UC Santa Cruz
UC Santa Cruz Electronic Theses and Dissertations

Title
Walking the Sufi Path: Ethical Entanglements in Entrepreneurial Malaysia

Permalink
https://escholarship.org/uc/item/94821253

Author
Kelman, Sarah

Publication Date
2018

Peer reviewed|Thesis/dissertation

eScholarship.org Powered by the California Digital Library
University of California

UNIVERSITY OF CALIFORNIA
SANTA CRUZ

WALKING THE SUFI PATH:
ETHICAL ENTANGLEMENTS IN ENTREPRENEURIAL MALAYSIA

A dissertation submitted in partial satisfaction of the requirements for the degree of

DOCTOR IN PHILOSOPHY

in

ANTHROPOLOGY

by

Sarah Kelman

September 2018

The dissertation of Sarah Kelman is approved:

____
Professor Lisa Rofel, Chair

____
Professor Anna Tsing

____
Associate Professor Mayanthi Fernando

____
Lori Kletzer
Vice Provost and Dean of Graduate Studies

Copyright © by

Sarah Kelman

2018

List of Figures

List of Acronyms

1MDB – One Malaysia Development Berhad

ABIM – *Angkatan Belia Islam Malaysia* (Muslim Youth Movement of Malaysia)

BCIC – Bumiputera Commercial and Industrial Community

CEO – Chief executive officer

DIY – Do-it-yourself

F&B – Food and beverage

FRIM – Forest Reserve Institute of Malaysia

GFGI – Go fucking get it

GDP – Gross domestic product

GLC – Government linked company

GPS – Global positioning system

GREAT – Gathering of Rising Entrepreneurs Acting Together

GST – Goods and Services Tax

HICOM – Heavy Industries Corporation of Malaysia

HTE – Halal Tech Enterprises

IBF – Islamic banking and finance

ICT - Information and communications technology

IGE – Islamic gift economy

IIUM – International Islamic University of Malaysia

IIiBF – Institute of Islamic Banking and Finance

IMF – International Monetary Fund

INCEIF – International Centre for Education in Islamic Finance

IP – Intellectual property

IPO – Initial public offering

ISTAC – International Institute of Islamic Thought and Civilisation

JAKIM – *Jabatan Kemujan Islam Malaysia* (Department of Islamic Development Malaysia)

KL – Kuala Lumpur

MaGIC – Malaysian Global Innovation and Creativity Centre

MARA – *Majlis Amanah Rakyat* (Council of Trust for the Indigenous People)

MAVCAP – Malaysia Venture Capital Management Berhad

MCA – Malaysian Chinese Association

MDeC - Malaysian Digital Economy Corporation

MeCD - Ministry of Entrepreneurship and Cooperative Development

MOU – Memoranda of understanding

MRT – Mass Rail Transit

MVP – Minimum viable product

NDP – National Development Policy

NEP – New Economic Policy

PAS – *Parti Islam Se-Malaysia* (Malaysian Islamic Party)

RIDA – Rural Industrial Development Authority

ROI – Return on investment

SEAL – Sea, air, and land

SME – Small and medium enterprise

UKM – *Universiti Kebangsaan Malaysia* (National University of Malaysia)

UMNO – United Malays National Organisation

VC – Venture capital

WIEF – World Islamic Economic Forum

Abstract

Sarah Kelman

Walking the Sufi Path: Ethical Entanglements in Entrepreneurial Malaysia

This dissertation explores how younger-generation Malay Muslims in Malaysia enact Islamic piety through ethical practices of economic action in entrepreneurial business and finance. I look to key sites in urban Malaysia where Malay Muslims develop their understandings and practices of piety as economic action, and vice versa – in the fields of technology startup enterprise, venture capital, Islamic banking and finance, and in forms of consumer debt such as credit cards, personal loans, and home mortgages – in order to trace how they have emerged as ethical issues, and what kinds of grapplings they have engendered. The expansion of these economic sectors, loosely aggregated under the label of entrepreneurship and finance in Malaysia, represent comprehensive efforts by the Malaysian state to increase national wealth and re-allocate capital from the hands of historically affluent groups of ethnic minorities, such as the Chinese, to the hands of the nation's ethno-religious majority group, Malay Muslims. After more than 150 years of British colonial rule that ended in 1957, a newly independent Malaysia, led by pro-Malay Muslim political figures, was left struggling to come to terms with the economic disparity that resulted from colonial governance policies tying race to labor. The unevenness of this capital accumulation has created the conditions in which Islamic

understandings of proper conduct in exchange and finance have come to be positioned in opposition with conventional (that is, non-Islamic) modes of commerce.

I argue that Malay Muslims' understanding of economic action *as* ethical – and therefore as political – developed within these historical conditions as a result of their participation in social spaces such as Islamic study circles, where they are encouraged by scholars (and by one another) to reflect upon, evaluate, and make changes to the way that they engage with dominant forms of contemporary capitalism. Put into practice, these understandings and explorations of ethics in economic action have developed into projects of critique, reform, and intervention into the normative and taken-for-granted ways that capitalism is assumed to operate in their daily lives as entrepreneurs and financiers – as profit maximization, calculative logic, and interest. By dis-embedding the assumption in theories of economy that individuals maximize toward their own interests, these interventions make possible another economics grounded in Islamic ethics.

Furthermore, I examine how the ability of today's younger-generation pious Muslims to critique and re-imagine the operations of capitalism in this manner – through articulations of its limitations, injustice, and oppression – is enabled by their familiarity with its normative forms, having come of age in a "financialized" Malaysia characterized by the primacy of investment logics and entrepreneurial merit. While younger-generation, middle-class Malay Muslims are critical of the neoliberal economic reforms initiated by the Malaysian state (as well as the growth of the financial and business sectors that resulted from these reforms), these critiques are often forged and articulated through pious practices of ethical self-cultivation that resonate with what some might call a form of neoliberal self-governance. But rather than assume that pious Muslims are therefore figures of "neoliberal piety" whose ethical attachments and practices remain epiphenomenal to their economic subjectivity, I hold this tension between the object of their critique and the mode of their critique, theorizing that it is hegemonic capitalism itself that contains within it these tools of critique, thereby making it possible to imagine and take action toward living a life outside of neoliberal capitalism. This dissertation therefore makes a key intervention within the study of Islamic piety by examining how, in its concentration on ethical economic practices, pious self-cultivation can be oriented toward not only affecting change within the self, but also toward eliciting ethical transformation within broader Muslim society.

