The Question of Compatibility between the Amoral Character of Modern-institutions and the Moral Nature of Islamization-movement
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Abstract

**Purpose:** The paper explores the nature of modern institutions to see if Islamization movement sufficiently attempts to remove the obstacles which the structural design of modern institutions brings in the path to achieve the moral goals of Islamization movement.

**Methodology:** The paper being theoretical in nature uses a conceptual and critical interpretative approach based on the analysis of extant literature from institutional history, philosophy, institutionalism, and more. Hollingsworth’s framework of institutional analysis is used to integrate the literature and guide the theoretical analysis.

**Findings:** The paper argues that an institutional design that constrains moral agency of individuals is incompatible with the goals of the Islamization movement. This is so because the goals are primarily moral in nature, therefore they necessitate exercising of moral-agency in full capacity. This is unlikely within the constraining nature of modern-institutional design.

**Originality/Value:** There is negligible literature that attempts to evaluate the structural nature of modern-institutions from the perspective of their capacity to facilitate the Islamization-movement. The concerned Muslim intelligentsia is therefore invited to further explore how the modern-institutional-structure may be obstructing their goals to achieve socioeconomic justice in society.

**Keywords:** Institution structures, institutionalism, moral-agency, genealogy of institutions, Islamization, shariah compliance, institutional change

**JEL Classifications:** B15, D02, D25, F55, N20, P32  
**KAUJIE Classifications:** F21, F22, F5, G23, G51

1- Introduction

The Islamization-movement began in the post-colonial world to revive the lost legacy of Islam (Siddiqi, 2011) and to offer a just and equitable alternative to capitalism due its exploitative and unjust nature (Zaman, 2017). It gained momentum, particularly during the 1960s and 70s, and till today it seems to have covered most ground in the domain of banking and finance, turning its Islamic (sic) alternative into a multi-trillion-dollar industry in a span of a few decades (Eshimov, 2023). Education seems to be another domain, as various institutes from primary, secondary and tertiary levels, in different parts of the Muslim world, attempts to train human resource for Islamized segments of the economy, like banking and finance, since a few decades now (Chande, 2023). So far, the attempts to Islamize has followed a two-tier approach which includes (a) shariah compliance of objectional processes within modern-institutions and subsequently developing regulating bodies like AAIOFI (Haneef and Furqani, 2013; Suharto, 2023), and (b) the training the human resource for the institutions being Islamized (Chande, 2023).

The literature has been extensively highlighting that Islamization-movement is falling short of achieving its aims (Chande, 2023; Islahi, 2015; Rethel, 2011; Siddiqi, 2011), however, the existing
analysis generally seems to miss the influence of the structural dimension of modern-institutions which transcends beyond the scope of the two-tier approach towards Islamization. Some of the literature broadly identifies this problem (Ahmed, 2012; Javaid et al., 2020; Javaid and Suri, 2016; Rafikov and Akhmetova, 2020; Sencal and Asutay, 2019; Zaman, 2015) however a higher resolution description may be needed about how the modern design of institutional-structure can obstruct the aims of Islamization. The paper therefore intends to explain the particularities of structural design of modern-institutions, like banks, corporations, and the education system, and how it creates an obstruction in the aims of Islamization.

The structure of modern-institutions is designed to suppress each individual’s agency to achieve specific outcomes irrespective of the moral or ideological stance of employees (Adewale, 2017). So, changing the moral intentions of the individuals within modern institutions and equipping them with necessary knowledge, doesn’t undo the structural influence of the modern institutions which is designed for so called rational\(^1\) goals like capital accumulation even often at the cost of distributive injustice. The origins of this design can be traced back to the European history during the 15th and 16th centuries, where institutions were tailored to serve the interests of capitalist elites while exploiting the working class (Hickel, 2020). These European-style institutions were imposed on the Muslim world during colonial rule again for the sake of exploiting the local workforce for the aims of the colonizer. The paper will therefore explain how the structural design of modern institutions constrains the moral-agency of the human workforce, so that Islamization-movement can rework its strategy accordingly.

