal lamented that the auditing and compliance matrices used by regulators were a factor in establishing conventional notions of risk and credit such that Islamic banks only catered towards wealthy, asset-backed clients with collateral and did not provide services for poorer members of the community. Furthermore, as Shafiq,[20] a former CEO at Bank Al-Nur and one of the earliest pioneers in the field, explained:

> Remember that when you start a bank, the laws of this country still are practically suited for conventional banks. We, as an Islamic bank, had to

[20] Interview with author, 18.3.15.

> comply with conventional banking laws—regulations and laws. That had a *major* constraining effect. Because, for example now, if you wanted to do equity financing, or *mushāraka*, or that kind of financing, it was not possible. I mean, it was possible *but* the risks with that kind of financing were very high and the Reserve Bank looks at it very differently. So, if we suddenly had a massive portfolio with investments in businesses; banks don't do that. And, they still don't do it. You have to be very careful that you don't expose yourself to that kind of thing, apart from all of the other constraints that we had.

In other words, what Shafiq meant was should market actors engage in practices grounded in the idealised Islamic finance framework of profit-and-loss-sharing and equity financing—practices deemed by conventional *doxa* to be too risky—there would be dire consequences imposed by the state financial regulator. As such, standardised conventions enshrined within the regulatory framework of the state precluded the possibility of market actors adopting practices which were based on some of the core ideals of Islamic economic rationality.

It can thus be seen that the state has only been willing to accommodate Islamic finance to the extent that, in function, market actors and their products operate in the market in a manner that fundamentally adheres to the same rationality as their conventional banking and finance counterparts. By mandating that the Islamic finance field complies with institutionalised rules established for the conventional field, the state has played a decisive role in affixing shared understandings of appropriate market practice derived from the overarching neoliberal conventional finance field on the subfield of Islamic finance.

4.3.2 Establishing the Dominance of a Conventional Network of Actors

Far from its aspirations of being an autonomous, alternative field of praxis, the Islamic finance field is intimately interconnected with the conventional finance field. Institutions, social networks and cognitive frames that operate in the conventional banking and finance sector have increasingly made their presence felt in the Islamic finance field. These elements have been fundamental components in the genesis of the field and continue to play an influential role in its structuration. In a material sense, the growing involvement of conventional actors has led to the increasing visibility, accessibility and competitiveness of Islamic finance offerings within the national banking and finance market. Moreover, this growth has been accompanied at a more visceral level with the enhanced legitimacy of the field as part of the established financial order. As such, these developments have led to the greater potential for actors to accumulate economic capital and the growth of the field. However, the increasing interpenetration of structural forces from the conventional field have further undermined the autonomy of the field and solidified its structural characteristics as a subfield. Ultimately, among market actors this has led to the ubiquity of conventional cognitive frames which have profoundly shaped the logic of the Islamic finance field.

After almost two decades as a fringe market occupied by a few pioneering actors, in the mid-2000s the Islamic finance field witnessed a second phase of development with the entrance of conventional banking and finance corporations. Increasingly, conventional finance firms no longer saw prohibitive opportunity-cost factors impeding their entrance to the market field. The state's (limited) legislative accommodations and shifting global perceptions of Islamic finance contributed to the construction of economic legitimacy and consumer confidence. Conventional finance actors became increasingly attentive to the growing local consumer appetite to explore Islamic finance. It should come as little surprise that conventional market rationalities incentivised actors from the broader conventional field to penetrate the Islamic finance market. As has been observed of Islamic finance markets globally, Islam was not a motivating factor for these new market actors, nor was there a desire to alter the conventions of the established economic system (Nienhaus, 2011). Rather instead, calculative business rationality tied to maximising profits largely based on pre-established conventional business models and market strengths precipitated the involvement of the new entrants.

Consider for example WesBank, part of the First Rand Group, whose business model was based on financing assets and motor vehicles. WesBank was approached by one of its major clients, a large Muslim-owned car dealership in Durban that indicated a desire to access a Sharīʿa compliant means of financing. Prompted by this demand and taking three years of operational development, WesBank launched First National Bank (FNB) Islamic Finance in 2004, the first Islamic finance division established by one of South Africa's four major banks. Initially, this venture was devised as part of an attempt to construct a branded identity that could be leveraged to generate more business for the bank; FNB hoped to construct an image of innovation and an attentiveness to catering for client needs, particularly in order to appeal to the rapid rise of South Africa's Muslim middle and upper class. This investment of operational resources, tentative at first,[21] soon paid economic dividends. Over the following years FNB Islamic

[21] The initial forays of conventional banking and finance companies into the field can be characterised as modest entrepreneurial ventures with minimal capital expenditure and staffing allocations. The first CEO of FNB Islamic

Finance established “Islamic windows” in many of FNB’s nationwide branches through which it offered a full range of retail banking services attracting a significant number of new clients.[22]

In 2006 Amalgamated Banks of South Africa (ABSA), then part of the Barclays Group, launched its own Islamic finance division, ABSA Islamic Banking. In the same way as FNB, it began offering Islamic finance products throughout its nationwide branches via “Islamic windows.” ABSA’s rationality for entering the field was to develop its technical capital and market experience in this emergent market niche. The bank hoped to leverage these assets to establish Islamic finance divisions in other sub-Saharan countries with significant Muslim populations where it had operations. The last conventional bank that launched an “Islamic window” was HBZ Bank, a subsidiary of the international Swiss bank, Habib Bank Zurich. A relatively small player, it had eight branches in Gauteng and KwaZulu-Natal where it offered an array of Sharīʿa compliant retail banking products.

The same period witnessed an even more prolific expansion of conventional asset management companies into the Islamic finance field. The first Sharīʿa compliant fund was the Oasis Crescent Global Equity Fund established by Oasis Asset Management in 1998. This was followed by the entrance of a number of other market players. As of 2014, when I began field research, there were ten asset management companies offering Sharīʿa compliant investment products (The Economist Intelligence Unit, 2015). Despite its relatively small Muslim population South Africa now boasts the largest number of Sharīʿa compliant funds in Africa and a quarter of all asset management companies registered by the FSB offer one or more of these investment products (Wong, 2012).

Finance was tasked with starting this new division alone, and only after a number of months in operation was he granted the resources to hire another employee. Gradually new staff were hired to accommodate the expansion of operations, but this expansion has remained modest (Interview with author, 4.11.14).

[22] The first CEO of FNB Islamic Finance informed me that FNB attracted 65 percent of its new clients and an extra R300-400million in deposits owing to its Islamic finance venture (Interview with author, 4.11.14).

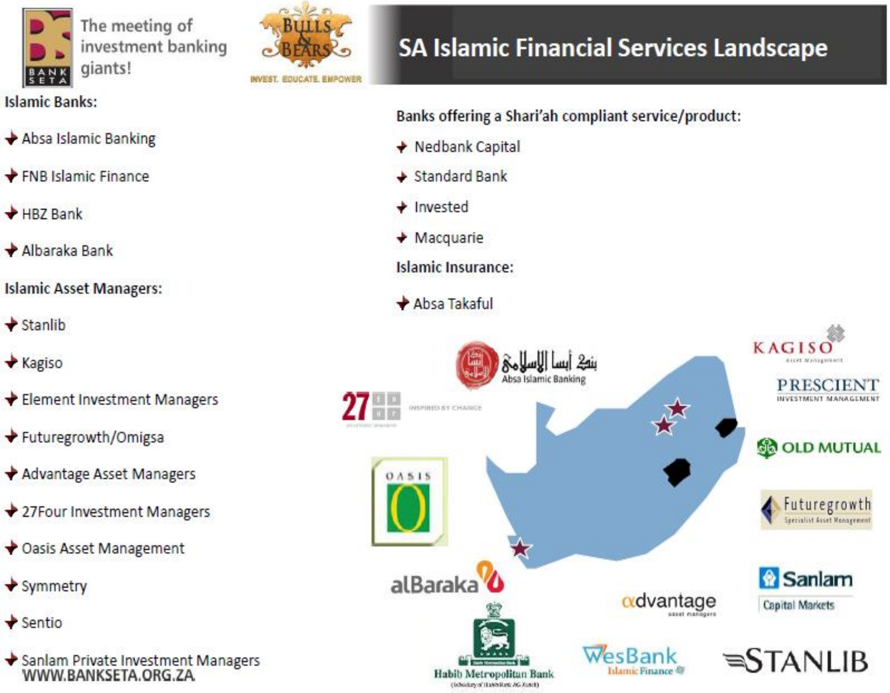

Figure 1: A Snapshot of the Islamic Finance Field, Circa 2012

Source: Suliman (2012)

The rapid growth of conventional banking and financial organisations in the field has been supported by the entrance of an increasing number of advisory, auditing, and legal firms and professionals. Similarly, these conventional market actors have seized new market opportunities by establishing specialised Islamic finance units that provide services for financial organisations seeking to establish or develop their commercial operations in the field. Tapping into this growing and lucrative market, there are a host of mainstream conventional financial services firms active in the field, including Deloitte, Ernst & Young, KPMG, Norton Rose Fulbright and PricewaterhouseCoopers.

On the one hand, the involvement of a network of market actors from the overarching conventional field enhanced the growth of the field and perceptions of its legitimacy as part of the established financial order. The involvement of major banks and asset management companies, each with their extensive capital resources and nationwide networks, contributed to greater levels of capital in the field. Moreover, "their innovative skills and means to invest in the development of Islamic financial products are perceived as being highly important for the further progress and mainstream capability of the industry" (Rethel, 2011: 93). For the field, revenue and consumer numbers have increased significantly as a result. Operating as experimental ventures during the nascent period in the late 1990s and early 2000s the few pioneering Islamic finance corporations struggled to mobilise the necessary capital and resource allocations to recruit experienced finance professionals. However, with greater economic stakes on offer in the field, greater remuneration packages and contract fees have followed to attract professionals and service providers from the conventional field. The involvement of conventional market actors also played a significant role in legitimising and validating Islamic finance as a viable economic field. For some market observers concerned with perceptions of the (conventional) economic legitimacy of Islamic finance the involvement of conventional actors has been viewed positively. Conventional firms, many of which have extensive international networks, have introduced global best practice and conventions. As one financial journalist[23] framed it, they "injected market professionalism, market discipline, [and] market governance into the sector."

On the other hand, however, the evolving dominance of conventional actors in the genesis of the field has been a significant structural force shaped by and shaping the lack of autonomy of the field and its position as a subfield. With the entrance of two of the four major banks, a quarter of all asset management companies, and most of the large advisory and accounting financial service providers, the field is saturated with conventional banks that offer "Islamic windows" and conventional asset managers that offer Sharīʿa compliant investment funds. Consequently, the field cannot be said to have a network of professionals that do not also have some sort of involvement in the overarching field of conventional banking and finance. These empirical features of the network composition of actors indicate that Islamic finance formed a subfield of the conventional field and not an entirely separate field.

As I experienced among my interlocutors in the field, there is a constant movement of actors between the overarching field and the subfield indicative of a transgression of boundaries between the two. Overwhelmingly, it is hard to find an Islamic finance professional who is not involved in the conventional sector. Despite my informants' proclaimed commitment to the Islamic finance project and their aversion to the immorality of the interest-based conventional market rationality, many of them were either simultaneously directly engaged in the conventional field, or they worked for firms who were. Among asset managers with Sharīʿa

[23] Interview with author, 15.12.14.

compliant funds it was hard to find a portfolio manager, Muslim or not, that wasn't at the same time also involved in managing non-Sharīʿa compliant, conventional funds as part of their job function. Bank Al-Nur stood alone as the only fully-fledged Islamic finance institution whose operations were solely operating in the subfield, whereas the other players were conventional banking and finance companies with comparatively small Islamic finance sub-divisions or investment funds. However, as we shall see later, even at Bank Al-Nur the network of professionals and shareholders were deeply connected to the conventional sector.

The insertion and dominance of market actors connected to the conventional field has been a catalyst for institutionalising a market rationality based on conventional principles. These new market actors have propagated a highly rationalised, economistic view of market practice, detached from the communal and social welfare concerns espoused in Islamic finance. Through the epistemic power of the dominant group of conventional market actors, heteronomous market rationalities and stakes have been authorised and legitimated as dominant frames structuring the field. As is characteristic of the dominance of a particular network of actors in a field (Fligstein, 2001), these actors have attempted to create an order to the subfield they entered by establishing gatekeeping mechanisms, shared understandings of appropriate practice and appreciations of the stakes of the game in order to ensure the smooth functioning of the system based on their interests. Within the Islamic finance field this process has to a large extent been achieved by extending the structural influence of market institutions responsible for socialisation, professionalisation and framing the collective identity of actors in the conventional field.

4.3.3 Heteronomous Market Institutions, Socialisation and Professionalisation

At the point of their entrance to the field conventional actors brought to bear the structural force of heteronomous socialising institutions attuned to dominant modes of market rationality from the conventional field. Within market fields Beckert (2010: 618) has observed the role that socialising institutions such as universities, business schools and professional associations play in shaping dominant cognitive frames. In many respects Beckert's theory of socialising institutions echoes the earlier work of DiMaggio and Powell (1983) on the influence of professionalisation in shaping the cognitive frames of actors in economic fields. Building on Weber's (1978 [1922]) magnum opus *Economy and Society* and his discussion of the mechanisms by which bureaucratisation effects rationalisation, DiMaggio and Powell (1983:

147) have alerted us to the influence of professionalisation in shaping normativity in economic fields. They posit that professionalisation entails the "collective struggle of members of an occupation" to define their field of action, "to control 'the production of producers' (Larson, 1977: 49–52), and to establish a cognitive base and legitimation for their occupational autonomy" (DiMaggio & Powell, 1983: 152). For actors that constitute professional groups within market fields, socialising institutions introduce "normative pressures" (DiMaggio & Powell, 1983: 152) which act as a "mechanism leading to the stabilization and homogenization of fields" (Beckert, 2010: 618). This process of socialisation can either lead to the stabilisation of cognitive frames already present in a field or can lead to their transformation if new market actors are able to bring to bear institutions that inculcate different mind-sets within the market (Beckert, 2010: 618).

The subfield of Islamic finance lacks its own autonomous socialising institutions. Aside from the relatively small number of Sharīʿa scholars that constitute the network of professionals in the field (which will be discussed in the following chapters), professionalisation is shaped by the norms of the overarching conventional finance field. As I encountered in the field, typically most Islamic finance professionals have come from this field. The majority of executive managers had at least fifteen years of experience in the conventional sector. These were professionals who first developed their skills within the conventional finance field before taking up leadership positions in Islamic banking divisions or asset management companies with Sharīʿa compliant investment funds. The fluidity with which professionals can seamlessly traverse between the conventional and Islamic finance field during their career is indicative of the universality of roles, job function, skill-sets and dispositions equally at home within both fields.

As is characteristic of subfields, actors "have to pass through the same gate-keeping mechanisms as all other participants in the larger field" (Steinmetz, 2016: 109). Faculties of commerce and business schools with curricula grounded in conventional finance—the educational institutions that train and supply conventional finance companies with their human resources—are similarly the training institutions for new recruits and current professionals within the field. With the growth of the market, Islamic finance has come to be seen by new university and business school graduates as an increasingly viable field for them to forge a career in banking and finance. As candidates expected to hold qualifications as either Chartered Accountants (CAs), Chartered Financial Analysts (CFAs), or with Master's in Business

Administration (MBAs), training in conventional economic theory and normative praxis is a prerequisite. It is only when they enter the field that most professionals are put on short courses to educate them in the workings of Islamic finance (Pollard & Samers, 2007: 322; Rethel, 2011: 95). Aside from Sharīʿa scholars, only three of the fifteen Islamic finance professionals I interviewed had any formal qualifications in Islamic finance, and for those that did, these were obtained after having first completed programmes in conventional finance, accounting or economics. Dominant economic conventions, norms and neoliberal economic discourse mobilised by business schools to train and socialise professionals for roles within conventional firms are thus similarly called upon to do the same for actors in the Islamic finance field.

Ironically, I was surprised to find out that an education in Islamic finance was neither required nor valued as a sufficient qualification for entry into this professional group. A small but growing number of South African students who have travelled overseas to pursue undergraduate and postgraduate degrees[24] in Islamic finance with a view to returning home and finding employment found this out the hard way. As Yusuf,[25] who recently completed an MSc in Islamic Finance at the International Centre for Education in Islamic Finance (INCEIF) in Malaysia, explained to me, "In coming back to South Africa I knew it would be quite tricky based on the fact that the market is not that developed in Islamic finance [compared to Malaysia]. So, I did foresee difficulty, but not to *this* extent." Recalling the feedback he had received from recruiters during the many months he had been searching for employment opportunities in the field, Yusuf explained, "for an audit firm you are not qualified enough: you don't have a CA. For an investment firm you are also not qualified enough: you don't have a CFA. They obviously have parameters they have before they hire." Yusuf indicated that these gatekeeping parameters derived from the broader conventional field. Despite also having a BCom from the University of South Africa (UNISA) in accounting and business management and ironically describing "70 percent" of the Islamic Finance programme at INCEIF as being grounded in conventional finance, Yusuf was nonetheless repeatedly informed that his qualifications still did not meet the satisfactory requirements for employment.

[24] Over recent years, a number of universities and institutions of higher education have started offering degrees in Islamic economics and Islamic finance in the Middle East, the UK and, most predominantly, Malaysia.

[25] Interview with author, 12.11.14.

In addition to formal education, the mechanisms by which professionalisation legitimates and promulgates conventional normative rules and cognitive frames is via professional and trade associations. These market institutions play an instrumental role in altering and homogenising “the structures, methods, and philosophies” of market actors that depend on them for support (DiMaggio & Powell, 1983: 151). Also referred to as “governance units,” these formal institutions serve to ensure that compliance with the rules of the field are upheld by actors in the interest of the smooth functioning of the system (Fligstein & McAdam, 2011: 6). Within the South African conventional banking and finance field the Banking Association of South Africa (BASA) and the Association for Savings and Investment South Africa (ASISA) are two of the key trade associations. Representing banks and asset management companies respectively, these organisations have mandates to represent their market sectors in policy and advocacy engagements with the state. In addition, they are responsible for rolling-out sector-wide education and training on market “best practice” and they encourage members to adhere to rules, standards and guidelines in order to ensure that, as ASISA states, “as a collective our industry remains relevant and sustainable” (Association for Savings and Investment South Africa, n.d.). Put differently, these associations ensure that dominant conventions and standards are adopted by their members to enhance the economic legitimacy of the sector and affix order to the logic of capital accumulation.

Once again indicative of its lack of autonomy and position as a subfield, the Islamic finance field does not have its own professional associations. Actors in the field have formed sub-committees within ASISA and BASA to have their interests represented. While it is true that ASISA and BASA have been instrumental in advocating for legislative change to accommodate the growth and sustainability of the subfield of Islamic finance (as discussed in the previous chapter), they have also made it clear that they expect Islamic finance companies to adhere to broader conventions developed and set by the overarching conventional finance field. Their primary concern is to support the business interests of their dominant constituency—the conventional field—and in their support of the Islamic finance field have done so only so long as it does not disrupt market order and the status quo. As Iqbal,[26] a leading lobbyist at BASA informed me:

> There are a range of issues that we as an association will continue getting involved in and that’s the regulatory space to try to promote a regulatory

[26] Interview with author, 13.11.14.

> environment that Islamic banks can do business in; to balance that with the broader regulatory environment. But, I think there is [*sic*] a range of interactions, particularly between the religious doctrine and the banking that we will not get involved in….

In other words, BASA was willing to support Islamic banks so long as they adhered to the status quo of conventional banking practice and competition. However, they would not support any attempts to assert alternative frameworks of market rationality based on "religious doctrine" that sat outside of this mould. As Fligstein and McAdam have argued "governance units bear the imprint of the influence of the most powerful incumbents in the field and the logics that are used to justify that dominance. Regardless of the legitimating rhetoric that motivates the creation of such units, they are generally there not to serve as neutral arbiters of conflicts between incumbents and challengers, but to reinforce the dominant logic, and safeguard the interests of the incumbents" (Fligstein & McAdam, 2011: 6). In the Islamic finance field these heteronomous professional associations are preoccupied with the adherence of their members to a conventional market logic and they function as a structural force by virtue of their communal power to sanction deviance and enforce norms.

By means of charting the genesis of the field and the evolution of institutional and network forces that have accompanied this process I have argued that we are able to appreciate the factors that have led to the lack of autonomy of the Islamic finance field and its position as a subfield of the overarching conventional field. Through the analogical lens of the autonomy criterion we are able to observe that to a greater extent, the field is not in a position to assert its own specific logic and rules of market practice that differ from those that govern the encompassing conventional finance field. State financial regulation has played a decisive role in constraining the autonomy of the field and its ability to establish its own distinct *nomos*. Instead, the state has played an influential role in positing the field as a subfield of conventional finance. Moreover, as a result of the influx of conventional actors, the transgression of boundaries and a lack of autonomous institutions, the field has failed to establish the position of its own ideology—Islamic finance theory—as the primary criterion for valuations of worth and credibility. In contrast, as an Islamic finance professional, entry to the field is contingent upon a thorough grounding in conventional economic theory. Educational and professional socialising institutions tied to the overarching conventional field have played a powerful role in sanctioning and filtering out cognitive frames that deviate from dominant economic norms. As a result of the field's lack of autonomy, it has failed to institutionalise its own specific *nomos* and thus has not constructed a law of competition distinct from the logic of the overarching field. Financial professionals and corporations attuned to the logic of competition and shared understandings of economic practice that predominate in the conventional sector have propagated these highly economistic modes of rationalisation as the taken-for-granted scripts within the Islamic finance field. The legitimacy of actors, their practices, organisational structures, and market rationality are shaped by the hegemonic structural forces that shape and are shaped by the overarching conventional field. Either voluntarily adopted in order to compete or coercively imposed as part of dominant structural forces, Islamic financial institutions are under pressure to adhere to the rules and norms inscribed in dominant modes of neoliberal global finance in order to be seen as legitimate and credible (Warde, 2000: 152).

4.4 Subfield Consequences: The Imposition of a Conventional Market Logic

The Islamic finance project was inspired by the drive to establish an autonomous field whose logic was structured around the principles and objectives of Islamic economics. It has largely failed. Instead, owing to the lack of autonomy of the field and its position as a subfield, neoliberal conventions deriving from the overarching conventional finance field have come to profoundly shape the rules of the game, the stakes of competitive behaviour and the logic of practice in the field. In this section I will attempt to show how the penetration of socio-structural forces from the overarching conventional finance field have imposed a neoliberal market logic centred on profit maximisation as the taken-for-granted objective of market practice. In order to demonstrate how the logic of the field has been aligned with neoliberal norms and interests, I would now like to dwell on one particular component of the stakes framing the logic of competition in the field that was objectified, discussed and reflected upon by my interlocutors.

4.4.1 Prioritising Profit Maximisation: The *Doxa* of Shareholder Value

> I ask CEOs from Islamic banks: what are your core loyalties? Like an ordinary conventional banker they will say: 'my shareholders;' 'profit maximisation;' 'shareholder value.' The ethics is four, five down the line. … The welfare aspect and the social justice aspect is way down. Even the Sharīʿa governance aspects; the Sharīʿa governance, or the Sharīʿa principles, are a means to an end basically. But, it requires more than that, it requires commitment to the concept [of Islamic finance], the core. Part of the problem is that the first generation of Islamic bankers came from the conventional sector…. A lot of

> them brought the prejudices and the modalities of the conventional. If you are taught in a certain genre it is automatic for you to use those principles to whatever else you do. It is human nature (Hamza).[27]

Reflecting on the last three decades he had spent engaging with market leaders in the Islamic finance field Hamza, a leading financial journalist and expert on Islamic finance, made a point to stress to me the preeminent position of shareholder value in the hierarchy of values that structure the competitive market logic of the field. For my informants in the field it was a similar case. During fieldwork it was quickly made clear to me that the goal of maximising profits in the interest of shareholder value was of primary importance.

Shareholder value is part of neoliberal economic discourse, a powerful discourse that has the capacity to universalise its presuppositions and postulates as inherently natural, or common sense. As Bourdieu argues, neoliberal economics "owes a certain number of its allegedly universal characteristics to the fact that it is … rooted in a system of beliefs and values, an ethos and a moral view of the world, in short, an *economic common sense*, linked, as such, to the social and cognitive structures of a particular social order" (Bourdieu, 2005a: 10). As an important constituent feature of the doctrine of neoliberal economic discourse, shareholder value has become part of the *doxa* of financialised economic markets, a universalising discourse that grounds the epistemological legitimacy of market practice. Indeed, as Karen Ho observed among investment bankers on Wall Street, "'shareholder value' meant more than raising the stock price of a corporation: it also signified a mission statement, a declaration of purpose, even a call to action. Creating or reclaiming shareholder value was morally and economically the right thing to do; it was the yardstick to measure individual as well as corporate practices, values, and achievements" (Ho, 2009: 125). Within the conventional finance field, shareholder value operates as an authoritative script framing the logic of capital accumulation. Above all other social and economic considerations shareholder value is a dominant measure of business success (Ho, 2009: 13). It impels finance professionals to focus on short-term profits and financial criteria in their decision making rather than alternative rationalisations of calculation.

Similar to Ho's (2009) ethnographic study of investment bankers on Wall Street, shareholder value was an integral, if not the most important, concept in the rules of the game and the stakes

[27] Interview with author, 15.12.14.

that shape the everyday practice and subjectivity of actors in the South African Islamic finance field. In Bourdieusian terms, shareholder value was an authoritative discourse and dominant component of the *nomos* structuring the field. In this section specific attention in particular will be placed on the hegemonic influence of shareholder value in shaping the competitive market logic of the field. As will be shown, the dominant influence of shareholder value is cited by Islamic finance professionals as both a factor compelling them towards practices solely fixated on profit maximisation and at the same time an obstacle that precludes them from adopting a market logic based on broader social and economic objectives of Islamic economics.

In its contemporary manifestation shareholder value is associated with institutional shifts associated with the rise of neoliberalism since the 1980s (Beckert, 2010: 616–617). The rising prominence of the *doxa* of shareholder value has been associated with the phenomenon of financialisation. Neoliberal economic theory that emerged from the Chicago School in the 1980s propounded the theory that corporations could maximise the efficiency of an economy if they prioritised the maximisation of their share prices (Lazonick, 2015: 96). Whereas in the early twentieth century the conception of the firm entailed the interests and considerations of a wide group of stakeholders, today "the primary mission of corporations is understood to be the increase of their stock prices for the benefit of their 'true owners,' the shareholders (that is, to create shareholder value)" (Ho, 2009: 3).

In the post-apartheid South African context of financialisation, the maximisation of shareholder value has been a key object for cognitive and institutional transformation. Following the demise of the apartheid regime and the liberalisation of the economy, the overarching conventional finance field as well as the subfield of Islamic finance have been penetrated by the *doxic* force of the shareholder value discourse. As Padayachee has observed, "Since 1994 and as South Africa opened up to global economic circuits and institutional rules and practices, there has been a much stronger commitment, at least nominally, to compliance with developments in global corporate governance" (Padayachee, 2013: 26). Under pressure to attract foreign investment and maintain the competitiveness of the national economy, dominant modes of corporate governance and financial reporting have been adopted to enhance the perceived legitimacy, and thus fundability, of the South African banking and finance sector (Vaughn & Ryan, 2006: 505; Andreasson, 2011: 648). The state and its mediation of powerful forces associated with circulatory cultures of finance have pushed institutional reforms affixing the dominance of shareholder value in transformations made in corporate governance. Under the power of "Anglo-Saxon" influences that shaped normative forms of corporate governance (also referred to as the "Anglo-American" model), the priority to maximise shareholder value in South African corporate decision making has been significant in the recent period (Padayachee, 2013: 11). This model of corporate governance, based on a single-tiered board structure where only shareholders are represented, is supported by an institutional framework that treats corporations as extensions of their owners to whom it is ultimately responsible (Andreasson, 2011: 654). Whether operating in the conventional finance field or the subfield of Islamic finance, under this framework it is the responsibility of corporate management to ensure that the maximisation of shareholder value is upheld in decision making. In other words, the objective to prioritise the maximisation of profits in the interest of shareholder value has been enforced by the dominant institutional forces that structure the field.

To ensure that the model of maximising shareholder value is prioritised in decision making sophisticated institutional tweaks and regulations have been devised to align the interests of managers with those of the shareholders. There has been a need to resolve potential "conflicts of interest" between the owner-shareholders (principals) and the managers of their capital (agents) (Andreasson, 2011: 650). Asymmetries of information and agency between managers and shareholders pose potential risks to shareholders whereby self-interested managers could pursue their own agendas to the loss of shareholders' capital. Institutional developments geared towards overcoming this problem have inserted a variety of mechanisms such as shareholder representation on the board of directors, external market discipline and manager compensation schemes (El-Gamal, 2006: 172).

South African financial legislation, such as South African Company Law, regulates the relationship between companies, their managers and shareholders. These rules mandate that shareholders must be represented on boards of directors and as such must be consulted and vote on key corporate strategic decisions, including the allocation of significant amounts of capital (for example, for product innovation) and the hiring and firing of senior management (Rossouw, van der Watt & Malan, 2002: 295). External market discipline has been enforced by mandating the disclosure of financial information to the public as an additional means to ensure that financial corporations are upholding the interests of their shareholders. Moreover, one of the most significant institutional interventions has been the introduction of compensation mechanisms that link managers' pay to their company's stock prices. In short, by tailoring a high proportion of stock-based pay and stock options as a proportion of corporate salaries, when corporate performance and share prices increase, so does the remuneration received by managers. The relationship between shareholders, managers and equities markets "involve monitoring, rewarding, and sanctioning managers in order to get them to maximize profits" and if the coercive force of tying compensation to share price does not do the job, shareholders have the power to replace management teams with those who will perform to their expectations (Fligstein, 2003: 3). In other words, the dominance of the maximisation of shareholder value as a fundamental objective shaping the decision making of financial professionals above all other considerations is upheld through the institutional architecture of corporate governance that coercively and overtly disciplines adherence to this hierarchy of market values.

The introduction of a market rationality aligned with the *doxa* of shareholder value can also be seen to have coevolved with the changing network composition of actors in the field. The priority to maximise profits in the interest of shareholder value was introduced as a dominant stake in the field and cemented by the trend towards professionalisation, socialisation, and the increasing recruitment of professionals from the conventional market who brought to the field a value orientation and market rationality aligned with this constituent part of the neoliberal *doxa*. More significantly, however, the conventional finance firms that entered the field from the mid-2000s brought with them the conventional corporate governance models that shaped and were shaped by the neoliberal shareholder value revolution. The "Islamic windows" and investment teams that operate in the Islamic finance field, who constitute the sub-divisions of larger conventional finance firms, do not enjoy the autonomy of operating under a separate governance structure from that which governs the larger conventional business.[28] Employing the same methodologies of evaluation as those used to assess their conventional business operations, these corporate governance structures are not concerned with the ethical performance of their Islamic finance divisions or investment funds. Rather instead, their valuation of worth and benefit is tied solely to financial performance.