Acknowledgements:

This dissertation would not have been possible without the support of many generous and loving people. In Malaysia, Mr. Wing Foong Chew, Mrs. Emilia Chew, Raymond, Christopher, and Teresa all welcomed me into their home and have remained close friends. To Dila and Zul, Emma, Justin, Mahdar, Saqib and Hannah, Raidah and Irfan, Fhive, Hassan, Hafsa, Nazihah and Zul, Dina, Kamarul, K.G., Syukri, Harith, Razif, Jamal, Liza and Terry, Wardah, Dr. Adi, Hakim, Kak Yat, Zainul, Aida, Fadhilah, and many, many others – *terima kasih banyak*, thank you so much for your kindness, generosity, and patience. Your willingness to bring me into your lives is truly a gift that I cannot repay – I remain in your debt forever. I have tried hard to tell your stories with accuracy and care, just as you told them to me. Please forgive any errors that I have made, for they are my own. To Zam, who passed away shortly after I left Malaysia, thank you for sharing one last conversation with me. I will treasure those stories you told.

The institutional support I received in Malaysia was extensive. Many thanks to Cheryl Yeoh and the dedicated staff at the Malaysian Global Innovation and Creativity Centre (MaGIC). I am also indebted to the International Islamic University of Malaysia, particularly the Institute of Islamic Banking and Finance, which served as my administrative sponsor to conduct research in Malaysia. The U.S. Embassy in Kuala Lumpur was also an official administrator of my Fulbright award, which was

made possible through the hard work of the embassy's partner organization, the Malaysian-American Commission on Educational Exchange (MACEE). I also received significant intellectual and personal support from Patricia Sloane-White, who remains a pioneer on our field of study on Islam and economy in Malaysia. Patricia, I will forever be grateful for our productive talks, and for your ability to empathize with the precarity and uncertainty of fieldwork and motherhood. Finally, my research in Malaysia would not have been possible without Jane, who worked as a full-time caregiver for my son while I conducted fieldwork. Jane, it is because of you that all of the work that went into this dissertation got done. I can never thank you enough for all that you did for us.

My time as a graduate student at the University of California, Santa Cruz, has been nothing short of transformative. I am forever grateful for, and continually indebted to the generosity and care of my committee members. Lisa Rofel, my advisor, has read every word that I ever wrote for this project. Lisa, I cannot express how much your support and belief in me means. You are the only person who could have helped me get through coursework, fieldwork, and dissertation writing. Thank you. Anna Tsing continually inspires me with her outside-of-the-box thinking, and for her ability to reframe even the most mundane observations into something curious and exciting. Mayanthi Fernando has held me to develop a level of rigor in writing and argumentation that I desperately needed – her precision and vision led this project to become what it is today. I am also grateful for the guidance, support, and scholarly

engagement of Mark Anderson, Don Brenneis, Nancy Chen, Susan Harding, Andrew Mathews, Megan Moodie, Olga Najera-Ramirez, Triloki Pandey, Carolyn Martin Shaw, and Matthew Wolf-Meyer in the anthropology department at UC Santa Cruz. Long before I even came to California, however, my love for anthropology and for asking critical questions was shaped by Richard Handler at the University of Virginia. Over the years, the extraordinary administrative support of Fred Deakin, Allyson Ramage, Naomi Cholst, and especially Taylor Ainslie at UC Santa Cruz has been instrumental in helping me complete this program.

I am so lucky to be able to call many people my friends, colleagues, and intellectual collaborators within the anthropology department at UC Santa Cruz. There, some of the most brilliant minds and most generous hearts can be found. Patricia Alvarez-Astacio, Celina Callahan-Kapoor, Zac Caple, Nellie Chu, Xochitl Chavez, Chava Contreras, Sarah Bakker Kellogg, Colin Hoag, Peter Leykam, Jessica Madison, Monica Mikhail, Jeffrey Omari, Kali Rubaii, Megan Shea, Danny Solomon, Katy Overstreet, Heather Swanson, Zahirah Suhaimi-Broder, and Nishita Trisal have made this journey through graduate school possible. To my academic sisters, Alix Johnson, Suraiya Jetha, and especially my "ride-or-die" Stephie McCallum, who pulled me through when I thought I faced the impossible, thank you for everything.

I received financial support for this research project from the UC Santa Cruz anthropology department, as well as the University of California Pacific Rim

Research Program, the Fulbright U.S. Student Program, and the Global Religion Research Initiative at the University of Notre Dame. Early versions of the scholarship in this dissertation were presented at the UC Santa Cruz graduate student conference, the Association of Asian Studies graduate dissertation workshop, the American Anthropological Association annual meetings, the Center for Southeast Asian Studies, and the SPIRIT summer school at the University of Goettingen. Further feedback on components of this dissertation was also provided at the American Ethnological Society's annual meeting, the Center for Southeast Asian Studies graduate student workshop, the Association of Asian Studies annual meeting, the Malaysia-America Society meeting at the American University School of International Service, and the National University of Singapore's Asia Research Institute. Portions of chapter 2 of this dissertation were published as an article in *Economic Anthropology* in January 2018, titled, "The Bumipreneur Dilemma and Malaysia's Technology Startup Ecosystem."

None of this would have been possible without the amazing support of my family in Virginia and California. My sister, Lisa, has been there for me in every conceivable way since we were children. You are forever a part of my heart, Lis. My father, Jim, continually pushes me to ask important questions and to remain curious about the world. Even when this PhD journey seemed endless, he always reminded me why this sort of work matters. My wonderful in-law family – Haim, Lynn, Edith, Tamara, Zeev, Ari, Elise, Gita, Claude, and so many others – have enriched my life and inspired me to keep going. My husband, Hanan, has helped me in more ways than I can recount. He took on every domestic chore, shared every aspect of child-rearing, and his love and support have kept me going when I needed it the most. Together, we had Lev, who has been my greatest source of joy since he was born right before we left for fieldwork in Malaysia. We went on an adventure as a family, and we came back changed.

Finally, my mother, Mari Takahashi. She died suddenly and unexpectedly on January 29, 2018. She was just 69. Although my mother never finished the PhD program that she began as a new immigrant to the U.S. in the 1970s, she always implored me to do whatever I could to finish mine. My mother helped me in every way possible, often spending weeks sleeping on our couch in California while she visited to look after Lev. She was brilliant, hilarious, and brave, and her absence is a wound that I still feel now. When she died, I thought that it would be impossible for me to complete my dissertation. It was only due to the enormous support of my friends, family, colleagues, and advisors that I have finished.

Chapter One: Introduction

Farah was known far and wide for her famous curry puffs. A staple in every Malaysian *kopitiam* (coffee shop), food-hawking stall, and shopping mall food court, curry puffs are practically a national snack. They are comprised of a flaky pastry shell stuffed with savory fillings and are deep-fried, making them easy to transport in small, plastic polyurethane bags to be eaten during a tea or lunch break. Farah's curry puffs were renowned because she had made a twist on the traditional recipe – instead of sticking to the well-known approach of chicken curry with potato and egg, or spiced, shredded sardines, Farah created her curry puffs with inventive recipes such as macaroni and cheese and ground beef with taco spices. She loved the challenge of coming up with new recipes, and her face beamed with pleasure whenever she spoke about her business. "It's my first baby," she would sometimes say, hinting that the pride and love for making curry puffs echoed her feelings toward her only child, a five year-old daughter.