This oversight, in the author’s view, may be rooted in pre-colonial Islamic history, where institutions did not exhibit the same impersonal and rational characteristics as European institutions. However, the literature on political economy and philosophy, anthropology, more specifically institutionalism – whose roots go back as early as Max Weber – do highlight the significance of institutional-structures in contrast to human-agency, which needs to be brought into the attention of the scholars working towards Islamization.

After describing the research methodology, the subsequent sections of this paper will delve into the unique traits of institutional structures, their historical evolution, and their alignment with cultural goals. Furthermore, it will explore the role of human-agency within these structures and propose potential strategies for Muslim intelligentsia to advance the objectives of the Islamization-movement.

1 **Research method**

This paper uses a reflective analysis of interdisciplinary literature (Brydges and Butler, 2012). The type of literature review is referred to as ‘Critical Interpretive Synthesis’ or CIS (Depraetere et al., 2020) which is “iterative, reflexive, and exploratory” (Xiao and Watson, 2017). From its definition it implies that CIS is an ongoing process, therefore, the arguments in this article may further evolve in future exploration of the subject.

Hollingsworth’s (2000) framework of institutional analysis was used as a theoretical lens to filter and organize the reviewed literature. This framework suggests identifying the genealogical foundation of a particular institutional design by looking at the ideological, cultural and historical conditions which guided the inception and evolution of a particular institution. The values, beliefs,
ideals and norms of a culture (meta-norms) set the requirements for particular institutions to emerge, and the goals they are designed to achieve. The same meta-norms also provide feedback which enables the evolutionary direction of any institutional design.

The power structures also profoundly influence the direction of institutions if they also serve certain political ends (Peters, 2019). This makes it pertinent to look at the historical and ideological conditions behind the rise of institutions in any society, let alone Europe. Doing so is also necessary because institutions which emerge in a particular society with their unique ideological underpinnings, once imposed in another society with a different set of beliefs and values, can very likely lead to unfavourable results (Greif, 1994).

2 The structure of modern-institutions
The term ‘structure’ sums up the ‘logic’ on which an institution is built and the design of the ‘system’ on which the institution operates. The ‘logic’ here refers to the bureaucratic principles, referred to as ‘formal rationality’ by Max Weber (Weber and Tribe, 2019), that advocates for using a rational approach that breaks down organizational processes into small components. The performance of the employee responsible for each component is generally measured quantitatively and is used to penalize or reward the employee as per a performance criterion. Each component creates an output that is used by other components within a process. The entire institutional-structure can comprise of several interlinking processes, that cumulate the outcome of each component to generate an institutional output (Burton et al., 2011). Each individual operates like a replaceable machine component in processes that are compartmentalized for control and efficiency (Taylor, 2018).

The term ‘system’ on the other hand refers to the organizational design comprising of processes, rules, and policies which are unique to a particular type of institution. The structure of each modern-institution is comparable as they are built on the same ‘logic’ but differ in internal systems. For example, the structure of a bank would be similar yet different from a corporation, as it is built on the same logic but uses a different internal system and external regulatory apparatus to operate.

2.1 The origins of modern institutional-structure
Fukuyama states that the first instance of bureaucratic structures emerged in ancient China to rationally distribute the resources to a unified army that would defend a federation of several tribes. Likewise, in European history, rational institutions emerged exactly for the same purpose: to essentially bypass the subjective bias of human-agency which can also manifest as nepotism or cronyism (Fukuyama, 2011). It was (and is) believed that the rational goals of the state – comprising of any tribes or ethnicities – cannot be achieved if members of a particular tribe would channel the state’s resources toward the benefit of their tribes while ignoring others. This creates internal conflict within a state, argues Fukuyama (2011), as the bias to favor one’s tribe exists naturally in human beings; however, it comes in direct conflict with the state’s goals.