[28] While Sharīʿa Supervisory Boards are responsible for ensuring the Sharīʿa compliance of products, they do not sit on the Board of Directors and thus their influence is significantly mooted in regard to corporate governance. The latter oversee overall governance, dictate key strategic decisions, and are responsible for the hiring and firing of banking and finance executives as well as the Sharīʿa Supervisory Board.

The performance of Islamic finance professionals and the entities they work for are measured by the same logic that underlies the valuation of actors in conventional banking and finance. As such, the stakes of competition and the objectives of economic praxis are largely indistinguishable from the conventional status quo. Governance units ensure that the performance of senior management of Islamic finance divisions and investment funds are objectively measured according to what is known in the field as "Key Performance Indicators," measurements of performance framed by the dominant logic of market reason. Job security, promotions and bonuses are obtained based on satisfactorily performing to the same quantitative, profit-oriented matrices and benchmarks used to evaluate managers in the conventional field. As one of my informants[29] had observed:

> Maria Ramos [the ABSA CEO] and ABSA [Board of Directors] is not interested in how many Muslim businessmen they empower, they are only worried about 'what's our bottom line?'; 'what's our growth, what's our year-on-year growth?' … If [Moosa and Iqbal—two senior managers in the Islamic banking division] say, 'this year we achieved 30 percent,' she will give them a big bonus, because that's the way it is done. But, if you look at it technically, and if people really had a respect for what the Islamic financial system is supposed to achieve, the bonus is supposed to be based on other parameters. Your KPI shouldn't be 'what's your year on year growth?' Your KPI should be to what extent we have become more socially responsible; have you empowered people; have you educated…With those KPI, 'ok, you deserve a bonus.'

The priority to pursue profits in order to satisfy the demands of shareholders is not only a matter of concern for the job security of Islamic finance professionals, but is also of critical concern to the survival of the field as a whole. My informants who worked for firms whose major business model rested within the conventional sector were under no allusion that Islamic finance divisions and funds had to prove their economic competitiveness internally in order to secure their viability; their status within conventional institutions was precarious. The impression was that while conventional finance firms had taken a risk branching out into the Islamic finance sector they were not prepared to support the continuation of their Islamic finance divisions if they could not prove themselves to be competitive.

Profit maximisation in the interest of shareholder value has been affixed in the field as a central objective structuring shared understandings of market practice. Shareholders dictate market objectives and financial profitability comes to steer the strategies and calculation of Islamic

[29] Interview with author, 12.11.14.

finance professionals. It compelled actors to prioritise short-term profit maximisation above all other social and economic considerations that often enact a trade-off between religious and conventional economic norms. A key performance metric underlying the rules of the game and the stakes they themselves compete for, in the eyes of many of my informants shareholder value was paradoxically identified as a force preventing them from pursuing the objectives espoused by the theory of Islamic finance. Adhering to this convention was seen to be essential to their own survival and that of the field, and yet it clearly sat at odds with the alternative goals of Islamic finance to pursue economic development, justice and equity by placing a limit on conventional economic fundamentalism.

4.4.2 Bank Al-Nur and the Rise of the Shareholder *Doxa*

In order to illustrate how the *doxa* of shareholder value has historically coevolved with the changing institutional and network structures that have come to shape the Islamic finance field and its *nomos* I would now like to explore the case of Bank Al-Nur. One of the first Islamic finance institutions to be established in South Africa in the late 1980s, Bank Al-Nur was founded by a group of influential South African Muslim businessmen in partnership with a wealthy Saudi by the name of Hassan Abas.[30] An early pioneer in the world of Islamic banking, Abas was the owner of a chain of Islamic banks in the Middle East and a global advocate for Islamic economics. In the late 1980s a prominent Durban-based lawyer, entrepreneur and activist by the name of Ihsan,[31] managed to acquire a banking licence from the South African Reserve Bank with the intention to establish an Islamic bank. While Ihsan was well connected in the local Muslim business and religious community, he and the provisional group of directors that he had persuaded to collaborate with him lacked enough investment capital to meet the capital requirements set by the Reserve Bank for establishing a bank. As such, during a trip to London he approached Hassan Abas' representatives in an effort to negotiate a partnership and was successful. Abas and his team of advisers identified South Africa as a fruitful market in which to expand their multinational banking corporation. South Africa's banking laws required that any bank established in the country must have a proportion of shareholders of which at least 50 percent had to be South African nationals. Abas committed to an initial investment of R4 million, a 50 percent share stake. It was then up to the remaining founding South African

[30] All names have been changed.

[31] All names have been changed.

directors to raise an equivalent amount of money. Embarking on a nationwide "roadshow" the directors travelled the length and breadth of the country in an effort to herald the impending establishment of Bank Al-Nur to the local Muslim community and to identify local business leaders who might also be interested in becoming shareholders in this new venture. In the late 1980s Bank-Al Nur was established with Abas holding a 50 percent shareholding, the remainder divided between leading Muslim businessmen from Gauteng, the Western Cape and KwaZulu-Natal.

It was initially the case in the early formative years of Bank Al-Nur, during the nascent beginnings of the Islamic finance field, that shareholders were said to have invested with what could be equated with a more development focussed, or philanthropic motive. Reflecting on the early years at Bank Al-Nur, Shafiq,[32] one of the bank's earliest senior executives, informed me:

> Shafiq: [W]hen we started, [Bank Al-Nur] was a social project virtually; call it a socioeconomic project. The [Al-Nur] Group, [Hassan Abas], saw it as a vehicle to promote Islamic economics and maybe Islam itself and that kind of thing. And, in South Africa the original shareholders I think just saw it as something, like we do with any of the other institutions that we [Muslims] start up, more like…
>
> RTN: More like philanthropic…?
>
> Shafiq: More like philanthropic, but a social kind of project. But, now of course it is very different.

Hassan Abas rode the wind of the oil boom of the late 1960s in Saudi Arabia and amassed a vast fortune from his infrastructure company which had lucrative contracts with the Saudi government. He established investments in more than thirty countries and established the Bank Al-Nur Group as part of his vision to further Islamic banking globally. His business model involved forming partnerships with local shareholders interested in establishing Islamic banks. The narrative presented by my informants—some of the current and former leading executives at Bank Al-Nur—was that Abas made financial sacrifices to establish Islamic banking institutions. As Shafiq explained:

> I think [Abas'] motivation at the time—and I think over time he had a bit of a rethink himself—but it was more in a sense of spreading Islam and *da'wa* [mission or activism] and trying to promote Islamic economics. It wasn't so

[32] Interview with author, 18.3.15.

> much money. He never made money out of…I don't think he ever made any money out of…in any case, he didn't make as much money out of banking as he did out of a whole lot of other things that the Group [the Al-Nur Group] is involved in.

At the very least, Shafiq claimed, that Abas' investment in the bank was not primarily motivated by the pursuit of profits was corroborated by the fact that he did not conduct a feasibility study to see if Islamic banking in South Africa would be a financially viable or profitable venture prior to assuming his large stake.

I continued to question Shafiq on the matter of the original South African shareholders and whether it was religious or economic motives that spurred their desire to invest in Bank Al-Nur in the late 1980s and early 1990s. Shafiq continued:

> All of these guys [the original South African shareholders] were well established businessmen in their own right and they were never going to make that kind of money by investing in a bank. So, I think, to answer your question, I don't think they did it for the money. And, it wasn't a lot of money that they put in; they might have put in around R100,000 at the time. Ok, it was a lot of money then, but when you think about [it], they could have turned that money over in their companies a couple of times in a year. And, the Bank had just started: although it has always been profitable throughout its history, from the very first year the bank started, we never made the kind of profits that would be … that would interest people to invest as shareholders.

This was an era, Shafiq described, where a number of new Islamic organisations were being established in the spirit of re-Islamisation spearheaded by such Islamist groups as the Muslim Youth Movement and their counterparts in the 1980s and 1990s. Bank Al-Nur's first board of directors and shareholders saw themselves as part of this wave of Islamic institutionalisation in the public sphere. That non-economic motives can be attributed to the majority of Bank Al-Nur's early shareholders is supported by the fact that none of the initial ten South African members, except one, had any prior knowledge or experience of the banking industry in general, nor could they be expected to confidently know of the financial implications of the Islamic banking proposition they were to enter into. Shafiq lamented that one of the biggest challenges to growth during its early years of operation was a lack of investment. The dividend payment amounts that could be offered were not attractive to potential shareholders. The bank was inundated with deposits from the local Muslim community, but continued to struggle to find local shareholder investors in order to expand the bank's operations. Nonetheless, by 1998

Bank Al-Nur managed to reach a level where there was R40 million in authorised share capital, indicative of a growing interest in investing with the bank. Times were changing.

Amidst this changing of shareholder interest and inundated by deposits, Bank-Al Nur's governance structure began to make transformations towards the conventional paradigm. In 1999 KPMG was appointed joint auditor, becoming sole auditor in 2000. The same year, Martin Cochrane,[33] a seasoned banker with 32 years of banking experience in the conventional sector was hired as Deputy CEO because, as Ihsan put it, "eventually we realised almost ten years later that there are a lot of things that needed improvement in the systems and to do this we needed new personnel. In other words, the bank had outgrown the existing experience and expertise" ([Bank Al-Nur], 2014: 52). This was a period of fundamental change for the bank as network and institutional forces from the conventional banking and finance field became more pronounced. In 2002 Bank Al-Nur received a significant injection of capital from a new investor, the BCB Group,[34] who took a 15 percent stake. An investment company based in London, its directors had experience in the conventional banking world and, as such, were seen by some of Bank Al-Nur's directors as a positive influence in spurring the commercial development of the bank. Two BCB directors were added to Bank Al-Nur's board to represent their shareholder interest. A catalyst for what was to come, further changes to the network of actors within the bank were afoot. In 2004 a new CEO and Director of Finance were appointed, both of whom were trained accountants with extensive careers in the conventional sector but with limited prior knowledge of Islamic finance. Signalling a milestone in the professionalisation of the bank, in terms of conventional cognitive frames, this new governance structure has continued to hire key personnel socialised and with proven experience in the conventional field.

It is fair to say that the influence of Hasan Abas also changed. In 2002 Abas' direct involvement in his banking division underwent significant changes. The Al-Nur Banking Group consolidated all of its stakes in its many Bank Al-Nur partnerships globally under one umbrella with the creation of a holding company. Abas' direct shareholder influence declined as he became one voice among many with stakes in the new Al-Nur Banking Group corporate entity. As part of this restructuring process in 2004 the Bank Al-Nur Group became listed on the

[33] All names have been changed.

[34] All names have been changed.

Bahrain and Dubai stock markets and the powerful institutional influence of financial indices in the valuation of practices in-line with conventional cognitive frames was injected with a new impetus. Dependence on the philanthropic investment of Hasan Abas became tempered by the need to attract investment from international stock markets whose commitment to the potential economic sacrifices of furthering the Islamic finance project could not be counted on.

Outside of the bank itself, 2004 also heralded perhaps the most significant change in the network forces at play in the field with the introduction of the first conventional banks with "Islamic windows," as previously discussed. Competition with conventional banks based on economic criteria had always structured the field in which Bank Al-Nur operated, but it now faced a heightened threat with the introduction of well-endowed conventional banks with "Islamic windows." Muslim consumers wishing to engage in Islamic banking now had multiple options to choose from. With the pre-requisite of Sharīʿa compliance satisfied, consumer rationale shifted to the best services and most competitive rates this expanded market of producers could offer. With the network structure of the field altered, Bank Al-Nur faced new levels of competition to offer comparable services, products and rates of return to consumers while also under pressure to attract more investment capital and retain existing shareholders by maintaining competitive dividend allocations.

With the increasing maturity of the field in terms of conventional penetration and the sophistication of products and human capital culminating in higher levels of profit accumulation, the imperative to maximise shareholder value took hold at Bank Al-Nur. Discussing his observations of priorities that steer the current banking practices at his former institution, Shafiq said: "I think it is *just economic*. I think they are looking at making money. When I say that, I mean generating a return for the shareholders." Current Bank Al-Nur staff and Directors concur that despite what their corporate mission statement and marketing materials may indicate, the maximisation of shareholder value is the key priority in strategic decision making within the bank. Reflecting on the rationale of Bank Al-Nur's current management, a longstanding Chairman of the Bank, Bilal,[35] lamented that the economic fundamentalism tied to corporate governance models within the bank was precluding other ethical considerations based on the socio-economic ethos that he believed was central to Islamic economics: "Their main focus is to make profit. But, I also have an excuse for

[35] Interview with author, 13.3.15.

management because they are under severe pressure from the shareholders to offer a better return, better yield for the shareholders…. And, the competition is really hard; if you are not in line with your competitors you lose big time."

Bank Al-Nur has experienced remarkable growth in its two and half decade history. Now with R4.5 billion in assets under management, an office and branch network that expands to all major cities nationwide, an excess of 250 staff members, it also has a share capital base of more that R225 million. This growth has accompanied, been shaped by, and shaped the changing network and institutional forces that have accompanied the growth of the Islamic banking and finance field over the same time period. The evolving network structure of actors both within the bank, and also in the field in which it operates, have compounded the influence of dominant cognitive frames from the conventional banking and finance sector. Dominant institutional forces affixing conventional models of corporate governance and corporate shareholder structures similarly accompanied this shift in cognitive frames. Initially a quasi-philanthropic experiment, with its greater integration into the market the powerful *doxic* force of shareholder value, emblematic of neoliberal norms, has come to dominate the cognitive frame within Bank Al-Nur.

4.5 Conclusion

In many respects the Islamic finance field has successfully mediated its engagement with related fields that were instrumental to its growth. Indeed, the genesis and continued sustainability of the field is intimately bound with the conventional banking and finance field and, most importantly, the South African state. However, as we have observed in this chapter these inter-field relations have undermined the autonomy of the field. By tracing the influence of financial regulation and the increasing involvement of conventional actors in the structuration of the subfield of Islamic finance this chapter has explored the processes by which neoliberal capitalist conventions have come to profoundly shape the rules of the game, the stakes of competitive behaviour and the logic of the field. Homing in on one of these conventions, it has been shown how partly as a result of institutionalised notions of corporate governance and shareholder value the conventional logic of profit maximisation has become affixed within a field whose symbolic legitimacy rests on laying claim to an alternative market rationality of which a fundamental component is the disavowal of economic fundamentalism.

This chapter has also attempted to establish a fundamental argument underlying this thesis: that to understand the causes for the disjuncture of Islamic finance, and the consequences this has for the logic of practice of Islamic finance professionals, one must appreciate the field's lack of autonomy and position as a subfield of the overarching conventional finance field. Having conceptualised the field as a subfield, we are able to see how two competing field logics, market cultures, and principles of economic legitimacy create a power conflict. Dominated by external socio-structural forces—the state and a dominant network of conventional market actors—Islamic finance actors have found that they are either naturally inclined or coercively compelled to ascribe to neoliberal economic norms and values. As a subfield of the overarching conventional finance field we can appreciate the mechanisms by which this external market logic has taken hold. To a large extent, Islamic finance actors do not have the sanctioning power to self-determine the logic of the field and the rules of the game, but rather find that state regulators and conventional corporate governance structures wield ultimate authority. As such, it is tacitly understood that in order to accumulate capital and ensure their survival it is in the interest of market actors and the field as a whole to adhere to conventional market rationality. In a sense then, it can be seen how the state and conventional market forces have created the market culture of Islamic finance that structures the shared understandings and beliefs of market actors.

As will be shown in the following chapter, the financial products developed by Islamic finance actors indicate that they have committed to these stakes of the game and conventional cognitive frames shape the strategic economic actions they take. In their quest for profits, to attract consumers, and maximise shareholder value within a competitive space dominated by the conventional finance field market actors have adopted modes of economic practice substantively difficult to delineate from conventional paradigms. This has created profound problems for the symbolic consecration of a field and perceptions of its Islamic legitimacy.

5 Merchants in the Temple: Disjuncture and Crisis in the Subfield of Islamic Finance

This chapter concludes the analysis presented in Part 1 by documenting how the neoliberal logic that has taken hold of the field has shaped market practice, and correspondingly how the resultant disjuncture between Islamic principles and market practice has created a crisis of belief in the field. I begin by exploring the economic practices of Islamic finance actors in order to show how a field that originally set out to institutionalise a system of finance inspired by the ideals of Islamic finance and the drive to place a limit on the economic bottom line has succumbed to the hegemonic influence of neoliberalism. As I will demonstrate, the logic of Islamic finance practice has been transformed as a result. Dominant modes of market practice reveal that Islamic finance actors have aligned themselves with the neoliberal values and interests that have taken hold of the field. In order to maximise profits and shareholder value within the subfield of Islamic finance, market actors routinely engage in forms of financing substantively difficult to delineate from modes of finance found in the overarching neoliberal conventional finance field. Market actors have abandoned idealised forms of equity-based financing believed to be authentic representations of Islam. Instead, they have adopted efficiency-based modes of financing whose legitimacy is in doubt. This chapter argues that the disjuncture between Islamic economic principles and the reality of market practice has been objectified in the Muslim public sphere undermining perceptions of the legitimacy of the field. Symptomatic of what Bourdieu refers to as a “crisis of belief,” market actors’ utilisation of modes of financing that ostensibly replicate the substance of conventional finance has produced uncertainty and contestation over whether the practice of Islamic finance coheres with Islam. As I will show, the crisis of belief has critically undermined perceptions of the symbolic value of the field, its actors, and their financial products as authentic representations of Islam.

Utilising Bourdieu’s theory of fields of cultural production and drawing on the work of the Islamic economist Mahmoud El-Gamal, in the first part of this chapter I develop a model with which to show how dominant modes of market practice framed by the neoliberal objective to maximise economic efficiency have compromised perceptions of the legitimacy of Islamic finance. More specifically, I suggest that this framework helps us to understand how the observed neoliberal logic that drives market practice has eroded the symbolic value of the market, its actors and their products. In order to make my case, in the second section of this chapter I focus on three areas of market practice that demonstrate how Islamic finance actors have prioritised economic efficiency over more authentic forms of Islamic finance that focus on the ideal of equity. In the third section of this chapter I document how these practices have demystified the practice of Islamic finance, objectified the economic interests that inform market practice, and resulted in heightened levels of reflexivity and critique. Correspondingly, I discuss two features of the crisis of belief that I observed in the field. Firstly, I describe how the field has been exposed to a sustained critique by some vocal Muslim scholars (*ʿulamāʾ*) in the broader religious sphere as they have called into question the legitimacy of Islamic finance products and the integrity of Muslim practitioners who work in the field. Secondly, I describe how contestations regarding the legitimacy of Islamic finance in the religious field have undermined Muslim consumer confidence in the symbolic value of Islamic finance. Taken together, these features of the crisis of belief in the field demonstrate how the imposition of the dominant neoliberal market logic has compromised the symbolic value of Islamic finance. As a field of cultural production dependent on upholding perceptions of belief, the resultant uncertainty as to the legitimacy of Islamic finance products has had a detrimental effect on the ability of market actors to accumulate economic profits and potentially undermined the sustainability of the field.

5.1 Symbolic Value and the Crisis of Belief in Islamic Finance: Equity vs Efficiency

Part of the reason for the crisis of belief in the field relates to what I term the "disjuncture of Islamic finance": the divergence between the ethico-religious framework of Islamic economics and the practice of Islamic finance. As Bill Maurer explains, "The former indicates an endeavor seeking to remake 'the economy' in toto, and to remake it along with the revisioning of all of human life in accordance with 'Islam.' The latter indicates an endeavor seeking to create 'replacement products' … for an emerging global market niche" (Maurer, 2005a: 57). The Islamic economist Mahmoud El-Gamal (2000) has modelled the disjuncture of Islamic finance as representative of a conflict of interest between Islamic economists and Sharīʿa scholars, on one side, and Islamic finance professionals, on the other. El-Gamal suggests that Islamic economists and Sharīʿa scholars tend to stress an approach to Islamic finance structured around the ethical priority to promote equity (*al-ʿadl*), based on their interpretations of the objectives of Sharīʿa law (*maqāṣid al-Sharīʿa*) (El-Gamal, 2000: 7). In contrast, Islamic finance professionals have a tendency towards an approach that prioritises considerations of economic efficiency (*al-kafāʼa al-iqtisādiyya*). The "financial technologies" (contract and transaction types, or financial instruments) that Islamic finance professionals may feasibly utilise—given, for example, the constraints of state financial regulation—present a "trade-off" between those that are considered to be more efficient (generate greater profits, etc.) versus those that have a greater capacity to further economic equity (poverty alleviation, development, redistribution, etc.). While those in favour of using equity-based financial instruments play a "significant public relations role to add credibility to the 'Islamic' label," El-Gamal (2000: 8) argues that their approach was not successful in developing a viable Islamic finance industry. Simply put, the pioneers who developed the Islamic finance industry quickly realised that equity-based instruments were inefficient and uncompetitive when placed in a competitive market context dominated by conventional financial institutions, regulations, and consumers with a predisposed preference for conventional forms of finance. Instead, Islamic finance actors drew on their professional knowledge and experience within the conventional financial field to develop efficiency-based financial instruments in order to maximise profits. By making a few tweaks to conventional financial contracts Islamic finance professionals were able to reverse-engineer tried-and-tested conventional financial instruments. However, the issue with this efficiency-based approach has been that it continuously teeters on the edge of the boundary of what is permissible in terms of the Sharīʿa, and in the eyes of some Sharīʿa scholars falls beyond it. Although this mode of Islamic finance has become widespread, the credibility of the efficiency-based, or "closest permissible point," approach is precarious and perceptions of its legitimacy are "fuzzy" (El-Gamal, 2000: 9).

Determinations of legitimacy are largely dependent on the authority of Sharīʿa scholars in a local market context and what they will or will not deem to fall within the limits of Sharīʿa permissibility. Whether or not efficiency-based instruments are legitimate often becomes a question of the how far one can push the jurisprudential tools and techniques of casuistry. As will be discussed more fully in the following chapter, the permissibility of Islamic finance instruments and transactions are determined by Sharīʿa scholars versed in *fiqh* who are hired by financial institutions to sit on Sharīʿa Supervisory Boards (SSBs). When an Islamic finance institution seeks to introduce a new financial instrument or product in the market they must first submit a proposal to be reviewed by their internal SSB. The SSB will assess the compliance of the proposed financial instrument in light of the Sharīʿa and will then approve or reject it. In rare occasions a financial institution's SSB will issue an outright rejection of a proposal. More frequently, they work closely with Islamic finance professionals to find a way to make an instrument permissible. As Tripp has noted, “the trend has been to scour the Islamic tradition – the basic sources of the *shari‘ah*, as well as the writings of the *fuqaha’* – in order to find ways of legitimating financial transactions developed in the larger context of global finance capital” (Tripp, 2006: 143). These innovations and adaptations allowing for the development of efficiency-based Islamic finance instruments are often made possible through casuistry: the utilisation of legal stratagems (*ḥiyal*), or ruses, sophisticated jurisprudential tools and techniques that circumvent prohibitions without violating—legalistically speaking—the Sharīʿa. The limits to which these forms of casuistry are perceived to be legitimate within a given market context closely corresponds with the relative degree of conservatism or liberalism of the local community of Islamic scholars. Conservative scholars tend to be critical of the liberal use of casuistry used to reverse-engineer Islamic equivalents to conventional finance products. As such, when devising new financial instruments and transactions, Islamic finance professionals and the SSBs they work with are often engaged in a careful balancing act, pushing the envelope of efficiency—often using casuistry—while also being mindful to maintain a minimum threshold of legitimacy that will be acceptable to influential conservative voices in the local religious community.

As Maurer (2005a: 70) has argued, El-Gamal’s equity/efficiency model provides a framework for understanding contestations in the field that revolve around the issue of the “Islamicity” of Islamic finance. We have a sense that the financial practices adopted by market actors can be assessed according to a quantifiable metric; that they can be more or less “Islamic,” and more or less “pure.” Financial instruments and market practices closer to the equity ideal are considered to be more Islamic, whereas the legitimacy of those focussed on efficiency are often contested and questionable. In many respects, El-Gamal’s efficiency/equity model closely reflects the “form versus substance” dichotomy often mentioned in the academic literature on Islamic finance (Saeed, 1999; Maurer, 2010; Nienhaus, 2011). Islamic (and secular) economists and Sharīʿa scholars are often critical of Islamic finance actors who have abandoned financial instruments that they believe embody the “substance” of the Sharīʿa in favour of profit maximising instruments which, through casuistic techniques, have been rendered merely Sharīʿa compliant in “form.” This dichotomy has been phrased in similar discussions as the opposition between “Sharīʿa based” and “Sharīʿa compliant” approaches to Islamic finance, where the former approach endeavours to innovate products exclusively based on Sharīʿa concepts and the latter endeavours to Islamise conventional products (Hanif & Iqbal, 2010); or, the opposition between “equity-based” and “debt-based” approaches where the former refers to instruments based on the ideal of risk, profit-and-loss-sharing and socio-economic development, whereas the latter refers to fixed-income type products that converge with the interest-based products offered by conventional financial institutions (see Rudnyckyj, 2014a). While phrased slightly differently, all of these models present a sense that Islamic finance instruments can be more or less Islamic depending on their substance/Sharīʿa/equity-based or form/Sharīʿa compliant/debt-based qualities and emphasis, respectively.

El-Gamal's model can be effectively mapped onto Bourdieu's theory of fields of cultural production in order to explore the crisis of belief that has enveloped the Islamic finance field. As outlined in Chapter Two, Bourdieu (1980, 1993, 1996) posits that fields of cultural production (also referred to as economies, or markets for symbolic goods) are dependent on the production of belief; a belief that symbolic goods, their producers and modes of production are culturally or religiously legitimate and authentic. Bourdieu suggests that the production and maintenance of belief is essential for the production and maintenance of the symbolic value (symbolic capital) of symbolic goods. However, Bourdieu posits that if the practices of the producers of symbolic goods are perceived to be driven by the external demands of the economic market—indicative of the field's low level of autonomy—the "objectification" of economic interest can undermine the legitimacy of the field, the producers of symbolic goods and their productions. Bourdieu (1993) describes how in the "commercial" subfields of cultural production, where the logic of practice is driven by (heteronomous) economic interests (profit maximisation, shareholder value, etc.), producers and their goods often face cynicism and critique from other members of the cultural/religious community. For example, Bourdieu (1980) suggested that within the field of art, artistic authorities criticise the "merchants in the temple," producers of symbolic goods who bring an objectified economic "interest" and profane logic of calculation into the realm of art. This demystification breaks the taboo of bringing commercial and "disinterested" (ethical, religious, virtuous, aesthetic, etc.) interests into too close contact. The resultant loss of symbolic value can ultimately lead to a "crisis of belief" that threatens the legitimacy and sustainability of accumulating capital in fields of cultural production.

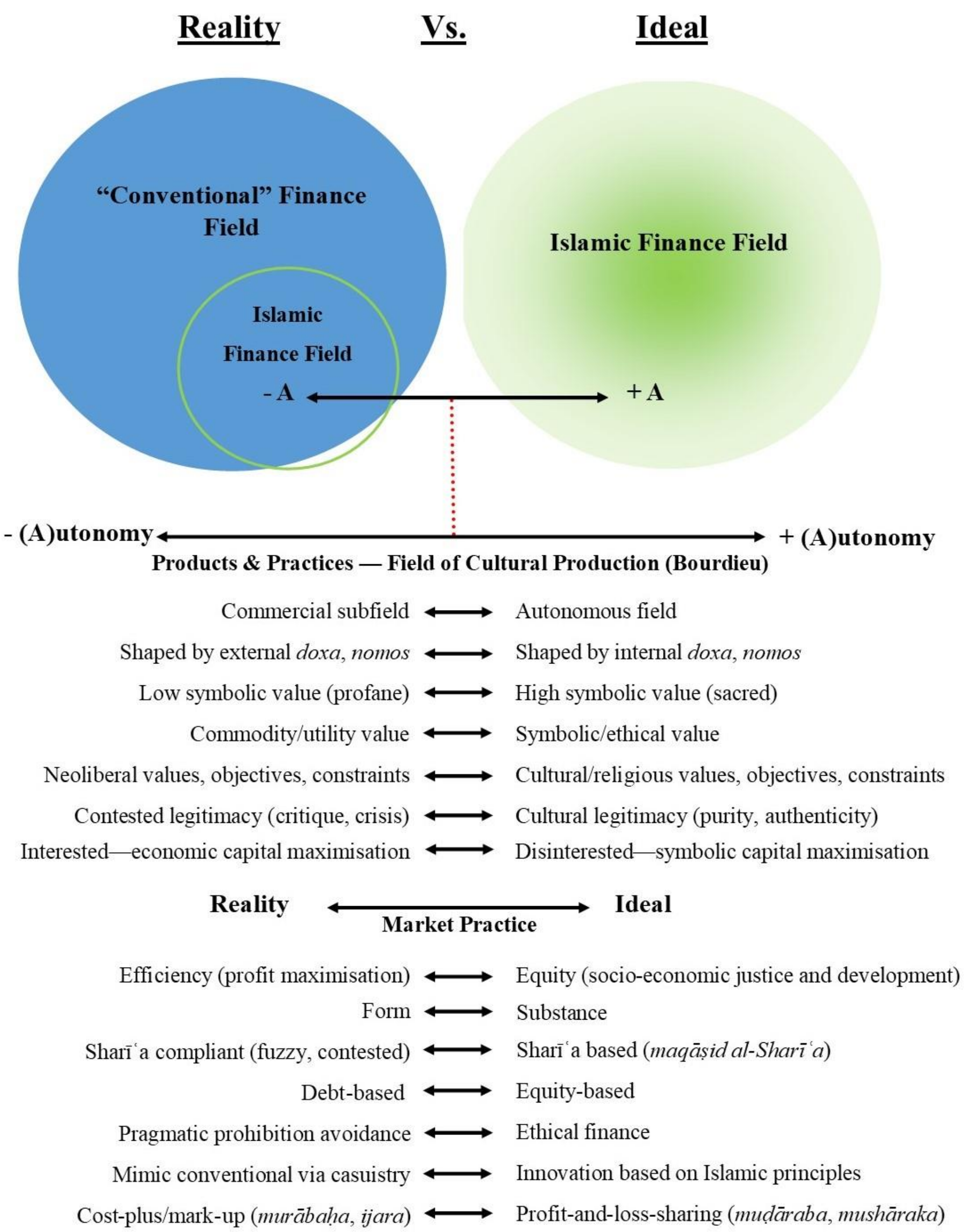

Figure 2: The Disjuncture of Islamic Finance

As displayed graphically in the diagram above, El-Gamal's equity/efficiency model can be applied to Bourdieu's theory to gauge the respective levels of symbolic value associated with the financial instruments (symbolic goods) produced and sold by market actors. Those closer to the ideal of equity can be seen to have high levels of symbolic value, whereas low levels of symbolic value are likely to be attributed to financial instruments focussed on efficiency. Therefore, we have a framework for understanding how disjunctive market practices—that diverge from the equity-based ideal of Islamic finance—compromise the belief in the religious legitimacy of Islamic finance. As such, in bringing El-Gamal and Bourdieu together we are able to appreciate how efficiency-based approaches to Islamic finance can create a crisis of belief that erodes the symbolic value of the field, its actors and their products.

