Global Financial Capital vs. Islamic Concept of Wealth: The Question of Idelogical Dominance

Omar Javaid
Abdul Wahab Suri*

Abstract

The purpose of this paper is to compare global financial capital with traditional concept of wealth in theory of Islamic economics & finance as perceived in Islamic discourse, so as to analyze the dominance of the former over the latter in the light of ethos of Islamic thought. To do this we have evaluated the features and have found substantial differences between the ideological, historical, institutional and political specifications of the two. Islamic jurisprudential knowledge on trade & finance focuses on fair exchange of existing stock of real wealth while preserving the religio-socio-cultural order; on the other hand modern financial knowledge prioritize unprecedented capital growth irrespective of its disintegrating impact on any traditional and/or non-market entity. Therefore, practicing Islamic finance under the dominance of global capital raises serious questions regarding the possibility of disintegration of Muslim communities by subjecting their physical & natural resources to the forces of global financial capital under the pretext of Islamic finance.

Keywords: Global Financial Capital, Concept of Wealth, Islamic Finance, Capitalism, History of Economic Thought.

KAUJIE Classification: G2, H52

JEL Classification: B25, B26, G15, N13, N14, N15, N23, P1, P51, Z1

1. Introduction

Capital in its modern form is an abstraction represented by abstract numbers, inorganic in its essence (Spengler, 1962:404). In Ferguson's (2008) view, this new form has gone "out of sight, even if never out of mind" (p. 56), however at the same time have become more influential and damaging for the common person in comparison with its non-financial counterparts (ibid, p. 357). Deleuze (1983) argued about the dominance of "financial capital" over other forms of industrial capital (labor, land,

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* **Omar Javaid** is Senior Lecturer and Phd Fellow at Institute of Business Management, Korangi Creek, Karachi. Email: omar.javaid@iobm.edu.pk; **Abdul Wahab Suri** is Professor of Political Philosophy, Philosophy Department, University of Karachi.

machinery, raw material, etc) and suggested that financial institutions are in control over other market institutions (p. 229, 30). This hints at political significance of financial capital. In this paper the term capital would refer to the dominant variant of capital, i.e. financial capital vis-a-vis other subservient forms such as labor, land, machines, raw material etc.

Theory of Islamic finance, on the other hand, categorizes ‘financial capital’ under the heads of various ‘instruments of debt’ (Asmatullah 2013), which hints at a static, narrow, localized and procedural understanding of the term ‘financial capital’. The ideological, institutional and political contexts, which define the modern concept of financial capital, are largely ignored. Accordingly, Islamic banks are operating within the contemporary monetary system while attempting to create structurally similar alternatives for every product available in the modern financial world. Even hedge funds and derivative, are being provided with alternatives, without questioning the larger contextual particularities. As a result “Islamic finance tend to emulate, and therefore largely reproduce, the existing global financial order” (Rethal 2011).

This is probably because the scope of problematization focuses only on correcting the nature of contracts by cleansing them from *ribā* (usury), *gharar* (speculation) in their limited connotations while remaining oblivious from the context of conventional institutional frameworks. While Mufti Taqi Usmani seems to have acknowledged the institutional and procedural aspects of the system (Usmani, 2001), the depth & breadth of understanding needs to expand significantly among the concerned scholars, academic circles and practitioners. The contemporary Islamic finance literature does an insufficient job to acknowledge the influence of modern institutional framework and remains generally content with the scope of Islamization happening as of now. The purpose of this paper is therefore to fill this gap by explaining how the modern institutional framework is designed to serve the growth of financial capital and has the capacity to instrumentalize Islamic alternatives for the very same objective. This is done by exploring the ideological, historical, political and global circumstances developed in the modern world to serve the growth of financial capital. The legitimizing impact of this modern system-with an Islamic label-on traditional sociocultural, economic and political structures (which existed in Islamic world predominantly in the pre-colonial world, which also exists at the peripheries of modern world even today) will also be discussed.

The following section would contain a brief overview on the traditional concept of wealth in Islam; however, its details will be explained in the fourth section while comparing it with its modern counterpart. The third section discusses the meaning of modern financial capital along with the details of institutional design meant to serve its growth. The fourth section would compare the two concepts followed by the discussion on the possible impact on the traditional Muslims sociocultural and economic circumstances. The conclusion would summarize and raise questions to experts of Islamic finance regarding impact of integrating Islamic finance with the circuit of global capital on the Muslim communities who may perceive Islamic banks in a traditional context due to the shariah certification by the *ʿulamā*.