In European history, the trust in human-agency disappeared in the middle ages as during the time of Thomas Hobbs, a common man in Europe was seen as a selfish brute, who could not be trusted and would fight with others for his selfish ends (Pinker, 2012). The idea of a selfish individual was repeatably enforced by other European thinkers as well (Hofstadter, 2017). So, institutions emerged which would externally regulate employees while linking their material-self-interest with institutional goals. For this purpose, modern psychology has been producing techniques to
manipulate employees through various reward and punishment methods, though with a very reductionist view (materialistic) of human nature (Curtis, 2007).

2.2 The metaphysical goals, the structure, and the interdependence of modern institutions
It is common knowledge that from being a highly religious society, Europe gradually replaced religion with several man-made ideologies (Reisman, 1998). The scientific method became the ultimate source of knowledge, while moral and legal problems were solved by philosophical debates or the majority’s will. In short, all perennial questions about the ultimate purpose, meaning of life, and morality were answered by deliberately opposing the position of religion at least on a formal or institutional level (Fukuyama, 2011).

In this same ideologically transformative era, European society also saw the rise of an alternative set of state and market institutions to achieve the goals set by modern ideologies, specifically capitalism (Ferguson, 2012). Polanyi (2001) argues that the early stages of ‘the great transformation’ were imposed from the very top as the masses were forced to leave their traditional ways and were manipulated into becoming a part of the industrial-capitalist machinery. Violence was also extensively used for that purpose as well (Hickel, 2020).

The education system was thus created to transform the traditional people into modern humans to play become a resource for state and market institutions, more so in the colonies due to the greater antagonism between the commoners and the colonial forces. The human subjects would be manipulated for the ends (which were declared as rational) sought by their employer institutions, also to take pride in the role they perform, even if they do not comprehend the bigger picture (Dari-Mattiacci and Fabbri, 2023; Greenwood et al., 2017).

Today, there are multiple layers in this bigger picture (Javaid, 2021). Each employee’s output contributes to the institutional output as per the system and logic of a specific institutions. For example, an accountant working in a bank, a school, or a non-profit organization would generate a similar outcome, but to be utilized by each institution in unique ways. The institutional outcome, therefore, is a total of the outcome generated by each employee. Institutions are also part of specific sectors, like banking and education. The outcome of a sector thus would be the total of outcome of each institution.

Further, specific sectors merge to form a market or a state, the outcome of which is again the total of specific sectors and institutions they comprise (Hollingsworth, 2000). This giant web of institutions does not just exist locally today, but globally, to create and operate a world as per the principles of capitalism, liberalism, and secularism (Ferguson, 2012). This makes it necessary for distinct institutions to operate in synchronization with each other, which thus necessitates the usage of the same logic throughout the global economy. Figure 1 schematically shows the interconnectedness of the web of institutions inside a modern local economy.
The global network of institutions requires each institution in the network to operate in unison as per the logic of rational control and compartmentalization so that they can work together to create an aggregate outcome. There are regulatory bodies that enforce standards for banking or education for example on a global scale, again reinforcing the processes built on the same logic (Swaminathan and Wade, 2016). International bodies like the IMF, World Bank, and United Nations also require institutions like banking and education within a particular economy to have specific systems recognizable to the experts working for these bodies. The internal system of distinct institutions though differs but follows the same bureaucratic logic.

2.3 The case of banking and education, two examples
Here, examples of the banking and education system are described to identify what is referred to as their internal system.

1. Banking system: During the rapid shift of Europe to industrial capitalism in the 1600s, the banking system was created to expand the money supply to cover the shortage of gold and silver coins (Wennerlind, 2011). For this purpose, the Bank of England was established using a fractional reserve system to expand the money supply by many times the physical cash issued by the state authorities. Today the same system is used in every country as it allows the expansion of the money supply independent of state influence (McLeay et al., 2014).
This creates a dire need to protect the deposits to prevent a ‘bank run’ where the masses – upon realizing that the bank does not have sufficient means to honor all cash withdrawal requests – can storm a bank to get their deposits out (Javaid, 2019). So, to ensure recovery of the loaned amount, the banks today offer financing to only those who can provide an equivalent value of the collateral. This minimizes the bank’s risk but excludes the poor in the process because of their inability to offer collateral. The banking system, therefore, restricts the circulation of wealth to the wealthiest not because of any personal preference of the bank’s CEOs, but because of a peculiar risk profile of the structure of the banking system (Javaid, 2015a).