Every weekday morning, starting at around 4:30, Farah rose in the dark and tiptoed around her kitchen in order to avoid waking her daughter and husband, who slept in a bedroom nearby in their small apartment in the middle-class neighborhood of Damansara Heights in Kuala Lumpur. She began by preparing a large batch of homemade pastry dough – usually, she left it to chill in the refrigerator overnight, so after taking it out and letting the butter in the dough soften slightly, she would roll it out on the counter so it was thin and pliable. Next, she moved on to cooking a savory filling, chopping, frying, and stirring the ingredients in her large, seasoned wok as the sky turned from black to a light grey before the sunrise. Once the dough had been rolled into small circles and stuffed with filling, Farah pinched the edges of the dough together to form a half-moon shape and dipped the pastry gently into a small deep fryer that sat on a plastic cooler outside on her tiny porch, just off the kitchen. She repeated the process for a few hours, until it was fully morning and her helper, Kak Adi[1], arrived.

Farah and Kak Adi usually made several dozen curry puffs each morning, and stacked them to cool inside of small plastic take-away containers for her customers. It is hard work to shape the dough and stand over the deep fryer's heat, carefully turning the curry puffs over in their baths of palm oil so that they do not burn, but Farah was passionate about her business. She earned a few thousand *ringgit* each month by fulfilling direct orders for her curry puffs, but since her business had really taken off in 2012, there were constantly more orders coming in than she could fill. But by the time her husband and daughter woke up for the day, she had to finish her cooking and clean up the kitchen just in time to prepare breakfast for her family and get her daughter ready for kindergarten. She spent a few hours in the afternoon making deliveries to her customers nearby, or waiting for those who lived farther away to

[1] In Malay, *kak* means "older sister," which Farah used as a term of respect to refer to her helper, who was about 15 years her senior.

[2] Malays comprise the nation's ethno-religious majority and are defined in the constitution as those who speak Malay, or *Bahasa Melayu*, practice Malay customs (*adat*), and – most importantly – are

come pick up their curry puffs from her apartment. Although Farah could only afford to pay her helper a portion of her modest profits, she said that even this small amount helped Kak Adi, who worked several jobs and used the earnings from Farah's curry puff business for putting food on the table and helping her older daughter go to university.

This dissertation follows the lives of people like Farah, who earned a living (or, on most cases, supplemented their income) by performing work that can be described as entrepreneurship in urban Malaysia. Kuala Lumpur, Malaysia's capital city, and home to a population of about 10 million people, has long been the haunt of small traders working as food and beverage hawkers, cobblers, tailors, barbers, mechanics, and wholesalers – in fact, on a national scale, "SMEs," or small and medium enterprises, contributed 36.6% to Malaysia's GDP in 2016 (Department of Statistics Malaysia 2016). However, Farah and the other Malay Muslims[2] that I met who were of a similar age (roughly from ages 20 to 40) were not lifelong entrepreneurs in these small trades. They had all worked in corporate or civil service sectors before becoming entrepreneurs, and some still continued this work as full-time employment, working on their side businesses on weekends, at night, or, in the case of Farah, in the early hours of the morning. Despite the challenge of this hard work, many Malay Muslim entrepreneurs I met described it as deeply gratifying,

[2] Malays comprise the nation's ethno-religious majority and are defined in the constitution as those who speak Malay, or *Bahasa Melayu*, practice Malay customs (*adat*), and – most importantly – are Muslim. Effectively, one cannot be Malay in Malaysia without also being Muslim.

especially in comparison to the other work that they (or others around them) performed, as this dissertation will explore.

On one such early morning in September 2014, Farah and Kak Adi packed a cooler full of supplies and drove nearly an hour from their section of Kuala Lumpur to a far-flung exurb across several crowded highways. There, an outdoor showcase was being put on to demonstrate the rising stars of KL's entrepreneurial food vendors – Farah had been specially invited, for her curry puffs had been popular for several years already among friends and family members looking to cater weddings, religious feasts, and birthdays. Farah and Kak Adi set up their small stall under a makeshift tent to gain some protection from the searing heat, and began to assemble and fry the curry puffs.

I had met Farah a few months before, through her husband and a group of his friends who were very active within KL's "foodpreneur" scene, and offered to help manage the stall during the showcase. As the hot curry puffs came out of the fryer, I arranged them in a basket and tried to make some artistic-looking shapes with them. Farah glanced over and laughed as I accidentally broke the corner off of a curry puff and tried to tuck it under a better-looking piece to hide its missing edge. In English, which Farah and most of the younger-generation, middle-class Malays I met who lived in Kuala Lumpur spoke with ease, she said, "It's all right," reaching across the small plastic table to wave my hand away. "Put the shitty ones on top." She then

Figure 1: Farah's curry puff stall, almost sold out of its stock. Photo by author.

paused from her preparations to tell me, "You know, the Prophet Muhammad, *alayhi as-salam* [peace be upon him], was once in a market where a date seller was cheating by putting the bad dates underneath the good ones, trying to convince the customers that they were all of good quality. The Prophet saw this and said to the man, 'This isn't good. You should put the bad ones on top of the good ones so you're not cheating.' So I always put the shitty ones on top, so people know what they're getting. If they sell, Allah will know that my intentions are pure."

A few hours later, just as long lines began to form at the other food stalls around lunchtime, Farah was entirely sold out of her curry puff stock. She sent Kak Adi home early to be with her younger daughter and we began to pack up her stall, finally taking a break under the shade of the tent while watching her daughter ride her pink Hello Kitty bicycle around the heat-simmering asphalt. "Can you believe we sold out so fast?" Farah asked, taking a long sip of the cool fruit juice that we had purchased from a nearby vendor. "Even the ugly ones got sold. *Alhamdulillah* [praise be to God]. You see? I told you. It was our *rezeki*," Farah said, referencing a concept that I would hear many times throughout my time in Malaysia. The Malay word r*ezeki*, coming from the Arabic term, *rizq*, is translated to mean sustenance, livelihood, or a source of strength. Also spelled *rajaki* in Indonesia, it carries broader connotations of both love and "the 'good fortune' that makes life worth living," although in both forms, it must be actively pursued (Tsing 1993: 159). In Islam, *rizq* refers to that which has been provisioned to humans by God, so that humans might benefit and flourish. *Rizq* is therefore not limited to just material manifestations of God's blessings, such as money, a house, and a job – it also encompasses any element of life that has made it possible for humans to fulfill their duties in serving God. In this sense, *rizq* could also be applied to sunshine, clear air, clean water, and even life itself. All of these elements are expressions of the sustenance that God has provided. "I'll have to make *du'a* [prayers]," she mused, scanning the outdoor venue of the festival for a prayer room, or *surau*, with water fixtures for performing the ritual cleansing of the body and face before the upcoming noontime prayer. "And then tomorrow I'll give Kak Adi her share. She'll be so happy to have the extra money." Farah's mind had been on Kak Adi as of late, for although Farah had considered scaling back her curry puff business so that she only had to wake up early a few days a week, she worried that Kak Adi would suffer for the reduction in profits. The extra bump in Kak Adi's share of proceeds from the food stall event would hopefully allay some of Farah's concerns about her helper's financial situation.