2. Theoretical Premise for Money & Wealth in Islamic Worldview

Islam has no problem when a person earns a profit or owns a property, other than in ways prohibited by Islamic law. *Bāzār* or traditional markets have been a central ingredient of design of cities in Islamic history; let it be Istanbul, Damascus, Aleppo or Isfahan etc. These *bāzār* in fact derived the entire socio-cultural and economic engine of the cities while providing the Muslim families, religious institutions and the market place a platform to co-exists (Gharipour 2012; Pourjafar 2014). They have even been termed as truly free markets, stable though, thanks to the spiritual influence of the mosque (Graeber, 2011, p. 282).

Islam has made it obligatory for its followers to earn a living by legitimate mans. Islam also encourages its followers to contribute to various social causes, and have enough financial resources to pay *zakāh* and perform *ḥajj*. Markets, therefore, serve religious purpose as well to allow a Muslim to earn enough to perform all his obligations. However, maintenance of wealth is fifth and the last objective of Islamic law, whereas *īmān* being the first, followed by preservation of self, family and intellect. Nyazee (2002) explains that "… the preservation and protecting of *Dīn*… has preference over the preservation and protection of life; life has a higher priority than *nasl* [family]; *nasl* is prior to *ʿaql* [intellect]; and *ʿaql* is preferred over *māl* [wealth]" (2002, p. 245) in Islamic law.

In Islamic worldview, our *rizq* (which includes everything we consume) is provided in amounts decided by the Creator of mankind, and if provided in excess, it is to be spent on social or a religious cause. Islamic cosmological perspective, which puts preparation for the judgment day before worldly pleasures, provides a context where limitless accumulation and competition for worldly gains becomes meaningless, rather dangerous for the success in hereafter. *Sūrah al-Takāthur* makes it very clear (Translated by Yusuf Ali[1]).

> "(1) The mutual rivalry for piling up (the good things of this world) diverts you (from the more serious things), (2) Until ye visit the graves. (3) But nay, ye soon shall know (the reality). (4) Again, ye soon shall know! (5) Nay, were ye to know with certainty of mind, (ye would beware!). (6) Ye shall certainly see Hell-Fire! (7) Again, ye shall see it with certainty of sight! (8) Then, shall ye be questioned that Day about the joy (ye indulged in!)."

Abdul Bari Nadvi explains:

> "It is not vague but vividly clear that whatever purpose of life is asserted within the confines of the material world, they will remain limited to the acquisition of material resources for the sake of preservation and enjoyment of the life in this world. On the contrary, if one is aspiring for an unlimited, all rewarding and permanent life, then how worthy are the finite number of breaths left in this momentary world; therefore when economics or politics become an end, life also become meaningless. Islam doesn't make the worldly life (with all its .. constituents) as an end in itself in least of its sense, instead Islam treats it as a means towards an infinitely vast afterlife, how can then we expect it to tolerate the treatment of these 'means' like 'ends'. This is how the paths of both Islamic and non-Islamic social sciences depart away from each other." (Nadvi, 2005, p. 26)

A review of Islamic jurisprudence reveals that it is concerned only with the question of how one would earn and spend his wealth, not how it would be increased by a certain percentage in a given quarter. That's due to certain fundamental ideals, beliefs, and values which give birth to relevant institutional formations and structures in a society (Hollingsworth, 2000) as well.

Islam considers Allah (swt), the Creator of the universe, as Provider of sustenance to all of His creations including mankind; He is the sole Sovereign Being. *Tawḥīd*, therefore, is the most fundamental belief and the foundation of whatever a Muslim does in this world. On the other hand in capitalism, the system dominating the world at present, this sovereignty comes in direct contradiction with that of sovereignty of capital in the capitalist order, as we will observe in the next section.

[1] Various commentary of the Holy Qur'ān such as Tafseer-e-Usmani, Tafseer Ibn-e-Kaseer, Maruf-ul- Qur'ān, doesn't mention 'Mutual Rivalry' in their translation and interpretation of the first verse instead they referrers only to condemnation of unprecedented wealth accumulation and spending it not in ways as required by Islamic Law, which still go against the ideals of free market capitalism.