So, to expect the banking system to become a facilitator in the process of distribution of wealth in the overall society – as it is envisioned by some Islamic banks or scholars of Islamic finance – is to expect the bank’s structure to do the opposite of what it is capable of. Metaphorically, it is like expecting a locomotive to perform the function of a boat.

2. The modern education system: The system of education was originally created to psychologically disconnect individuals from their kinship networks and prioritize their commitment to the institutions they will work for. The education system also aims at imparting the skill of reading and writing, to turn students into obedient servants in an institution built on bureaucratic logic (Javaid et al., 2021). The expected outcome is rational individuals, concerned about their self-interest, and unconcerned about the big picture while working in a corporate or state bureaucracy, obediently focusing on the tasks or processes assigned to them by an authority (Mitra, 2015). In order words, graduates are to be concerned about the procedural dimension, while unconcerned about the substantive nature of their work (Spector, 2018).

The education system, therefore, employs a process that conditions students to compete with each other for grades (Kohn, 2006); the teachers lecture students for an hour or less even if they are not interested, while students are expected to shift their focus to another subject as soon as the bell rings, several times in a day (Gatto, 2010); the knowledge is compartmentalized into disciplines to the extent that the big picture is obscured in the process (Gatto, 2010); the teachers are often told by some authority what exactly needs to be taught in the class irrespective of what teacher’s or student’s curiosity may aspire at any given moment (Grusky, 2019); the students are required to remain obedient to the demands of the teacher throughout their educational experience even if these demands make no sense to the students (Javaid et al., 2021). Such a system has been considered inapt by experts (Orr, 2004; Robinson, 2012; Semler, 2007) for developing students who are, for example, visionary, self-aware, self-learners, collaborative, self-driven, creative, intuitive, and entrepreneurial, simply because the internal processes within this British-made education system are designed to do the very opposite, that is, to turn students into obedient workers of a bureaucracy (Fukuyama, 2011; Mitra, 2015).

A huge body of literature has been discussing how exactly the modern education system is problematic even from the standards of liberal democracy. Many experts have come up with alternative designs which fall into the categories of self-directed learning (Mitra, 2015) or project-based learning (Semler, 2007), or a combination of both. The individual teachers can be the same in the alternative design, but due to the rules and processes deployed, the outcome can differ substantially.

Volumes can be written to elaborate further on the design of the educational or banking systems, or any other modern-institutions like the public limited company or the stock market, but the
purpose here is to only briefly highlight the internal systemic designs and how they can generate specific outcomes regardless of what the human agents in the system desire. The examples also show that specific outcomes of an institution become an input for other institutions in the modern economy. Stock markets and large industries cannot function without the banks in a capitalist economy, while all institutions require trained human resources with a specific mindset produced by the modern educational system.

3 The human-agency and the institutional-structure

Every employee including the senior most in any modern-institution is expected to comply with the institutional rules and policies which are often externally enforced by regulatory bodies (Spector, 2018). The top management of a bank cannot transform it into a not-for-profit organization if they wish to do so or go against the monetary policies of the central bank, like changing the reserve ratio to 100% to prevent the inflationary impact of the fractional reserve system (Javaid, 2023). The Shariah compliance approach used today also lies away from even recommending such changes, even where necessary (Javaid, 2019).

The CEO of a public limited company is answerable to board members, while the board members are answerable to the investors, who are then answerable to the regulatory bodies and system of law enforcement, so on so forth. Educational institutions alike are tied not just vertically but laterally as well with the industry, more so when they are privately managed, as depicted in Figure 1. So, to keep a particular institution relevant within the giant web of institutions the employees cannot risk making changes in the structural components, let alone have the necessary qualifications to do so (Javaid, 2021; Spector, 2018; Spectre, 2019).