The term *rezeki* would come up again when Farah and I met up for one of our usual lunch dates at her house – she used it to describe her husband, Mat, who she said half-jokingly was "sent by God" when no other suitors seemed to be of marriageable material. Farah first met Mat when they were both in their early twenties and she was the lead singer in a heavy metal rock band. One night in 2004, at a dingy concert venue in Kuala Lumpur, Malaysia, Mat had showed up at a gig she was playing, and some friends introduced them after the show. Farah was at first surprised that Mat seemed interested in her – she explained to me that it was unusual for a woman to play or sing heavy metal music in Malaysia, and even more so because Farah is Malay and Muslim, which had caused some of her relatives to implore her to pick a more seemly and feminine hobby. Farah said, "I didn't care, though. I used to jump around onstage, screaming into the mic[rophone], all sweaty and having a great time." Since that concert when Farah and Mat first met, the two had been inseparable, and had married several years ago when they were in their early 20s. Their young daughter, Fatimah, loved music and singing, just like her mother.

Farah and Mat were a good match for reasons beyond their common taste in heavy metal and rock music. Mat supported her musical endeavors, encouraging her to write music and play gigs with her band. She, in turn, supported his dreams of owning a clothing label that would reflect the artistic traditions and contemporary urban style of Malay culture. As Farah proudly explained, Mat had just started his first creative venture when she met him at the rock concert – the business was one of Malaysia's first local clothing labels to make it big in the urban fashion sector, and it was featured in TIME magazine in 2008 as an up-and-coming brand from Southeast Asia's emerging independent, or "indie" arts and design scene. Mat's success with his clothing brand, made possible by Farah's support, was among the first of its kind within the Malay creative circles in which they worked and socialized. "But Mat is incredibly shy and humble about it, so if you ask him, he will just downplay it and say it was a small venture. In reality, it was ground-breaking," Farah said. It was a watershed moment, when they realized that one – or both – of them could potentially quit their daytime jobs to pursue a different path.

Both Farah and Mat worked full-time in corporate jobs after they got married. Mat worked for a government-linked company (GLC)[3] that, as he explained it, constructed marine vessels and large machinery equipped for warfare. As a graduate

[3] GLCs are corporate entities in Malaysia are neither fully private nor fully state-owned – they are often set up as subsidiaries of government agencies and are granted corporate rights, including the ability to do business with other corporations within Malaysia and on a global level.

of Malaysia's Multimedia University[4] with a lifelong interest in creative arts and design, Mat disliked his job at the GLC immensely. He often complained that the work "didn't fill [my] soul," and he felt deeply uncomfortable with his role in producing equipment used to perpetuate violence and war. His true passion projects, as he called them, were his endeavors in indie fashion and design. Mat was someone who had caught the "entrepreneurial bug" at a young age. Although his father was a low-level civil servant in a semi-suburban part of Perak, just outside of the city of Ipoh, his mother stayed home to raise Mat and his siblings in the 1980s and sold pots and pans through Cosway, a multi-level marketing company. Mat's mother often brought him along to her house calls, where she sold out her inventory to her neighbors and eventually began making more money than Mat's father. When Mat was young, his mother also sold homemade *burbur*, or bean porridge, and *nasi campur*, a type of fried rice, in a makeshift stall near a busy intersection in their town. Mat spent many years helping out at his mother's stall, but at first he hated it. "It wasn't so manly, you know?" Farah said with a laugh as she jumped in to help Mat tell the story of his entrepreneurial origins. Looking back, Mat felt that this work afforded a kind of fulfillment that his work at the GLC lacked – by making something concrete, with honesty and with pride, and bringing the duly earned profits back home to his family, he saw this work at the food stall as satisfying in a way that corporate employment could never be. Mat's mother ended up making enough money to help send him to university in Kuala Lumpur, and he became the first in his family

[4] A Kuala Lumpur-based university with an emphasis on creative design and applications in IT-related industries – it is where he met most of his friends and collaborators that he still works with today.

to receive a university education and migrate from the *kampung* in Perak to the nation's capital. In part, it was this hard-won education that had enabled Mat to find stable, well-paying work at the GLC, however distasteful he found that work to be, which in turn had financed his early experiments in producing works of indie fashion and design.

In Farah's daytime job, she worked in corporate public relations at a large multi-national company and enjoyed learning about marketing and branding at her job, which she had never been exposed to in her high school-level education. However, she hated her boss, who was cruel and unforgiving. "I tried it – I really tried to succeed in that corporate world. I worked my ass off," she said. But a turning-point came when Farah was a few years into the job: a second-trimester miscarriage, resulting from a bout with dengue fever that left her hospitalized and delirious. While she recovered, her boss called her for the first time in several days, for it was the only sick leave that Farah had ever taken. "He didn't call to wish me condolences, or to wish me a speedy recovery. He scolded me about a deadline that I missed while in hospital. I worked from the bed. I was so busy that I didn't even have time to cry." Suffering under the yoke of unfulfilling and frustrating corporate careers, Farah and Mat used to brainstorm while they sat in Kuala Lumpur's horrendous traffic jams on their way home from work. "If we were to leave our jobs, what would we do?" Farah remembers asking Mat. "We both felt caged, trapped by the system," she said. When I asked her further about the system by which she felt trapped, she said, "You know, working some horrible job just to pay the rent, needing to pay a high rent in the city just to be close to the job, and having your life dictated by your paycheck. It's an endless cycle that felt miserable."

After many traffic jam conversations with Mat, Farah decided to start her own curry puff business in 2010. Within a few months, the business took off, and Mat encouraged her to go full-time with her venture. "It's one of his strengths," she explained. "He just *does* stuff without worrying too much about the consequences." Both she and Mat decided to leave their corporate jobs for good in a fit of excitement that Farah described as "suicidal," for they both quit with only one paycheck's worth of savings in the bank. "We had no planning, no capital, no nothing," she said. Exhilarated with the prospects of their new venture but in dire financial straits, she and Mat asked her parents for a loan to help get the curry puff business off the ground, but Farah's parents scolded the couple. "They told me to be a [house or building] cleaner, or really to do anything in order to make more money," Farah recalled. Out of desperation, and dreading the potential consequences of increasing their debts, for Farah and Mat were charging almost all of their daily expenses to credit cards, Farah's father finally helped secure them a loan. She and Mat were able to work on their enterprises full-time, and both eventually began to earn a modest profit in their ventures.