3. The Capital in Capitalist Discourse

Capitalism in all its totality is a historically determined and culturally specific phenomenon, i.e. all of its ingredients evolved under specific circumstances in Europe during 16th and 17th century, details of which will be discussed below. How this historical phenomenon gave birth to financial capital will also be discussed. Therefore, to differentiate it sufficiently from the traditional form of wealth, its ideological, institutional, political and global particularity would be elaborated. This would enable the readers to understand the machine of which financial capital is a part of and drives its meaning and value from.

3.1 Ideological Context

In capitalist discourse all factors of production such as capital, labor (human capital), raw material (capital goods), or money (capital), share value (financial capital) etc are considered as different variants of capital, which are used in the process of capital accumulation. If we make the mistake of applying this definition to a pre-capitalistic traditional context, we would then have to agree with Cizakca (2011) who insists that every trade oriented society in history, even the Islamic society, had a capitalistic outlook. He suggests that the wealth which was used previously as a factor of production was in fact capital. However, the ideological revolution in Europe followed by industrial and financial revolutions, which gave birth to modern day capitalism (Polanyi, 1957), would hold a deeper meaning for the respective term.

Capital, in view of Heilbroner (1992), is something which is used to amass more capital with no limiting boundaries, the drive he says while quoting Adam Smith is inherent in human nature or in our "infantile fantasies of omnipotence" (p. 31). This has taken the form of continuous expansion of capital in the modern world (*ibid*). Reisman (1990: 43) has endorsed this view as completely rational, justifiable and an embodiment of human nature. This reflects the ontological status of both human beings in the modern world after 18th century (Heilbroner, 1992) and capital as a medium to achieve this higher purpose of one's life; so much so that "the drive of capital is directed at the foundation of society, not at its apex" (ibid, p. 36); a society where "the ethos of 'every man to himself' reflects the market mentality" and the mindset of the modern society (ibid. p. 89). Deleuze & Guattari (1983) have vividly explained the nature of capitalism's machine and functionality of capital within it as a key instrument, which in their view is justifiably schizophrenic; "money begets money, or value a surplus value." … Capitalism for its part has no exterior limit, but only an interior limit that is capital itself and that it does not encounter, but reproduces by always displacing it." (Pp. 230 – 31)

This implies that, capital in general, either industrial or financial, is solely dedicated for continuous expansion of itself; the capital ceases to be capital without the context of continuous accumulation. It is this fundamental feature of financial capital which allows it to dominate the other forms of real capital as the possibility of accumulation is significantly greater in financial capital as compared to subservient forms.

This is also the ultimate aim of the production process in the capitalist system as explained by Marx. He articulated that M-C-M' is the new form of exchange process which has replaced the traditional C-M-C'; where 'M' stands for Money and 'C' for Commodity, and M' > M and C' > C [ever increasing money]. It implies that in capitalist system, money is the beginning and the end. Making more money (M') is the ultimate objective of the capitalist process of production as every other means of production such as labor, land, raw material, machinery etc. are all exploited to serve the never ending process of transforming money into more money (Marx, 1887). This transformation resulted in disintegration of traditional life both in Europe and the colonial world 18th century onwards (Polanyi, 1957).

3.2 Historical Context

The idea of wealth accumulation has historical roots in the Protestant reformation in Europe. Ferguson (2012: 259, 260) has observed that along with promoting literacy, Protestant interpretation assumed worldly success as a consequence of one's religiosity. Therefore "Protestants lived to work" and Protestant businessmen existed for their business. As a consequence "there had been a shift of economic power away from catholic countries like Austria, France, Italy, Portugal and Spain towards Protestant countries such as England, Holland, Prussia, Saxony, and Scotland." Ferguson asks "what was different about Protestantism … that encouraged people not just to work hard but also to accumulate capital?". It was rivalry between European nations driven by spirit of nationalism which motivated each of them, led by Spanish colonial ambitions, to accumulate more and more wealth to get ahead of other nations, answers Landes (1998). Protestant reformation on the other hand, Landes adds, created a "new kind of a man – rational, ordered, diligent, productive" who was "disproportionately active and influential in the factories and forges of the nascent industrial revolution" in England by the end of sixteenth century.