Hypothetically speaking, if any employee or group of employees plans to steer the direction of the institution by significantly changing the internal systems, like turning banks operating on fractional reserve into a full reserve, or even just turning the bank into a microfinance bank, are likely to invite serious opposition from a variety of stakeholders². Bureaucratic logic, therefore, is employed to transform individuals working within the system, even the top position in an institution, into the system’s instruments, not the other way around (Kakavelakis and Edwards, 2022). This process of constraining individuals into specific domains begins during the process of education itself, as every person typically opts for a particular specialization, and subsequently acquires a corresponding position in the system (Spector, 2018; Spectre, 2019). Understanding the complexity of the entire organization is often beyond the reach of a particular specialist working in a specific department of an institution (Lanier, 2014).

Educated individuals thus become part of the specific institutions as per their specializations where they are only serve within the compartments defined by the institutional authority after being sterile of any urge to radically change structural components of institutions even when required. The institution also attempts to tie the self-interest of employees with its survival and growth (Greenwood et al., 2017).

3.1 The commodification of the sacred

The capacity to constrain human subjectivity of modern institutions seems like a strength; however, the irrelevance of human subjectivity can turn institutions amoral as the need for moral considerations (not to be confused with legal considerations) emerges during voluntary interaction

² There are initiatives to create full reserve banks, and even alternative monetary systems on community level called local currency, however, they operate fairly in isolation of the mega structure being referred here.
of two or more human subjects (Jupille and Caporaso, 2022; Schwartz and Sharpe, 2010). Modern-institutions rather expect each employee to instrumentalize their rational and moral capacities for institutional goals, and not as per some transcendental moral principle of some ‘substantive’ nature (Weber and Tribe, 2019).

The institutional environment changes (rationalizes) the very definition of morality to suit the survival needs of the institutions, or that of an employee within an institution (Kakavelakis and Edwards, 2022; Spector, 2018). The moral is thus what serves the institutional goals (Dari-Mattiacci and Fabbri, 2023). Employees are conditioned to act likewise by the institutional-structure of modern education, as discussed earlier. Being rather concerned about the substantive nature of their work often makes the employees unfit for the job. Good employees are therefore those who perform the assigned tasks with due diligence, honesty, and commitment, meet their targets with little supervision, and possess the ability to instrumentalize morality and rationality for institutional goals (Adewale, 2017), but do not question the overall aim of the institution they work for (Bakan, 2020).

For example, a salesman employed by a soft drink manufacturer will be deemed unfit for the job, if he asks how healthy is the drink for consumers. He must rather sell the product, as much as possible, irrespective of how it impacts consumers. The measure of his professionalism will typically be his commitment to the job, his honesty, hard work, and the best practices he follows (procedural ethics), without questioning the impact his employing institution makes on the customers or the society as a whole (Bakan, 2020; Kakavelakis and Edwards, 2022). When someone’s salary depends on doing something problematic, Upton Sinclair once said, it becomes hard for them to acknowledge if there is a problem with what they do (Sinclair, 1994).

Noam Chomsky in one of his interviews has asserted that the nicest person can turn into a monster if the institution they are a part of is a monster (Bakan, 2020). Corporations or their management, for example, are legally required to consider the interest of the financial shareholders above every other competing interest (Friedman, 2007), often causing subtle damage to the well-being of their customers, the natural environment, and society as a whole, often manipulating the laws for that end as well (Bakan, 2020). The modern state also declares itself as sovereign, acting as the very arbiter of what is moral within its jurisdiction, also declaring disagreement with it as a criminal offence (Hallaq, 2013). Employees’ personal beliefs, the orientation of their heart, level of piety, or tazkiya (in case the employee is Muslim), can therefore become irrelevant. This can negate the very essence of tazkiya and turn it oxymoronic in the context of modern-institutions, often turning it into a commodity.