5.2 Taken in by the Neoliberal Logic: From Equity to Efficiency

While the symbolic legitimacy of Islamic finance rests on claims to engage in practices framed by the ideal of equity, in reality the practice of Islamic finance has been shaped by a neoliberal market logic. As I have argued in the last chapter, owing to the lack of autonomy of the field, Islamic finance actors have been drawn into a competitive field structured by a neoliberal market logic rather than the values and objectives of Islamic economics. In this section I document how the neoliberal market logic that has been inscribed as part of the *nomos* of the field has shaped dominant modes of market practice resulting in a disjuncture between the theory and practice of Islamic finance. Forced to compete within the overarching conventional finance field for shareholders and consumers, market actors have deviated from the idealised equity-based approach of Islamic finance, adopting instead an efficiency-based approach. Below, I will focus on three areas of market praxis that reveal the prioritisation of efficiency over equity and indicate the tacit recognition of a game where profit maximisation is the ultimate stake. Indicative of the disjuncture of Islamic finance, these forms of market praxis illustrate the subordination of the core values of Islamic finance and the imposition of a dominant neoliberal market logic that has been a catalyst for the crisis of belief in the field.

5.2.1 Giving Up the Equity Ideal: Profit-And-Loss-Sharing

The theory of Islamic finance promotes the concept of partnership and the sharing of risks and rewards using equity-based (as opposed to debt-based) investments believed to have the capacity to promote economic equity and growth. As such, many Islamic finance practitioners and scholars view forms of finance based on profit-and-loss-sharing contracts (*muḍāraba* and *mushāraka*) to be the ideal. Rather than the simple provision of credit, these modes of finance are "considered 'equity based' rather than debt-based because they are premised on investments in real assets" (Rudnyckyj, 2014a: 118–119). For example, *muḍāraba* is a partnership contract where a financier (*rabb al-māl*)—a bank, investment fund, etc.—provides investment capital to an entrepreneur (*muḍārib*) for a particular venture who would then in turn return the principal investment capital plus a predetermined share of any profits that may have been accrued to the financier. If any capital losses occur as part of the venture these are to be borne solely by the financier, the entrepreneur also having shared in the loss through their expended labour (Kuran, 2004: 8). *Mushāraka* follows a similar contractual arrangement, the difference being that the entrepreneur co-invests capital in a certain business venture along with a financier and the two share in both the profits and losses based on a predetermined ratio.

In the discourse of Islamic finance, the equivalence made between these modes of finance and ethical economic practice has been a significant factor in conferring symbolic value to forms of market practice based on profit-and-loss-sharing arrangements. Not only are *muḍāraba* and *mushāraka* arrangements believed to ensure that a borrower and financier equally share in their exposure to risk—unlike in the conventional field where the borrower takes on most of the risk—but also that they fairly share in the potential profits accrued as part of the venture. Furthermore, it is believed that by means of employing these contracts Islamic finance institutions would become partners rather than lenders, assuming long-term equity stakes in business ventures similar to forms of venture capital which have the capacity to support entrepreneurship, business growth, employment and economic development. For promoters of this economic ideal, profit-and-loss-sharing arrangements are seen to promote a virtuous market ethos of mutual, collective economic interests in contrast to the capitalist ethic of self-interest and individualism (Rudnyckyj, 2014a: 119). These socio-economic features are a key component of the ideology of Islamic economics.

The symbolic import of profit-and-loss-sharing contracts not only relates to their perceived capacity to fulfil the intended socio-economic and ideological objectives of Islamic economics, but also because of their perceived religious legitimacy within the Islamic tradition. Indeed, the principle of profit-and-loss-sharing is seen to be the most consistent with the value system of the moral economy of Islam as well as being perceived to be the most "authentic" form of Islamic finance since it is modelled on transactions that occurred in the early days of Islam (Warde, 2000: 135). *Muḍāraba* and *mushāraka* have been traced to the financing techniques employed as part of the mercantile activities of the Prophet Mohammed and the business relationships established by the early Muslim community as described in the authoritative sources of the Qurʾān and the *ḥadīth* (Tobin, 2016: 117–118). Given their ideological and theological pre-eminence, profit-and-loss-sharing arrangements were intended to be the cornerstone of the Islamic finance industry and are widely considered by contemporary authorities to be the ideal mode of practice (Usmani, 2004). Furthermore, profit-and-loss-sharing instruments are believed to be "pure" forms of Islamic finance which embody the religio-ethical "substance" of the Islamic tradition and the objectives of the Sharīʿa, the *maqāṣid al-Sharīʿa*.

Despite the theological and ideological importance of equity-based profit-and-loss-sharing investments, it has been well documented by global observers of Islamic finance that actors rarely utilise or offer such products (Pitluck, 2012: 438). Indeed, profit-and-loss-sharing instruments are held up by practitioners and proponents to be the ideal form of Islamic finance, the archetype for how Islamic finance differentiates from conventional neoliberal finance, only to find out that it is rarely practiced (Pitluck, 2012: 439). Profit-and-loss-sharing instruments such as *muḍāraba* and *mushāraka* are estimated to only account for approximately 5 percent of financing by Islamic banks (Warde, 2000; Pollard & Samers, 2007). As I was to find out from my informants in the South African field it was a similar case. Particularly within the Islamic banking sector, equity-based investments using profit-and-loss-sharing arrangements rarely occur. The consensus in the field was that Islamic finance institutions were averse to the levels of risk they believed they would be exposed to and the corresponding potential to incur financial loses.

Conventional understandings of risk have affixed an aversion to developmentally focussed equity investments in industry and business, and the provision of forms of credit to social segments beyond the more wealthy, asset-backed clients. Reflecting on the market logic he observed during his two decades of working alongside the major actors in the field, Khalid[36] observed: "They are not trying to stimulate economic growth, or trying to create jobs. … [The theory of] Islamic finance is geared toward venture capital, but right now Islamic bankers are saying 'no, no, no, I need a certain guaranteed amount.' They only go with safe investments, but they won't do anything else." The underlying rationale that had created this disjuncture between the equity-based ideal and the reality of market practice related to conservative, conventional notions of creditworthiness and risk. In the conventional system interest rates provide bankers with a degree of certainty as to their returns, whereas returns generated from profit-and-loss-sharing are considered to be uncertain (Pollard & Samers, 2007: 315). Explaining the framework employed to assess credit applications at Bank Al-Nur, Bilal[37] said:

[36] Interview with author, 27.10.14.

[37] Interview with author, 13.3.15.

"First thing, as I said, we want to ensure … the credit worthiness of our clients. And, we want to ensure that we get our money back with the profits." This was confirmed by Idris,[38] a current employee at the bank. As he explained,

> The problem is risk. Because, once you begin to use the profit-and-loss-sharing instruments your collateral there is trust, basically; you need to have trust in the person themselves as opposed to having maybe an asset as a security. As you can imagine, it is not something that a bank of our size would want to be more involved in because it won't last that long. There is too much risk there.

Despite Bank Al-Nur being the only fully-fledged Islamic bank in the field and thus one could expect to have a higher degree of detachment from conventional market rationality in regard to credit and risk, the consensus among my informants who worked at the bank was to the contrary.

The potential for an alternative to the convention of risk-aversion within conventional banks with "Islamic windows" seemed even less likely. As I was to find out, such are the governance structures at these institutions that the same committees responsible for overseeing credit allocations and risk exposure in the broader conventional divisions of these banks do the same for the Islamic divisions, whereby they apply the same frameworks and mandates. My informants indicated that the senior management of these institutions were not interested in adopting Islamic finance instruments that broke the mould of conventional finance because of their aversion to risk. Hamid,[39] the CEO of an Islamic banking division at one of South Africa's premiere banks, was open and honest with me that because of the dominant framework of risk aversion he wasn't in a position to offer his clients, even the "really wealthy business guys," contracts based on "real" profit-and-loss-sharing contracts. But, as he attempted to explain reassuringly, his pious Muslim clientele should not be concerned that this ideal could not be facilitated in practice because "where I can't do a real risk of a profit-and-loss-sharing, the structures that I do offer you are fully [Sharīʿa] compliant."

Where profit-and-loss-sharing arrangements could be found at all they primarily took on two forms, both of which failed to live up to the intended spirit of the profit-and-loss model. Firstly, when it comes to their depositor facilities Islamic banks offer their clients two different types

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[38] Interview with author, 25.3.15.

[39] Interview with author, 12.11.14.

of arrangements akin to the deposit and savings accounts of conventional banks. On the one hand they offer to clients (transaction) deposit accounts based on the principle of *wadīʿa* (deposit, safekeeping) which are risk-free and do not yield a return (Warde, 2000: 132; Kuran, 2004: 8). On the other hand, akin to conventional savings accounts, they offer clients "investment" deposit accounts based on the *muḍāraba* arrangement. In this arrangement, the depositor is treated as the financier (*rabb al-māl*) who invests their capital in the business venture of the bank, the entrepreneur (*muḍārib*). As such, investment accounts are claimed to be based on the mutual sharing of risks and the promise of variable returns based on the profits the bank may generate. However, it has been widely observed that in practice Islamic banks have developed sophisticated mechanisms to ensure that depositors are not exposed to any loss of their capital and that they receive a relatively fixed rate of return that closely mimics the interest rate offered by conventional banks (El-Gamal, 2006; Kuran, 2010). Some of my informants suggested that this was a pragmatic competitive strategy in order to attract and retain clients who had a preference for the returns offered by conventional savings accounts but were not prepared to accept losses (Khan, 2010).

The second commonly used type of profit-and-loss instrument offered by Islamic banks is a variation of the *mushāraka* contract called a "diminishing *mushāraka*." Diminishing *mushāraka* arrangements are often used as replacement products for the common residential or commercial property mortgage. In the diminishing *mushāraka* arrangement the bank and an "entrepreneur"/client jointly provide capital to invest in property based on an agreement that the bank's equity stake gradually diminishes over time. The bank purchases property on behalf of a client (with or without a down-payment) and rents it out to them on a "rent to own" basis (Khan, 2010: 814). The eventual property owner is charged a monthly "rental" which has the effect of progressively purchasing, or reimbursing the capital of, the bank's equity stake until a point in time where the client takes full ownership of the property. The "rental rate" includes an "extra payment" which in effect mimics the interest that one would find in a mortgage offered by a conventional bank (Khan, 2010: 814).

As the case of investment accounts and diminishing *mushāraka* show, while Islamic banks claim to be practicing the ideal of profit-and-loss-sharing the reality is that these modes of financing are substantively hard to differentiate from conventional finance. For the most part, in their economic function these two modes of financing replicate the savings accounts and mortgage products offered by conventional banks, respectively. The intended hope was that

Islamic banks would use profit-and-loss-sharing instruments to take on equity stakes in businesses to support economic growth and development in a manner akin to the venture capital industry (Kuran, 2004). Moreover, in contrast to conventional finance and based on the Islamic principle of mutuality, they were supposed to ensure the equitable sharing of risk and reward for financier and client. However, as utilised by Islamic banks, profit-and-loss-sharing instruments fail to live up to the equity-based ideal. In effect, Islamic banks rarely engage in equity-based practices and in the few cases where they do they are profit-and-loss-sharing in name rather than substance.

5.2.2 Pursuing Efficiency: *Murābaḥa* and *Ijāra*

Instead of adopting forms of equity-based profit-and-loss-sharing instruments, the majority of Islamic finance transactions are conducted using modes of financing that are substantively difficult to delineate from conventional paradigms. The most popular form of debt-based products utilise the *murābaḥa* contract. In *murābaḥa* financing a client approaches their bank to purchase an asset on their behalf, following which the client purchases the asset back from the bank in instalments (Pitluck, 2012: 439). When the client purchases the asset the bank charges a higher price than it originally paid—hence, "cost plus" or "mark-up"—as compensation for the service of offering the client a means of deferred payment. The added charge is often referred to as a "service charge" or "profit," not interest, and this amount is paid back in addition to the original purchase cost of the asset in instalments over a jointly agreed duration. To secure their position, the bank often retains ownership of the asset until all of the instalments are paid by the client whereupon ownership is transferred. The second commonly used form of sale-based financing is *ijāra*, a form of leasing. *Ijāra* is "virtually identical to conventional leasing: the bank leases an asset to a [client] in exchange for a specified rent" (Warde, 2000: 134–135).

Modes of financing using *murābaḥa* and *ijāra* have a low level of symbolic value within the Islamic tradition. They were not were originally modes of financing found in the Sharīʿa (Usmani, 2004: 165). In contrast to profit-and-loss-sharing arrangements there is no Qurʾānic or *ḥadīth*-based example after which they were modelled, but rather instead they were pre-Islamic transactions that later became part of the economic practice of early Muslims. In contrast to the *muḍāraba* arrangement, with *murābaḥa* "there is no sacred story rendering this arrangement distinctly 'Islamic.' It was a part of 'the tradition' in a vague way that persisted without direct reference in the Qur'an" (Tobin, 2016: 118). Unlike profit-and-loss-sharing contracts that were intended (though not realised in reality) to be the cornerstone of Islamic finance, *murābaḥa* and *ijāra* arrangements were begrudgingly permitted by Islamic jurists in the early years of Islamic finance as a temporary mode of finance *only* in instances where profit-and-loss-sharing could not work (Usmani, 2004: 165). This reluctance stemmed from the contractual similarities with conventional debt-finance contracts and, as such, they were "viewed by most conservative *ūlamā* as, at best, weakly Islamic" (Khan, 2010: 809). *Murābaḥa* and *ijāra* were pragmatically allowed "for reasons of ease and convenience and generating income while banks devised authentic risk-sharing instruments" (Warde, 2000: 133). Prominent Islamic jurists such as Muftī Taqi Usmani were keen to point out that "[t]his allowance should not be taken as a permanent rule for all sorts of transactions and the entire operations of Islamic banks should not revolve around it" (Usmani, 2004: 165). Owing to their profitability and ability to be used in a manner that closely resembles conventional modes of finance, *murābaḥa* arrangements have rapidly become the most frequently used instrument in the Islamic finance field (Warde, 2000; El-Gamal, 2006). Most Islamic finance institutions use *murābaḥa* and *ijāra* arrangements for the financing of property, equipment and vehicles. Because of their similarity with conventional loan and leasing structures they fit easily into South Africa's financial regulatory structure and required few contractual tweaks before they could be rolled-out into the market. Most importantly, they could be easily moulded to synthesise, or "reverse-engineer," conventional financial instruments familiar to financial professionals and consumers socialised within the conventional finance field so as to efficiently generate profits.

5.2.3 Ethical Investing? Islamic Investment Funds

In considering the practices of Islamic finance one cannot be confined to Islamic banking of course. As mentioned in the preceding chapters, there is also a thriving subfield of Islamic investment funds involving asset management companies. Within this market investors pool together capital to invest in particular types of investment funds that are designed and professionally managed by asset management firms. South African asset management firms have created Sharīʿa compliant savings and investment schemes offered to individual and institutional investors. Like the conventional investment industry, there are a variety of comparable investment funds that involve, or combine, equity, money market, fixed-income and alternative investments (e.g. commodity, real estate, etc.) and financial instruments tailored to meet the investment preferences of clients (Dar & Azami, 2011: 73). There are a set of Sharīʿa requirements specific to the different type of investment funds (i.e. equity, fixed-income, etc.) and instruments utilised; but, perhaps the most commonly cited difference and defining feature of Islamic investment funds is that they are only allowed to utilise certain financial instruments and invest in certain types of stocks that earn *ḥalāl* profits within the bounds of Sharīʿa permissibility. To satisfy the latter requirement, the industry has developed what are commonly referred to as "Sharīʿa screens" which were designed to exclude from the pool of investable assets those businesses and activities deemed impermissible to Islam. From the "universe" of investable shares, these screens commonly exclude businesses whose primary source of income derives from alcohol, pornography, prostitution, pork-related products, gambling, weapons, tobacco and conventional financial services (because of the prohibition of *ribā* (usury) and *gharar* (deceit)). It is this primary and popularly marketed feature of Islamic investment funds that have led them to be associated with ethical and socially responsible investments. Indeed, the symbolic value of Islamic investment funds primarily resides in their use of screens which are perceived to insert moral values into investments in a manner that coheres with Islam, but also with many other religious and non-religious ethical frameworks. As El-Gamal has noted, "it is easier to explain to Muslims and non-Muslims alike the virtues of investing only in certain types of stocks, excluding those of companies that produce, for example, alcoholic beverages or weapons. The links between the 'Islamic' brand name, on the one hand, and ethical and economic considerations, on the other, are more direct in those areas" (El-Gamal, 2006: 117).

It might appear on the surface, then, that within the Islamic investments market the congruence between Islamic principles and market practice are clear. Indeed, when surveying the literature on Islamic investment funds they tend to receive less criticism than the performance of Islamic banks. Some sympathetically inclined observers have remarked that they are "similar to socially responsible" investment funds "in that they select their placements not on the basis of profitability alone but on non-economic criteria – in this case, compatibility with Islamic values" (Warde, 2000: 142). As this market niche has developed over the last few decades, however, such claims have been increasingly undermined as market practices have increasingly converged with those found in conventional forms of neoliberal finance, and the priority for investment strategies that prioritise efficiency rather than the idealised Islamic principles of promoting equity have taken hold.

Among the range of issues that call into question market praxis, two significant areas of contestation have challenged the Islamicity of Islamic investment funds. Firstly, during the early years of the market, asset management firms quickly realised that it was extremely difficult to create efficient and competitive investment funds that passed screening criteria with regards to the prohibition of *ribā*. Simply put, it was hard to identify shares with good rates of return in companies that did not deal in some way with *ribā* (the payment and collection of interest). For example, one major obstacle is that many corporations generate income from *ribā* by virtue of them storing excess capital in conventional bank accounts that accrue interest. Thus, the early pioneers of Islamic investments sought a concession from jurists in the form of a *fatwā* (pl. *fatāwā*) (authoritative legal opinion) that would allow them to include in their portfolios the shares of companies "with small or negligible amounts of interest expense or interest income" (El-Gamal, 2006: 126). This concession introduced a new rule in the form of a second screen (in addition to the first line-of-business screen) known as a "financial ratio screen," a quantitative screen that excludes shares in companies deemed to have "excessive" levels of debt or interest-based income (El-Gamal, 2006: 126). While these screens initially enforced debt-to-assets ratios of five percent, they were gradually relaxed over the years to enhance the efficiency and profitability of Islamic investment funds. In keeping with global standards, in the South African market this form of screening now generally permits investments in companies that do not have corporate debt or interest related income that exceeds 33 percent of market capitalisation. Jurists ruled that where dividend payments from a company's interest-bearing income enters an Islamic investment fund it cannot be paid to shareholders, but rather must be removed from the fund—referred to in the industry as a process of "purification"—and donated to charity. While there are ongoing debates among supportive jurists as to the exact ratio calculations and how exactly these screens should be applied, other jurists and critics of Islamic finance are critical that this concession has been permitted at all. They have argued that regardless of amount or percentage *ribā* is forbidden (El-Gamal, 2006: 128), as is the mixing of *ḥalāl* and *ḥarām* income, irrespective of whether the latter is removed from the fund or not.

The second area of disjuncture concerns the "ethical" label of Islamic investments and the extent to which market praxis upholds the ideal of promoting socio-economic justice, community investment and development. As Lewis has observed, "When considering the nature of the principles to be applied for screening for *shari'a*-compliance, a distinction was drawn between negative and positive criteria" (Lewis, 2010: 52). To support their claim to be

"Sharīʿa compliant," the industry conceded to the adoption of negative screens (as mentioned above, those that filter out prohibited elements) so that investments avoid the explicit and major prohibitions, albeit with a number of controversial concessions to ensure efficiency and competitiveness (as indicated above). However, in the South African market the Islamic investment industry has not mandated that Islamic funds also utilise positive screens that actively seek out investment opportunities in companies that have a positive socio-economic and developmental impact. Positive screens are an established part of the secular socially responsible investment industry used to develop a positive list "which defines preferential areas for financing and investment, i.e. activities that are to be supported such as projects in community development, poverty alleviation or renewable energy" (Nienhaus, 2011: 613). In contrast, the negative screens used by Islamic investment funds do not ensure that the companies and sectors that pass the filtering processes of the two Sharīʿa screens are ethical *per se*. For example, there are no checks to ensure that companies that pass the screening process have ethical corporate governance or labour standards, or promote socio-economic development and sustainability. Many Islamic investment funds are heavily invested in South Africa's large mining sector and whether investing in this sector is ethical given recent controversies, such as the Marikana massacre of 2012, is ambiguous. Whereas in the Malaysian Islamic finance industry investment decisions have to pass an additional ethical compliance check,[40] in the South African market this has not been adopted and it remains up to the discretion of individual asset management firms whether they choose to do so.[41] Some of my informants in the field indicated that they were averse to introducing additional ethical checks in their screening criteria because it would limit the universe of investable assets and further burden the competitiveness of their funds compared to their conventional counterparts.[42] In other words, the prioritisation of efficiency trumped the concerns of equity and ensuring genuine ethical investment practices.

As Dar and Azami have noted, except with regards to the selection of stocks using Sharīʿa screens, "there is essentially no difference between conventional asset management and Islamic

[40] Interview with Yusuf, 12.11.14.

[41] At the time of my fieldwork, only one asset management firm had adopted an additional ethical-compliance check for their Islamic (and non-Islamic) investment funds in the form of the United Nations' Standards for Ethical Investing.

[42] Interview with Siraj, 24.10.14.

asset management" (Dar & Azami, 2011: 74). Asset management firms that offer Islamic investment funds utilise conventional Portfolio Management Theory to devise their investment strategies. Islam only enters into their decision-making process in terms of Sharīʿa screens. Beyond that, the priority is to maximise profits using conventional asset management strategies and models. Most investment professionals in the field manage both conventional and Islamic funds. My informants stressed that they had to be even more diligent in selecting efficient stocks when it came to the management of their Islamic funds because, unlike the free reign they had to select stocks for their conventional funds, the limitation of finding stocks that passed Sharīʿa screens and would enable their funds to compete in a market dominated by conventional funds was a pressing challenge. Given this competitive drive for profits, it should come as little surprise, then, that asset management companies with Islamic investment funds have not been pro-active in investing capital to develop innovative financial instruments based on the ideal of promoting equity and the substantive objectives of Islamic finance (El-Gamal, 2006; Asutay, 2007; Lewis, 2010; Nienhaus, 2011). Their investment strategies have little developmental or community-related purpose and do not provide savings or investment solutions to poorer members of society. Instead, asset management companies that have developed Islamic investment funds largely cater to South Africa's growing asset-backed Muslim middle and upper classes.

5.3 The Crisis of Belief in the Islamic Finance Field

Market actors have failed to institutionalise modes of market practice structured around the autonomous, idealised equity-based values of Islamic finance. Instead, as a result of market necessity and efforts to be competitive with the conventional finance field they have adopted efficiency-based modes of financing whose Islamic authenticity is contested and symbolic value uncertain. Symptomatic of Bourdieu's conceptualisation of a crisis of belief, the disjuncture between idealised Islamic principles and market practice has been a catalyst for religious controversy and contestation over whether dominant modes of market practice represent "true" or "false" Islam. "People worry whether it reflects 'real' Islamic values or 'real' Islam, and whether those involved in it are truly committed to a whole 'Islamic system' for life or are merely 'on the bandwagon' out of strictly 'economic' interest" (Maurer, 2005a: 59). Moreover, the field has been subject to religious struggles and controversy over the meaning and ethics of financial practice. In this section I will begin by describing how the disjuncture of Islamic finance has produced a critical discourse among some vocal Muslim scholars (*ʿulamāʿ*) in the broader religious field. As I will show, this critical discourse works to delegitimise visions of the authenticity of Islamic finance in the Muslim public sphere. Secondly, I will discuss how the resultant crisis of belief has created problems for the accumulation of capital in the field. More specifically, I will show how contestations in the religious field have undermined public perceptions of the symbolic value of Islamic finance resulting in low-levels of Muslim consumer confidence and participation.

5.3.1 Crisis in the Religious Field

> The 'zealots' … who preach a return to the sources … condemn in the same breath the merchants in the temple who bring 'commercial' practices and interests into the area of the sacred, and the pharisees who derive temporal profits … by means of an exemplary submission to the demands of the field (Bourdieu, 1980: 268).

Market actors' ever increasing propensity to develop forms of financing that push the bounds of Islamic permissibility by mimicking conventional modes of finance has been a source for intense contestation among the gatekeepers of authenticity, Sharīʿa scholars in the broader South African religious field. Within the religious field there is a lack of consensus among Sharīʿa scholars as to whether the current practice of Islamic finance falls within the bounds of Sharīʿa compliance. While some level of contestation over correct visions of orthopraxy and orthodoxy is by no means unfamiliar among South Africa's community of Islamic scholars, the scale to which Islamic finance has provoked a divergence of opinions is significant. Many Sharīʿa scholars have taken the view that there is little to differentiate Islamic finance and its counterpart, the interest-based conventional financial sector. These figures of religious authority have challenged the legitimacy of the market, its actors and their products as authentic representations of Islam by means of a critical discourse.

The critical discourse on Islamic finance has focussed on the discrepancy between Islamic economic principles and market practice. More specifically, the controversy regarding the legitimacy of Islamic finance has centred on the nature of the relationship between Islamic economic norms and values and the predominant efficiency-based approach to market praxis. As has been the trend globally, South Africa's *ʿulamāʿ* have taken particular issue with the reliance on *murābaḥa* and *ijāra* transactions. Echoing the critique of Muftī Taqi Usmani (2004), they have argued that *murābaḥa* and *ijāra* were only permitted as a temporary measure and have become dismayed in their realisation that, far from declining in their usage, Islamic finance institutions are using these products with ever greater frequency. A more forceful line of critique has emanated from scholars who have examined the use of *murābaḥa* and *ijāra* transactions by Islamic finance institutions and found them to have contravened Islamic principles. For example, both *murābaḥa* and *ijāra* were initially permitted because, in theory, they were said to avoid *ribā* as they involved the purchase (or use) of a tangible asset (not money), and therefore could be seen to be different from conventional financing that involves making money from (lending) money (Pitluck, 2012: 439). Moreover, they were interpreted as permissible because the bank (the financier) was said to take ownership of the asset and shared in the exposure to risk with the client, thus being entitled to legitimately profit from the transaction. Theoretically, for example, when a bank purchases a vehicle on behalf of a client as part of *murābaḥa* transaction they are exposed to risk as the vehicle (under their ownership) could be stolen or damaged in the interim period before the client purchases it. However, as put into practice in the Islamic finance field the legitimacy of *murābaḥa* and *ijāra* arrangements are paper thin. In the interest of maximising profits and with the help of their SSBs, Islamic finance institutions have developed a variety of legal stratagems (*ḥiyal*) to transfer the risk in transactions to their clients in violation of the Islamic economic principle that risks and rewards should be shared by both parties. For example, to minimise their exposure to risk and loss of capital, it is common for Islamic finance institutions to take ownership of an asset for a fraction of a second before selling it to a client. As Kuran points out, "From an economic standpoint, of course, an infinitesimal ownership period makes murabaha equivalent to an interest-based loan: the bank bears no risk, and the client pays for the time-value of money. There remains merely a semantic difference…" (Kuran, 2004: 10).

Such controversial adaptations have not gone unnoticed by South Africa's religious scholars. Indeed, one of the most vocal critics of Islamic finance, Muftī A. S. Desai of The Mujlisul Ulama of South Africa located in Port Elizabeth, has charged that these and similar adaptations to Islamic contracts are in no uncertain terms "capitalist provisions" and indicative of a "plain and simple *riba* deal" (Vahed & Vawda, 2008: 459). To various degrees, the Muftī has been joined by other critical scholars such as Muftī Ebrahim Desai of Darul Ifta in KwaZulu-Natal. These influential religious leaders have been critical of the ways in which *murābaḥa*, *ijāra* and other Islamic contracts have been manipulated using ruses and legal tricks (*ḥiyal*) to skirt around Sharīʿa requirements on ownership, risk and the and the need for capital gains to be tied to tangible assets rather than making money from money. For them, the way in which Islamic contracts have been manipulated is clear evidence that Islamic financing institutions are merely mimicking conventional finance and disguising what are in effect interest-based transactions utilising Islamic terms (Kuran, 2004; Khan, 2010; Nienhaus, 2011). Furthermore, they argue that, in effect, these transactions reproduce the injustice and detrimental economic effects of *ribā* that Islamic finance set out to resolve. Muftī A.S. Desai has declared that Islamic finance is a "veneer" for "*haraam* projects to hoodwink unsuspecting Muslims" (Vahed & Vawda, 2008: 468) and has castigated "SO-CALLED 'Islamic' banks" for being "followers of the kuffaar capitalist system" who operate "in precisely the same form and method as the non-Muslim banks do" (Mujlisul Ulama of S.A., 2015: 1).

Sharīʿa scholars such as Muftī A.S. Desai, Muftī Ebrahim Desai and those sharing similar critical views have often taken to online platforms and popular Muslim media outlets to air their views in the Muslim public sphere. Not only have they claimed that the way in which Islamic finance institutions are utilising Islamic contracts contravene the Sharīʿa, but they have also been vociferous in their critique of Muslims who work in the field. Market actors have been "reproached for having succumbed to the logic of *riba* and for having been contaminated by the very capitalist financial system that they were intended to transform" (Tripp, 2006: 145). Consider the following email chain circulating on the South African Internet. A writer, Ebrahim, begins: "Salaams Hazrat Mufti Sahib … I have a very important question regarding [name of Islamic bank]" ("Four-fatwaas", 2009). Adopting a familiar format found on numerous online forums whereby concerned members of the public solicit an authoritative ruling (*fatwā*) on matters of Islamic orthodoxy and orthopraxy, Ebrahim continues: "I have been working for the bank for a number of years, in the past two to three years there has been a lot of statements concerning the bank" ("Four-fatwaas", 2009). From the list of concerned questions posed by the writer that follow, three stand out in particular:

(1) Is my earning Halaal if I work for [name of Islamic bank]?
(4) What are the different opinions in this case of [name of Islamic bank] being Shariah compliant or not?
(6) Who will be responsible for our wrong if any?

Some five days later in early March 2009 there is a swift response to Ebrahim's email from Muftī A. S. Desai:

(1) It is not permissible to work for [name of Islamic bank] or for any other bank … we have written numerous articles explaining the Haraam riba dealings of [name of Islamic bank] and of the other so-called Islamic banks.

> None of these banks is in compliance with the Shariah. Even the champion of these banks, Mufti Taqi Usmani, has written an article highlighting the Haraam nature of the transactions of these banks.
>
> (4) [Name of Islamic bank] is definitely un-Islamic and an institution of riba. It is a capitalist interest bank which camouflages its business operations with Islamic terminology. Of course there are the mercenary molvis [Urdu term for Muslim scholars] of the bank's so-called 'shariah' boards who are the paid employees of the bank. They are paid lucrative salaries to churn out verdicts of permissibility for the interest products of the bank.
>
> (6) You are an adult Muslim. You will be responsible and held liable by Allah Ta'ala for your own misdeeds and sins ("Four-fatwaas", 2009).