Such ideological foundations of contemporary economic order which dominates the world today are “openly and specifically English” (Spengler, 1962: 398). In Spengler’s view it was Hume and Adam Smith who created this “economic picture”. Credit money, he explains, provided a foundation, a context, to define terms like “capital, value, price, property” and was exported without change to other parts of the world, most likely during the process of colonization.

This ideological transformation may have also made it conducive for Jewish community, who earlier lived in exile and refuge, to advance their financial innovations which probably contributed directly to the industrial revolution and the birth of modern capitalistic institutions. Sombart (1911) explains that this is why “Jewish wealth was so influential. It enabled capitalistic undertakings to be started, or at least facilitated the process. To establish banks, warehouses, stock and share-broking — all this was easier for the Jew than for the others because his pockets were better lined. That, too, was why he became banker to crowned heads. And finally, because he had money he was able to lend it. This activity paved the way for capitalism to a greater degree than anything else did. For modern capitalism is the child of money-lending.” (p. 132)

The above can be seen in the light of heightened economic activity in England (and other places by virtue of rival nationalism and Protestant reformation) subsequently creating shortage of money supply as the metallic currency in circulation wasn’t in enough quantity to satisfy the increased demand. Wennerlind (2011) has documented the connection between this shortage with the financial revolution and creation of Bank of England which pioneered widespread usage of institutionally backed credit while mortgaging any property. This new form of credit also became a medium of exchange that replaced metallic currencies in England, as it was easier to produce & transfer from one individual to another.

This later gave way to state-regulated-fractional-reserve-banking i.e. allowing banks to create credit money as the dominant form of money supply (Javaid, 2015a), which eventually became financial capital. To accumulate more and more of it was the ultimate aim of the modern capitalist subject, and it nevertheless freed them from the limitation posed by metallic money in terms of its production, availability, transference in ever increasing quantities and distances. This job is now done by digital currency as the possibility of transferring it to anywhere on the planet in whatever quantity is limitless. The speed of transfer & multiplication facilitates the unprecedented and ever increasing accumulation of capital.

It encouraged the evolution of its form from metal (gold and silver) to numbers printed on paper (bank notes), and now into digital form with the advent of technology, all over the period of three centuries.

3.3 Institutional Context

In general, financial capital, unlike capital in physical form, requires an institutional framework to create, share, store, and multiply itself, like the Bank of England created in 1694. The status of these institutions also provides a guarantee for the value they assign to a paper with their stamp (Wennerlind, 2011). Banks, Insurance firms, Stock Markets, Central Banks, Mutual funds etc. are just a few examples outside which financial capital cannot survive. Therefore financial capital also requires a facilitative political order for the formation and sustenance of such financial institutions, details of which will be discussed separately.

The money created in the form of credit that circulates as M1 and M2 in a particular economy, has perhaps become a crucial form of financial capital in the system, directly facilitating the running of every accumulating capitalist machine (Spengler, 1962). Spengler referred it as 'Faustian' money which in his view has been "mentally devised as an instrument by Faustian life [prioritizing short term gain over long term consequences] … money generates money – that is the secret of the world-economy" (ibid, p. 408).

Therefore, it is said that banking framework is also designed to facilitate the continuous expansion and accumulation of capital stored in it through unique money multiplier effect and fractional reserve system (Ferguson, 2008; Deleuze & Guattari, 1983; Javaid, 2015a), in the most deregulated environment (Heilbroner, 1992). It contributes to devaluation of money in almost every national economy in the long run (Ferguson, 2008). Holistically speaking, all of the above is occurring in an atmosphere which in view of Ferguson (2008) can be explained in an evolutionary context. He explains:

> "Financial organisms are in competition with one another for finite resources. At certain times and in certain places, certain species may become dominant … Broadly speaking, the law of the survival of the fittest applies. Institution with a 'selfish gene' that is good at self-replication and self-perpetuation will tend to proliferate and endure." (P. 350-51)

The problem, however, is in the process of selfish & continuous accumulation; let it be money supply or any other forms of financial capital. Consequently the system topples, the bubble bursts, and economic recession follows, businesses shut down, millions gets unemployed, stagflation may also follow, hyperinflation in worst cases; implying that the very essence which defines capital as capital, tends to make the system painfully unstable for the masses (Heilbroner, 1992; Rowbothom, 1998). This phenomenon of boom and bust happens irrespective of the will of the state, leaving a few winners and many losers. On the contrary a capitalist state's primary concern remains "to assist and support the accumulation of capital" (ibid, p. 56) in such a way that every individual is able to accumulate as much capital as possible in a free competitive environment.