Modern markets, in particular, can influence every non-market entity like the family and politics via a phenomenon referred to as McDonaldization (Ritzer, 2016). In McDonaldization, the profane nature of the market institutions – where the sacred is reduced into a commodity

3 A small fraction of exceptional employees who are able to retain their substantive sense of morality, do blow a whistle sometimes to expose the malpractices of a corporate entity, but this hasn’t structurally changed the very nature of how corporations work today. Many academics and intellectuals have raised their concerns about the damaging nature of the prevailing structures within corporations and in the entire economy, however, apparently little has been done to make substantive changes, as the ultimate goal of society remains unchanged. Peter Theil, PayPal founder, Silicon Valley Billionaire, reportedly said recently that the economy is not responding to the climate crisis because it is being presented as a moral problem, the concerned must present it as a profit-making opportunity to the economy to expect some response. See, for example, https://www.ft.com/content/16d3a9c4-aebd-11e9-8030-530adf879c2, accessed on 17th Oct 2022
(rationalized) – can penetrate every corner of society. More and more people, even the religious segments of society, may engage their audience ‘rationally’ (as described in neoclassical economics) where the material outcome of their actions takes precedence, like the size of their institutions, the number of their followers on social media (Javaid and Suri, 2019). Religions survive via a Faustian bargain in a capitalist market society by turning themselves into a commodity for sale (Roose, 2020), often competing with other manmade spiritual ideologies over the claims of inner satisfaction for their adherents (Bowers and Cheer, 2017). The sacred is thus commoditized, a phenomenon identified by Herbert Marcuse as ‘repressive desublimation’ (Marcuse, 1991).

3.2 The question of innovation within the modern-institutional framework

Often there is an intense debate on various methods used within the institutions like education and banking however the inflexibility brought in by institutional hierarchy of global proportions makes it almost impossible to even experiment with an ideologically radical alternative within the confines of an institution unless the entire system on a global scale shift in a certain direction. And when it shifts, the trickle-down effect reaches the very bottom of the hierarchy – like in the case of digitization – even if the transformation is not desirable or culturally incompatible in a specific location. This implies that the system is not rigid but has the capacity to evolve (Swaminathan and Wade, 2016), however, the direction of evolution, is maintained by the ideological roots of the system to perpetually improve its capacity to maximize the accumulation of capital and use every resource available for this purpose (Bakan, 2020). The contemporary technological revolution is seeking this very end as well (Javaid, 2022a).

The human agency can penetrate any institutional structure by accepting its rules and goals, and reach the top hierarchy only if the structure accepts the work performed by the human-agency. The same may apply to innovators, entrepreneurs, and artists if their creation helps advocate the very goals and ideals of the wider system they are a part of. An artist with a liberal approach can challenge capitalist values, or reject modern ideals while advocating for postmodernism however, for that purpose, they may have to align with some other values of a secular worldview like liberalism (Harari, 2017). An artist who advocates for religious values, modesty, and piety, would not find much acceptance.

Likewise, the institution of cooperatives offers a curious case, as cooperatives, or co-ops, were created to oppose the industrial exploitation of labor, so the labor class in Europe organized to form cooperatives whose institutional framework is the exact opposite of that of a public limited corporation. However, cooperatives operate on the model of liberal democracy (Fairbairn, 2004). Lumiar, a school initiated by Ricardo Semler, follows the model of education proposed by Paulo Freire. It rejects the bureaucratic design of education but embraces the liberal democratic philosophy again (Semler, 2007). The Internet also took the world by storm precisely because it accelerated economic activity or the growth of capital by many times (O’Reilly, 2017).

More examples can be cited here to suggest that the world of capitalism, liberalism, and secularism, rapidly accepts an idea that endorses some or all of its – often contradicting – values. Any activity, innovation, idea, or group of people standing on an ideology that challenges the dominant values of our time, or which effectively challenges the hegemony of the capital, is removed from the path, often violently (Sachs, 2010). In the last 300 years of industrialization, there are numerous examples, where traditional cultures and ways were destroyed as they were seen by capitalism as
an obstruction in the path of converting the land and labor into raw materials for the ultimate goal of capital accumulation (Goldsmith et al., 1995; Hickel, 2020; Polanyi, 2001; Sachs, 2010).