As Farah looked back on her business's rocky start, she recounted her initial thoughts: "God did not give me this intention for nothing. It's my *rezeki*. I've got to fight for it." She knew the path ahead would not be easy for her, but it was her provision from God, and therefore it would be worth the struggle and pursuit that it entailed. In future conversations at other points in our relationship, Farah would go on to talk about *rezeki* at length. She explained to me that, in an Islamic study group that she belonged to, she had learned about how it pleased God to demonstrate that His *rezeki* has filled and sustained you, and that this *rezeki* is always more than enough, because it comes directly from Him. In the face of such *rezeki,* we should be in a constant state of *shukr*, or thankfulness, she said, and desiring beyond what one's *rezeki* was amounted to forgetting the *shukr* that should accompany God's provisions. She once said to me, "*Rezeki* is the only thing that you need – it's the only money, the only food, the only clothes. You never need any more than it. Anything else is just extra, and you can do without it." Referring to the adage that I would hear from many others, Farah described *rezeki* as something that one holds in the heart, "because you must constantly give thanks for it and see how it sustains you," whereas money, which could not accompany one into death and the afterlife, should be held in the hand and easily let go. However, Farah's *rezeki* was not an easy, carefree life – what she sought and held close to her heart was this very struggle to pursue a livelihood for which she had sacrificed and worked hard. She often compared her aspirations for owning her curry puff business to the lives of her parents, with whom she developed somewhat of a contentious relationship after she quit her job in public relations. Farah explained: “You see, my parents never approved of me and Mat quitting our corporate jobs. But then again, my parents had never been passionate about their work – they had always been a part of the system, you know? My father worked for the government his whole life because it was comfortable.”

Although it was her father’s civil service work that had helped finance Farah’s loan to start the curry puff business, she nevertheless seemed conflicted about its connotations. On the one hand, she assumed that it was boring, unfulfilling work that was only “comfortable” because it came as a result of special privileges allotted to Malays through Malaysia’s National Economic Policy (NEP)[5], under which Malays were defined in the constitution as indigenous *bumiputera*, or “sons of the soil.” On the other hand, her father’s comfortable job had provided financial security while she was growing up, which enabled her to live in an expensive city, study in school (although Farah never went to university), and now, to pursue a line of work about which she was passionate – despite the fact that such work left her financially vulnerable and subject to her parent’s concern. Furthermore, as the story of Mat’s family illustrates, *bumiputera* privileges awarded under the NEP have also served as a catalyst for a change in *rezeki* that brought Mat into a series of educational and work opportunities that he otherwise might not have had. His migration and transformation from a “*kampung* boy” into “big city life,” as he described it, was made possible by NEP arrangements to reserve admissions and scholarships for Malays at national

[5] Later in this chapter and in chapter 2, I explore the politics and history of the NEP, as well as the ways that it has impacted the lives of all Malaysians – not only Malays.

public universities, as well as preferential hiring practices in state and state-affiliated organizations. What, then, was Farah's *rezeki*? Was it to live in comfort like her father, with a virtually guaranteed salary provided by the state? Or was it to pursue, as she saw it, work that was filled with passion and risk? Would there be some sort of middle ground in her *rezeki*, where, like Mat, the benefits of being *bumiputera* could be put toward breaking out of the system that generated them?

Farah's narration of the conflicted understanding of her and her family's *rezeki*, as well as the deep sense of gratitude that she harbored for the ways in which God had provided for her in treading the risky, hard path to becoming an entrepreneur, frames a mystery that preoccupied me throughout my time in Malaysia – why would people like Farah, who grew up with comfort and security in their lives, turn against the very practices that had made them so? Why would she choose an undoubtedly more difficult life, sometimes living month-to-month and unable to buy the toys and new clothes that her daughter wanted, when her parents had worked so hard to achieve the middle-class social mobility promised by the NEP? Furthermore, Farah characterized her parents and others around her as trapped in a "system" of capitalist accumulation and the desire to continually acquire more profit and material goods, which she denounced in favor of accepting one's *rezeki* as the only sustenance needed. Yet, she used the language of entrepreneurial capitalism and its emphasis on freedom and the rewarding struggle of hard work to describe her efforts to escape the system that threatened to entrap her. My dissertation attempts to make sense of these seeming contradictions by examining how the Islamic piety of younger-generation Malay Muslims like Farah helps them understand life under contemporary capitalism *as* an entrapping system, and how practices of Islamic piety entail projects of social and self-reform that aim to address the economic and religious dislocations that preceded them.

Section 1: Dissertation Overview

This dissertation examines how economic action in Malaysia has become imbued with a particular ethical significance that is foundational to the Islamic practice of younger-generation, middle-class Malay Muslims, and yet is also very much a product of historically specific transformations to Malaysia's religious and economic landscapes. As participants in a global Islamic Revival movement that entails ethical practices of knowledge-seeking, self-reflection, and the cultivation of virtues (Mahmood 2005), these young Muslims have developed such practices by participating in *halaqahs*, or Islamic study circles, as well as by attending sermons, lectures, and discussion groups on matters of ethical economic action. In this process, the *halaqah* also functions as a space in which younger-generation Malay Muslims critique dominant and hegemonic forms of capitalism, which have not only emerged as a result of Malaysia's unique experiences of financialization, but are also the product of how previous generations practiced and understood Islam. Having worked in the financial and entrepreneurial sectors where this normative capitalism has flourished, younger-generation Muslims critics of finance and business are nevertheless deeply entangled within the arrangements that they critique.

I argue that their critique is not only a form of ethical self-reflection, authorized by Islamic Reformist practices of piety through work on the self that became popular in Malaysia during the late 20th century "Dakwah era," but it is also a powerful political tool to identify and widen the cracks within financialization, where they pursue projects of ethical reform. These reform projects, which aim to transform society through initiating transformations to the self, are sites where pious Muslims are able to exploit the ruptures in financialization to imagine new possibilities from which ethical economic action is possible. Such forms of ethical economic action involve objections to the Malaysian state's explicitly neoliberal economic reforms, as well as disagreements with the assumptions of capitalist economic theories carried forward in finance and business that individuals maximize profits, and that interest is essential for finance. However, in articulating these objections to dominant forms of capitalism in Malaysia, pious Muslims often reiterate and reinforce the language and ideas of capitalism itself. Rather than assume that pious Muslims are therefore figures of "neoliberal piety" whose ethical attachments and practices remain epiphenomenal to their economic subjectivity, I hold this tension between the object of their critique and the mode of their critique, theorizing that it is hegemonic capitalism itself that contains within it these tools of critique, thereby making it possible to imagine and take action toward living a life outside of neoliberal capitalism itself. Thus, while younger-generation, middle-class Malay Muslims are critical of the neoliberal economic reforms initiated by the Malaysian state (as well as the growth of the financial and business sectors that resulted from these reforms), and these critiques are often forged and articulated through pious practices of ethical self-cultivation that do have overlaps with what some call a form of neoliberal self-governance, a key difference in this ethical practice sits at the center of what this dissertation explores. This difference is the way in which younger-generation Malay Muslims view their pious self-cultivation as oriented toward affecting ethical transformation throughout their communities and to the nation at large, rather than remaining contained within the realm of the self.