The market in such a society dominates the politics (Polanyi, 1957). The role of government is just to facilitate and ensure freedom of individuals and institutions to accumulate capital to the extent possible. Heilbroner notes, "Capitalism itself thus appears to be a social order that is both the embodiment and the expression of freedom itself." (p.68) It implies that unprecedented capital accumulation not just requires certain forms of market institutions like banks or capital markets, but also a unique kind of political order tailored for the very same objective. Without such a political order, the possibilities of continuous accumulation would remain restrained.

3.4 The Political Context

A democratic state is subservient to market, and market is subservient to the flow of 'capital in general' which occurs through the financial institutions. The flow of the capital has become transnational in the wake of globalization making the democratic states subservient to the global capital flows. The problem therefore is that the capitalist political order facilitates everything which the market demands irrespective of how contradicting it might be with family values, traditions, customs, and even religious ideals; this critique predates Marxism at least by a century in view of Hirschman (1982).

A deregulated market follows Darwinian notion of 'survival of the fittest' implying that in a process of competition between the elite, the middle class and the poor, elite will eventually win. Marcuse (1964) explains that "investment of private capital for the private extraction and appropriation of surplus value, and capital is a social instrument for the domination of man by man." Reich (2013) has shown how the American elite have been able to dominate the politics of America through lobbying and financing of presidential candidates and politicians to win their support. The politics thus becomes a tool to advance the interest of the plutocrats, making public policies conducive for the amassment of capital for those who already have most of it. The driving force of capital makes the government to become subservient even to military industrial complex.

Mehta (2012) adds that "… the American economy cannot survive without permitting unfettered sales of arms and dual-use items, even to its enemies. The military industrial complex is structurally essential for balancing the trade of world's biggest economy." He further asserts that the war and conflict are unavoidable when the top elite use their "wealth and weaponry to fight over access to primary recourses." This implies that for the sake of free capital flow and its accumulation the use of force, which has also been turned into a sellable commodity by industrial military complex, is a considerable option. Marcuse (1964) asserts in this context that reliance on corporatized military is essential for the "self-preservation and growth" of the capitalist system. This indicates the dictatorial nature of the rule of capital where everyone serves as instruments within a "vicious circle which encloses both the master and the servant" endogenously. The terms "dictatorial" & "dictatrue" have been specifically used by Spengler (1962) in the said context, who further explains that "both [master and the servant] become slaves, and not masters, of the machine, which now for the first time develops its devilish and occult power".

This dictatorial influence of capital spresds globally while having its impact also on Muslim communities and Muslim world. In such a scenario, Islamic financial institutions (IFIs), facilitating the global flow of financial capital across the Muslim world particularly, may find it difficult to resist becoming an instrument of such a political order, subsequently becoming a medium of disintegration of traditional Muslim communities; as otherwise it would be difficult for the IFIs to grow and compete.

3.5 The Context of Globalization

The Darwinian notion of 'survival of the fittest' also applies in the global context, hence providing a rationale for developed nations to dominate the underdeveloped ones. Deleuze & Guattari (1983: 231) explain that "the process of deterritorialization here goes from the center to the periphery, that is, from the developed countries to the underdeveloped countries, which do not constitute a separate world, but rather an essential component of the world-wide capitalist machine." Therefore sovereignty of national states has now been diluted by the dictatorial nature of global circuit of capital, Heilbroner (1992: 114) notes that "internationalizing tendency of capital … continues to outpace the defensive powers of individual governments." Market now functions under the influence of transnational financial institutions and multinational corporations, and WB, IMF, EU who directly influence where the capital will go and from where it will depart, the state has little authority on this matter (Hobsbawm, 1996).