Interestingly enough, despite the so-called war on terror in the past few decades, the rise of Islamic finance during the same period was observed. The modern world demonized the political order which claimed to be built around the idea of the sovereignty of God but had no problem with a niche within the financial order being built around Islamic principles of elimination of ribā and other ḥarām elements. Perhaps the former could obstruct the movement of capital, while the latter expanded the reach of the global system of finance. Growth of an innovation within the system is perhaps difficult unless the values driving the innovation align with the very ideas behind the system itself.

4 A possible way forward for the Islamization-movement
The paper has shown that institutions, modern market institutions specifically, are manifestations of a certain set of ideas that emerged during the ideological transformation in Europe in the last 400 years. These set of ideas known as liberalism, modernism, capitalism, and secularism, for example, attempts to describe who we are, and our ultimate purpose, individually and collectively. Muslim intelligentsia committed to the movement of Islamization perhaps need to look if these ideas, manifested as institutional-structures in the modern world, are aligned with Islamic ideals or not. If not, then getting inside the institutional structure to fix it is perhaps oxymoronic, as to get inside and grow, one must endorse some of those ideas, if not explicitly then at least implicitly, like the idea that human agency is not to be trusted by default, as shown in this paper. This, the author asserts, is a key factor responsible for unsatisfactory outcomes of the current efforts done for the Islamization of banking and education system for example.

Alternatively, the scholars and practitioners attempting Islamization, may focus on reviving the institutions which used to exist in Islamic history, where the human agency was actively present, and where his tazkiya was essential for institutional effectiveness. Institutions like Waqf, Bazaar (which already exists), Guilds, and Darul-Amanah, are some examples, details of which has already been discussed in the literature like by Zaman (2015), Javaid (2015b) and others. However, the key point of focus is to understand that the internal structure of these Islamic institutions can also be operated with the presence and absence of the moral-agency of the people working for these institutions. So, the key argument here is that no genuine transformation towards Islamic ideals is possible unless we revive the trust in the moral-agency of each Muslim (Hallaq, 2013).

If Muslim intelligentsia today believe that the general population is not trustworthy enough, therefore, they require external monitoring and regulation, even manipulation, it implies that the level of tazkiya among the general population is already too low. This perhaps is a bigger problem as per taqaddus-ul-shariah than the Islamization of the modern-institutions and should rather be given more urgent attention. If the argument is that tazkiya will be inculcated among the masses through the amoral and rational environment of modern (educational) institutions; such an argument, the author suggests, emerges due to a lack of understanding about the (rationalized) social context which the modern-institutions create, highlighting which is the very purpose of this paper.

The argument here is not to deny that external checks on individual behavior were not absent in Islamic society, however, they were not the primary source to regulate individuals. The state’s influence on socioeconomic, and even legal matters, has also been minimalistic in Islamic history.
Even the institution of Qazi was organized voluntarily for most of Islamic history until Sultan Salim institutionalized the court system in Ottoman Empire in the early 15th century AD (Mikhail, 2021). Upbringing and education in an Islamic society focused on the tazkiya of individuals so that they would not prioritize their self-interest at the expense of others in their collective roles. Tazkiya, therefore, has allowed Muslim societies to operate with minimal external regulation, which would be needed only when injustice would be reported to a qazi. Tazkiya is not possible in depersonalized environments, rather it requires a personalized, non-transactional interaction between a mentee and a mentor. It requires a distinct social environment which was readily present in Islamic history, which needs to be revived again (Hallaq, 2013).