As well as providing this Islamic finance professional with a clear directive to leave his "haraam" employment, the Muftī's *fatwā* also highlights a second group of market actors that have been on the receiving end of critique: Sharīʿa Supervisory Board members. As evident both in this communiqué and among some of my informants in the field, I heard disparaging remarks about SSB members being "mercenaries," more concerned with money than Islam. The suggestion was that the impartiality of SSB scholars was compromised because of the significant monthly retainer fees they received from Islamic finance institutions as part of their remuneration. As Waleed,[43] a former executive at an Islamic bank in Johannesburg, complained:

> Sharīʿa Supervisors today are essentially rubber stampers because they earn big. … You must understand that these guys get paid big money! So, for them, what do they need to do? They need to play the tune of the piper otherwise they don't get invited when the Board gets reviewed, you know, 'no, no, you are out.' You can be rest assured that there isn't a single Sharīʿa scholar in South Africa right now that I believe that sits on a Board that has the courage of his conviction to stand up and say 'that is wrong.'

Cynical observers, such as Waleed, said that if Islamic finance institutions became frustrated that certain SSB members did not certify efficiency-based instruments they would simply be replaced by other scholars who would. Within the South African Islamic finance field there is no regulatory oversight of SSB members and this lack of checks and balances was viewed by some of my informants as leaving a window open for potential abuse. In levelling these charges, these critics took aim at the integrity of the very individuals responsible for ensuring the legitimacy of Islamic finance.

[43] Interview with author, 4.11.14.

5.3.2 Consumer Crisis

Contestation regarding the legitimacy of Islamic finance in the religious field has had a negative impact on levels of consumer confidence in the Muslim public sphere. Reference to the term "Islamic" by Islamic finance institutions is not sufficient to convince the Muslim public of its religious virtue and legitimacy (Tobin, 2014: 129). Most Muslim consumers rely on the opinion of Sharīʿa scholars in the broader religious field who they trust to verify the legitimacy and authenticity of financial products (Shawamreh, 2013). However, the lack of religious consensus combined with the critical discourse of influential scholars has left many consumers sceptical about the authenticity of Islamic finance practices and products. "Muslims don't believe in Islamic finance in South Africa," Yusuf, [44] a Johannesburg-based *ʿalim* informed me. "We are heading for trouble," Yusuf furthered, "we have scholars on the pulpit saying, 'don't invest in this thing, it is akin to interest, it is akin to the conventional.' … Those are the people that people are taking their tuition from, on the pulpit, or personally in their financial affairs. You have got a recipe for disaster."

In contrast to the conventional finance industry, Islamic finance institutions and their products are subject to consumer evaluation both in terms of their financial performance and as carriers of Islam (Tobin, 2014: 142). What that means is that in addition to the economic use value of financial products and services, a fundamental component of the value of Islamic finance—its *symbolic* value—relies on favourable assessments of its legitimacy *vis-à-vis* an explicitly religious framework. To attract Muslim consumers and generate commercial profits, it is critical for Islamic finance institutions to assert a public image of Islamicity. However, the controversy regarding the legitimacy of Islamic finance in the religious field has had a detrimental effect on the perceived symbolic value of Islamic finance. In the eyes of many consumers, Islamic finance products have been stripped of their religious significance as carriers of symbolic meaning and value. Despite the efforts made by Islamic finance institutions to convince the Muslim public that participating in Islamic finance is part of orthopraxy, many remain unconvinced.

Consider the following figures and statistics drawn from three separate surveys of Muslim consumer attitudes in South Africa. Vahed and Vawda (2008) conducted a survey with 45

[44] Interview with author, 12.11.14.

Muslim respondents drawn from Durban and Pietermaritzburg, the two largest cities in the KwaZulu-Natal province, to assess levels of consumer "awareness" and "understanding" of Islamic finance. Their data revealed that 40 percent of Muslims remain unconvinced about the legitimacy of Islamic finance and of the 60 percent favourable to the idea, only 9 percent had enough conviction to open an account with an Islamic finance institution. Bick, Loonat and Saini (2011) carried out a nationwide survey to investigate "consumer awareness" and "usage "of Islamic finance among a sample of 250 Muslim South Africans. Although 96.6 percent were aware of Islamic finance, only 20 percent used Sharīʿa compliant investments (savings, equity funds, unit trusts, investments), 4-8 percent used Islamic banking services for financing (vehicles, property, business) and 2-6 percent used transaction-type products (ATM cards, internet banking, overdrafts, chequebooks, etc.). The survey also found that 79.6 percent of Muslim respondents exclusively used conventional banks, 19.6 percent used both conventional and Islamic banks, and only 0.8 percent used Islamic banking exclusively. Tellingly, these results led the researchers to conclude that "there is no significant relationship between a religious Muslim person and the use of Islamic banking services" (Bick, Loonat & Saini, 2011: 310). Lastly, Vawda (2013) conducted a nationwide survey of the "perceptions," "awareness" and "bank selection criteria" of 115 Muslim and non-Muslim chartered accountants. Even among this set of finance professionals, only 16.7 percent of Muslim accountants had an account at an Islamic bank and of those 33.3 percent also had an account at a conventional bank. In conclusion, Vawda suggests that Muslim and non-Muslim accountants "use similar criteria when considering a banking institution", and that religion was not a "primary motive" in their choice (Vawda, 2013: 104).

This startling data highlights the fraught perceptions of religious legitimacy that surround the practices and products of market actors within the South African Islamic finance field. Most Muslim South Africans are aware of Islamic finance yet do not use its products and services. As a field of cultural production dependent on upholding perceptions of symbolic value, the crisis of consumer belief revealed in these surveys demonstrates the critical problem faced by market actors in the Islamic finance field. Many of my informants expressed the view that the lack of consumer confidence was one of the most pressing challenges facing the field and its survival. They described how they often faced an uphill struggle to attract Muslim consumers based on appealing to religious sentiments. Moreover, the Muslim clients they did have remained sceptical and were a challenge to retain. As Fahim,[45] a former portfolio manager at an asset management firm located in Cape Town explained, "From [the perspective of] Sharīʿa compliance, I think they still are a bit sceptical and they look at it as though it is the lesser of evils. They don't fully buy that it is Sharīʿa compliant."

Many Muslim consumers do not believe Islamic finance products have any additional value than the economic utility value of conventional financial instruments. Hence, their evaluations of the value of Islamic finance are often reduced to how competitive products and services are compared to those offered by conventional finance institutions. As Idris,[46] an Islamic finance professional at an Islamic Bank in Durban informed me, "even though 70, 80, 90 percent of our customers are Muslims, they do actually compare what Islamic banks offer to what conventional banks offer. It is not every Muslim is interested in Islamics [sic], they are more interested in the outcome—what you are offering." Ironically, the crisis of consumer belief in the symbolic value of Islamic finance has pushed market actors to adopt more efficiency-based modes of finance, further undermining the legitimacy of the field. With perceptions of the symbolic value of their products undermined, most Islamic finance institutions are unable to attract consumers by appealing to their religious sentiments, but rather to their wallets. To secure their survival in a competitive market context dominated by conventional finance institutions, this has forced market actors to adhere to an efficiency-based approach to satisfy consumer evaluations based on assessments of the economic utility value of products and services. As Idris furthered,

> That's what the people want—they want a competitive rate of return. So, you either do that or you are out. If you are asking me whether it is the ideal, no it is not the ideal. But, the consequences of not meeting what the people are wanting is that you are going to be out of the market and there will be no Islamic banks, *per se*.

Within the Islamic finance sector, market actors have found themselves in a double-bind where the crisis of consumer belief has compelled the need to adopt an efficiency-based approach to Islamic finance, moving further away from the Islamic ideal and compounding the religious controversy that has afflicted the field.

[45] Interview with author, 9.9.14.

[46] Interview with author, 25.3.15.

5.4 Conclusion

The *raison d'être* of Islamic finance is based on the belief that products and market activity have an element of value beyond their economic functionality; that they have symbolic value as authentic representations of Islam. To attract Muslim customers, generate profits, and secure the sustainability of the field, Islamic finance actors are dependent on asserting that their products and modes of production have “real” symbolic value. However, as we have seen in this chapter the field is facing a crisis of belief.

By means of an analysis of dominant modes of market practice I have shown how a field that originally set out to institutionalise a system of finance inspired by the ideals of Islamic economics and a drive to place a limit on the economic bottom line has succumbed to the hegemonic influence of neoliberalism. Market actors have voluntarily or coercively abandoned equity-based forms of Islamic finance based on the model of profit-and-loss-sharing believed to be authentic, symbolic representations of Islam. Instead, in the interest of remaining competitive, maximising profits and shareholder value, Islamic finance actors have adopted efficiency-based modes of financing such as *murābaḥa* and *ijāra* that ostensibly replicate the substantive function of conventional finance. As I have demonstrated, dominant modes of market practice reveal how idealised Islamic economic values and objectives have taken a backseat to the neoliberal economic norms and logic of competition that derives from the overarching conventional finance field. We can observe how the logic of Islamic finance has shifted from the idealised primacy of furthering equity and socio-economic justice, to an emphasis on the competitive maximisation of profits.

Furthermore, utilising Bourdieu’s theory of fields of cultural production and drawing on the work of the El-Gamal, this chapter has demonstrated how dominant modes of market practice have compromised perceptions of the legitimacy of Islamic finance resulting in a crisis of belief. Market actors’ adoption of an efficiency-based approach has objectified the calculated economism and economic interest driving the logic of market practice. In so doing, they have compromised the taboo of bringing the symbolic into too close a contact with commercial interests and undermined the belief that market practice is driven by the “disinterested” Islamic economic objectives of furthering socio-economic justice and equity. Indeed, the crisis of belief has exposed the disjuncture between the ethical and normative ideals proposed in the theory of Islamic finance and the reality of market practice. As I have shown, the crisis of belief has been a catalyst for controversy and the emergence of a critical discourse in the religious field. Some vocal Islamic scholars have declared that dominant modes of market practice are illegitimate and have criticised Muslim practitioners who work in the field. In so doing, the ethical and symbolic value of Islamic finance has been severely undermined. As a field of cultural production dependent on upholding a sense of belief in the symbolic value of market practices and products, the crisis of belief has created a problem for market actors and the necessity to generate profits. The religious controversy that has engulfed the field has undermined consumer belief in the symbolic value of Islamic finance, making it hard for market actors to attract and retain Muslim clients by appealing to religious frames of evaluation.

These features of the crisis of belief highlight the fraught perceptions of religious legitimacy that surround the practices and products of actors within the field. In many respects the crisis of belief in the Islamic finance field shares resemblances with what Marieke de Goede (2005), borrowing from Edkins (1999), refers to as a “moment of openness” in the historical evolution of finance. “Moments of openness” refer to historical conjunctures in the development of new, or changing, financial practices “during which the meanings and boundaries of the *financial* and the character and behaviour of *financial man* [are] subject to political and cultural struggles” (de Goede, 2005: xxvi). More specifically, they are historical episodes of cultural, as well as religious, struggle and controversy over the meaning and ethics of finance that occur when changing financial practices are “not yet naturalized in discourse and fixed in institutional structures” (de Goede, 2005: xxvi). De Goede considers the controversial birth of public credit in seventeenth century England, and attempts to separate ethical appreciations of gambling and financial speculation, among other “moments of openness” in the history of conventional finance that have elicited social controversy. Based on the observations made in this chapter, I suggest that we may consider the disjuncture of Islamic finance to be a similar episode of controversy in the history of nascent Islamic finance field. The adoption of efficiency-based modes of finance has broken the symbolic order of this emergent field and thrown open the question of the ethical and symbolic meaning and value of Islamic finance. In the following chapters, I will explore how market practitioners have responded to the crisis of belief, or moment of openness, in the field by attempting to adequate market practice and Islam. I will show how they have created a new discourse on Islamic finance that works to consecrate efficiency-based modes of market practice and, in so doing, the neoliberal values and interests that have taken hold of the field.

6 Official Adequation: Sharīʿa Scholars and the Islamic Consecration of Neoliberalism

In the previous chapter we have observed the deep-seated ethical and religious concerns surrounding the practice of Islamic finance. Symptomatic of what Bourdieu refers to as a crisis of belief, the disjuncture between the theory of Islamic finance and reality of market practice has been objectified, undermining public perceptions of the religious legitimacy of the field and the symbolic value of its products. This chapter begins my analysis of how market actors have responded to the crisis of belief in the field. It is the first of two chapters that develop the second part of my thesis argument: that despite the disjuncture between the theory of Islamic finance and reality, the ongoing praxis of Islamic finance should not be read as indicative of the abandonment of religious ethics. Rather, I contend that what is understood to constitute ethical economic practice in the market has been transformed as part of a process I term the "Islamic consecration of neoliberalism." In this chapter I demonstrate the public role of figures of Islamic religious authority in recalibrating the religious objectives and notions of the ethical in Islamic finance.

The crisis of belief that has permeated the Islamic finance field has put front and centre the role of Sharīʿa scholars. Hired by Islamic financial institutions to sit on Sharīʿa Supervisory Boards (SSBs), they play a vital role in symbolically legitimating Islamic finance as authentically "Islamic." These figures of religious authority have established themselves as the arbiters of Islamic norms for finance, responsible for determining the objectives and principles of this emerging market field. In this chapter, I examine the influential role of Sharīʿa scholars and their efforts to resolve the crisis of public belief in Islamic finance as part of a process I refer to as "official adequation." As I have described in Chapter Two, official adequation can be seen to be a consecrating process whereby the Islamic finance field, its products and modes of practice are asserted to be equivalent with representations of Islamic normativity. Official adequation works towards constructing and circulating a particular vision of the authenticity of Islamic finance to be publicly recognised as the "truth." I argue that through the lens of official adequation we are not only able to observe the role of Sharīʿa scholars in the production of belief in the symbolic value of Islamic finance, but also their agency in consecrating the dominant neoliberal logic that has taken hold of the field.

Bourdieu's concepts of "consecration," "religious capital" and "official discourse" provide a way of thinking about the role of Sharīʿa scholars in processes of official adequation. In this chapter I treat Sharīʿa scholars as "religious specialists" (Bourdieu, 1991a) and utilise Bourdieu's conceptualisation of religious capital in order to demonstrate the influential role these religious figures play in consecrating the praxis of Islamic finance. In particular, I explore how Sharīʿa scholars have mobilised religious capital to construct and perform a new "official discourse" (Bourdieu, 1989) on Islamic finance which aims to publicly project a vision of the field, its products and logic of practice as authentically "Islamic."

Towards this end, this chapter focusses on processes of official adequation through a case study of the role and discourse of two prominent Sharīʿa scholars in the South African Islamic finance field. By means of an exploration of their professional biographies, I explore how they came to hold authoritative positions within the field owing to their cultivated expertise and reputation as Islamic finance specialists imbued with religious capital. Then, through an exploration of how these Sharīʿa scholars conceive of the relation between economic practice and Islam, and how they consecrate dominant modes of Islamic finance, I examine the function of religious capital in modes of official adequation. I document how Sharīʿa scholars are involved in the construction and performance of a new official discourse on Islamic finance that produces and consecrates dominant modes of market practice symbolically as Islamic. This case study reveals the semiotic strategies and justificatory discursive techniques Sharīʿa scholars use to make adequate the praxis of Islamic finance with representations of the "real" Islam, and their efforts to instil a public appreciation of the legitimacy of Islamic finance. I use this case study to illustrate how Sharīʿa scholars have played a vital part in reconfiguring the religious objectives and notions of the ethical in the practice of Islamic finance to be adequate with the neoliberal logic that structures the field. Before engaging in this analysis, however, I begin by providing an overview of the vital role played by Sharīʿa scholars in defining and consecrating what constitutes the "Islamic" in the Islamic finance field.

6.1 Making Islamic Finance "Islamic": Sharīʿa Scholars, Islamic Law and Religious Capital

It is difficult to overstate the vital role and function played by Sharīʿa scholars, who in their capacity as religious authorities are responsible for ensuring the Sharīʿa compliance of Islamic finance. One of the defining features of Islamic finance that sets it apart from its conventional counterpart is the presence of a Sharīʿa Supervisory Board (SSB), whose principle function is to certify the Islamicity of financial products and services offered by Islamic finance institutions. All Islamic finance institutions offering Islamic banking or investment products are required to have a SSB. Usually made up three or more Sharīʿa scholars, SSBs are responsible for ensuring conformity to frames of normativity and legality deriving from the Sharīʿa, thus reassuring stakeholders that the finance institution's practices are "truly" Islamic. Each SSB is typically composed of reputable Sharīʿa scholars trained in *fiqh al-muʿāmalāt* (Islamic jurisprudence related to commerce). The specific governance role of each SSB differs from one institution to the next. However, all SSBs fulfil an advisory role, and some also provide an ongoing supervisory function. In their advisory capacity, when an Islamic finance institution wishes to create a new product, process, or invest in a particular asset, a proposal is presented to the SSB, who evaluate it in terms of the Sharīʿa and make a ruling on the proposed practice. As such, Sharīʿa scholars determine the details of Sharīʿa compliance for finance, and have the authority to rule what forms of market practice are, or are not commensurate with Islamic principles. Moreover, they are directly involved in the development of finance products and services that are offered to clients. Some SSBs also provide a supervisory function much like conventional auditors, carefully reviewing an institution's record of its transactions to ensure that they adhered to the specified parameters for Sharīʿa compliance. Once this check is complete, a Sharīʿa compliance audit report is issued annually to be included in an Islamic finance institution's Annual Report. A Certificate of Sharīʿa compliance—signed by each member of the SSB—is also produced to be displayed on an institution's website as well as in its branches and corporate offices to reassure Muslim clients and stakeholders. Sharīʿa scholars also perform a host of other duties. They often play a central role in the calculation and distribution of any impermissible income—usually as a result of "incidental" interest (*ribā*) or other impermissible source—a financial institution may have accrued. By and large, Sharīʿa scholars operate as independent consultants and conduct their duties via e-mail, telephone calls and face-to-face meetings. Meetings are usually conducted quarterly, and in some instances more frequently. When it comes to religious matters, they also often deal with client complaints and, as we shall explore in more detail later in this chapter, are key figures in the marketing of Islamic finance products and services. They are often enlisted to make appearances on Muslim radio and TV channels and at marketing events where Islamic finance institutions advertise their services to the Muslim community.

6.1.1 Interpreting Islamic Law

There is no pre-defined working model of Islamic finance, the specifics of which can be directly extrapolated from the primary authoritative sources of Islamic law—the Qurʾān, the *ḥadīth* and the *Sunna* of the Prophet. It is often neither clear whether a particular market product or practice is "Islamic," nor an authoritative position on what constitutes *ribā* and *gharar*. For the most part, unable to construct a legal framework from the primary sources, definitions of the correct position on Islamic finance rely on Sharīʿa scholars with the authority to engage in the interpretive practices of *ijtihād* (literally "effort," referring to the practice of independent legal reasoning). They mostly resort to other legal instruments such as *ijmāʾ* (consensus), *qiyās* (reasoning by analogy), and sometimes more controversial types of legal reasoning and procedures such as *maṣlaḥa* (public interest/benefit), *'urf* (local custom), *ḍarūra* (necessity), *istiṣḥāb* (presumption of continuity), or *istiḥsān* (juristic preference). As Moosa has noted, "Traditional Muslim jurisprudence utilized these procedures when the primary sources of law were silent. In some instances these doctrines and procedures were used to supplement the primary sources" (Moosa, 1999: 307). Utilising these methods of interpretation individual scholars come together communally as part of a SSB to make "judgments about the permissibility of various contracts, and the contractual forms themselves" (Maurer, 2005a: 32). The outcome of these processes of collective *ijtihād* take the form of a *fatwā*, whereby SSBs rule on whether or not a given transaction is permissible or not and, if not, what alternatives may be available (El-Gamal, 2006: 33). Since the birth of field, the Islamic institution of *fatwā* has played a central role in defining and shaping notions of orthodoxy and orthopraxy in Islamic finance.

Islamic finance is in many respects a project under construction, embroiled in a host of doctrinal and legal debates (Pollard & Samers, 2007). In an effort to avoid the fragmentation of legal opinion and a reliance on the interpretation of lone scholars, an emphasis has been placed on the collective *ijtihād* of groups of Sharīʿa scholars as authoritative voices capable of determining the requirements of Sharīʿa compliance (Warde, 2000; El-Gamal, 2006). Since the birth of the Islamic finance industry in the 1970s, Sharīʿa scholars working in the field have relied on the rulings of prominent international juristic councils such as the Islamic Fiqh Academy created by the Organization of the Islamic Conference (OIC) in Jeddah, Saudi

Arabia.[47] These scholarly bodies hold annual meetings where they debate law-related issues concerning Islamic finance and make decisions by a majority vote after which their *fatāwā*, debates and research reports are published and disseminated (Warde, 2000: 229). However, owing to a high number of SSBs working for competing Islamic finance institutions around the globe the multiplicity of different interpretations of what constitutes Sharīʿa compliance have proliferated. As Power explains, "Within their own ranks, the top sheikhs debate vigorously over which new products and transactions are permissible — and which have been unjustly allowed" (Power, 2009). The effect of fragmentation and the lack of scholarly consensus has weakened efforts to establish an authoritative legal position on important forms of market practice. In an effort to halt the disintegration of the industry into rival scholarly factions that could threaten efforts to promote the legitimacy of this new market niche in the eyes of the global financial market, there has been felt a need to establish authoritative voices capable of determining authenticity and uniformity. To bring standardisation to the field, institutions such as the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) were established. Based in Bahrain, AAOIFI was established in 1991 with the sponsorship of a consortium of Islamic finance institutions and has assumed a leadership role in international standard-setting for the global Islamic finance industry. As a regulatory body, AAOIFI has its own SSB[48] responsible for setting global Sharīʿa standards for the contracts used in Islamic finance. Since its inception AAOIFI has issued standards relating to aspects of accounting, auditing, corporate governance and ethics. In addition, it has training courses and confers qualifications for Sharīʿa scholars as Certified Sharīʿa Advisers and Auditors as well as for other industry professionals as Certified Islamic Public Accountants. As Maurer has observed, to some extent the establishment of AAOIFI has "represented a shift from the authority of independent *shari'a* supervisory boards set up in individual Islamic banking and finance operations, to a centralized model for the dissemination of standards, procedures and best practices" (Maurer, 2010: 33). However, AAOIFI has not issued a comprehensive framework for all Islamic finance instruments (Dar & Azami, 2011: 99) and the intricacies of navigating state financial regulation found in different market contexts. As a result, each Islamic finance institution's SSB is required to engage in forms of *ijtihād* to interpret AAOIFI standards and

[47] In addition, because of the prevalent tradition of Ḥanafī *fiqh* among the *ʿulamā* of South Africa, many Sharīʿa scholars also look towards the Council of *ʿUlamā* in India.

[48] The AAOIFI SSB is headed by the authoritative figure of Muftī Taqi Usmani, formerly of the Pakistan Supreme Court's Shariat Appellate Bench and a leading Deobandi jurist with a commanding global reputation.

make them applicable for the requirements encountered in a local market context. Efforts to define Islamic finance are thereby shaped at a global level by influential international standard setting institutions such as AAOIFI and mediated by local Sharīʿa scholars with the authority to interpret these norms.

6.1.2 Religious Expertise, Reputation and Religious Capital

Sharīʿa scholars leverage their religious capital to assert the Islamicity of Islamic finance. They do so as authorities on Islamic law. Sharīʿa scholars are first and foremost experts in Islamic law who have been formally certified by Islamic institutions of religious education (*madrasas*, seminaries, etc.) in the tools and techniques of *ijtihād*, and thus qualified as individuals with the power to interpret the Sharīʿa as it relates to Islamic finance. A product of accumulated religious labour, their religious capital is acquired and legitimated through a long process of institutional training in the mastery of bodies of religious knowledge (law, concepts, sacred discourse, etc.) and practices (rituals, techniques, bodily comportment, etc.). Sharīʿa scholars are typically trained in *fiqh al-muʿāmalāt*, Arabic (and English), as well as the forms and formalities of *iftā* (the art of issuing *fatāwā*) and *qada'* (adjudication). Principally trained in one of the four schools of Islamic law, in the interest of the versatility demanded by their work in Islamic finance Sharīʿa scholars are often required to be knowledgeable of all four. Recently, the trend has been for some scholars to bolster their religious capital by becoming Certified Sharīʿa Advisers through AAOIFI or obtaining additional qualifications from secular institutions of higher learning in subjects such as "conventional" economics, commercial law, or business administration. Their specialised training ensures their monopoly over religious authority in the form of engaging in *ijtihād* and issuing *fatāwā*, differentiating them from the laity and other Islamic finance professionals. Moreover, even among their *ʿulamā'* colleagues, Sharīʿa scholars working in the field constitute an elite body of religious specialists equipped with the rarefied skillset to negotiate the vast corpus of the Islamic legal tradition alongside knowledge of twenty-first century financial instruments. Owing to their expertise many Sharīʿa scholars command a name-brand status within the world of modern finance (Power, 2009). Especially those with extensive industry experience and business acumen, demand is growing enormously for their services. It is common to find individual Sharīʿa scholars who simultaneously sit on the SSBs of multiple South African and international Islamic finance institutions. All of the SSB positions in South Africa are dominated by a select group of less than twenty Sharīʿa scholars. While within the South African religious field different *ʿulamā* organisations often compete to assert their particular authoritative voice on Islam (see Tayob, 2012), in the Islamic finance field religious authority solely rests with an elite group of individual Sharīʿa scholars who have developed a specialisation in this new niche area of Muslim praxis.

In addition to their religious expertise, the religious capital that derives from Sharīʿa scholars' reputational standing within the local religious field is equally, if not more, important. As Pollard and Samers (2013) and Maurer (2006) have observed, it is often the endorsement of a prominent Sharīʿa scholar of note within a given market context that is more important in influencing public perceptions of the Islamicity of Islamic finance products than the opaque legal qualities of the product itself. Given the inaccessibility of *fatāwā* issued by international jurist bodies and AAOIFI, consumers and Islamic finance professionals rely on the credibility of Sharīʿa scholars who hold the responsibility to correctly interpret these forms of official discourse. In considering the appointment of SSB members, Islamic finance institutions are keen to hire Sharīʿa scholars who have established a favourable reputation with the local Muslim community and among their fellow peers. Institutions are well aware that for consumers, Sharīʿa scholars who have established their name in the local religious field are believed to be the most reliable and credible (Taliep, Hassan & Yusoff, 2010: 250). Correspondingly, while a small number of South African Islamic finance institutions have appointed high-profile foreign scholars, the overwhelming majority of Sharīʿa scholars who work in the field are local scholars familiar to many South African Muslims, with a well-established reputation and following.

Within the South African Islamic field in general and the Islamic finance field in particular, Deobandi scholars have enforced their exclusive claim to be religious specialists and their social recognition as the holders of religious capital. The Islamic finance field has followed the trend of other fields undergoing processes of Islamisation (for example, *ḥalāl* food (Tayob, 2012) and education (Sayed, 2010; Ingram, 2011)) witnessing the rising prominence of the authority of Sharīʿa scholars trained in the Deobandi approach to Islam. Deobandism is a traditionalist Sunni revivalist movement originating from the town of Deoband, India, where the first Islamic seminary of British colonial India was established in 1867 (Tayob, 1999: 70). Deobandis follow the Ḥanafī school of law and advocate an emphasis on religious authority grounded in the classical Islamic sciences and law. Characterised as an approach to Islam that balances legalism and Sufism, Deobandi scholars are known for their puritan emphasis on the early authorities of Islam and emerged as an authoritative religious force by virtue of their access to religious knowledge. First arriving with the influx of Indians that arrived in South Africa from the 1860s, especially since the Islamic revivalism of the 1960s Deobandi *ʿulamā* have gradually affixed themselves as the guardians of Islamic orthodoxy and orthopraxy. From the 1970s Deobandi *ʿulamā* were influential in the development of Islamic education in South Africa, establishing a vast network of *madrasas* throughout the country, especially in the Indian Muslim communities in Gauteng and KwaZulu-Natal. These institutions of Islamic learning have been influential in the training of South Africa's *ʿulamā* class. Graduates trained in Deobandi *madrasas* have come to dominate leadership positions at national organisations for the representation of Muslims. Likewise, Deobandi trained Sharīʿa scholars have established themselves as the voice of religious authority within the Islamic finance field. With few exceptions, Deobandi Sharīʿa scholars occupy all of the positions allocated to Sharīʿa scholars on the supervisory boards of South Africa's Islamic finance institutions. Deobandi scholars have consolidated and expanded the reach of their authority in this new domain of religious action, such that within the Islamic finance field they "monopolize the administration of religious goods and services" (Swartz, 1996: 75). As such, not only are they in a position to define what constitutes normative and ethical understandings of Islamic economic praxis, but they have also been able to monopolise the new opportunities presented by the field for the conversion of religious capital to economic capital, earning lucrative retainer fees from financial institutions for their religious expertise.

6.2 Official Adequation: The Construction and Performance of "Official" Discourse

> The relationship between language and experience never appears more clearly than in crisis situations in which the everyday order *(Alltaglichkeit)* is challenged, and with it the language of order, situations which call for an extraordinary discourse (the *Ausseralltaglichkeit* which Weber presents as the decisive characteristic of charisma) capable of giving systematic expression to the gamut of extra-ordinary experiences that this, so to speak, objective *epoche* has provoked or made possible (Bourdieu, 1977: 170).

Bourdieu has reminded us that in moments of crisis in which the "everyday order" and the "language of order" is challenged—as is the case in the Islamic finance field where social actors have objectified the disjuncture between the idealised discourse of Islamic finance and the reality of market praxis—there is a need for a new discourse that can provide an adequate representation of reality. In these moments, we are alerted to the discursive strategies employed by authoritative actors in the field who attempt to construct and impose a new ethical frame that re-establishes order and consecrates the dominant interests and values that structure the logic of field. Within the Islamic finance field, this response opens up the possibility to observe discursive processes of semiotic meaning making as authoritative religious figures invested in the field attempt to create a new ethical framework for market praxis organised around the dominant neoliberal interests and values that structure the field. These are decisive moments in which to observe market actors' efforts to construct discourses capable of resolving the crisis of public belief by infusing dominant modes of market praxis with new meaning and symbolic value. In this section, I will show how Sharīʿa scholars working in the Islamic finance field have constructed and imposed a new, "official" discourse on Islamic finance, asserting a new frame of Islamic economic orthodoxy that supports the neoliberal logic that has taken hold of the field.

As discussed in Chapter Two, I suggest we can make sense of the construction of this new discourse using the lens of adequation. Often evident in moments of public debate and contestation where the matter of authenticity or "truth" is uncertain, adequation is a semiotic process employed to construct and assert a particular vision of the world as a valid truth claim (Hodges, 2007). Bucholtz and Hall describe adequation as a "semiotic process" or "tactic" that, "involves the pursuit of socially recognized sameness. In this relation, potentially salient differences are set aside in favour of perceived or asserted similarities that are taken to be more situationally relevant" (Bucholtz & Hall, 2004: 383). Rather than being an objective state of sameness, adequation is a "motivated social achievement" (Bucholtz & Hall, 2004: 383). Adequation is a semiotic strategy that can be found as part of the process of consecration, an assertion of the correct or legitimate view of a given reality that aspires to produce a socially recognised public belief. It entails a discursive act of classification, or categorisation, whereby practices, objects, or objectives are asserted as being equivalent with a particular cultural, or religious frame of value, such as ethics.