It is important to parse words here in the use of the term, neoliberal. Scholars have used neoliberalism as an analytic term to refer to a set of economic policies (of *laissez-faire* non-intervention and de-regulation of markets by the state, sometimes called "neoclassical economics") as well as a set of philosophies (on the freedoms of self-determination by individuals). Often, these two axes cross in neoliberal ideas about humans as economic subjects, or *homo economicus*, whom proponents assume to pursue self-interests in profit maximization, a process described as rationality or market logics. But neoliberal ideas, particularly in the way that they are articulated and animated through economic action, are also fluid and flexible. I find this characterization best expressed by Andrea Muehlebach, who argues that neoliberalism is "a form that contains practices and forces that appear oppositional and yet get folded into a single order. It not only allows us to see the versatility and malleability of neoliberal projects but also lets us explore their limits – the unexpected ways in which new kinds of collective living may emerge out of, and despite, new forms of difference and inequality" (2012: 8). Neoliberal philosophies and policies taken up within practices of capitalism therefore have a specific genealogy (especially within Malaysia – which this chapter explores in later sections), and they capture more broad and dynamic senses of ethics, contestation, and ongoingness that are interwoven within neoliberalism's multi-hued fabric. Moreover, instead of assuming that the projects and strands enfolded within neoliberalism comprise some sort of coherence, I find it most fruitful to approach the matter as Lisa Rofel does, asking how such a coherence might have been historically and culturally generated, and why such a constitution of neoliberalism as a "new era" seems to be persuasive and compelling (2007: 19).

Thus, while I am somewhat hesitant to use such a slippery term to describe the economic and religious landscapes in which Malay Muslims are situated, I use it specifically and intentionally in particular moments in this dissertation when the people I spoke with either referenced it explicitly, or when I engage with how other scholars have used the term, particularly in literature on Islamic piety as an expression of neoliberalism. I myself also take up neoliberalism as an analytic, particularly when arguing that neoliberalism holds within it an emergent critique that allows people to imagine and work toward its rupture.

My dissertation looks to the key sites in urban Malaysia where middle-class, younger-generation Malay Muslims develop their understandings and practices of piety as economic action, and vice versa– in the fields of technology startup enterprise, venture capital, Islamic banking and finance, and in forms of consumer debt such as credit cards, personal loans, and home mortgages – in order to trace how they have emerged as ethical issues, and what kinds of grapplings they have engendered. In the process, I address the following questions: What are the historical processes through which Malaysia has become "entrepreneurial" and "financialized," and how do these terms describe Malaysia's trajectory of economic development within a contemporary capitalist era? How did economic action become the site in which younger-generation, middle-class Malay Muslims explore, embody, and practice their understanding of Islamic piety? Or, in other words, how did economic action become imbued with specific forms of ethical significance, and how is this ethical meaning taken up, explored, and debated by pious Muslims? How did these same cohorts of middle-class Muslims come to understand it to be their mission as pious Muslims to oppose practices of capital accumulation – especially when these very practices have helped them to occupy a position of relative privilege, prosperity, and comfort?

This project's ethnographic research took place primarily among Malay Muslims who were in their 20s, 30s, and 40s, and who had either migrated as young children from more rural parts of Malaysia to cities such as Kuala Lumpur, Penang, Johor Baru, Melaka, and Ipoh, or they had been born there, and their parents (or grandparents) had been the ones to migrate. Like Farah, nearly all of them had, at some point, worked Malaysia's intensively capital-driven economy – either for the government, or for banks and large multi-national corporations – and they had left in search of different opportunities as entrepreneurs. Some had DIY (do-it-yourself) clothing lines or small food and beverage businesses that they had started with little capital, like Farah and Mat, and others worked as freelance artists and designers in the creative arts field. Others, especially those who had prior experience in business or finance, sought to create their own startup enterprises in the technology and finance sector, capitalizing on new opportunities and market demand that emerged from Malaysia's bid to become both the "Silicon Valley of Asia" and a hub of finance in the Islamic world. The younger-generation Muslims that I met often struggled with and against the expectation that they would be entrepreneurs and self-starters within this globalized economy who could not rely on the state as previous generations had to accumulate wealth and enjoy the comforts of a middle-class life. These expectations, and the ethical entanglements that they precipitated, are grounded in the particular historical developments of Islam and capitalism in Malaysia.

Section 2: Historical Formations of Religion and Economy in Malaysia

For Malay entrepreneurs like Farah, economic action was not simply something that one does, without meaning or intention. Instead, it required careful thought and purposeful practices that are cultivated through a conscious engagement with Islamic texts, laws, and scholarly commentary. One woman I met described this conscious engagement to me as "walking the Sufi path," which references the Sufi spiritual traditions that are foundational to authorized ethical practices of Islamic piety in Malaysia, and in particular the authorized forms of ethical economic action in trade and commerce. The Sufi path also points to the notion that such action involves processes of self-reflection, evaluation, and transformation that take time and practice. However, it is important to emphasize that the central role that ethical practices such as self-reflection and striving for betterment take in Islamic piety in Malaysia is a profoundly historical phenomenon. That is, it developed within the context of historical transformations to Islamic study and practice in Malaysia, which also took place concurrently with specific economic changes.

There are two identifiably distinct eras in the development of the Malaysian economy in the late 20th century: before 1971, when the New Economic Policy (NEP) was instituted, and after. Officially implemented from 1971-1990, the NEP was developed as a national policy to eradicate poverty and re-distribute wealth from ethnic minority Chinese to ethnic majority Malays. As a result, Malays were constitutionally enshrined as indigenous or "original" occupants of Malaysia and became the recipients of state benefits, which include special vocational and educational placements and quotas, tax breaks, land ownership schemes, and business and investment opportunities. In the years leading up to the NEP's enactment, tensions had been mounting between these ethnic communities, culminating in race riots in 1969 that left several dead in Kuala Lumpur and spurred forth the newly post-colonial government's creation of this plan to alleviate the economic disparity that contributed to the violence.[6] In the years before the NEP was implemented, Malaysia's post-colonial economy was characterized by its control by foreigners (mostly Europeans and British with leftover vested interests from the colonial era, which had just ended a few decades before) and ethnic minority Chinese Malaysians. After the NEP, dramatic economic changes ensued. State-led public sector enterprise became the main engine for economic growth, which gave rise to what Sieh Lee Mei Ling calls "state capitalism," or direct action by the state to create business ventures designed to redistribute wealth to Malays in line with NEP goals, leading to the phenomenon of "bureaucrats as businessmen" (1992: 107). These ventures usually took the form of large companies, often officially subsidiaries of government ministries, such as GLCs. They were sometimes described optimistically to me as "public-private partnerships" in which private companies fulfill contracted roles to government agencies or subsidiaries, paid for by state funding.