The more an economy is penetrated by global circuit of capital, the more it is damaged by global financial crises irrespective of the wish of any states which still claim to be democratic in most capitalistic economies. Kroszner, et al. (2007) observe, "…sectors that are highly dependent on external finance tend to experience a substantially greater contraction … during a banking crisis in countries with deeper financial systems than in countries with shallower financial systems". During such crisis, capital flies out of the country generating massive unemployment and high inflation, thus destroying the lives of millions; the Asian crisis of 1990s is a case in point (Sharma 2012; Stiglitz 2011). However, Ferguson (2008) argues that more than IMF, it is people like George Soros (the selfish individuals) who are to be blamed for such a crisis[2].

Even during ordinary times, the governments in such an atmosphere, for example, cannot enforce minimum wages or increase taxes to facilitate social development due to global pressures, as capital will move out if the labor cost or tax rates are lower somewhere else. Gray (1998) deserves to be quoted in some length here:

> "Global capital markets do more than this. They make social democracy unviable. By social democracy I mean the combination of deficit-financed full employment, a comprehensive welfare state and egalitarian tax policies ...." (p. 79, 88) .. "It is only within a closed system of distribution that we can know if the principles of justice are satisfied. In open economies they will be rendered unworkable by the freedom of capital - including 'human capital' — to migrate. The logic of unfettered mobility of capital is that financing public goods becomes harder for all states … Global mobility of capital and production in a world of open economies have made the central policies of European social democracy unworkable. By so doing they have made today's mass unemployment a problem without a simple solution." (p. 89)

The point isn't to argue in defense of social democratic political setup or at worse to present a case for Marxism. Instead the point is, irrespective of the nature of political system the local governments of underdeveloped or developing countries are increasingly unable to impart policies to ensure socioeconomic justice, even the capitalist justice, within their jurisdiction in the said context. The contradiction is evident. This

[2] Soros is the *"Man Who Broke the Bank of England*" because of his short sale ofUS$10 billion worth of pounds, making him a profit of $1 billion during the 1992 Black Wednesday UK currency crisis. But, the point to ponder is that it is the system that enables persons like Soros to generate crises for their selfish gains.

eventually leads to flight of capital not towards the underdeveloped world (or Muslim world at large for that matter), rather quite the opposite as the major chunk of the turnover is taken away by people like Soros or other's sitting in Wall Street (Stiglitz, 2011). In this context Deleuze & Guattari (1983) argue that "it is no longer the developed countries that supply the underdeveloped countries with capital, but quite the opposite" (p. 231).

Capital, the circuit of capital, the entire economic, political and global institutional framework where this circuit exists, and its impact on the lives of the common man and environment, are all inter-connected. When Islamic financial institutes (IFIs) become a part of this circuit, they are also expected to go with the flow; the stream will not change its direction irrespective of where the swimmer would want to go. This inference poses a serious question to the practicality of ideals of Islamic economics & finance within the dominant context of free-market global capitalism where dominion of capital determines the direction of even the national political agenda. The main point of concern is that IFIs perhaps would provide a religious justification of what the system at large expects it to do. The overall role of IFIs in facilitating the flow of capital in & out of the states, and in increasing the possibilities of growth of capital locally irrespective of sociocultural and economic consequences on Muslim communities, deserves to be critically re-evaluated.

4. The difference between Traditional Wealth & Modern Capital

In this paper we attempt to establish that wealth remains wealth, or at least exists irrespective of its institutional recognition whereas capital cannot be capital or exist in absence of its institutional recognition. Therefore it is theoretically not possible to define capital in abstraction of its ideological & institutional particularity. The difference between wealth and capital can be summarized as follows:

Traditional Concept of Wealth	**Modern Financial Capital**
1) Wealth is originally physical, though certain financial instruments may represent it, however its value would be intrinsic to the physical wealth it represents.	Capital is purely quantitative, conceptual and numerical. Its value is entirely exogenous.
2) Wealth accumulation is logically finite because of spacio-temporal particularity i.e. it occupies space and can get destroyed over the period of time naturally or by accident. This physical particularity of traditional notion of	Capital is purely quantitative; something is purely numerical; its accumulation logically leads to infinity. Thus the logical impossibility of the completion of the process of accumulation of capital presumes a logical necessity of pursuit