In the context of the Islamic finance field, processes of adequation were evident in the discourse used by Sharīʿa scholars to describe the nature of the relationship between market practice and notions of Islamic authenticity. I use the term "official adequation" to denote a discursive process whereby these figures of religious authority mobilise religious capital to construct and perform a new "official" discourse on Islamic finance, the outcome of which aspires to produce a public consensus and belief in the legitimacy and symbolic value of Islamic finance. As I will demonstrate, Sharīʿa scholars were engaged in a concerted effort to adequate market practices and products with representations of the "real" Islam. We can observe how they utilised the semiotic resource of adequation to establish a relation of sameness between the praxis of Islamic finance and conceptions of Islamic normativity. On one level, these semiotic strategies can be seen to be part of an effort to resolve the crisis of belief in the field. On another level, I suggest that in legitimising the Islamicity of Islamic finance official adequation also works towards the consecration of neoliberalism, whereby forms of economic practice ostensibly shaped by neoliberal interests and values are made commensurate with a new framework of Islamic normativity. As such, we can observe how Islamic objectives and notions of ethical economic practice have been reconfigured so as to be in alignment with the neoliberal interests and values that have taken hold of the field.

In this section I engage in an analysis of processes of official adequation through a case study of the role and discourse of two of the most recognised Sharīʿa scholars in the South African Islamic finance field, Muftī Moola[49] and Muftī Patel.[50] During my fieldwork I conducted interviews with most of the prominent Sharīʿa scholars active in field. Muftī Moola and Muftī Patel have not been chosen randomly, but are representative of the role played by the elite group of Sharīʿa scholars who have cemented their position as the voice of religious authority in the South African Islamic finance field. I begin by exploring their professional biographies, describing how they established themselves in the field through their accumulation of religious capital. Secondly, I analyse the discourse Muftī Moola and Muftī Patel constructed to legitimise the praxis of Islamic finance. Part of a process I refer to as official adequation, we can observe the semiotic strategies used by these two influential religious specialists as they attempt to make authoritative conceptions of Islam equivalent with the reality of market practice. That is, through the lens of adequation their accounts reveal the construction of a new, "official" discourse on Islamic finance whereby market practices, ostensibly shaped by neoliberal norms and values, are infused with Islamic meaning and value. In the third and final part of this chapter, I explore the performance of the new official discourse of Islamic finance in order to illustrate how Sharīʿa scholars attempt to consecrate the field, its financial practices and products as distinctly "Islamic." Specifically, I focus on the role of Muftī Moola during an

[49] Interview with author, 10.11.14.

[50] Interview with author, 12.11.14.

Islamic finance "roadshow" event, a staple marketing activity where Islamic finance institutions sell their products and services to the Muslim community. I demonstrate how Muftī Moola enlists his religious capital and authoritative sources of the Islamic discursive tradition as part of an effort to produce public belief in the symbolic value of Islamic finance.

6.2.1 The Journey to Becoming a Sharīʿa Scholar

Muftī Moola is a South African Islamic scholar of Indian descent in his 30s who, at our time of meeting, served as the Head of Sharīʿa and Head of Product at a bank I will refer to as Wilson Bank, one of South Africa's largest banks and a subsidiary of one of the largest multinational banking groups in the world. We met at the corporate headquarters of Wilson Bank located in central Johannesburg where during an interview Muftī Moola shared with me his career biography allowing me to gain an appreciation of how he acquired his expertise and recognition as an authority in the Islamic finance field.

Muftī Moola was born in Mpumalanga in a household he characterised as heavily focussed on religion and "business-oriented." His family was involved in various commercial enterprises and he described how this environment "opened" his mind to the world of business, cultivating an engrained entrepreneurial disposition "to look for business opportunities." Following in the footsteps of his father and grandfather, at the age of eight Muftī Moola began training in Islamic studies, completing the memorisation of the Qurʿān over a four-year period. At the age of twelve he left his family home to study at Dār al-ʿUlūm Zakariyya, one of South Africa's most well-known Deobandi *madrasas* located in Lenasia, a former township for South Africans of Indian descent located just outside of Johannesburg. For the next nine years he underwent training as a Muftī, including extensive courses in Islamic jurisprudence (*fiqh*) and *iftā'*, the specialisation in the art of issuing of *fatāwā*. During his studies Muftī Moola described developing a keen interest in Islamic personal law and Islamic economics. Upon graduating from Dār al-ʿUlum Zakariyya, he was invited to further his training in Islamic personal law in India and Saudi Arabia, where he developed practical experience and earned certification in *qada'* (adjudication). After a few years honing his religious knowledge and expertise overseas, Muftī Moola returned to South Africa, began teaching Islamic law at a Deobandi *madrasa*, and became a leader of a mosque, a position he maintained alongside his work in the finance industry. Having established an esteemed reputation in the Islamic religious field, sometime after his return to South Africa the Muftī was offered a position as Head of Sharīʿa at Prism

Investments, one of the pioneering asset management firms in Islamic finance located in Cape Town. The Muftī recalled how the firm effectively kick-started his career in the field, "nurturing" his practical knowledge and expertise in the world of finance. After a few years, and with the sponsorship of Prism Investments, the Muftī became one of South Africa's first Islamic scholars accredited as a Certified Sharīʿa Advisor and Auditor with AAOIFI in Bahrain.

Muftī Moola has established himself as one of South Africa's most sought-after Sharīʿa scholars in the Islamic finance field. In addition to working for Wilson Bank and Prism Investments, Muftī Moola either served on the Sharīʿa Supervisory Board or operated as a consultant for three other financial institutions in South Africa, the Maldives and Malawi. As a leading figure in the field, Muftī Moola was invited by the South African National Treasury to contribute to the creation of national financial regulation for Islamic finance and was contracted by BANKSETA to develop the training material on Islamic finance for all South African banks. He has also advised the financial regulators of Tanzania, Kenya, Mozambique, Malawi and Zambia on making legislative amendments to enable the roll-out of Islamic finance products and services in these nascent markets.

Of similar background and training, Muftī Patel is a South African Islamic scholar of Indian descent in his 30s. We met in Johannesburg at the national headquarters of a bank I will refer to as FinBank, one of the country's largest banking groups. Over the course of an interview, Muftī Patel described his career path. Like Muftī Moola, Muftī Patel began his religious training in early childhood and attended Dār al-ʿUlum Zakariyya in Lenasia, where he studied Islamic law for nine years. He completed courses in Islamic studies, specialising in the techniques and tools of jurisprudence and *iftā'*. Upon his graduation, Muftī Patel completed further studies in Islamic law in Saudi Arabia. Returning to South Africa, he was then appointed Muftī at the Department of Islamic Jurisprudence, or "Fatwa Department," at the Council of Muslim Theologians (Jamiatul ʿUlamā) in KwaZulu-Natal. For three years he learned the tools of the trade under the guidance of Muftī Yunus Patel, one of South Africa's preeminent Deobandi scholars and authorities. As part of Muftī Patel's role he also served as a member of the Board of Muftīs of South Africa. Muftī Patel said that he had a long-held interest in Islamic finance, and following the encouragement of senior religious figures, he decided to leave the Jamiatul ʿUlamā, taking up a position in the Islamic finance field with Prism Investments. Like Muftī Moola, he referred to his initial role at Prism Investments as being formative in developing his practical expertise in the world of finance. “I had to learn the conventional side of things,” Muftī Patel explained. He described how he was mentored by one of Prism Investment’s principal portfolio managers to help him understand the forms and formalities of conventional finance.

From this foundation Muftī Patel established his reputation as one of the most recognised Sharīʿa scholars in the local and international Islamic finance field. At the time of our meeting Muftī Patel served as a Sharīʿa Supervisory Board member, advisor or consultant for five South African asset management firms, and was the principal Internal Sharīʿa advisor for one of country’s largest banks. Like Muftī Moola, Muftī Patel was invited by the National Treasury to develop financial regulation for the Islamic finance industry and continues to consult regulatory authorities on aspects of Sharīʿa. In addition to his involvement in the South African field, Muftī Patel also held key positions at financial institutions in Kenya, Nigeria and Tanzania, and had consulted for various other international institutions.

Having presented these two short biographies, we can appreciate how Muftī Moola and Muftī Patel came to hold authoritative positions within the field owing to their cultivated expertise and recognised status as religious specialists. To accumulate religious capital, the two Muftīs underwent a long process of religious education with an emphasis on the theory and application of Islamic jurisprudence. Both underwent extensive training and were formally certified as Sharīʿa scholars at Dār al-ʿUlum Zakariyya, a centre for Islamic learning with a prestigious reputation and pedigree among South Africa’s Muslim community, or at least an important segment of it that constitutes the majority demographic—Muslims of Indian descent—of consumers of Islamic finance. By virtue of their training and access to religious knowledge, Muftī Moola and Muftī Patel acquired a high level of mastery of the symbolically revered bases of knowledge in the Islamic tradition: memorisation of the Qurʾān, and the mastery of *fiqh*, *ḥadīth*, as well as the *fatāwā* of prominent Islamic jurists. The Muftīs activated their entrepreneurial sensibilities to adeptly take advantage of the new opportunities presented in the Islamic finance field to convert their religious capital into economic capital, earning substantial retainer fees from the multiple institutions they consulted for. In the remainder of this chapter, I explore how Muftī Moola and Muftī Patel leveraged their religious capital to consecrate market praxis by constructing and performing a new official discourse on Islamic finance.

6.2.2 Constructing "Official" Discourse: The Adequation of Islam and the Neoliberal Market Logic

At the outset, it is important to note that both Muftī Moola and Muftī Patel conceded that the reality of market practice in field failed to live up to the ideals of Islamic finance. They were well-aware of the criticism they and other actors in the field faced because of the predominance of modes of financing that mimicked conventional finance to maximise efficiency and profits. While Muftī Moola and Muftī Patel lamented that ideal forms of Islamic finance were not being practiced at present, they were openly dismissive of those who challenged the Islamicity of Islamic finance. For them, the question of whether forms of Islamic finance were Sharīʿa compliant in a legalistic sense was a separate issue from whether Islamic finance was achieving its idealised objectives. For Muftī Moola and Muftī Patel, the bottom line was that the financial instruments they certified cohered to the legal requirements for Sharīʿa compliance as stipulated by international best practice and the opinions of prominent Sharīʿa scholars who worked in the field. As Muftī Moola argued:

> Unfortunately, those that state impermissibility have not cited one reason for impermissibility up to now. There are other factors that they have utilised to malign, or to degrade the Islamic finance industry. … I haven't seen one person state, 'for this particular reason, Islamic banking is impermissible'; or, 'this particular transaction in Islamic banking is impermissible.' My question to those that have a different view is, are you saying in theory it is incorrect or in practice it is incorrect? … *ʿUlamā* from throughout the world—whether it is the Fiqh Academy of Jeddah, the Fiqh Academy of India, whether it is the like of AAOIFI, whether it is our major Islamic bases of education—all of them have accepted it. Even if they have accepted it in theory, that is sufficient for us.

Muftī Moola's reference to "theory," it should be noted, was not the theory of Islamic finance as commonly understood, but rather the micro-legalistic theory of *fiqh*. Thus, whereas some critics of Islamic finance have challenged its legitimacy based on the disjuncture with the theory of Islamic finance and the macro-systemic outcomes it intends to achieve (i.e. equity and socio-economic justice), Muftī Moola reduces the issue of legitimacy to a question of procedure; a micro-legalistic procedure he argues to be entirely legitimate and supported by international voices of authority as well as the authoritative sources of *fiqh*.

It is beyond the scope of this study to establish whether, in fact, the Islamic finance instruments Muftī Moola and Muftī Patel authorised were truly Sharīʿa compliant. However, I suggest that one can explore the discourse these Sharīʿa scholars constructed in order to explore the semiotic strategies they mobilised to justify market praxis as part of a process of official adequation. Surprisingly, the discourse Sharīʿa scholars use to explain and justify the logic of the market has largely been overlooked by academic scholars of Islamic finance. It has been well-documented in the academic literature on Islamic finance that Sharīʿa scholars have been the key agents responsible for reverse-engineering Sharīʿa compliant equivalents of conventional finance products that perform the same substantive function through their use of the tools and techniques of casuistry (Kuran, 2004; El-Gamal, 2006; Khan, 2010; Nienhaus, 2011). However, an analysis of their rationale for doing so has largely been ignored. There has been a tendency to assert that Sharīʿa scholars are merely concerned with the forms and formalities of *fiqh* rather than the broader philosophical question of the relationship between Islamic ethics and contemporary economic practice. They have been depicted as "rent-seekers" (El-Gamal, 2006; Khan, 2010), more concerned with reaping financial rewards for issuing *fatāwā* than with insuring that the financial instruments they certify truly cohere with Islamic principles and the broader Islamic vision of a moral economy. This line of argumentation has assumed that Sharīʿa scholars are not interested in the ethical implications of the disjuncture between the "macro concepts" of Islamic economics and the reality of market practice, because, as one critical scholar puts it, they are only concerned with "micro-textual methods and ways of thinking" (Nienhaus, 2011: 608). Furthermore, there is a common misconception that Sharīʿa scholars merely certify the Sharīʿa compliance of financial instruments without providing a discursive justification that speaks to any value-based considerations beyond the micro-details of *fiqh*. Symptomatic of an implicit disdain for Sharīʿa scholars as the outdated carriers of an unchanging tradition, in the academic literature of Islamic finance they have been characterised as relics of Islam's medieval past lacking a sophisticated understanding of the modern world. While some of these critiques may be well founded, I argue that this blinkered view ignores the role of Sharīʿa scholars in shaping the discourse on Islamic finance, and defining the "true" Islamic position on market praxis and objectives. We should remain alert to the fact that Sharīʿa scholars are "custodians" of the Islamic discursive tradition, a tradition that "has had to be constantly imagined, reconstructed, argued over, defended and modified" (Zaman, 2002: 10). As Ebrahim Moosa is careful to remind us, "[l]aw and ethics are inseparable," and even in "*fiqh* discourse, piety, morality, theology, and law coalesce into a single coherent narrative" (Moosa, 2005: 239). As Muhammad Zaman (2004: 129) furthers:

> The ʻulama self-consciously represent a complex scholarly tradition that they typically see not so much as being inseparable from Islam as constituting its very definition. It is with reference to this tradition that they view themselves and the world around them, express their ideas of an Islamic society and state, and elaborate their conceptions of the common good.

With that said I would now like to explore the discourse Muftī Moola and Muftī Patel used to justify the current practice of Islamic finance on a separate, albeit complimentary, plane from establishing its legitimacy in legal terms.

Muftī Moola and Muftī Patel spoke in terms of a clear division between the reality faced by actors in the field and ideal market conditions. For Muftī Moola and Muftī Patel, in the current market context the agency of the Islamic finance actors was being restricted by external market forces imposed by the dominant conventional financial system. A combination of limiting factors such as state financial regulation, market competition with conventional finance institutions, and Muslim consumers with a predisposed taste for conventional modes of finance were cited as reasons for why ideal forms of Islamic finance were unattainable in the present market context. Thus, for example, when I asked Muftī Moola why the institutions he worked for were not engaged in more equity-based modes of financing he argued that there was "certain legislation stopping it." "Unfortunately," he explained, the "appetite for risk after 2008 has declined. Obviously prior to that there was a low risk appetite, but after 2008 you are seeing the risk appetite decreasing." Citing the swathe of risk-averse global financial regulations introduced in the wake of the global financial crisis of 2008, Muftī Moola argued that these institutional market forces deriving from the conventional financial sector created market conditions that restricted ideal forms of equity-based financing. Muftī Patel argued that Muslim consumers socialised with a taste for conventional forms of financing presented challenges. He framed the division between the ideal and reality in terms of "wants" and "needs." While some critics of Islamic finance may "want" market actors to engage in equity-based forms of financing, he said that the reality was Muslim consumers were not interested in such products. Instead, Muftī Patel argued that the "need" of Muslim consumers was for Sharīʿa compliant alternatives to the conventional products they were familiar with. This, he explained in a pragmatic tone, was the immediate priority for Islamic finance actors in the current, non-ideal, market context:

> Because, if a customer is used to having a certain kind of [conventional] product and you are giving something completely different it is not going to suit him because at that point he is … you know, you look at needs and wants.

> Now, he is *so* accustomed to what is available [in the conventional market] that it has become a need, not a want. And, now you are giving him a want. He cannot leave a need for a want. So, we have to cross those bridges where a customer gets accustomed to Islamic banking and Islamic ways of transactions.

To provide an example, Muftī Patel recounted how the Islamic bank he worked for in Malawi unsuccessfully tried to adopt equity-based forms of financing a few years earlier. Under pressure from critical Sharīʿa scholars to move away from *murābaḥa* transactions that mimicked the debt-based transactions offered by conventional banks, his Islamic bank established a silent-partnership, or co-ownership, arrangement based on the *mushāraka* model. The bank and its merchant clients would jointly purchase goods which the latter would then sell and both parties would share in the profits. The bank, Muftī Patel claimed, thought that this equity-based arrangement "worked well." "But, guess what?" he furthered, "Who didn't want it? It was the *client* who didn't want it. So, if clients don't want it how can the institution offer it? And, then scholars can go about and say, 'that's the best solution.' But, you can't go and offer a solution which your clients don't want." Thereby absolving his bank of any responsibility for the lack of equity-based forms of financing, Muftī Patel suggested that it was Muslim consumers who dictated and restricted the praxis of Islamic finance. In his view it was a simple case of supply and demand, where the demand was for Sharīʿa compliant financial products that mimicked the function of their conventional finance counterparts. One could only hope that one day in the future Muslim consumers would "understand" Islamic finance on its own terms, and their "needs" would match the "wants" of Sharīʿa scholars for authentic equity-based forms of financing. In articulating these views we can see how Muftī Moola and Muftī Patel objectified the lack of autonomy of the Islamic finance field and its position as a subfield of the conventional finance field as a rationale for why the ideal type of equity-based financing was not practiced; it was the "if only" (see Maurer, 2005a) one often hears used by practitioners to justify why the ideal was not being realised in practice.

Having framed the field in this way, the differences between Islamic ideals and the reality of market practice were set aside by Muftī Moola and Muftī Patel in favour of an assertion that efficiency-based forms of financing that mimic the substantive function of conventional finance were both commensurate with Islamic values and more situationally relevant. Their view was grounded in pragmatism and an understanding that the Islamic objectives of Islamic finance fell into two steps corresponding with the level of development of the market. The first step, Muftī Moola said, is "where we move people [away] from interest-based transactions, or impermissible transactions." "The second step," Muftī Moola continued,

> [I]s achieving the objectives which are of benefit to society. Those objectives will be achieved when we structure more private equity form of transactions, venture capital form of transactions, where you see equal distribution of wealth within a business, where you see people participating in a risk and reward of an underlying business.

"If I look at the objective of Islamic economics," Muftī Moola proclaimed, "*obviously* the primary objective will be abstinence of those things which are impermissible; that would be primary." In justifying this position, he invoked a *ḥadīth* narrated by the medieval Ḥanafī jurist Imam Abu-Yusuf: "Imam Yusuf has said [recites Arabic]; a person is getting reward because he is staying away from *ḥarām*. He says that it is *mandub*, or preferable, because it takes people away from *ḥarām*. So, yes, removing people from *ḥarām* is a *great* and noble action." Using this *ḥadīth* to justify his approach to Islamic finance, in Muftī Moola's view the ethical objective of market practice during the "first" period in the development of Islamic finance was to further the economic growth of the field and extend its market reach. This was to be achieved by providing Muslim consumers with efficient, Sharīʿa compliant alternatives to conventional finance instruments rather than introducing ideal forms of equity-based financing. Similarly, Muftī Patel called for Islamic finance actors to innovate more products that replicate conventional finance products "so that customers don't have to … they are not *forced* … [to] take non-compliant products because of non-availability of [Sharīʿa] compliant products." Not only should Islamic finance actors create more replacement products for conventional finance instruments, but in Muftī Patel's view these products should also maximise efficiency and the profits they generate. "I think one of the most important goals for now," Muftī Patel said, "is to provide South Africans with suitable, competitive Sharīʿa compliant alternates. If a customer in the conventional world can finance a vehicle at a certain rate, we need to be able to offer a Sharīʿa compliant solution, but also at a competitive rate." Similarly, he argued that the rates of return, or profit, offered to Muslim clients based on their capital investments should match or exceed those offered by conventional finance institutions. Both scholars suggested that in doing so, they and other Islamic finance actors were providing Muslim consumers with a means to remove themselves from the sin of engaging in *ḥarām* forms of conventional finance.

Muftī Moola and Muftī Patel's justificatory discourse suggested that once the first step in the development of Islamic finance was complete—the point when Islamic finance institutions had sufficiently established the growth of the market economically—then market conditions would be sufficient for Islamic finance institutions to take the second step; engaging in equity-based forms of finance that achieved the idealised Islamic objectives of furthering equity and socio-economic justice. This was framed as the second stage in the development of Islamic finance, an ideal phase. Muftī Moola and Muftī Patel were critical of Sharīʿa scholars and other critics of Islamic finance who were opposed to the current pragmatic *modus operandi* of mimicking conventional finance. Such views, they said, were short-sighted, "conservative,"[51] and counterproductive to the objective of reaching the second stage in the development of Islamic finance. As Muftī Patel explained:

> I think that's one of the issues that some people have with the industry. And, you will be faced with this issue when the industry is in its infancy. So, what you'll see is you are taking conventional products and you are Sharīʿarising [sic] them for Islamic purposes; which is not wrong. But, some people are saying 'why are you looking at what's available conventionally and trying to copy that? Why don't you just think out of the box, think what is Sharīʿa compliant, and offer that?' … So, that's the step we would like to get to. But, we cannot get to that step without first crossing the various paths and bridges.

In articulating this view, Muftī Patel made two claims. The first was that the current practice of Islamic finance, which he acknowledged to be "Sharīʿarising" conventional finance, is legitimate and commensurate with notions of Islamic legality and orthodoxy. The second claim was that the ideal second stage in the development of Islamic finance is attainable and the means by which to reach it is clear; mimicking conventional finance, and maximising efficiency and profits. Both Muftī Moola and Muftī Patel were confident that through their efforts to innovate more efficient Sharīʿa compliant financial instruments that mimicked conventional finance they were working towards realising this objective.

What are we to make of the discourse of Muftī Moola and Muftī Patel, and their efforts to adequate the praxis of Islamic finance with Islamic values? We can note how Muftī Moola and Muftī Patel began by stressing the divergence between ideal market conditions and the reality

[51] Muftī Moola described "conservative" Sharīʿa scholars as being in favour of equity-based transactions, but opposed to "innovative" forms of efficiency-based financial instruments (for example, "Islamic" credit cards and derivatives) being developed in more advanced international markets such as Malaysia that they considered to be "controversial." Muftī Moola was supportive of these innovations but said that the conservatism of the predominant body of South African *ʿulamā* prevented institutions from offering these products because of the religious controversy the introduction of these products would create.

encountered by Islamic finance practitioners. Correspondingly, they delineated two stages in the development of Islamic finance. In so doing, they described the field as being in its first stage of development, a nascent stage subject to the constraints and necessities imposed by conventional market forces. Having characterised the field in this way, Muftī Moola and Muftī Patel were able to counter contestations over the legitimacy of Islamic finance by those critics who argued that there was a disjuncture between Islamic principles and forms of market practice that ostensibly mimic the function of conventional finance. Their counterargument consisted of two discursive moves. Firstly, they argued that because the field was in its first, non-ideal, stage of development, salient differences between the practice of Islamic finance and certain Islamic economic principles should be set aside as they were not situationally relevant. More specifically, ideal forms of equity-based contracts were, they said, not a viable proposition in the current market environment. To support this claim, Muftī Moola claimed that state financial regulation was “stopping” equity-based financing, and Muftī Patel argued that institutions could not offer them because there was no demand from Muslim consumers; or in the Muftī’s terms, it was not a “need.”

Having dispensed with this commonly articulated critique of Islamic finance, their categorisation of the current market context then acted as a platform for their second discursive move: the adequation of market practice with Islamic principles in order to achieve the linking of Islamic appreciations of normativity with Islamic finance; that is, in other words, the adequation of the neoliberal logic that structures the field with “real” Islam, where the pursuit of efficiency and profit maximisation using forms of finance that replicate the function of conventional finance are asserted to be commensurate with Islamic principles. In order to support the new concern with profit maximisation it was not too difficult to find analogies and authoritative Islamic sources that could be used to justify and sanction this adequation (Tripp, 2006: 70). As evidence in Muftī Moola’s narration of a *ḥadīth* by the authoritative figure of Imam Abu-Yusuf, the priority to maximise profits was made equivalent with the Islamic objective of removing Muslims from *ḥarām*. Framed as a position of pragmatism and common-sense, the assertion of the adequation between this Islamic “good” and efficiency-based forms of financing were posited to be more situationally relevant. Given the non-ideal market environment found in the first stage of Islamic finance Muftī Patel articulated a view that one couldn’t expect Muslim consumers to switch to Islamic finance by means of religious exhortation and admonishment. Reminding Muslims of the sin of engaging with interest-based forms of conventional finance would not do the job. Instead, the view was that the only logical way to convince Muslim consumers to switch to Islamic finance was through mimicking conventional products they were familiar with, and that offered comparable economic function and performance. In so doing, the differences between form-oriented, efficiency-based financial products and the idealised Islamic economic ethics of promoting equity and socio-economic justice were ignored or overlooked. Instead, situationally relevant market objectives were highlighted and used as a basis for the assertion of sameness between Islamic principles and dominant modes of Islamic finance that supported the neoliberal status quo. The invested interests of Islamic finance institutions and their shareholders in maximising profits was not mentioned; nor were considerations of the economic impact these forms of Islamic finance were having on the South African economy in general, and the Muslim community in particular. Instead, Muftī Moola and Muftī Patel articulated a view that these modes of market practice would lead Islamic finance from its first phase to its second phase of development; a utopian market context where ideal forms of Islamic finance could then be practiced and the objectives of Islamic economics realised. The basis for this claim was not backed by any authoritative Islamic sources, but rather based on a tacit assumption that the gap between reality and the ideal could be closed through the accumulation of greater levels of capital. In so doing, Muftī Moola and Muftī Patel suggested a new ethos for Islamic finance, albeit a provisional one, based on the virtue of forms of praxis that mimic conventional finance and maximise profits.

In many respects, the discourse constructed by Muftī Moola and Muftī Patel to adequate the practice of Islamic finance and notions of the "real" Islam share identifiable features with common tropes in the discourse of Islam in modernity in general, and the global discourse of Islamic finance in particular. The distinction drawn between the ideal objectives of Islam and the reality of Muslim praxis is a common trope found in the discourse on Islam in modernity. As Tayob has noted, traditionalists such as the prominent Deobandi Muftī Taqi Usmani have "conceded the difference between the 'ideal objectives of the Sharīʿa which are based on normal conditions' and 'some relaxations given in abnormal situations'" (Tayob, 2009a: 151). More specifically, in his writings on Islamic finance Muftī Usmani (2014: 46–47) has conceded that:

> Islamic financial institutions … are in the age of their infancy; they are working in an atmosphere dominated by the conventional financial system, which creates many limitations on their full-fledged operation as truly Islamic institutions based on the ideal concepts of participation in risks and rewards. … In order to compete with conventional institutions, they often resort to less preferable instruments, and that too using the conventional benchmarks.

Given the influence of Muftī Usmani as a leading voice of authority on Islamic finance globally (Fang, 2014), it is unsurprising that this concessionary rationale has filtered into the justificatory discourse of other Sharīʿa scholars working in the field. Indeed, the concessionary provisions enabled by the discourse on the divergence between the ideal and reality has become a noticeable trope in the legalistic discourse of Sharīʿa scholars. This trope has been mobilised to adequate forms of finance ostensibly shaped by neoliberal norms and values with Sharīʿa principles. Take for example the following *fatwā* identified by Maurer (2008) that was issued by the Sharīʿa Supervisory Board of Citi Islamic Investment Bank to authorise a *ṣukūk* (an Islamic bond) for the Bahrain Monetary Authority. As Maurer (2008: 75) notes, the following caveats were cited by this set of Sharīʿa scholars to justify why the *ṣukūk* structure—a financial structure that closely replicated the substantive economic function of a conventional bond—was "acceptable within the principles of Shari'ah":

> The Shari'ah Board also took into consideration (i) the legal constraints under which this product is being developed; (ii) the need to further develop the emerging Islamic finance industry as an alternative and viable financing system; (iii) the need to facilitate and bring ease to the Islamic financial institutions and others who are determined to raise financing according to Shari'ah principles; (iv) the various existing constraints and restrictions imposed under the various conventional financing techniques available in many Muslim countries; and (v) the prevailing conditions and affairs of the Ummah and the need to remove them from the shackles of riba.

The subtext of this *fatwā* indicates an acknowledgement that this *ṣukūk* structure does not represent the Islamic ideal, but nonetheless is authorised for practical reasons taking into account the market constraints and necessities imposed by the dominant neoliberal conventional financial system. Within the industry, these and similar "adaptive strategies" are understood to constitute a "temporary means" to enable the establishment of the Islamic finance industry until it has reached a point where more "authentic" instruments become available and viable (Rehman, 2010: 115; Moghul, 2013: 267). Indeed, as El-Gamal has observed, "A frequent argument made by industry jurists and practitioners states that one had to start somewhere. Even if the current modes of Islamic finance are imperfect, the argument goes, they are a good starting point toward developing a bona fide … Islamic financial industry" (El-Gamal, 2006: 35). However, given that over the last few decades the Islamic finance field has reached a stage of considerable growth in certain markets, such as Malaysia, and yet shows no sign of shifting from efficiency-based forms of finance to an equity-based paradigm, this oft-mentioned line of argumentation belies such optimistic claims.

6.2.3 Performing Official Discourse: The Islamic Finance Roadshow

The effect of the adequation of an efficiency-based approach and Islamic values repeated and circulated in the new official discourse of Islamic finance works towards dispelling uncertainty and inculcating a public belief in the Islamicity of the field. Not only do Sharīʿa scholars assert the adequation of neoliberal conventions and Islamic values, but also through acts of consecration promote Islamic finance as an obligatory part of modern Islamic orthopraxy. Having been drawn into a competitive market logic structured by neoliberal *doxa* and the ultimate objective to maximise profits, so, in turn, do Sharīʿa scholars play an essential role in drawing Muslim consumers into the field. Sharīʿa scholars make appearances in front of Muslim audiences to defend the praxis of Islamic finance, assert its conformity with Islamic norms, and reinforce ideas inherent in the new official discourse on Islamic finance.

One of the primary platforms by which Sharīʿa scholars consecrate the field in the Muslim public sphere can be found in the Islamic finance "roadshow." Roadshows are a staple marketing practice in the conventional finance industry. They are a way by which banks and investment firms sell their products and services to potential clients (Ho, 2005: 80). Financial institutions travel to key cities, hosting elaborate events to sell a branded image of their market superiority to a large audience of investors. Since the birth of the Islamic finance field, roadshows have been a key platform to market financial products and services to the Muslim community. Islamic finance roadshow events are performances during which Islamic finance institutions attempt to assert the symbolic value of their products, both in terms of their commercial and religious (or symbolic) value. In other words, Islamic finance institutions not only seek to demonstrate the superior economic performance and utility of their products, but also the authenticity of their Islamic credentials. To achieve the latter effect, well-respected Sharīʿa scholars who work on behalf of Islamic finance institutions are called upon to attend these functions. Their function is to consecrate the field and its products; to produce public perceptions of the legitimacy of Islamic finance and to infuse market products with symbolic value. These acts of consecration are made possible through the mobilisation of religious capital and the performance of official discourse.