Well-connected Malays, including members of royal and aristocratic families, were able to accumulate astonishing amounts of wealth by being awarded contracts through state-backed GLCs. These members of the old-money elite classes could then

[6] Chapter 2 examines in further detail the NEP, its after-effects, and the colonial policies of tying race to labor that generated the unequal economic conditions that not only sparked the violence of 1969, but also continue to haunt Malaysia's social and economic landscape today.

reciprocate favors conferred upon them by awarding (or at least facilitating access to) non-hereditary honorific titles, such as *datuks*hips, to the bureaucrat-businesspeople who had directed especially valuable contracts their way.[7] In short, the establishment of the NEP funneled national wealth into the hands of already-wealthy Malays and did little to address the socio-economic disenfranchisement of the vast number of middle-class, working-class, and poor Malays. As a result, the Malaysian state itself became "an emergent corporate form" (Elder 2012: 58), where powerful political parties that embodied the reach of the state were able to centralize and consolidate their power by transferring ownership and control of their corporate entities to wealthy, privileged individuals within the party who served their political interests through their business practices. Late-20th century state capitalism in Malaysia therefore relied heavily on the cultivation of ties to the Malay elite and was, for all intents and purposes, a capitalism that was by and for elite Malays.

It is in light of this intense capitalist development and resulting growing wealth inequality that late 20th-century transformations in religious practice, governance, and social movements took place. Many of these transformations correspond to discrete eras identified by historians of Malaysian Islam, such as "the Dakwah era," in the 1970s-1980s and "the Islamization era" of the 1980s - 2000s. While many scholars have written extensively of the distinctions between these eras, I

[7] As Sieh Lee Mei Ling describes the value of such quid pro quo arrangements, "[t]he prestige conferred by a title is much sought after as a source of influence, connections privileged access to information, and advantage in obtaining permits and licenses and winning government contracts…Under these social and political circumstances, high-born Malays can profit greatly by playing the role of businessmen" (1992: 112).

am most interested in analyzing the growing focus on the ethics of economic action within Islamic practice, philosophy, and study that emerges across all of these movements. Each of these eras contributed a layer that did not end when a new era commenced – instead, they built upon one another in dialogue, often between inter-generational members of the families of the people I knew, and continued to exert a noticeable presence in the current religious landscape. These are therefore historical developments that continue to have resonances in the way that people practice and understand Islam (and its relationship with economy) today.

Dakwah as Economic Politics

Although *dakwah* literally means "to call," or "to invite," the significance of the term during the height of its impact in Malaysia, starting in the 1970s, stems from its association with proselytization activities, or asking Muslims to intensify their commitments to Islamic practice. As a continued feature from earlier years of the Islamic Reformist movement in Malaysia's colonial era[8], the importance of ethical self-cultivation (Mahmood 2005) became heightened in the Dakwah period, when Malaysian *ulama* (religious teachers), *mufti* (jurists), and mosque preachers and lecturers emphasized the need for individual practitioners to be responsible for their

[8] By the late 19th and early 20th centuries, the writings of Islamic Modernist or Reformist scholars, such as Jamaluddin Al-Afghani (1838-97), Muhammad Abduh (1849-1905), and Rashid Ridha (1865-1935), became highly influential and accessible to Southeast Asian students pursuing Islamic studies in the Middle East, especially at Cairo's University of al-Azhar (Noor 2004). When these young scholars eventually traveled back to Malaya (and Indonesia) by steamship, they brought with them the Islamic Reformist scholars' investments in rationality, notions of technological modernity, and critiques of Western imperialism.

own proper comportment and adherence to Islamic law, jurisprudential norms, and other theological precepts such as the teachings found within the Qur'an, *Sunnah*, and the Hadiths. Some scholars characterize Dakwah as a social movement focused on the resurgence of religious orthodoxy, with adherence to the fundamental principles of Islam as its main precepts (Nagata 1984), but this reductive perspective overlooks the fact that Dakwah practices in Malaysia were also highly diffused and heterogeneous, deployed primarily through networks of grassroots Islamic scholars, activists, and youth groups. Among the Dakwah organizations that I observed in Malaysia, most activities entailed the production and dissemination of educational materials on Islam and the Qur'an, running after-school Islamic study centers for children and Arabic classes for adults, and performing charitable works for institutions such as orphanages, soup kitchens, and women's shelters.

There is also an unmistakable class element to the Dakwah movement, particularly during its inception in the 1970s – its popularity within the rural heartland of Malaysia, such as the state of Kelantan, expanded upon a narrative of the dignity of humble, simple Malays struggling under the hardship of poverty and feeling surpassed in capital accumulation by non-Muslim Chinese and Indian Malaysians (Kessler 1978). In the cities, Dakwah remained popular among rural-to-urban Malay migrants who sought group solidarity and the warmth of communal life under alienating conditions of modern capitalism (Muzaffar 1986). Dakwah proponents among the university student population – the movement's largest urban support base, particularly in Kuala Lumpur – also took up more concerted class critiques. Student groups such as *Angkatan Belia Islam Malaysia* (ABIM), or the Muslim Youth Movement of Malaysia, galvanized by the student protest movements across other parts of Southeast Asia, Europe, and North America, engaged in public protests on campuses of universities such as Universiti Malaya that eventually came to be seen as "a struggle to follow a fully committed Islamic way of life in an unjust capitalist society where inequality and poverty flourished" (Ackerman 1991: 209). These public expressions of dissatisfaction with the imbalanced accumulation of wealth following the favors bestowed upon elite Malays under the NEP became, in effect, "religious protests against social injustices" (209). Dakwah-era Islamic religiosity among Malaysia's university-educated, younger-generation, and middle-class Malays became strongly infused with the sensibility that rich Malays were only getting richer under the NEP, while everyone else suffered.

This inequality was therefore understood not only in economic terms, but also in religious-ethical terms, made possible by Dakwah calls for self-responsibility, political justice, and social action against the unjust and alienating effects of late capitalism. Drawing from earlier iterations of Islamic Reformism that had long-established roots in Malaysian practices of Islam since the late 19th and early 20th centuries, the Dakwah movement made possible the construction of a certain kind of self on which the pious work of self-reflection and striving for betterment could be done, particularly in relation to issues of social and economic justice. These conceptions of Islamic piety that were developed under Dakwah would lay a crucial blueprint for how Malaysian Muslims in later decades, which would become a time of great prosperity, but also economic inequality and precarity, would understand themselves as pious Muslims, and act accordingly. Thus, from its inception in the 1970s and onward, Dakwah advanced the notion that matters of Islamic piety were also matters of economy. However, Dakwah is not a static project, and it also contained within it shifts and transformations that changed over time. During the era of the 1970s-1990s, when the implementation of the NEP laid an important groundwork for Malay Muslims to critique the uneven wealth accumulation taking place among Malays (and also between Malay and non-Malay or non-Muslim communities), the ethical project of Dakwah entailed certain politics of comparison that became central to how Malays understood themselves to be pious Muslims.