wealth provides a logical limit on the pursuit of finite accumulation of finite wealth by finite being i.e. man.	of infinite capital by a finite being i.e. man.
3) Wealth cannot multiply itself without any physical activity, either organic or inorganic. The increase in wealth without any physical activity might be qualitative. The quantitative increase of wealth because of its physical nature is not only dependent on its corresponding physical activity, but it will also be dependent on its specific temporary nature.	Capital being numerical can multiply itself even without any physical activity. The fundamental question is where does this increasingly rising amount of capital exist? The answer, capital doesn't need space, it's pure quantity, initially it was in the mind, then it shifted to manually organized registers and now it has taken a digital form on computers.
4) Wealth is physical; therefore its transaction is problematic in the sense that it limits the freedom of an individual. It is because of spacio-temporal specification that the movement of wealth from one space to another is difficult and in some cases it is impossible because of its space specificity. Therefore wealth sometimes and in most cases all the times limits ones freedom and it is important for the owner of the wealth to take proper case of his wealth otherwise it will be depreciated. Secondly because of its physical and spatial specificities, wealth limits mobility of the owner of wealth.	Capital is conceptual, numerical and digital; therefore its transaction is swift, fast and fluent. The movement of capital is actually one of the most remarkable mechanization of transferring value without depending on any specific spatial particularity. It provides a unique value-transference capacity without depending and carrying physical wealth. Its digitally constructed form of value transference provides tremendous freedom for the owner rather manager of capital, because the ownership of capital is not possible, it's rather the capital who owns its managers (Marcuse, 1964).
5) Wealth is not dependent on institutional recognition for its existence. It is also important to note because of its ontological independence from human mind for its existence as it exist in its own right. It exists independent of any formal, legal or institutional recognition.	Capital is dependent on institutional recognition for its existence; its creation is not possible without its intuitional and legal protection. There will be no capital without political order of capitalism, and a society where people believe in such a political order.
6) Wealth is always a means-to-an-end. It means that wealth has no meaning without its consumption. This instrumental nature of wealth reveals that wealth has no meanings other than the end for which it is going to be instumentalized. Thus the wealth can be owned by a finite being because wealth is also finite.	Capital is an end-in-itself. Its very nature is dependent on its circuit-specific-flow for the sake of accumulation. It is like a ghost that compels you to prioritize your value structure in compatibility with the rationale of capital. Since the finite cannot own infinite, it is not the capitalist subject (managers, share holders, etc.) who owns capital; it is the capital who owns the subject.

7) Islamic jurisprudence related to trade and finance deals with the issues pertaining to exchange of wealth and treats money as a medium of exchange or store of value (C-M-C'). The idea of growth of money stock as an end of the production process has been alien to the traditional society where Islam was practiced, therefore any mechanisms or knowledge necessary to achieve this capitalist ideal has been irrelevant; hence non-existent in Islamic discourse or jurisprudence.	On the other hand the knowledge of modern finance, grounded in many centuries of experience of modern financial institutions, provides the method & rationale for instrumentalizing everything (land, labor, raw material, human sentiments, religious & cultural values, etc.) for the sake of accumulation of financial capital (M-C-M') while keeping the faith of people in the continuous accumulation as an ideal.

4.1 Capital vs. Traditional Wealth; the Antagonism and its impact on Traditional Collectivities

The fundamental nature of capital is two dimensional in the sense that on the one hand it is always in process of concentration and at the same time is always in a flow. Metaphorically this flowing process of concentration can be understood in the framework of first law of thermodynamics, which claims that heat energy always move from lower concentration level to higher concentration level, thus the flow of the capital is naturally in motion from national capital to global capital. Therefore, the growth of global financial capital compels the national capital to flow towards its natural concentrating space, the higher concentrating level i.e. global capital.

Hence, it is natural and inevitable to have an antagonistic relation between a nation state and global financial market. The second law of thermodynamics interestingly provides guiding principle to understand that how nation state may respond to the flow of capital from lower concentration level to higher concentration level. The second law of thermodynamics is that the heat energy can move from lower energy level to higher energy level if some external work acts upon it. Similarly in contemporary global economy, movement of capital can be encroached by various extra market forces to direct the concentrating flow of capital other than its natural flow (i.e. moving from lower concentration level to higher concentration level).