On a Friday evening in November 2014 I had the opportunity to observe an Islamic finance roadshow event for Muslim investors and clients held in Lenasia, a sprawling Muslim-majority suburb on the edges of Johannesburg. The event was part of a national roadshow co-hosted by the Islamic banking division of a major South African bank and a boutique asset management firm who invited me to find out more about their products. It was also an invitation to listen to Muftī Moola, who would be one of the key panellists discussing the religious aspects of Islamic finance as part of his role as a Sharīʿa scholar working for both financial institutions. It was immediately apparent that Muftī Moola was there to be the face and authoritative voice of Islamic authenticity. Unlike the sharply dressed business attire of the other financial professionals in attendance, Muftī Moola's appearance was distinct, wearing a long *thawb* and accompanied by his family dressed in traditional Islamic regalia. As the evening's formal proceedings began, the lights dimmed briefly as Muftī Moola took to the stage. Demonstrating his expertise in *tajwīd* (Qurʾānic recitation), the Muftī opened the evening's event with a Qurʾānic invocation in Arabic. Following this supplication, the main section of the evening proceeded with a series of panel discussions on stage to which we in the audience attentively listened while being served an array of traditional Indian culinary delights. There were a series of panel discussions on the health of the South African economy, recent global investment trends, and how the banking products and investment portfolios on offer promised competitive rates of return compared to benchmarks of the conventional finance sector. The discussion took a turn as it came to Muftī Moola's panel discussion. It was apparent that Muftī Moola was not there to convince Muslim consumers to switch to Islamic finance by making an appeal to their economic interests with statistics and financial jargon that demonstrated the economic performance of Islamic finance products. Instead, his presence was to convince the audience of the authenticity of Islamic finance and assert its praxis as an obligatory part of Islamic conduct. Unlike the much more complex argument Muftī Moola presented during our interview, at the Islamic roadshow Muftī Moola's assertion of the adequation of the *modus operandi* of Islamic finance and "true" Islam was simplified and amplified. The objective was to produce a public belief in the legitimacy of Islamic finance in a manner that was simple to understand and authoritative. To achieve this goal, Muftī Moola mobilised religious capital deriving from the authoritative sources of the Islamic tradition and his position as a figure of religious authority to consecrate the field, its products and practices.

Taking to the microphone, Muftī Moola announced to the audience that "there are two common misconceptions about Islamic banking in the market." The first misconception, he said, was that Muslims should not falsely think that they are exempt from adhering to the Sharīʿa in their financial dealings because of an erroneous notion that it is too difficult for them to do so. The

Muftī said that some Muslims were convinced that it was easier for the early Muslim community to adhere to Sharīʿa law in their financial dealings, but because of the constraints and demands of the modern economic world it was too hard to follow their example. Muftī Moola refuted this view by narrating a series of *aḥādīth* related to the complex commercial dealings of some of the companions of the Prophet, the *Ṣahāba*. The Muftī argued that that if the *Ṣahāba* were able to adhere to Sharīʿa law in their sophisticated business enterprises it was obligatory for modern Muslims to do the same; there was no excuse. The "second misconception," the Muftī bemoaned, was that some Muslims believed that "there is no difference between Islamic banking and conventional banking." While critics of Islamic finance claimed that there is no difference between interest-based financial instruments and commonly used Islamic finance instruments such as *murābaḥa*, Muftī Moola argued that this erroneous belief was indicative of a misunderstanding of the Sharīʿa. For him, this meant refuting the charge levelled by critics that Islamic finance was not "really Islamic" because of the industry's reliance on jumping through legal "loopholes" using stratagems (*ḥiyal*) to produce Sharīʿa compliant instruments that merely circumvented prohibitions while ostensibly replicating the function of prohibited forms of conventional finance. After drawing an analogy between Islamic finance and the consumption of *ḥalāl* and *ḥarām* food—it may "appear" to be the same on the outside, but one is "pure" and the other is "prohibited"—the Muftī engaged in a short exegesis of the Qurʾān and Prophetic tradition to assert the legitimacy of an approach to Islamic finance that replicated the function of, and provided an "alternative" to, prohibited modes of conventional finance:

> [I]f you look at one verse in surah al-Baqara, Allah [SWT] mentioned, or revealed, this particular verse because of this particular misconception. So, people in the time of [the Prophet] said that 'we understand that *ribā*, or interest, is prohibited. So, if interest is prohibited, why is it permissible for a person to take an item, sell it on a deferred basis, and get charged more than what he sells on the spot basis? So, if I sell something for R100 in cash, if I am selling the same item on a differed basis on credit I can charge my liquidity for it. Why is there a difference in this, and yet Islam allows this and does not allow lending and borrowing of funds with the charging of interest?'… Allah [SWT] revealed that verse in surah al-Baqara where Allah says [recites Arabic]: 'That Allah has made transactions permissible, or trade permissible, and Allah has made *ribā* impermissible.' So, a *clear* distinction between Islamic banking and banking in its conventional form. One is based on trade and business principles, and the other, we know, is based on lending and borrowing principles. There is a lot of other reading you can go into. For example, Bilal (R) [a companion of the Prophet] and the trade of dates. A similar example is Abdullah ibn 'Umar (R), where we see people trading superior quality silver for inferior quality silver. He [the Prophet] gave a very similar ruling: 'Take inferior quality silver,

> exchange it for cash. Take the cash [proceeds] and buy superior quality silver.' The end result is exact same thing. *And*, these are not [legal] loopholes. That is why Imam Abū Bakr Muḥammad ibn Aḥmad al-Sarakhsī al-Ḥanafī, the right honourable Muftī, says: 'when you look at this example from Abdullah ibn 'Umar (R), it is clear that it is not a [legal] loophole, but rather following the example of the Prophet where he gave them an alternative to something that was impermissible.'

In this quotation, Muftī Moola invoked the *aḥādīth* of two of the *Ṣahāba* (companions), Bilal and Abdullah ibn 'Umar, to justify an approach to Islamic finance that ostensibly mimics the function of conventional financial transactions, or in the Muftī's words produces an end result that is "the exact same thing." According to the Ḥanafī tradition, in these *aḥādīth* the Prophet prohibited the transactions used by Bilal and Abdullah ibn 'Umar because they entailed *ribā*, however he advocated a stratagem (*ḥīla*) so that they could acquire the dates and silver they desired legally (Ismail, 2010). These two *aḥādīth* are commonly cited by Ḥanafī jurists to justify their endorsement of the use of *ḥiyal* to provide alternatives to forms of practice prohibited in the Sharīʿa. For example, as Muhammed Ismail (2010: 116–130) has observed, the *ḥadīth* of the selling of high quality dates for low quality dates is a traditional feature of the Ḥanafī discourse used to substantiate *ḥiyal*. As Ismail explains, the Ḥanafī reading of this *ḥadīth* is that the Prophet advocated a stratagem to provide the *Ṣahāba* with an "exit" (*makhraj*), a legal alternative or "solution," to overcome the problem of transactions that involve *ribā*. Based on the juristic notion of *taʿlīm al-makhraj*, to prescribe a legal alternative for Muslims facing "difficulty" or "exigencies," especially with regards to their commercial affairs, the use of *ḥiyal* was justified by prominent Ḥanafī jurists such as al-Sarakhsī as following the Prophetic example. These Ḥanafī jurists argued that the injunctions of the Sharīʿa have always been accompanied by the provision of a legal alternative to something that is prohibited. As Ismail has observed, one of al-Sarakhsi's key points to justify *ḥiyal* was based on a reading of the Qurʾān and *ḥadīth* that "when the Sharīʿa makes an action or a specific means or method illicit, it also provides a licit alternative" (Ismail, 2010: 129). Thus, for example, in place of the prohibition of fornication the Sharīʿa prescribes marriage, in place of the prohibition of adultery it sanctions polygamy, and in place of the prohibition of *ribā* it sanctions an alternative transaction using a stratagem that produces the same end result. Indicative of following this Ḥanafī framework, Muftī Moola often described the financial instruments he helped produce as "solutions," not products, which provided Muslims with a comparable Sharīʿa compliant alternative to illicit forms of conventional finance.

With that said, Muftī Moola's asserted a justification of an efficiency-based approach to Islamic finance that ostensibly mimics the function of conventional financial transactions. He indicated that it may not be intuitive for Muslims to understand the difference between the two, but invoked the religious capital deriving from the Prophetic tradition to assert the authenticity of this approach to Islamic finance. Furthermore, to counter any claims that these transactions are illegitimate because of casuistic slights of hand and the exploitation of legal "loopholes," the Muftī invoked the authority of the renowned medieval Ḥanafī jurist al-Sarakhsī to defend forms of contractual engineering that use *ḥiyal*. The current practice of Islamic finance, he clearly asserted, was following in the footsteps of the Prophet by providing Muslims with a "solution," an "alternative to something that [is] impermissible."

Through this performance of official discourse, we can appreciate Muftī Moola's role in consecrating Islamic finance, asserting the adequation of efficiency-based forms of financing and Islamic norms rooted in the Sharīʿa. Through the lens of adequation we can see how Muftī Moola's discourse sought to establish an analogy between current market praxis and the authoritative sources of the Islamic tradition. This assertion of sameness, an assertion of a valid truth claim regarding the normativity of Islamic finance, was reinforced by the mobilisation of religious capital deriving from the Prophetic tradition and Muftī Moola's status as a figure of religious authority. That is, by means of the Islamic finance roadshow we can observe the symbolic labour that Sharīʿa scholars exert to produce public consensus as to the legitimacy of Islamic finance and resolve the crisis of belief that has enveloped the field.

In many respects, then, through the performance of official discourse at events such as the Islamic finance roadshow, Sharīʿa scholars can be seen to be the central agents responsible for the production of symbolic value in the Islamic finance field. As Bourdieu pointedly reminds us, "one has to be blind not to see that discourse about a work is not a mere accompaniment, intended to assist its perception and appreciation, but a stage in the production of the work, of its meaning and value" (Bourdieu, 1980: 292). Muftī Moola's performance of discourse was a vital means in the "production of belief" (Bourdieu, 1980) in the symbolic value of dominant modes of Islamic finance in the Muslim public sphere. His discourse sought to differentiate Islamic finance from conventional finance, symbolic goods from mundane commercial goods, and to assert a separation between sacred and profane forms of finance. The production of belief in the symbolic value in the market of symbolic goods, Bourdieu says, relies on the "collective disavowal of commercial interests and profits" and the projection of an appearance that the logic of practice is driven by "disinterested" objectives (Bourdieu, 1980: 261). Muftī Moola made no mention of the need for Islamic finance institutions to compete for profits with conventional finance actors. Nor was it mentioned that Islamic finance actors were under severe pressure from shareholders to prioritise the maximisation of profits. Instead, Muftī Moola's discourse made it appear as if he and the Islamic finance institutions he worked for were not out to pursue their commercial interests, but rather were driven by a "disinterested," ethical concern with removing Muslims from *ḥarām*. Invoking traditional forms of Ḥanafī discourse to justify the use of *ḥiyal* as constituting an Islamic "good," he described his role in producing and sanctioning forms of market practice that replicated the neoliberal norms and conventions of the conventional finance industry as an ethical act that provided Muslims with a "solution" to enable them to avoid the sin of *ribā*.

6.3 Conclusion

The crisis of belief that has permeated the Islamic finance field has been a catalyst for the construction and performance of a new official discourse. This discourse has emerged in a context where the question of the relationship between dominant modes of Islamic finance practice and Islamic normativity is the subject of religious contestation and debate. Critics of Islamic finance have been vocal in asserting that there is a radical disjuncture between the efficiency-based approach to market practice and "true" Islamic values. As we have observed in this chapter, however, this perspective is at odds with the view of Sharīʿa scholars who work in the field. Sharīʿa scholars have asserted the adequation of an efficiency based approach to Islamic finance and Islamic orthodoxy, where mimicking conventional finance instruments and maximising profits are rationalised as a means to fulfil ethical Islamic objectives.

Through an analysis of processes of official adequation, I have argued that we are able to observe how Sharīʿa scholars have constructed a new authoritative discourse on Islamic finance. In so doing, I have argued against dismissive accounts commonly found in the study of Islamic finance that have overlooked the significance of the discourse used by Sharīʿa scholars to justify the dominant, yet controversial, *modus operandi* of Islamic finance. As the case of Muftī Moola and Muftī Patel show, Sharīʿa scholars have constructed a highly complex and nuanced discourse to legitimise the efficiency-based approach to Islamic finance. The analysis of this discourse reveals that conceptions of Islamic economic normativity have been recalibrated so as to be commensurate with the neoliberal exigencies of the market. To support the new concern with profit maximisation it was not too difficult to find analogies and authoritative Islamic sources that could be used to justify and sanction this new frame. Muftī Moola and Muftī Patel tapped into the discourse used to justify the Ḥanafī position on *ḥiyal*, whereby providing Muslims with Sharīʿa compliant alternatives to prohibited forms of conventional finance was framed as constituting an ethical act. Based on this frame, the idealised Islamic economic objective of furthering equity and socio-economic justice was set aside. Instead, a new "primary objective" for market praxis was asserted as being more of a priority for Muslims in the modern market context: removing them from partaking in prohibited forms of conventional finance. This was to be achieved by mimicking conventional finance and maximising profits, forms of market praxis that the new official discourse on Islamic finance asserts as having symbolic value and constituting ethical market practice. In so doing, Muftī Moola and Muftī Patel constructed a new framework for Islamic finance with which they propose market practice should be viewed and its legitimacy assessed.

In addition, by virtue of the Islamic finance roadshow I have argued that we are able to observe how Sharīʿa scholars have mobilised their religious capital to publicly consecrate this new normative position on Islamic finance. Muftī Moola utilised the Islamic finance roadshow as a platform to perform and impose a vision of the legitimacy of this approach in the Muslim public sphere. He leveraged his religious capital in a discursive performance to produce a public belief in the symbolic value of Islamic finance instruments and to assert their utilisation as an obligatory part of Muslim economic practice; or, in Bourdieu's terms, "*to modify, in a deep and lasting fashion, the practice and world-view of lay people"* (Bourdieu, 1987: 126, emphasis in original). This act of consecration infused the market, its products and practices with symbolic value in order to draw Muslim consumers and their capital into the field.

At a broader level, I have sought to demonstrate how the construction and performance of the new official discourse on Islamic finance is part of a process I refer to as the Islamic consecration of neoliberalism. The discourse constructed by Muftī Moola and Muftī Patel served to moralise dominant modes of market practice ostensibly shaped by neoliberal values and interests. More specifically, the official adequation of the dominant efficiency-based approach to Islamic finance and "real" Islam laid the foundations for an approach to finance based on the prioritisation of profit maximisation above all other social and economic objectives. Muftī Moola and Muftī Patel justified and sanctioned the turn away from the macro-systemic objectives of Islamic economics and its agenda to institute a moral economy based on ethical objectives of furthering socio-economic equity and justice. Instead, these figures of Islamic authority used their religious capital and forms of authorised Islamic discourse to transform the ethical objectives of market practice to support the neoliberal logic that has taken hold of the field. Pursuing profits based on the model established by the neoliberal conventional finance sector was sanctioned and justified as constituting an Islamic "good." In the final chapter I will show how individual Muslim practitioners have experienced and responded to the crisis of belief in the Islamic finance field, and correspondingly how they too are agents involved in processes of adequation and the Islamic consecration of neoliberalism, albeit at a subjective level.

7 Subjective Adequation: Islamic Finance Practitioners Making a Virtue Out of Necessity

The consecrating strategies of Sharīʿa scholars I have demonstrated in the previous chapter can be seen to be one form of adequation that works to legitimise the market and its products as authentically Islamic at a public level. However, as I was to discover in my encounters with individual Muslim practitioners there were also more subtle, subjective forms of adequation taking place in the field. While some economic practices were cited for their ethical value there was a consensus among Muslim practitioners that ideal Islamic economic practices were not occurring. The objectified disjuncture of Islamic finance was intimately felt by Muslim practitioners in the field and served as a catalyst for subjective reflexivity and semiotic action. This chapter explores their attempts to adequate the everyday practice of working in the Islamic finance field with subjective understandings of Islamic normativity and ethics. Revolving around diverse socialised conceptions of Islamic piety, ethics and virtue, I refer to these processes as forms of "subjective adequation." Like the process of official adequation, subjective adequation entails a semiotic process driven by the desire to make Islamic finance authentic in a field gripped by uncertainty and contestation. It also involves the construction of a new discourse capable of resolving the crisis of belief that surrounds Islamic finance by means of infusing modes of market practice with a new sense of symbolic meaning and ethical value. The difference being that this semiotic reframing of market practice takes place at a subjective level, unconsciously informed by the socialised ethical frames Muslim practitioners have brought to the field as part of their religious habitus.

In exploring modes of subjective adequation, this chapter addresses one of the most significant problems in understanding the Islamic finance field: if, in practice, Islamic finance fails to represent the idealised principles of Islamic economics why do so many seemingly devout Muslim practitioners continue to work in the field? If they are committed to Islam, why do they continue to engage in forms of financing that ostensibly replicate the function of conventional finance? In the academic literature on Islamic finance there has been a tendency to assume that because market practice does not match the idealised theory of Islamic finance, Islam has little bearing on the activities of market practitioners. By and large, scholars of Islamic finance have been inattentive to the actual practices, debates, and struggles of Islamic finance professionals as they seek to balance religion with the neoliberal constraints and necessities of the market. As a result, they have tended to conclude that Islamic finance is nothing but neoliberal finance in Islamic dress, and that practitioners have abandoned Islamic values. To the contrary, in this chapter I argue that the well observed dominance of neoliberal economic rationality within the Islamic finance field should not be taken as indicative of the absence of Islam. For the highly reflexive Muslim practitioners, religion and notions of Islamic virtue had not left the market nor did it fail to frame their practices. Even if their market practices seemed to be mimicking neoliberal conventions, practitioners believed in the righteousness of their work. As such, rather than diagnosing the disjuncture of Islamic finance as the abandonment of religious ethics, I treat this phenomenon as a sign of their adaptation. Through the lens of subjective adequation I argue that we can observe how Muslim practitioners have constructed a new discourse to infuse the practice of Islamic finance with a new sense of symbolic meaning and value by drawing on ethical frames found in popular forms of modern Islamic discourse. A constituent part of the phenomena I refer to as the Islamic consecration of neoliberalism, each in their own way practitioners have made Islamic conceptions of virtue adequate with the necessities of the neoliberal market logic that has taken hold of the field.

In the first section of this chapter I provide a brief review of an emergent body of scholarship on Islamic finance that has focussed on the subjectivities of Muslim practitioners, exploring their agency in the adequation of Islamic frames of value and market activity. I discuss the strengths and weaknesses of these approaches and propose an alternative conceptual framework to overcome limitations in their analyses. Accordingly, in the second section I make a case for how Bourdieu’s theory of the interrelationship between the habitus and the field offers a theoretical perspective from which to explore modes of subjective adequation. In the third, and main, section of this chapter I explore modes of subjective adequation through an analysis of the discourse of three current or former Muslim practitioners in the field. I examine the structure and formation of Muslim Islamic finance practitioners’ religious habitus by tracing their religious biographies and identifying the ethical frames they mobilise to conceive of and account for their market activities and choices. I then analyse the link between types of religious habitus and two noticeable courses of action that were visible amongst Muslim practitioners: adaptation to, or exit from, the field. Adaptation involved re-calibrating notions of the ethical—Islamic “goods”—in economic practices in order to make them adequate with Islam. For others, it was impossible to adapt to the nature of the field and they decided to leave. For those able to adapt, their discourse reveals how market practices ostensibly shaped by neoliberal interest and values have found an elective affinity with various Muslim habitus facilitating the adequation of Islamic values and market practice. The modes of subjective adequation I discover show how Muslim Islamic finance practitioners have subjectively established a new Islamic economic ethos that consecrates the neoliberal interests and values that have taken hold of the field. Islamic tropes and ethical idioms that have been observed by scholars exploring expressions of the broader contemporary phenomenon of Islamic resurgence—largely ignored in studies of Islamic finance—have been mobilised to support the continued practice of Islamic finance. I contend that these forms of discursive and semiotic production are the locus for the dynamism that drives the Islamic finance field. Without these reconfigurations Muslim practitioners would not be committed to the field, nor driven by a belief in the righteousness of their work.

7.1 Experiencing the Disjuncture of Islamic Finance: Reflexivity, Subjectivity and Ethics

As numerous recent studies have observed, the pressures and forces imposed by economic globalisation and neoliberalism on Muslim actors in economic markets is being felt at the level of personal ethics and subjectivity (Adas, 2006; Osella & Osella, 2009; Rudnyckyj, 2011; Hefner, 2012; Ismail, 2013). In the Islamic finance field, the dominance of the neoliberal market logic that has taken hold of the field has been a catalyst for heightened levels of subjective reflexivity and ethical introspection as Muslim practitioners reflect on whether their market activities cohere with Islamic norms and values. Many entered the field inspired by the utopianism of Islamic economic theory to transform the world for the better and with the pious intention of removing themselves from prohibited forms of economic practice found in the conventional financial sector. However, Muslim practitioners have found themselves in a double-bind in a context where the dominance of neoliberal market forces compel them, voluntarily or coercively, to adopt efficiency-based forms of market practice that ostensibly mimic conventional finance. While the authority of Sharīʿa scholars who sit on Sharīʿa Supervisory Boards to some extent reassures practitioners of the legality of these forms of market practice, their uncertain ethical status as representations of "real" Islam elicit a heightened level of reflexivity. Indeed, as I discovered during fieldwork contestations over the Islamicity of Islamic finance are not merely of concern to those within the scholarly realm and the Muslim public sphere, but are of critical concern to Muslim practitioners in the field. Many practitioners are intimately cognisant of the dominance of neoliberal market rationality, the resultant disjuncture between Islamic economic ideals and reality of Islamic finance, and the challenges this not only presents for public perceptions of the legitimacy of this new market, but also for their own personal sense of piety. They are uncertain about the virtue of their chosen career paths both in terms of their reputational standing in the broader Muslim community, but also in terms of their personal relationships with God and efforts to lead a virtuous life.

By and large, scholars of Islamic finance have been inattentive to the actual practices, debates, and struggles of Islamic finance actors as they seek to balance religion with the constraints and necessities of the neoliberal market (Rudnyckyj, 2014a: 123). Prominent critics have read the disjuncture of Islamic finance as either a sign that practitioners have abandoned Islamic values, or that they are more preoccupied with Islamist identity politics rather than bringing about a genuine transformation of the economic status quo. The first view can be found in studies of Islamic finance that have tended to assume that because market practice does not match the idealised theory of Islamic finance—often reductively equated as "true" Islam, or what constitutes "Islamicity"—Islamic ethics and beliefs are somehow disconnected, or have little bearing on the activities of market practitioners. As El-Gamal, one prominent critical scholar of this view writes, Islamic finance will only be able to assume "a new identity based on substantive and ethical religious tenets" once it "outgrows its formulaic current mode of operation" (El-Gamal, 2006: 191). The evident assumption in this analysis, and in many others like it (Khan, 2010; Nienhaus, 2011), is that Islamic finance is nothing but neoliberal finance in Islamic dress, and that practitioners have abandoned Islamic values. These forms of analysis, I contend, are symptomatic of an overemphasis on a conception of ethics limited to Islamic economic theory and a reticence to consider alternative frames of value deriving from the broader Islamic discursive tradition. These reified accounts run the risk of throwing the proverbial baby out with the bathwater in overlooking, to borrow from Talal Asad, "the production *and maintenance* of specific discursive traditions, or their transformation--and the efforts of practitioners to achieve coherence" (Asad, 1986: 17, emphasis added). The second view is exemplified by the vocal critic of Islamic finance, Timur Kuran. Kuran views Islamic finance as fulfilling an ideological function as an "instrument of identity creation and protection" (Kuran, 1997: 302). Kuran claims that Muslim practitioners are less concerned with the economic impact of forms of Islamic finance to reorder the economic status quo rather than their significance as "acts that symbolize Islamic defiance and separatism" (Kuran, 1996: 442). As Kuran (2004: 58) furthers:

> For many proponents of Islamic banking, its religious rationale is far more important than its economic justification. Indeed, some respond to criticisms of the methods of Islamic banking by saying that its economic merits are secondary to its contribution to the revival of Islam. For them, the overriding objectives are the reassertion of Muslim identity, the reaffirmation of Islam's relevance to the modern world, and the restoration of Islamic authority. Islamic banking defies the separation between economics and religion. It invokes religious authority in a domain that modern civilization has secularized. Moreover, by promoting the distinctness of Islamic economic behavior, it counters the absorption of Islamic civilization into Western civilization.

In contrast to the view that Muslim practitioners have abandoned Islamic values, then, Kuran claims that for Muslim practitioners Islamic finance does constitute an Islamic "good"; albeit one grounded in the political ideology of Islamism and the virtue of the symbolic reassertion of Islam in the public sphere.

In this chapter, I contend that both of these views of Islamic finance are insufficient for understanding the relationship between Islamic ethics and the practice of Muslim actors in the field. While the former view writes out ethics altogether, the latter limits notions of the Islamic "good" to a decidedly Islamist conception, one that is more political than religious, more ideological than informed by genuine belief and faith. Neither view is sensitive to the complex, nuanced ways in which devout Muslim practitioners negotiate a space of coherence between Islamic values and the necessities and constraints of market practice; nor do they provide an adequate answer for why practitioners drawn from a diverse array of Muslim backgrounds remain committed to working in the field. The question of what Islamic values and objectives are driving the practice of an Islamic finance that ostensibly mimics conventional finance has yet to be satisfactorily answered.

7.2 Subjective Adequation in the Context of Disjuncture

In his path-breaking study of forms of alternative finance, the anthropologist Bill Maurer (2005a) makes a critical intervention to the socio-scientific analysis of Islamic finance. He argues that the scholarly preoccupation with focussing on whether or not Islamic finance practitioners make forms of market practice adequate with Islamic economic theory misses the point; it is a distraction. Circumventing the impasse, or "obviating" argumentation, that has centred on scholarly claims of "truth" or "falsity" in the practice of Islamic finance Maurer (2005a: 70) points our attention to the fact that despite there being deep contestations concerning the legitimacy of Islamic finance, market practice continues to "muddle along." As Maurer contends, "That … Islamic banking … can continue, despite what would appear to be grave concerns, even among adherents, as to [its] truth, suggests that something else is going on in [its] operation" (Maurer, 2005a: 61). Thereby shifting our attention away from academic debates focussed on whether the idealised principles of Islamic economics are reflected in market practice, his analysis calls for us to attend to how Islamic finance practitioners "sometimes attempt the escape into another realm of signification and value" (Maurer, 2005a: 16). He argues that Islamic finance practitioners "oscillate" between trying to make their market practice adequate with idealised Islamic economic principles, such as the prohibition of *ribā*, and other modes of practice tied to these other realms of signification and value. As such, I read Maurer's intervention as an invitation to explore aspects of the Islamic tradition and notions of virtue found outside of the limits of Islamic economic theory that are sustaining forms of market practice. A key objective of this chapter is to contribute to discussions of adequation by attending to the analysis of Muslim practitioners' attempts to commensurate Islamic frames of (symbolic) value and financial praxis that take place in this "muddling along."

In placing a focus on modes of subjective adequation and the commensuration of Islamic ethical frames with economic practices this study speaks to an emergent body of scholarship in Islamic finance focussed on the subjectivities of Muslim Islamic finance practitioners. Maurer's (2005a) pioneering study of Islamic finance places a lens on form, specifically in terms of the technique of casuistry within the Islamic legal tradition of *fiqh* (Islamic jurisprudence). He shows that while market practitioners may hopefully attempt to make market practice adequate with idealised Islamic economic principles, in the meantime, and in the here and now of sustaining the accumulation of capital, they do something else to one side of those efforts. In particular, Maurer focusses on practices of legal reasoning and debate that Islamic finance professionals engage in as part of efforts to construct Sharīʿa compliant substitutes for conventional financial instruments. While market practitioners may deviate from the ethical principles of Islamic economics by producing financial products that substantively replicate interest-based conventional financial instruments, Maurer suggests that an alternative frame of value is sustaining market practice. Paradoxically, this alternative conception of value is related to forms of legal reasoning and debate that are part of the casuistic process of working out the construction of Sharīʿa compliant financial instruments that mimic the function of conventional finance. Drawing from Asad (2003), he suggests that Muslim practitioners locate value in the "performative force" of forms of legal reasoning and debate because of their capacity to inculcate virtuous thought and behaviour (Maurer, 2005a: 75). As such, Maurer argues that even if practitioners were found to be "trucking in something that looks and smells like interest," it was the "structure and motion," the "mere procession," of these forms of discourse that were considered by Islamic finance practitioners to be "actual enactments of virtue in the world" (Maurer, 2005b: 188). As Maurer (2005a: 16) furthers:

> [M]otion without endpoint itself can constitute virtue: the point is not to mirror the divine or try to come up with a practice adequate to it, but rather to continually engage in the work of doing and being and becoming, work that itself is virtuous practice. Judgment comes not from where you are in the end, but from what you're doing along the way. Trying is good enough.

In other words, Maurer's suggestion is that Islamic finance practitioners are able to reconcile their engagements with economic practices whose Islamic legitimacy is precarious *vis-à-vis* idealised Islamic economic principles because they escape into an alternative Islamic frame of value whereby forms of legal reasoning are seen to constitute virtuous practice.

Recently, Maurer's call for a refocus in attention has been reaffirmed in the work of the anthropologist Sarah Tobin (2016) who has redeployed the concept of adequation in her valuable ethnographic study *Everyday Piety: Islam and the Economy in Amman, Jordan*. Whereas Maurer places a lens on forms of casuistry, Tobin emphasises processes of adequation that take place at the level of representations of individual piety. Making a crucial intervention, Tobin's study illuminates the messy everyday reality faced by Muslim professionals as they strive to make market activity adequate with multiple and competing frames—Islamic and economic—while at the same time being cognisant of the fact that Islamic finance is failing to live up to the ideal. Tobin describes how practitioners' attempts to bring together their daily experience of Islamic finance with subjective understandings of Islam and their desire to lead a pious religious life were fraught with tensions and uncertainties. Although the efforts of figures of religious authority to render Islamic finance legitimate *vis-à-vis* Sharīʿa law were somewhat sufficient to sustain banking practices, such practices rarely convinced most professionals. Seemingly contradicting Maurer's claims of the ethical value of forms of legal reasoning, for her informants in the Jordanian Islamic finance field, casuistry and *ḥiyal* (legal stratagems) made many of them deeply uncertain and uncomfortable with the "Islamicness" of dominant modes of practice (Tobin, 2016: 140–141). Insufficiently convinced of attempts to adequate Islamic authenticity and virtue with the financial transactions they witnessed taking place on a daily basis, Tobin suggests that many practitioners saw their work in the field as "just a job" (Tobin, 2016: 145). Practitioners rarely believed in the Islamic authenticity and ethical value of market practice. As such, Tobin argues that their decision to work in the field was not an expression of orthodoxy, a desire to subordinate oneself to divine will as part of a process of ethical self-formation (Mahmood, 2005), nor, contrary to Kuran's (2004) thesis, part of an ideological drive to Islamise the economy. Nonetheless, Tobin argues, Muslim employees did make efforts to adequate working in Islamic finance "in ways that cohere with their understandings of Shariʿa and of Islam" (Tobin, 2016: 145). These schemas of adequation were highly individualised, allowing practitioners to pursue "their own religious practice and pieties" (Tobin, 2016: 183). Ultimately, however, Tobin says that most bank employees found meaningful value in expressions of public piety by simply being seen to work for an "Islamic" institution. As such, their schemas of adequation reveal that the symbolic value attributed to their work in Islamic finance was found *outside* of economic practice in representative displays of public piety as part of a "calculated" strategy to appear to be adhering to Islamic norms.