4.1 Policy Implications

Islamic history, it can be claimed, offers the entire range of social, economic, and state institutions, with their unique structural design where the moral-agency of each individual was not typically seen as a problem to manage, to justly address the socioeconomic and political needs of a Muslim society. Much has already been written on these institutions, and can be looked upon as a guide to not just understand what they are, but also to locate their remnants in the contemporary world. A recent paper for example documents how the socioeconomic structure of entrepreneurial communities in Pakistan (Javaid et al., 2020) also resembles the socioeconomic order that existed during pre-colonial times in different regions of the Muslim world (Javaid, 2015b). These communities offer an alternative to not just how to organize the entrepreneurial activity, but how the businesses can be financed informally as well, independent of the modern banking system.

Tablighi Jamaat (Putra, 2013) and Akhuwat (Iqbal et al., 2015) offer two powerful recent examples offering an alternative model of education and finance on a micro scale. These examples also show how human subjects can be trusted to voluntarily organize for a higher purpose in different domains of life. Traditional institutions like jirga and panchayat where social and economic disputes are resolved in rural areas – which rely on the judgment of the elders of a community – can be brought under the supervision of the jirulifta of any local madrassah (Javaid, 2012) so that they may operate in line with the guidance of shariah. Many more similar examples can be given here. In case, if Islamic history does not offer a solution to a more recent problem, a recent paper by Javaid (2022a) offers a framework to solve emerging problems of modern times in line with Islamic values and ideals.

Nevertheless, it would perhaps require showing the world that an alternative way of organizing society is possible that is built on Islam’s unique understanding of human nature, value system, and worldview. An alternative order cannot be built or allowed to emerge from the remnants of the pre-colonial times if much of the focus remains on shariah compliance without disturbing much of the prevailing institutional-structure. A vision of an alternative socioeconomic order which engages the moral agency is perhaps critically necessary as a remedy for the colossal amount of injustice the world is facing today. Future research, it is expected, can explore in detail how each of the genuine Islamic institutions – that are driven by the moral force of practicing Muslims instead of rational rules – can be revived and preserved in the contemporary order.

5 Conclusion

The paper highlights the ability of modern-institutions to suppress or instrumentalize moral agency, implying that any moral intervention within the institutional-structure can survive after being instrumentalized for ends sought by the institutional order. There are multiple layers from intranational to international, where institutions connect laterally and vertically, forming a global
mega-structure. Any change survives within meta-structure when it is endorsed laterally and from the top at least. The mega structure has been evolved around the idea of capital accumulation, however, it has caused a great amount of environmental damage, exploitation, inequality, and injustice, as it is devoid of a moral compass.

Islamization movement aims at offering an alternative which is free of such ills, however, it has taken a route where it seeks to eradicate the haraam elements from the mega-structure with a belief that it will also cure the ills. However, it can be argued that if the Islamic alternatives like banking and finance today have been able to find a space within the mega-structure it is only because the structure has found it advantageous for its ends. It also implies that the growth of Islamic alternatives within the larger institutional order also instrumentalizes the moral force behind the Islamization movement, often to create a cosmetic appeal, but for very material ends sought by the mega-structure. If this is true, then it explains why the contemporary movement of islamization failed to achieve its aims. Suppression or instrumentalization of the moral agency of its agents by modern institutional structure can be the root cause of this failure as explained in the paper.

This opens up opportunities not just for alternative structures, but ideologies as well, as institutional-structures are essentially manifestations of certain ideas held supreme by a society or an elite. Muslim intelligentsia can therefore advocate for a morally empowering, socially integrative, economically just, and environmentally friendly (Javaid, 2022b) ideological framework presented by the Quran and Sunnah, and an institutional order exclusively built on the idea that human subjectivity and agency is not by default problematic, in fact it is the very source of exercising good once it is nurtured through the process of Tazkiya. The problems in the world today that emerged as a result of straightjacketing the moral-agency of the individuals cannot be solved without bringing it back into action. The West does not have the necessary moral framework and method for such a necessary internal transformation. Islam therefore can offer a necessary guide to fill this gap.

6 References


Strategies for Parents, Education System and Entrepreneurs toward Meeting SDGs