This extra market intervention i.e. political, moral and religious has the potential to encroach the natural concentration of flow of capital in general. Therefore, disintegration of the extra-market forces is one of the fundamental objectives of global capital in general and global market forces in particular (see sub-section 3.5 'Context of Globalization'); the non-capitalistic, under-modern, religious and political collectivities which have the potential to threaten the global concentration of capital in general are required to be disintegrated. Otherwise, as per application of second law of thermodynamics these extra market factors or forces may obstruct the natural flow of capital. Therefore, a strong Islamic state or a traditional tribal society may pose a threat to the growth of global financial market. The illusion of so-called Islamic finance however doesn't pose such a threat. In this context, following suppositions can be firmly identified:

a) Islamic Finance is slowly and gradually converting non-capitalistic wealth into capitalistic one by providing abstract legitimacy to the global and financial capital in the Islamic world;
b) Islamic finance opens up a new realm of concentrating flow of capital i.e. from lower concentration level (Muslim world) to higher concentration level i.e. international financial market, providing a religious rationale for servitude of Muslim world to the forces of globalization; and
c) The most importantly, it provides a theoretical ground to disintegrate traditional forms of collectivities which survive around the conventional source of physical wealth i.e. tribal, religious collectivities, joint & extended family system etc; it also disintegrates national, ethnocentric and regional collectivities which depend on traditional form of wealth (Polanyi, 1957), all in the name of Islam.

It is important to note that traditional form of wealth is the breeding ground for all forms of traditional collectivities which have the potential to threaten the instruments of global capital. The rise of Islamic finance as in vogue has the potential to wipe out the breeding ground of traditional communities that exists at the sources of traditional forms of wealth. Taking the entire extended family or tribe along isn't feasible rather a hindrance in relocating oneself with the relocation of the opportunities of capital accumulation from one geographical location to another. This may have significant implications in the long run for remnants of sociocultural fabric of the traditional Islamic society in the post colonial world.

5. Conclusion

We have attempted to differentiate traditional concept of wealth from the modern concept of financial capital. Wealth in its traditional form has a physical & perishable nature (life stock, fertile land etc) and intrinsic value independent of any economic or political institution. Traditional form of wealth also provides a central point to organize traditional collectivities; it is not as good as the modern financial capital in fulfilling the objectives of a capitalistic order where a human subjects desire omnipotence. Such subjects want to be free from all forms of traditional, cultural or religious limitations to maximize their power and potential in a worldly sense.

Pursuit of such ideals by a modern subject has produced a kind of a socio-cultural, economic and political order where such ideals could be materialized. Therefore, concept of capital came into being and evolved to have all the characteristics necessary to fulfill the desires of a modern subject. Capital with its schizophrenic and dictatorial nature has the propensity to flow where the possibilities of its multiplication are greater than before, irrespective of its consequences of non-capitalistic and non-market collectivities and life forms.

However the model of Islamic banking and finance intends to makes things right in a very narrow contractual context, while remaining completely oblivious of the bigger picture within which those contracts are to be practiced and the objectives they would serve. Capital-in-general is a sovereign entity in the modern capitalist world; the question therefore is: has the applied theory of Islamic finance the capacity to challenge this sovereignty without threatening its own survival? Or, would it ever evolve to have that capacity to challenge while operating under the premise of capitalism or flowing with the flow of modern financial capital?

Both Islamic and capitalist thought have their own ideological, historical, institutional and political particularities; which determine the definition, how to manage and make use of wealth / capital in their own contexts. The difference between the two knowledge systems reveals that neither of the two can replace their counterpart within their respective contexts. The academics, scholars and practitioners of Islamic banking and finance, therefore, need to realize this incompatibility. They also need to realize the implications such incoherence would have on the expectations which justifiably may emerge when they use the term 'Islamic' with any financial innovations.

Therefore, either the expectations need to be revised or the use of label of 'Islamic' should be replaced with terms like '*ḥalāl*' (allowed from an Islamic perspective) at least; just like a carbonated drink maybe a legitimate alternative to an alcoholic drink (assuming no other prohibited ingredient is present as well), but still cannot replace water for continuous use. Ideally, alternative system or institutions compatible with the context of Islamic history and thought need to be revived to avoid any unnecessary disappointments. Discussion on such alternatives requires a separate research paper, for some details see Javaid (2015b) and Zaman (2015).

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