In sum, this short review can be summarised as follows. In the context of the disjuncture between the theory and practice of Islamic finance, Maurer and Tobin identify how practitioners attempt to adequate forms of market practice with alternative frames of symbolic meaning and value found outside of the theory of Islamic finance. Maurer suggests that practitioners' attempts to make forms of market practice adequate with the substance of Islamic finance theory are less important than making Islamic finance work, and the virtue that is accrued by engaging in the casuistic practices that make this possible. In contrast, Tobin argues that casuistry was antithetical to notions of virtue for most Muslim practitioners. Her analysis of adequation reveals that efforts to establish a consensus on Islamic finance were highly contested, fragmented and unstable. As a result, market practice and the production of Islamic financial instruments could not be convincingly made adequate with notions of authenticity and virtue. If virtue was to be found at all, Muslim practitioners found it in public representation of piety afforded by simply being seen to work for an Islamic finance institution.

In this chapter I would like to spend some time in the space opened up by these studies, but would like to chart a different course in exploring processes of subjective adequation. I do so because I find Maurer's location of virtue too limited to the mechanics of Islamic law and Tobin's too lost in the expansive messiness of the "everyday." In their day-to-day market practice, most Islamic finance practitioners are not involved in the highly specialised work of casuistry, commonly the preserve of Sharīʿa scholars. For this simple fact, Maurer's analysis does not tell us much about how the majority of Islamic finance practitioners "escape into another realm of signification and value." Implicit in the title of Tobin's monograph, her analysis follows an approach to Islamic piety, ethics and discourse indicative of the turn to "everyday" Islam (see also Schielke, 2009, 2010). Tobin paints a picture of Muslim practitioners caught in an expansive web of competing value systems and interests—Islamic, modern and neoliberal—so ambivalent and fraught with uncertainty that in the end she claims that practitioners did not really believe in the Islamic nature of their market activity. Muslim practitioners were not able to adequate Islam and market practice, the two were for the most part irreconcilable. Practitioners found value in public displays of piety afforded by working for an Islamic finance institution rather than in a coherent frame of ethics deriving from the Islamic tradition that gave their market practice meaning and value. In the end, as with other studies of Islamic finance, Tobin's approach is largely dismissive of religious conceptions of ethical value that are framing the practice of Islamic finance and sustaining Muslim practitioners' belief in the virtue of their work. While it is true that there may not be a consensus regarding a particular conception of the Islamic "good" in Islamic finance, I argue that there are identifiable modes of subjective adequation whereby the practice of Islamic finance was made commensurate with ethical frames deriving from the Islamic discursive tradition.

7.3 A Bourdieusian Reading of Subjective Adequation: Making a Virtue Out of Necessity

As I have argued in Chapter Two, modes of subjective adequation can fruitfully be interpreted using Bourdieu's theory of the interrelation between the field and the habitus (Bourdieu, 1977, 2000a). Bourdieu's schema helps us to appreciate the set of conditions required for actors to enter into and remain in fields by means of a process of adaptation. Adaptation requires that an actor's habitus is able to adapt to the opportunities and constraints of the field, and generate a belief in the value of the dominant interests or stakes that structure the logic of practice therein. Each field has a central set of ethics corresponding with the interests, or objectives, and practical achievements that are most valued in the field (Pellandini-Simányi, 2014: 656). Adaptation is dependent upon an actor's habitus to appreciate, or shape, modes of practice and the objectives of the field in order for the actor to perceive them as being virtuous, and therefore of symbolic value in terms of ethical frames socialised within their habitus. When an actor enters the field they unconsciously bring the ethical frames located in their habitus into a dynamic relationship with the ethical frames that have historically evolved in the field. If an actor's habitus successfully adjusts to the field—Bourdieu (2000a) argues this is not always achieved—they tend to unconsciously transform the demands of the field into individualised, subjective appreciations of value and virtue. As part of this transmutation they develop an interest in the field, become invested in it—in both an economic (time, money) and psychoanalytical sense—and develop a deep seated belief in the value of the game and its stakes, without ever questioning them (Lipstadt, 2003: 398–399). This investment in the game, the *illusio*, varies from one individual to another and is developed in the conjunctural relationship between the habitus and the field (Bourdieu, 1996; Hilgers & Mangez, 2014). As a result of this dynamic process an actor subjectively infuses their vocation in the field with a mission, and ascribes a quasi-sacred purpose to their practices (Bourdieu, 2000a). Their cognition of the everyday practices, values and interests of the field are subconsciously made adequate with their own desires and repertoire of notions of the ethical socialised within their habitus. Put succinctly, a habitus that has adjusted to a field makes a virtue out of the necessities of the field.

Bourdieu argued that as a result of the process of adaptation, the practices actors engage in simultaneously target the achievement of two goals: one dictated by dominant interests and values that structure the field, and the other based on a belief that they are pursuing their own interests and notions of virtue. On the one hand "fields use the agents' drives by forcing them to subject or sublimate themselves in order to adapt to their structures and to the ends that are immanent within them"; but at the same time, "agents take advantage of the possibilities offered by a field to express and satisfy their drives and their desires, in some cases their neurosis" (Bourdieu, 2000a: 165). It is worth recalling that Bourdieu (1993) suggests that in fields of cultural production actors enter into and remain in the field not only because of their interest in accumulating economic capital, but also, and importantly, because of their "interest in disinterestedness"; that is, more precisely, their interest in symbolic capital. In their adaptation to the field, actors must develop a belief that the practices of the field are virtuous, have ethical or aesthetic value, and therefore offer them a means to accumulate symbolic capital. For as Bourdieu (2000a: 240–245) argues, actors' interest in accumulating symbolic capital is not only integral for social recognition, but also for their sense of self-worth and leading a life with purpose.

For Muslim actors within the Islamic finance field adaptation becomes dependent upon their ability to appreciate, or shape, modes of practice within the field so that they are seen as being legitimate, virtuous and therefore of symbolic value in terms of Islamic ethical frames socialised within their religious habitus. Bourdieu's schema suggests that faced with the dominance of neoliberal market necessities and constraints we can either expect Islamic finance practitioners to leave the field (voluntarily or coercively) or constructively adapt to the market context they find themselves in through modes of subjective adequation. For Muslim practitioners, adaptation is significantly dependent on their religious habitus. The religious habitus is a constitutive part of the unified habitus of an agent specifically related to the religious dimension. Bourdieu defines the religious habitus as "the generative basis of all thoughts, perceptions, and actions conforming with the norms of a religious representation of the natural and supernatural world" (Bourdieu, 1991a: 22; Rey, 2004: 337). The religious habitus is a socialised religious subjectivity with multiple component parts. It is socialised under the influence of religious specialists, institutions, and authoritative discourses imbued with religious capital, all of which combine to instil certain patterns of behaviour, rituals, knowledge, religious identities, religious tastes, and preferences. Also, and most importantly for our purposes, the religious habitus is also where ethical frames associated with the religious traditions are socialised, embodied and inscribed. In the Islamic finance field individual practitioners bring to bear distinct types of Muslim habitus. We can identify multiple and varied types of Muslim habitus—not just of Kuran's Islamist characters—with different assemblages of dispositions, beliefs, ethical preferences, and inclinations associated with several competing Islamic frameworks (for example, Muslim identity groups, movements or schools of law, etc.) and forged over the course of a life trajectory. These varieties of Muslim habitus supply the constituent parts of an ethical language game from which individuals self-select and weave into conceptions of market practice as an Islamic "good." In this way, the unique religious habitus of each Muslim Islamic finance practitioner negotiates its own process of adaptation with market necessities and driving neoliberal logic that structures the Islamic finance field.

In Bourdieu's schema, the adaptation of an actor's ethical frames with those that structure the field are implicit in the adaptation of the habitus to the field and largely take place unconsciously. However, the outcome of adaptation often becomes manifest in an actor's discourse. Bourdieu (1984: 372–396) tells us that being invested in the field, actors tend to adequate the dominant interests, necessities and values of the field with subjective conceptions of virtue and express these through their discourse. Actors mobilise socially recognised discursive frameworks—laden with ethical scales and valuations—in order to classify and legitimise their practices as having distinct symbolic or ethical value. Furthermore, Bourdieu suggests that actors' representations of the equivalence between conceptions of virtue and their practice should be seen as *performative* discursive acts. The discourse actors utilise to accompany their practices plays an essential part in making others, and *themselves*, believe in the ethical value of their practices and the cultural (or religious) legitimacy of the field (Bourdieu, 1980, 1998b). As such, Bourdieu provides a language to think about how Muslim practitioners might adapt to the disjuncture of Islamic finance and, in so doing, create a new discourse which frames their market practice as being virtuous. Bourdieu helps us to explore the ways in which Muslim practitioners might adapt to the disjuncture of Islamic finance by activating socialised ethical frames located in their habitus enabling them to infuse various forms of market practice with symbolic meaning and ethical value. In other words, we are provided with a framework to understand the diverse ways in which Muslim practitioners have recalibrated notions of the ethical in Islamic finance in a manner that supports the neoliberal logic that has taken hold of the field and reaffirms their personal religious commitment to the field. As such, using Bourdieu to analyse processes of subjective adequation allows us to move beyond a limited view that Muslim practitioners only find virtue in forms of legal reasoning and debate (Maurer); or that they do not really believe that their market practice has any religious meaning and value at all (Tobin).

Utilising Bourdieu's reading of the interrelationship between the religious habitus to the field and applying it to the field of Islamic finance, I would now like to explore the discourse of three Islamic finance practitioners. The accounts provided by these three market practitioners provide an opportunity to appreciate how attempts to adequate Islamic ethical frames and market practice have resulted either in adaptation to, or exit from, the field. I conducted interviews with Islamic finance practitioners in Cape Town, Durban and Johannesburg. Representative of South Africa's rich and diverse demographics, the Islamic finance field has drawn the participation of a wide variety of actors. However, the field is dominated by male, Muslim South Africans of South Asian (usually Indian) heritage. As such, the Islamic idioms and ethical frames mobilised by the habitus of these actors and evident in their discourse are largely indicative of this composition.

The success of processes of subjective adequation that work towards adaptation are not taken for granted in Bourdieu's schema. We are presented with a vision of how adaptation works, but also with a theory for how it can fail. Bourdieu's (2000b, 2005b: 86) conceptualisation of fields and habitus alerts us to instances where there is an irreconcilable disjuncture between the habitus and normative modes of practice entailed in playing by the rules of the game. Indeed, the efforts of practitioners to rewire Islamic ethical frames with economic practice are not always successful. These fractures provide vital insights into the limitations and opportunities of harnessing the symbolic force of religious discourse in attempts to consecrate fields and establish a consensus as to the rules of the game, the logic of practice, and suitable competitive stakes. As such, as well as showing the successful and ongoing processes of negotiation and mediation that lead to adequation, I also present the case of one Islamic finance practitioner for whom the disjuncture in the field was ultimately irreconcilable.

7.4 Reaffirming the Position of Islam and Opposing the Other

Nabil[52] is the chairman of a boutique asset management company in Cape Town that developed one of the first Sharīʿa compliant investment funds in South Africa. Now in his late 50s his life has been a fascinating journey of activism and entrepreneurialism that has traversed some of the most significant historical changes within the South African religious, political and financial fields. Nabil is from District Six, an iconic neighbourhood near the centre of Cape Town known for having been the site for forced removals under the apartheid government's Group Areas Act of 1950. The child of an Indian South African father and a "Coloured" South African mother, he came from a working-class background. A leading member of the anti-apartheid student movement in the late 1970s Nabil became significantly involved with the New Unity Movement (previously the Non-European Unity Movement), a left-wing Trotskyist organisation committed to a non-racial South Africa. He described how his involvement in this organisation inspired his interest in political economy, the way the stock-market influenced global politics, and his commitment to the "class struggle," an enduring framework undergirding his current ethos in finance as well as in community activism.

Nabil's Trotskyist moorings and passion for political economy seemed to have sat alongside a shifting Muslim identity. He describes himself as having been "socialised" into Islam by his parents who were both from Muslim families. His father, however, was a member of the Young Communist League of South Africa and did not seem to fit into the normative expectations of

[52] Interview with author, 2.10.14.

the local Indian community. Nabil himself describes an inner "dichotomy" between his leftist Marxist orientation and Islam that has remained with him throughout his life. During his early activist years with the NUM he also supported two Islamist groups, the Qiblah movement and the Call of Islam, working rallies and campaigns "giving expression against the common enemy which was the local government, which was literally an agent for international imperialism." These two Muslim organisations along with the Muslim Youth Movement constituted the most influential Islamist organisations involved in the South African Islamic field from the late 1970s and 1980s onwards (Tayob, 2015). Nabil has in later years recognised the virtue of following the spiritual guidance provided by a Sheikh indicative of a turn towards Sufism. Nabil's multi-layered identity is indicative of the complexity of Muslim identities in late modernity (Tayob, 2009b).

Nabil's practice of Islamic finance was driven by the objective to reaffirm the position of Islam in the contemporary global order and mitigate against the dominance of the Other, Western imperialism. He was fiercely critical of the capitalist economic system that he believed embodied the imperialist interests of the West. Nabil said that conventional finance subjected the populace to a "fascist system" based on the charging of interest and the trading of intangibles that was both "exploitative" and "cruel." Islamic economics, on the other hand, was for Nabil "completely different to the perversion of capitalist economies, and … their man-made economic systems." Nabil viewed the morality of Islamic economic principles as virtuous, universal and in accord with the nature of humanity. As Nabil explained, "Islamic economics is there in the hearts of most people. It is in the hearts of people that are not practicing Muslims, part of people that are Christian, that are Others. They do have it; there is an innate thing for them to do it." However, he believed that "Western" economic interests and influences were directly opposed to Islamic finance and its ethical project to restructure market transactions around Islamic economic principles:

> So, more and more there is this global discourse to make Islam into this bogeyman since the Cold War. Once the Cold War has been resolved, America and the First World countries—it is not a conspiracy theory—they need a bogey. That's the psyche of America, Britain, France, or whatever. That's the psyche of the First World.

Based on this conceptualisation of the Other, Nabil articulated a view that his practice of Islamic finance was a means to "rock the foundations" by mitigating against Western financial dominance. He believed that his market activity was part of a broader project to move Islam in general, and Islamic finance in particular, from its subjugation as an "alternative" into the "mainstream":

> Islam is always mainstream, it's just the dominant forces in society that are creating this as not being mainstream…this kind of nonsense. We are not an *alternative*, Islam is not an *alternative*. It's just there. It has its historical and significant presence from 1400 years ago. It has its role in global society. We ruled the world for 800 years! The Ottomans did that! So, it's not as if it is not without precedent.

Framed in this way, the way to return Islam to its rightful position in the global order was to drive the growth of the Islamic finance industry. But, there was a problem: the presence of another Other.

For Nabil, the problematic Other was both Western hegemony, but also fellow Muslims. Nabil described the capitalist conventional finance sector as a remnant of Africa's colonial past that was to blame for the current challenges facing the Islamic financial sector in South Africa. In particular, the prevailing dominance of conventional finance institutions in the post-colonial context was responsible for the slow uptake of Islamic finance among Muslims which was threatening the economic viability of this new market. Rather than attributing the challenges he faced to attract Muslim investment clients to the publicly contested legitimacy of Islamic finance in South Africa, Nabil blamed it on the influence of Western imperialism. He believed that capitalist institutions structuring the market had restricted ideal forms of Islamic finance practice and instilled Western economic values that remained deep-seated in the mind-set of what he believed to be the Muslim-majority African population: "I think by default this is a Muslim continent. So, we should have an easier run. But, it just hasn't been that because for far too long we were involved in Western economics because of colonialism. Colonisation did disrupt the natural traction Islamic banking practices would have had." Nabil described how as a result of influence of "Western" economic values many of his potential Muslim clients failed to appreciate the value of Islamic finance on its own terms, lacking a commitment to supporting its cause. He complained that most Muslims were only interested in whether his investment fund could offer competitive rates of return compared to their 'conventional' counterparts. Though Nabil's Muslim clients demanded that his investment fund be Sharīʿa compliant, they cared less about forms of ethical investment that could have a positive socio-economic impact if it meant their profit margins would suffer. Flustered by the struggles he faced with his Muslim clientele he lamented, "the world is dog-eat-dog, they couldn't care. You tell the pensioners, even the Muslim pensioners, that our [conventional] competitors made 10 bucks for you and we made 7 bucks for you. They will crucify you! They will say, 'I couldn't care! Will you hug a tree!'" Situated here was the critique of the Muslim Other: Muslim *homo-economicus*, a product of the influence of the Western Other.

With these objectified Others in mind, Nabil framed his practice of Islamic finance as pursuing a virtuous objective. Since he could only attract Muslim clients based on the competitive logic of profitability, he justified his adherence to this logic as a necessary way to further his goal of reaffirming the position of Islam in the global order and mitigating against Western imperialism. His efforts to maximise efficiency and profits in his daily market activity were a way of attracting Muslim clients, their capital and, in so doing, supporting the virtuous Islamic struggle against Western imperialistic forces taking place in the financial market, and beyond. While Muslims were currently under the spell of Western capitalist economic values Nabil seemed to believe that, so long as the Islamic finance field continued to grow economically, one day in the future they would come to appreciate the value of the Islamic finance project on its own terms. It was his practice of Islamic finance, and the virtuous accumulation of capital, that he believed prepared the ground for the Muslim Other to one day realise this truth.

7.5 Finding the Traditional in Islamic Finance

Assumptions of Islamism feature heavily in academic discussions of Islamic finance and as such it is pertinent to highlight the role of Muslim practitioners who have a different approach to Islam. The case of Siraj[53], a self-ascribed "traditional" Muslim Islamic finance professional presents another form of adequation. I met Siraj at his place of work, the corporate headquarters of a company I will refer to as Sovereign Investments, the asset management division of one of South Africa's largest financial services groups located in Johannesburg. A fund manager in his early 30s, Siraj was part of the new generation of young and talented Muslim investment professionals that have started their careers and solely worked within the Islamic finance sector. He was born and raised in Pretoria, hailing from a middle class South African family of Indian descent. Following his undergraduate degree Siraj began his professional career and completed a postgraduate diploma and Master's degree by correspondence in Islamic banking and finance with a British University while working for Sovereign Investments.

[53] Interview with author, 24.10.14.

Siraj's religious background was shaped within a framework he described as a "traditional" approach to Islam. A *ḥāfiẓ* (memoriser) of the Qurʾān at the age of 14, Siraj describes there having been a very religious emphasis in the household of his upbringing. It was this grounding, he stated, that prevented him from turning down numerous job offers in conventional finance. Upon our initial meeting at the corporate lobby of Sovereign Investments his appearance was distinct, donning a *thawb* (traditional robe) and an impressively long beard as opposed to the clean shaven, slick corporate attire of his fellow colleagues hurriedly greeting their clients before swiftly whisking off into the surrounding meeting rooms. Outside of his work in Islamic finance, Siraj was also an *imām* in one of the city's mosques. He described himself as a follower of the Ḥanafī *madhhab*, a Deobandi, and, in his own words said that he was "old-school" in his practice of Islam.

When I asked Siraj about his activities in the Islamic finance field he was open and honest that the practices he was engaged in failed to live up to the theory of Islamic finance and the ideals of promoting equity and socio-economic justice. Further, no plans were in the making to change this paradigm. As Siraj stated:

> I think in terms of addressing socio-economic issues there should be a lot more done. But, I just … I have had this question in my mind for some time: how do we go about addressing these socio-economic issues? We do distribute any interest income that we make, but that's actually tiny in comparison; in our case, for every R1 million under management, we distribute R1000 from that. So, I think, yes, a lot more could be done; but I don't have an answer as to what needs to be done.

While clearly troubled by this fact, Siraj presented a justification. He made a distinction between the Muslim-minority South African context in which his fund operated and those of Islamic finance institutions located in the Muslim world. The suggestion was that while in the latter market context ideal Islamic finance practices could be considered a more viable proposition, in the former the contextual reality precluded the ethical ideal.[54] As he explained:

> Islam does encourage and promote equality and things like that, but unfortunately we live in a capitalist society and that's the nature of any

[54] This differentiation between the objectives of practice in line with the Sharīʿa in "ideal" conditions with "relaxations" given the "reality" of "abnormal conditions" faced in the modern context are a feature of Deobandi discourse (Tayob, 2009a: 151).

> business. … It is something that I have accepted. If I want, I could go and live in Pakistan or Saudi Arabia, but I choose to live in a capitalist society so I've got to deal with it.

Despite Siraj's resignation, and overlooking the questionable claim of whether Pakistan or Saudi Arabia can be considered outside of the capitalist sphere, his discourse showed the working of a schema that attempted to reconcile this ethical gap.

Siraj described how encouraging piety and purifying the Muslim community were at the forefront of his practice of Islamic finance. Siraj was hired to manage a range of Sharīʿa compliant funds offered by Sovereign Investments. He was primarily responsible for product development, marketing, investment analysis and ensuring that the funds under his management were Sharīʿa compliant. Siraj believed that the South African Islamic finance industry was at a "crossroads." He said that the South African government and conventional finance industry had made valuable concessions towards enabling the minority Muslim community to enjoy the benefits of engaging with the modern financial market in a way that was religiously permissible, or *ḥalāl*. Siraj said that it was now up to the Muslim community to support the industry or else risk losing this opportunity:

> This generation has the ability to influence the way forward, to put pressure on financial institutions, to put pressure on government to say that we need to grow this a lot more. And, the only way you can do that is by putting money there. But, if they don't do that, if they say we are not investing, or we are happy investing in a 'conventional' product, that's going to stop the Islamic banking industry.

Framing the pragmatics of the market in this way, Siraj was committed to developing new, profitable investment products that would attract greater numbers of Muslims to Islamic finance. Siraj presented practices that prioritised the accumulation of profits as being virtuous because he believed they would encourage the Muslim community to move away from the prohibited investment practices used by conventional investment funds. The precious ability for the Muslim community to engage with the modern economy in a Sharīʿa compliant manner was contingent on dominant value systems in the economic field: economic performance based on the ability to maximise profit. For him the accumulation of capital ensured the robustness and sustainability of the Islamic finance field so that Muslims would have a *ḥalāl* means to engage in the benefits of modernity offered by the financial market and secure their piety from the dangers of violating the Islamic prohibition of *ribā* that was plaguing the modern Muslim community (*umma*).

Siraj also presented his marketing and business development activities as a virtuous form of Islamic practice. Siraj complained to me that "while most Muslims know that interest is prohibited in Islam, most do not understand *why* interest is prohibited." He described this as a critical lack of "basic" religious knowledge in the Muslim community and set out in his practice of Islamic finance to correct it. In order to do so, he conceived of his marketing and business development strategies as a form of religious education that he believed served the purpose of encouraging piety and purifying the Muslim community. Siraj had determined that many of the financial advisors who were responsible for selling and marketing his funds to potential clients didn't understand Islamic finance and weren't doing a good job of convincing Muslim consumers to invest in Islamic finance. Many financial advisors faced questions from Muslim clients regarding the Islamic legitimacy of Islamic finance and Siraj said they didn't know how to effectively answer these tricky questions. As a consequence, not only was his fund losing out on precious business opportunities, but also improperly educated Muslim consumers were continuing to engage in prohibited forms of conventional finance. Siraj devised a new, specialised training programme to "educate" financial advisors in Islamic finance as a solution. Utilising his knowledge, expertise and authority as an *imām*, Siraj described how he regularly trained financial advisors on the tenets of Islam so that they could comfortably market and sell his fund to potential Muslim clients. But, he also believed that once they were sufficiently trained, these financial advisors would effectively educate Muslim consumers that it was a religious requirement to avoid the sin of interest and, in so doing, move away from investing with his competitors in conventional finance. In this way, Siraj framed his marketing strategy as simultaneously enhancing the growth of his fund while also correcting Islamic practice and purifying the Muslim community.

7.6 "The Lesser of Two Evils is Still an Evil"

Some Muslim practitioners had failed to adapt to the logic of practice in the field. Faiz[55] was unable to navigate the dual demands of religion and the market by devising a suitable mode of adequation and subsequently decided to leave the field voluntarily. Having worked for a number of years in the Sharīʿa compliance department at one of South Africa's largest Islamic banks, Faiz had recently resigned from his position and left the Islamic finance field a few

[55] Interview with author, 3.3.15.

months prior to our meeting. In a reluctant tone he explained to me how he had decided to resign for personal, “spiritual,” reasons and because he had become “disillusioned” with Islamic finance.

A South African of Indian descent, Faiz was born and raised outside of Johannesburg in a working class household. Having memorised the Qurʾān at the age of fourteen he described a deeply devout life trajectory. Following a brief stint at university Faiz dropped out of secular education to pursue and complete training as an *ʿalim* at a Deobandi *Dār al-ʿUlūm* (institution of higher Islamic learning). Upon graduation he began teaching *fiqh* at another *Dār al-ʿUlūm* and describes how he began to develop a deep interest in *fiqh al-muʿāmalāt* (Islamic commercial jurisprudence) in particular and began to offer his students specialised training in this subject. Faiz explained that it was by virtue of his teaching in this area and his social capital that he was invited to join the Sharīʿa compliance department at an Islamic bank. His intention on entering the Islamic finance field was an interest in teaching and applying traditional techniques of Islamic jurisprudence in the modern context of the practice of financial transactions. He also described being inspired and given “courage” by the writings of Muftī Taqi Usmani, who as a revered Deobandi authority allowed him to enter the field with a clear conscience in upholding his piety. His initial air of excitement and virtue, however, gradually turned to disillusionment and a distaste towards the ethics of practices in the field.

Faiz’s insider observations and personal reflections ranged from commonplace general critiques of Islamic finance to more controversial claims about the Islamicity of the practices he had observed at the bank where he worked. He described how he grew increasingly disillusioned with the bank’s aversion to adopting equity-based financing and their focus on profit maximising, debt-based instruments, such as *murābaḥa* and *ijāra*. As Faiz lamented, “economically those instruments, in principle and in theory, they are not in-line with the broader objectives of Islam, but they are simply instruments that avoid the prohibition of *riba*.” The way that the Islamic finance industry was structured, he said, contradicted Islamic economic principles and created a system dependent on legal stratagems that “simply side-stepped the prohibition” of *ribā*. Fundamentally mimicking conventional finance, Faiz questioned the Islamicity of the business model of his bank based on the sale of debt. He said that the Prophet discouraged debt and warned of the sin of leaving debts, but in contrast Islamic banks were encouraging Muslims to get in debt in the interest of making money:

> Islam encourages people to live within their means and not live on money that he doesn't have. It doesn't encourage this … which, in a bank, the business of a bank is to sell debt. A bank only can make money if you get yourself into debt. On the one hand we could say that it is actually providing, and sometimes a person has to get into debt because he can't afford certain things, so it provides that service. But, in general you find, and especially if you work in a bank, you find that they are not really there to help the person that needs it, they are there to make a profit. That's what they are. That's how they are motivated. That's why their salespeople are motivated; they have targets, they have incentives. Shareholders want to see profit. So, it is a profit-making institution it is not a socio-economic improvement organisation. They want to sell debt so they are going to go to a guy who is driving a normal Toyota Corolla and say to him: 'why are you driving a Toyota Corolla? You can drive a Mercedes Benz. We can give you the finance.' So, in other words, they are servicing greed instead of need. They are putting a guy into debt. … Does that accord with the Prophet's [SAWS] approach to debt?

"You know," Faiz said, "when you are inside you see *all* these things. It sounds so nice on the outside, but on the inside…." Reflecting on the misgivings he had of the practices he deemed to contradict Sharīʿa principles in the name of maximising profits, Faiz exclaimed "I could write a book." As he furthered, "practicality would demand that it [the bank] does what it does, but it doesn't require me to be a part of that.... The lesser of two evils is still an evil."

During our interview it became apparent that what troubled Faiz the most was working in an environment that was not conducive towards his interest in cultivating piety and upholding his reputation among his peers. For him, there was a contradiction between his role as a religious scholar and his employment at an organisation with an ambivalent commitment to Islamic economic principles. This contradiction was problematic for his sense of piety and self-worth:

> It is not what I set out to do in my life when I became an *ʿalim*, a religious scholar. It is also not what I set out to do when I went to [name of Islamic bank]. … I didn't want to be part of this system of what Islamic banks are today. They basically are organisations that promote … I could be challenged and this may be debatable, but the way I saw it … it wasn't something that was really helping humanity at large; whether we want to call it capitalism or not, but banks don't help people. Banks help the rich get richer; that is what they do. That's how banks work. … Being an *ʿalim*, or a religious scholar, to be seen, or to be associated with an organisation that doesn't really help the community; to be *part* of that organisation, to be *employed* there on a full-time basis. … I didn't think it was correct for a religious scholar who is supposed to be looking for the good of humanity at large and for the community at large to be part of such a machine that doesn't really look after the community at large, it doesn't really look after humanity at large, but merely provides an *alternative* to interest-based financing.

Publicly, Faiz said that he faced mounting pressure from some influential members of the Deobandi *ʿulamāʾ* fraternity who were becoming concerned with the ethics of him being so heavily invested in the system of Islamic finance. Faiz's former *Dār al-ʿUlūm* teacher, an influential figure in his life, had made no allusions that he was growing concerned. Moreover, it was while working in the field that Faiz had a brief business meeting with Muftī Taqi Usmani, the revered Deobandi scholar who provided him with the conviction and clear conscience to enter the field. Faiz recollected that their discussion turned towards the questions of the future of Islamic finance, the popular trend of reverse-engineering conventional financial instruments and emphasis on efficiency over equity. The Muftī, Faiz recalled, shared in his disillusionment of the prospect for Islamic banking and finance to live up to the initial hopes he and other founding figures had for the industry. While Muftī Usmani indicated that he would take action through the issuing of a corrective *fatwā*, for Faiz this encounter presented him with a multitude of doubts. Ultimately, the combination of his own personal sense of unease and public pressure could only be resolved through his voluntary exit from the field.

7.7 Adequating Subjective Adequation: Making a Virtue Out of Necessity

What are we to make of the discourse of these Muslim practitioners and their efforts to adapt to the logic of the Islamic finance field? Bourdieu's schema of the interrelationship between the field and the habitus helps us to understand how Nabil and Siraj adapted to the disjuncture of Islamic finance by activating socialised ethical frames located in their religious habitus enabling them to subjectively adequate market practice with Islam.

Nabil's complex religious habitus was evident in the diverse ethical frames that inflected his discourse as part of his attempts to adequate his practice of Islamic finance. But, at the forefront of Nabil's framing of his market activity were notions of virtue deriving from idioms found in the conservative Islamist discourse. As scholars of conservative Islamism have shown, this approach to Islam is framed by notions of a cultural and moral confrontation with the Other (the West), and the superiority of the Self (Islam) (Ismail, 2006). Conservative Islamism is culturally "conservative," but economically (neo)liberal in its support of the free-market and the acquisitive interests of the rising Muslim middle class (Tuğal, 2009). Unlike the militancy of radical Islamist agenda to bring about social transformation through violence, its conservative iteration places a willingness to work within the established order and, to some extent, preserve the status quo (Ismail, 2006: 28). Conservative Islamism places an emphasis on the particularism of the Islamic system as a complete way of life and the virtue of defending it against the cultural, political and economic attack of the Western Other. Socialised in this ethical frame, we can observe how Nabil's conservative Islamist habitus adapted to the field and framed his practice of Islamic finance as a virtuous means to oppose the attack of the Other. As demonstrated in Nabil's discourse, this attack took the form of the incursion of Western financial institutions and power. The attack was aimed at Islam as a way of life, and more specifically, Islamic finance as a distinct economic way of life. Grounded in this rationale, the disjuncture between the theoretical ideals of Islamic finance and the reality of market practice were set aside. For Nabil, the practice of Islamic finance took on a new meaning and had new ethical objectives. The goal of furthering socio-economic justice and equity was pushed to the future, while in the present the immediacy of profit maximisation was prioritised as situationally more relevant. In-line with the conservative Islamist ethical frame, he described his opposition to the West in terms of a competition for economic capital and financial power. Nabil framed his profit maximising approach to Islamic finance as a means to pursue his "interest in disinterestedness": the noble act of resisting the economic invasion of the Other, Western imperialism. Moreover, he conceived of the maximisation of profits as part of the Islamist project of retrieving the dignity and position of Islam in the "mainstream" from its enforced position in the global periphery. We can observe how, for Nabil, the pursuit of this objective aligned with Islamist notions of virtue and the neoliberal market necessities that structured the field.

Siraj's discourse demonstrated his traditional Deobandi habitus. For Siraj, the pursuit of Islamic "goods" offered within the bounds of Islamic finance had little to do with concerns about the non-Muslim Other and mitigating in the capitalist market. At the heart of Siraj's innovative framing of the ethical in Islamic finance was a notion of virtue tied to the Deobandi objective of encouraging piety and purifying the Muslim community. As Brannon Ingram's (2011) extensive study of the Deobandi approach to Islam has shown, Deobandi thought places an emphasis on the virtue of reforming belief and correcting Islamic practice. Traditionalism attempts to keep modernity at bay and not become embroiled in the reformist and Islamist political projects of engagement, directly or indirectly, concerned with the Other. Preferring instead to focus on projects of renewal that build on inherited Islamic traditions an emphasis is placed on the maintenance and strengthening of piety caught in the precarious conditions precipitated by the modern context (Tayob, 2009b). Within the context of the South African Muslim public sphere, this Deobandi approach has involved public education and religious advocacy projects. As part of the adaptation of Siraj's traditional Deobandi habitus to the field, we can observe how he seized on forms of Islamic finance practice to pursue his "interest in disinterestedness": the Islamic "good" of purifying the Muslim community. Through his investment and marketing strategies, he conceived of his practice as a means to achieve this goal. Economic performance was framed as fundamental for Siraj's predisposed interest in correcting the Islamic practice of the Muslim community. Moreover, he presented the prioritisation of maximising profits as being part of his virtuous mission to remove Muslim clients from forms of conventional finance and the sin of *ribā*. Pursuing profits in this way took on a quasi-sacred purpose and constructed an ethical frame that equated his market practice with his socialised religious disposition.

The modes of subjective adequation revealed in the discourses of Nabil and Siraj were unique, but they shared some significant characteristics. Similar to the official discourse used by Sharīʿa scholars discussed in the previous chapter, we can observe how both practitioners conceived of the dominant influence of Western capitalist market forces as reason for the divergence between the ideal and the reality of market practices in the field. Having characterised the field in this way, Nabil and Siraj set aside the idealised ethical principles of Islamic finance as not being situationally relevant. This discursive move then acted as a platform for them to adequate the neoliberal logic that has taken hold of the field with Islam. In adapting to the neoliberal logic of the field, Nabil and Siraj activated socialised ethical frames located in their habitus to infuse their practice of Islamic finance with symbolic meaning and value. In so doing, they asserted that their market praxis constituted an Islamic "good." What Islamic "good" entailed in the practice of Islamic finance, however, were distinct. The discourse of Nabil and Siraj demonstrate how individualised conceptions of virtue socialised as part of their religious habitus informed their distinct modes of subjective adequation.

The case of Faiz, however, brings to light the limits of adequation. Faiz chose to leave the field because of what he perceived to be irreconcilable differences between the practice of Islamic finance and notions of Islamic ethics socialised as part of his Deobandi habitus. For Faiz, working in Islamic finance was antithetical to his goals of leading a pious life. Unlike Siraj, the Deobandi virtue of purifying the *umma* by removing them from *ribā* was not sufficient for Faiz to devise a suitable mode of adequation. Nor, evidently, was a schema of adequation based on Nabil's Islamist conception of opposing the Western Other and reaffirming the position of Islam. Neither did he find adequate symbolic meaning and value in displays of public piety

(Tobin, 2016) afforded to him by working for an Islamic bank, or engaging in forms of legal reasoning and debate (Maurer, 2005a)—even though his role required him to do so. Faiz's inability to adapt to the field was indicative of how some Muslim practitioners were unable to overcome the contradictions of idealised Islamic economic principles and the neoliberal logic underlying the everyday reality of the market. For Faiz, the necessities and constraints of the market did not allow him to carve out a space to engage in ethical market practice. Unable to devise a mode of adequation that would reconcile Islamic ethical frames with market practice, for Faiz the only recourse was to preserve his social reputation and personal sense of piety and self-worth—his symbolic capital—by asserting a form of ethical practice in leaving the field.

7.8 Conclusion

This chapter has presented an analysis of the efforts made by Muslim Islamic finance practitioners to adequate their subjective appreciations of Islamic virtue with the realities of market practice. As I have shown, the disjuncture between the idealised principles of Islamic finance and market practice has been a catalyst for market practitioners' construction of new discourses regarding the practice of Islamic finance. By means of exploring these innovative discourses, this chapter has illuminated salient modes of subjective adequation to a market logic ostensibly shaped by neoliberal conventions. Utilising Bourdieu's framework I have demonstrated how some practitioners have been able to adapt to the disjuncture of Islamic finance by activating socialised ethical frames enabling them to infuse forms of market practice with symbolic meaning and ethical value. For those able to adapt, the neoliberal necessities shaping market practice were ultimately conceived of as a form of Islamic virtue. Economic practices thereby became justified in terms of maximising the accumulation of economic capital plus the added symbolic value of representations of virtuous Islamic conduct. These innovative modes of adequation supported the status quo of Islamic finance irrespective of whether it is living up to the ideal. Moreover, it provided practitioners with a belief in the righteousness of their work.

The accounts I have presented in this chapter provide a snapshot of ongoing processes of adaptation and practitioners' attempts to adequate Islamic ethical frames with the particular set of neoliberal market forces encountered in the South African Islamic finance field. Similar to the observations made by scholars (Adas, 2006; Ismail, 2013) who have been looking at Muslim entrepreneurs in other economic markets, they show that ethical frames mobilised to account for market practice develop in relation to the global and local forces that structure the limitations and opportunities of acceptable practice within a given market context. We can observe how Nabil and Siraj made a virtue of market necessity and, in so doing, their practices simultaneously targeted the achievement of two goals. Firstly, their market practices adhered to the necessity to maximise profits as required by the neoliberal logic that has taken hold of the field. And secondly, we can see how they believed that through these same practices they were pursuing their individual "disinterested" interests and notions of virtue informed by their religious habitus. Both of their modes of subjective adequation allowed them to navigate the dual demands of the market and religion by conceiving of their market practice as simultaneously accumulating economic and symbolic capital; profit and religious virtue. By reframing market practice as cohering with their individual understandings of Islamic virtue, Nabil and Siraj were able to uphold a sense of self-worth in their choice of vocation, a reframing without which their work in the field would be no different from the banality of working in the conventional financial sector.

In contrast to accounts of the abandonment of Islamic ethics in Islamic finance, then, the case of Nabil and Siraj demonstrate how some Muslim practitioners infused market practice with a sense of religious meaning and value. In contrast with Tobin's (2016) analysis, these examples show that those who remain working in the field do in fact believe that Islamic finance offers them a mode of practice, however flawed *vis-à-vis* the Islamic ideal, that is authentic and coheres with Islamic norms. Nabil and Siraj were not gripped by uncertainty and doubt, but rather were committed to the field, invested in it, and had a deep-seated belief in the virtue of their daily market activities. Moreover, symbolic meaning and value was attributed to more than just the forms of legal reasoning and debate identified by Maurer (2005a), and public displays of piety identified by Tobin (2016). While their practice may not have lived up to the ideals of Islamic finance, Nabil and Siraj asserted that their profit maximising activities constituted a form of ethical practice. The discourse of Nabil and Siraj indicate the distinct ways they mediated this default objective framing modes of market practice and individual notions of the Islamic "good" socialised as part of their religious habitus.

As I have also tried to show, the adequation of Islamic finance and Islamic ethical idioms conveyed in the accounts of Nabil and Siraj can also be seen to be performative discursive acts. These discursive performances were indicative of Muslim practitioners' attempts to frame the logic of the field and forms of market practice ostensibly shaped by neoliberal norms and interests as being in accord with Islamic norms. Similar to forms of official adequation discussed in the previous chapter, I argue that these acts of subjective adequation were part of the process of the Islamic consecration of neoliberalism, but on quite a different level. In this instance, the semiotic resource of adequation was part of Muslim practitioners' strategic yet, Bourdieu would say, largely unconscious effort to reframe objective appreciations of the Islamic finance field in an attempt to make others, and *themselves*, see and believe in the religious legitimacy of market practice. Thus, on a mundane level, the construction and performance of these discourses—no doubt a staple feature of my informants' rehearsed marketing spiel—can firstly be seen to be part of a competitive market strategy to attract Muslim investors. By framing their practice of Islamic finance as part of a virtuous Islamic mission to oppose the Western Other or remove Muslims from the sin of *ribā*, for example, Nabil and Siraj infused financial products with symbolic value with the hope that this would attract consumers, their investment capital, and accumulate greater levels of profit. On another, more personal, level however, the modes of subjective adequation evident in practitioners' discourse can be seen to make the everyday activity of working in the Islamic finance field meaningful as part of an effort to lead a pious life.

8 Conclusion: The Islamic Consecration of Neoliberalism

This thesis has examined the interplay between processes of Islamisation and neoliberalisation through the lens of Islamic finance in South Africa. I have shown how a new Islamic discourse has been constructed in the neoliberal context of financialisation. A constituent part of a phenomenon I refer to as the Islamic consecration of neoliberalism, this discourse and its performance serve to accommodate dominant neoliberal interests and values, and produces a belief in the symbolic value of forms of Islamic finance enabling Muslim practitioners to navigate the dual demands of the market and religion. In this thesis, I have endeavoured to go beyond simplistic accounts that either present Islamic finance as a true alternative to the neoliberal financial market, or a disingenuous attempt to clothe conventional finance in Islamic garb. While many scholars have focussed on the disjuncture between the theory and practice of Islamic finance, reading it as a sign of the abandonment of Islamic ethics, I have focussed on attempting to understand the transformed logic of market practice and how Muslim practitioners attempt to make it adequate with Islam. Through an empirical study of the South African Islamic finance field, I have shown the recalibration of Islamic ethics in a context dominated by the hegemonic influence of neoliberalism. In so doing, I have revealed how the Islamic consecration of neoliberalism represents the hybridisation of a market orientation with religion, and the construction of a new discourse where the objectives of the market and notions of Islamic virtue are fused together. This discourse has made a virtue of neoliberal market necessities, where forms of market practice, ostensibly shaped by neoliberal interests and values, are made adequate with Islam. It is this transformed conceptualisation of Islamic finance that helps to explain why so many devout Muslim practitioners remain committed to the field and why this new market continues to thrive.

The Islamic consecration of neoliberalism in South Africa is a product of the encounter between Islamism and neoliberalism taking place in the emergent field of Islamic finance. The growth of the global Islamic finance industry has been a relatively recent phenomenon. Like other efforts to expand the public role of Islam as part of the broader project of Islamisation since the 1970s, the Islamic finance project has sought to establish a sphere of Muslim life in the modern context organised around distinctively Islamic principles and norms. Inspired by the emergent discourse on Islamic economics, the Islamic finance project was intended to be part of a broader effort to re-found Muslim economic life on religious grounds and carve out a space free from the influence of Western capitalist hegemony. It was driven by a desire to enable the Muslim community to partake in modern finance while upholding a distinctive Islamic identity and norms. Moreover, Islamic finance was projected as a new paradigm that purported to be a radical departure from the capitalist economism of the dominant conventional financial system. Profitability was not supposed to be the sole criterion used to evaluate market practice, but rather the promises held out by Islamic finance and its broader set of social and economic objectives to promote justice and equity. It was believed that these objectives could be achieved by establishing new institutions and forms of financing that put into practice Islamic economic principles deriving from the Sharīʿa and other authoritative sources of the Islamic tradition. In particular, it was claimed that by avoiding *ribā*, *gharar* and other prohibited elements, as well as establishing forms of financing based on the principle of profit-and-loss-sharing, Islamic finance institutions would serve as engines to promote a more prosperous and socially-oriented moral economy than the dominant capitalist order.

However, over time, and with the rapid expansion of the Islamic finance industry, these objectives quickly faded from view as the logic of economic transactions in this emergent field was overtaken by neoliberal market forces. The logic of Islamic finance in South Africa was shaped by the opportunities and constraints encountered in a market context transforming under the influence of neoliberalisation and financialisation. Ironically, the growth of the new market for Islamic finance, a market inspired by the desire to counter the influence of Western neoliberal hegemony, was supported by the ascendency of processes of neoliberalisation that have shaped the South African economy since the latter decades of the twentieth century. Under the influence of roll-forward neoliberalisation and financialisation, the state and a powerful network of financial institutions from the conventional sector facilitated the growth of the new market for Islamic finance in order to pursue their own economic interests. As far as Islamic finance could be harnessed to enhance the competitiveness of the South African financial economy and its interests, new forms of financing based on Islamic principles were encouraged and authorised within a secular, neoliberal context. For those marshalling practice in this emergent market, however, there was no interest in upsetting the economic status quo. Islamic finance was positioned as a subfield of the conventional financial sector, subject to its conventions and logic. Islamic finance actors found themselves either voluntarily or coercively adhering to the same set of rules and understandings of acceptable market practice that shaped and were shaped by the overarching field. Moreover, they were drawn into a neoliberal logic of competition where profitability and maximising shareholder value were the primary criterion used to evaluate market practice. The transformed logic of Islamic finance materialised in market practice. With ever greater frequency, Islamic finance actors developed and operationalised "Sharīʿa compliant" forms of financing that ostensibly mimicked the substantive function of conventional finance using the niceties of controversial forms of casuistry. Coupled with market actors' preference for efficiency-based forms of financing and abandonment of equity-based instruments, a disjuncture was exposed between the theory of Islamic finance and market practice. The objectified dominance of calculated economic interest undermined the legitimacy of market in so far as it rested on the disinterested claim of promoting socio-economic justice, equity, and forms of financing believed to embody the broader social and economic objectives of the Sharīʿa. Consequently, the legitimacy of the market, its actors and their products were the subject of religious contestation and debate as variously positioned voices in the Muslim public sphere argued whether Islamic finance represented "true" or "false" Islam.

The emergence of a new discourse on Islamic finance must be seen against this backdrop of contention and crisis in a market that has failed to establish the necessary autonomy from the dominant economic order. Under these circumstances, some Muslim practitioners attempted to rescue the legitimacy of their market practices and products by infusing them with a new sense of meaning and value. They engendered a turning away from issues of socio-economic justice and equity, towards a concern with efficiency and profit maximisation. This new objective of market practice was asserted as more situationally relevant, commensurate with "true" Islam, and motivated by the disinterested pursuit of Islamic "goods." The construction and performance of this new discourse of Islamic finance cast dominant modes of market practice as coherent with Islamic norms and ethics. Islamic objectives and notions of ethical economic practice were reconfigured to align with the neoliberal interests and values that have taken hold of the field.

In charting the emergence of this discourse, I have illuminated aspects of Bourdieu's reading of the encounter between neoliberalism and the cultural spheres of modern life. Bourdieu (1998a) suggested that neoliberalism is in the process of establishing a new symbolic and moral order, where the neoliberal economy is asserting as universal and natural the objectives of maximum growth, productivity, competitiveness as well as the separation between the economic and the social as self-evident. Bourdieu argued that neoliberalisation results in the transformation or destruction of the ideological discursive traditions framed by social logics that are capable of obstructing the hegemony of the logic of the market. Islamic finance, as originally conceived, could be interpreted as the foremost articulation of an Islamic response to capitalism inspired by the ideology of Islamism and the quest to restore sociality and a moral economy framed by distinctly Islamic values. However, as I have demonstrated in this thesis, the *doxa* of neoliberalism has transformed Islamic finance's concern with socio-economic justice and equity towards economic criteria and stakes. A discourse that emerged in opposition to neoliberalism, then, has been transformed to support the very ideology it set out to critique.

I have argued that the construction of the new discourse on Islamic finance is observable through the lens of adequation. At a public level, I have demonstrated the role played by Sharīʿa scholars in making the dominant, efficiency-based approach to Islamic finance adequate with Islamic norms in a process called "official adequation." Sharīʿa scholars mobilised religious capital deriving from the authoritative sources of the Islamic tradition and their status as figures of religious authority to assert that the transformed logic and practice of Islamic finance was commensurate with authoritative conceptions of orthodoxy and orthopraxy. Moreover, at another level, I have documented the ways in which devout Muslim practitioners re-calibrated notions of the ethical in Islamic finance as part of the process called "subjective adequation." Muslim practitioners constructed a new discourse to give the practice of Islamic finance a new sense of meaning and symbolic value by mobilising ethical idioms and repertoires found in modern Islamic discourse socialised as part of their religious habitus over the course of their life trajectory. These innovative modes of subjective adequation served to make a virtue out of market necessity and the everyday activity of working in the Islamic finance field meaningful as part of an effort to lead a pious life. Taken together both forms of adequation worked to consecrate as Islamic and virtuous a logic and mode of financial practice shaped by the dominant South African neoliberal conventional financial sector.

The emergence of the new Islamic finance discourse is not significant only or primarily because it explains how the hotly contested market of Islamic finance continues to muddle along, but because it is indicative of the salient features of the accommodation of Islam to the dominant neoliberal order. Firstly, as my analysis of forms of official and subjective adequation have demonstrated, a fundamental feature is the distinction drawn between the ideals of normative practice in autonomous conditions and the reality faced by Muslims in the contemporary heteronomous context dominated by the influence of Western neoliberal hegemony. This justificatory rationale has formed a central platform for making concessions as to why the idealised principles of Islamic finance cannot be put into practice given the constraints and challenges faced by Muslim practitioners in the neoliberal market context. Among other market forces attributed to the machinations of Western neoliberal hegemony, financial regulations, consumer attitudes, and corporate governance structures were blamed for impeding the practice of the Islamic ideal. Having characterised the field in this way, Muslim practitioners set aside the idealised principles and objectives of Islamic finance as not situationally relevant. This discursive move then acted as a platform for the adequation of the neoliberal logic that has taken hold of the field with Islam. Market practices aimed towards the maximisation of efficiency and profits were asserted as constituting an Islamic "good." In adapting to the neoliberal logic of the field, practitioners invoked a divergent set of ethical idioms tied to distinct articulations of Muslim identity in modernity found in the South African religious milieu.

The second salient feature of the transformed discourse of Islamic finance is the tacit assumption that the gap between the reality and the ideal can be closed through financial market activity in general, and in particular market strategies that, directly or indirectly, fulfil the imperative to maximise the accumulation of capital as dictated by the market. This view rested on a conceptualisation of two phases in the development of Islamic finance corresponding with the current heteronomous reality of the field and a hypothetical future autonomous ideal. The accounts of market informants reveal a teleological belief that the second phase in the development of Islamic finance could be secured through market growth and economic accumulation. In other words, an autonomous, utopian market context—free from Western neoliberal constraints and the pressures of competing with conventional finance, where ideal forms of Islamic finance can be practiced and the objectives of Islamic economics realised—could be achieved through maximising profits. This framing enabled practitioners to adhere to the necessities of the financial market while upholding a belief that their actions had symbolic value and constituted an Islamic "good." It formed the basis of a new ethos for Islamic finance, albeit a provisional one, centred on the accumulation of capital through the mimicking of conventional finance, based on a belief that doing so would produce ideal market conditions where ideal forms of Islamic finance could be practiced and objectives realised.

8.1 Theoretical Implications

This study's investigation of Islamic finance challenges the false assumption that Islamism is inherently anti-capitalist and radically opposed to neoliberalism. To the contrary, through the lens of Islamic finance I have demonstrated how expressions of Islamism can be compatible with neoliberalism. I have shown how the Islamic consecration of neoliberalism makes Islam amenable to the economic stakes and tacit assumptions of acceptable economic practice determined by the neoliberal order. Such an articulation does not represent a radical opposition to neoliberal values and interests, but rather the recalibration of Islamic economic ethics according to which the pursuit of maximising efficiency and profits above all other social and economic objectives have a quasi-sacred purpose. As I have demonstrated, economic practices aimed towards maximising efficiency, short-term profits and shareholder value—often by means of mimicking prohibited forms of conventional finance—were consecrated as virtuous and Islamic. Viewed in this way, Islamic finance is supportive of the project to spread the ideology and shared assumptions of neoliberalism, and Muslim actors are not passive victims retreating into tradition but active protagonists in the production of neoliberalisation in a distinctly Islamic form.

Examining the effects of neoliberalism, scholars of religion have focussed on the end result of its encounter with religion; new or transformed religious values, doctrines, beliefs and practices that support the hegemony of neoliberal values and interests. These developments are claimed to be taking place "silently," with religion complicit in the evacuation of its socially oriented ethos and accommodation to neoliberalism's framework of value centred on individualistic and corporate gain. This thesis has presented a concrete case study that supports many of these observations, but in so doing highlights several overlooked aspects of the relationship between forms of religious revival and neoliberalism.

Firstly, in contrast to presentations of neoliberalism as an abstract homogenising force, I have demonstrated the specific institutions, ideas, agents and contingent historical factors that have led to the religious accommodation of neoliberalism. The adaptation of religion I have described in this thesis owes much to the particularities of the South African culture of finance shaped over the course of the colonial and post-colonial period, where the ascendency of neoliberalism has been mediated by the state and market actors from the conventional finance sector to produce and impose a context-specific neoliberal market logic. Equally, the religious adaptation to, and consecration of, this specific South African neoliberal market logic is a product of the historical developments that have been shaping expressions of Islam in South Africa over the last few centuries. Perhaps most strikingly, this thesis has documented how some Sharīʿa scholars trained in the Deobandi tradition have played a decisive role in accommodating neoliberalism and determining new normative understandings of Islamic economic practice. Deobandi scholars have seized on the new opportunities offered by Islamic finance to extend their authority in the sphere of modern finance while also introducing a conservative, apolitical approach fixated on piety that justifies the neoliberal status quo.

Secondly, while scholars have argued that the neoliberal takeover of religion is taking place "silently," this thesis has demonstrated how the imposition of economic interests into the realm of the sacred has been a catalyst for vociferous contestation and critique. I have been careful to stress that the construction of Islamic finance as legitimate is not objective or intuitive, but one carefully constructed and precariously maintained through the authoritative discourse of certain Sharīʿa scholars and dependent on the adaptation of modern Muslim dispositions to the conventions of the neoliberal market. As I have demonstrated at various points in this thesis, such efforts are not always successful. A critical faction of Deobandi Sharīʿa scholars remain vehemently opposed to the market's claims to legitimacy, large numbers of the Muslim consumers remain unconvinced, and some Muslim Islamic finance practitioners have been unable to reconcile market practice with efforts to lead a virtuous life. These characteristics are indicative that the Islamic consecration of neoliberalism is far from a settled affair and a consensus is yet to be established as to its claims to orthodoxy and orthopraxy. These insights challenge a simplistic reading that contemporary expressions of religion are uncritically and blindly acquiescing to neoliberal hegemony. It calls for more nuance and attention to the power struggles between figures of religious authority competing to determine the relationship between Islam and neoliberalism. Furthermore, it demands a sensitivity to the diversity of religious dispositions and individual life trajectories that play a role in determining whether one is willing and able to find the good in the neoliberal moral and symbolic order.

And lastly, in contrast to the view that neoliberalism is exploiting religion to support its own interests and objectives, this thesis argues that it is not so much of a one-sided affair. As I have demonstrated, market practitioners have seized on the opportunities afforded by the financialisation of the South African economy to assert new religious economic practices, identities and symbols, and have retooled a neoliberal market logic to pursue distinctly Islamic objectives. As this thesis has demonstrated, maximising efficiency and profit constituted one, but not the only, objective driving market actors' praxis and commitment to the field. Market actors were also driven by a belief that the tools and techniques of finance were a means to realise an Islamic "good." For some this entailed a conceptualisation of profit maximisation as a means to steer Muslim consumers away from the conventional financial sector, thereby removing them from the sin of *ribā*. For others, profit maximisation was a way to wrestle investment capital away from Western capitalist economic agents as part of a broader power struggle to reassert the position and identity of Islam.

As the economic anthropologist Hirokazu Miyazaki has observed among financial professionals in Japan, there is a "kind of utopianism at work in financial markets" (Miyazaki, 2013: 23). Miyazaki's (2013) study highlights how the theories and techniques of neoliberal finance have served as sources of inspiration for Japanese derivatives traders in Tokyo and their utopian "dreams" of economic, social and personal transformation. Japanese traders were driven by a belief that by enhancing market efficiency and capital accumulation in their daily market activities they could bring about an end to capitalism (or introduce an economic alternative) and the endlessness of their work at some point in the future. Similarly, for the Islamic finance practitioners I encountered, their utopianism was inspired by a belief that by enhancing efficiency and capital accumulation in their daily market activities—by mimicking the techniques of neoliberal finance—this would bring about economic, social and personal transformation in the future based on a distinctly utopian Islamic vision. I contend that this belief reflects the *illusio* of the Islamic finance market, the quasi-libidinous investment in the game of finance and its stakes. A product of the adaptation of the religious habitus to the field, the *illusio* of the Islamic finance field allows us to observe how market actors conceive of their market practice as hitting two targets at once: firstly, the objective to maximise efficiency and profit accumulation as determined by neoliberal market necessity; and secondly, a belief that the very same market practices will lead to the realisation of economic, social and personal transformation related to socialised notions of the Islamic "good." It is this second set of autonomous religious interests, objectives and utopian dreams that are sustaining the religious accommodation of neoliberalism. In contrast to it being a one-sided affair, then, neoliberalism and the financial market provide market practitioners with a space to believe that their market activities are working towards the realisation of religious ends while at the same time religion is supporting the objectives of the market.

In taking the beliefs of market practitioners seriously it has not been my intention in this thesis to argue that the practice of Islamic finance is achieving the Islamic "goods" my interlocutors claimed. Instead, I have sought to counter arguments that Islamic beliefs and ethics are somehow disconnected with Islamic finance by highlighting the salience of religion and the ways in which practitioners attempt to make market activity cohere with Islam. While Islamic finance may not have lived up to the ideal many had hoped, it is too soon to say that the relevance of Islam has been diluted by the messy everyday reality of modernity or that utopian Islamist dreams of an alternative have failed or been abandoned. What we can say, however, is that new normative and ethical frames emerging from the discourse of Islamic resurgence have been mobilised to consecrate the neoliberal logic and values of the market. In the here and now of the South African context of vast socio-economic inequality, this discourse has served to divorce Islamic finance from its broader social and economic concerns, supporting the negative impact of financialisation in the pursuit of Islamist dreams.

Glossary

al-ʻadl:	equity and balance.
al-kafāʼa al-iqtisādiyya:	economic efficiency.
Dār al-ʿUlūm:	institution of higher Islamic learning.
ḍarūra:	necessity.
Deobandi:	traditionalist Sunni revivalist movement originating from Deoband, India.
fatwā (pl. *fatāwā*):	legal judgement or religious edict.
fiqh:	Islamic jurisprudence.
fiqh al-muʿāmalāt:	Islamic jurisprudence related to commerce.
gharar:	uncertainty, deceit, risk, speculation or hazard.
ḥādīth (pl. *aḥādīth*):	saying or tradition of the Prophet Muhammad.
ḥāfiẓ:	memoriser of the Qurʾān.
ḥalāl:	lawful or permissible.
Ḥanafī:	school of Islamic jurisprudence named after the scholar Abū Ḥanīfa.
ḥarām:	unlawful or impermissible.
ḥīla (pl. *ḥiyal*):	ruse or legal stratagem often used to circumvent various prohibitions.
iftāʼ:	the art of issuing *fatāwā.*
ijāra:	lease or hire contract.
ijmāʼ:	juristic consensus.
ijtihād:	literally "effort," referring to the practice of independent legal reasoning.
istiḥsān:	juristic preference.
istiṣḥāb:	presumption of continuity.
madhhab:	school of thought in Islamic jurisprudence.
madrasa:	Islamic seminary.
makhraj:	exit.
maqāṣid al-Sharīʿa:	objectives of Sharīʿa law.
muḍāraba:	partnership contract in which an investor/financier (*rabb al-māl*) contributes capital and a borrower/entrepreneur (*muḍārib*) contributes time, effort and expertise.
muftī:	jurist who issues *fatwā.*

murābaḥa:	contract in which a lender buys goods on behalf of another party and then resells the goods to the same party for a fee. Hence, often termed "cost-plus" or "mark-up."
mushāraka:	contract in which both an entrepreneur and financier make a financial investment in a joint venture.
qada':	art of adjudication.
qiyās:	juristic inference or reasoning by analogy.
ribā:	usury or interest.
Ṣahāba:	Companions of the Prophet.
Sharīʿa:	Islamic law.
ṣukūk:	Islamic bond.
Sunna:	Prophetic or other early Islamic tradition.
tajwīd:	art of Qurʾānic recitation.
taʿlīm al-makhraj:	legal alternative, or exit, for Muslims facing difficulty.
thawb:	A garment, similar to a robe or tunic.
ʿulamāʿ (sing. *ʿalim*):	Islamic scholar.
umma:	(Muslim) people or community.
'urf:	customary practice.
wadīʿa:	deposit or safekeeping.

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