Although its core projects have consistently remained focused on self and social betterment in order to address social injustice, Dakwah practices of self-reflection and evaluation also entailed the construction of firm boundaries between proper and improper action. During this period of the 1970s-1990s, the NEP's reorganization of Malaysian economic and social dynamics prompted many Malays to look to other ethnic communities, particularly the Chinese, as examples of what not to do – how not to behave and conduct oneself, and, in particular, how not to carry out practices of wealth accumulation. Chinese clan associations, known as *kongsi*, and their affiliated business practices of rotating credit and joint venture financing were viewed by Malays as examples of the kinds of unethical economic practices that had led to the wealth disparities that the NEP attempted to correct. Significantly, these practices were framed in Islamic ethical terms that did not necessarily involve critiques of the colonial labor arrangements that had also contributed to this inequity, for this comparative approach had identified an antagonist in the Chinese minority community that had long been othered as “pariah capitalists” and “middlemen minorities” (Oxfeld 1992). Furthermore, Dakwah engagements of comparative efforts to locate a self that could be put toward projects of ethical improvement also involved drawing boundaries between correct and incorrect action within Malay Muslim communities. Wealthy, elite Malays who had benefitted greatly from state capitalism also became targets of criticism for unethical behavior, ranging from the sinful activities of consuming alcohol and going to nightclubs to amassing and growing wealth through unjust means. The imploring of Muslims to intensify their ethical practice, a central of element of the Dakwah project of reform, therefore involved the identification of wrongdoing among those who exemplified unethical economic action – in the decades of the NEP, these figures were represented by non-Muslims and the not-quite-Muslim-enough.

After the NEP officially expired and was replaced by a similar policy called the National Development Policy (NDP), the Dakwah emphasis on self-reflection and betterment did not disappear. Instead, I argue that it was carried forward as a broader practice of piety that nonetheless underwent key changes as Malaysia experienced economic transformations. Among today's younger-generation Malay Muslims, whose parents (or sometimes grandparents) found meaning in the boundary-drawing, comparative understanding of Islamic ethics during the NEP decades of the 1970s-1990s, there is little resonance with the notion that "Muslimness," and "Malayness," for that matter, can be located through acts of comparison with others. Furthermore, among the young people I spoke with, they identified much more strongly as Muslims than they did as Malays – and although it was the righteous entwining of Muslimness and Malayness that gained purchase with previous generations of NEP beneficiaries, members of this younger generation often forcefully disconnected them. As a result, the focus of pious practices found in today's Dakwah lies more in efforts of self-transformation and reform than it does with comparatively locating Islamic piety through condemning the practices of the Chinese. This is not to say that such comparison does not exist at all, for it certainly remains present in the narratives of the Muslims that I met who worked in business and finance, but I found comparison to be much more deeply engaged as a tool for locating a self (and a broader community of Muslims) that could be questioned, evaluated, and reformed toward ethical betterment.

The ethics of comparison, which had become normalized as a practice of locating the self for previous generations of pious Muslims, have taken on a new valence among members of the younger generation. Dakwah remains focused on self-improvement, but instead of locating those efforts on an "other" who remains outside of one's ethno-religious community, they are now largely focused on a Muslim self that is oriented within a larger Muslim community. As many of the young people I spoke with said, comparison with anyone but oneself is futile. Moreover, such outward-looking comparison draws one's focus and attention away from locating the true site of where improvements can be made, which is within the self. This argument denotes a shift from policing the behavior of others to using the tools of critique and evaluation to think about one's own behaviors[9]. However, contemporary Dakwah notions of piety still involve locating or examining the self through the other, but in a very different way than under the ethos of Chinese-Malay comparison that reached a fever pitch during the NEP decades. Instead of looking to the economic practices of others and using this judgment as the basis for condemning others, I observed younger-generation Muslims looking at the practices of others as a mirror that was then held up to the self. In discerning the actions of others, they ask, what are *we* doing? Are *we* doing right? Such an evaluative move requires pious Muslims to locate the self by performing Dakwah within, rather than seeking others to serve as their target of reform. Many of the Muslims I met argued that real change was therefore only possible by looking within one's own community, within the self, and within the heart, in order to cultivate the virtues necessary to bring about reform. Such reform would therefore only be possible *through* evaluating and making

[9] In these modes of self-reflection as critique, I am inspired by the writing of Irfan Ahmed (2017) who illustrates the ways in which Islamic ethics is both a practice of care for the self and a project of reform, as well as Judith Butler (2009), who outlines how critique becomes necessary in making objections to illegitimate claims of authority.

improvements to the self, and not through the avenue of comparative, external judgment.

These projects of reform through self-reflection that have become so crucial to contemporary forms of Dakwah often take place within the space of the *halaqah*, or Islamic study circle. The significance of *halaqahs* in Malaysia is drawn in some ways from the important role that they played within the university student movements in Dakwah's early days in the 1970s, where activists and intellectuals met to protest the injustices of state capitalism, among other issues. Among the Muslims that I met, the *halaqah* today plays a pivotal role in providing a space for reflection and evaluation, as well as for seeking *'ilm*, or Islamic knowledge (in this case, of scholarship on ethics in economic action). *Halaqahs* are therefore arenas in which participants can learn about and discuss Islamic text, scholarship, and commentary related to ethics and jurisprudence in commerce under the guidance of scholars who are experts in these authorized forms. Many of the Muslims that I knew said that, in these spaces of learning and discussion, they had developed not only a knowledge of ethical forms in economic action, but also the tools of critical thinking (*ijtihad*), persuasion, and debate, as well as knowledge of the etiquette and proper form (*adab*) that one must engage in order to entreat other Muslims to examine their own practices.[10] One of the aims of this dissertation is to illustrate how the development of such tools and their application in reform projects on the self and on other Muslims are a form of politics,

[10] Charles Hirschkind's *The Ethical Soundscape* (2006) and its discussion of *adab* (130-131) was instrumental in helping me to understand this role that *adab* plays in *dakwah*.

which transfer from the space of the *halaqah* to other venues in business, banking, and finance where younger-generation Muslims work. More specifically, I argue that the tools of critique and the imperative that they generate for ethical economic action create a rupture within dominant and hegemonic forms of economy in Malaysia. From within this rupture, it is therefore possible for pious Muslims to imagine reform as corrective action and as an alternative mode of economy. In other words, ethics becomes an economic politics that involves self, social, and systemic transformations.

Thus, the continuing contribution of Dakwah is to help generate and sustain an ethical self that does not just end with the individual, but is instead deeply embedded within the affairs of a larger Muslim community. As a result, the ethical programs of the self that are oriented toward reform are also social programs to change the paradigms of finance and enterprise for all who engage with them, and particularly for Muslims. In order to convey how and why these proposed transformations to normative forms of economy in Malaysia are also political arguments that another economics is possible, the next section offers a detailed account of what these economic forms are, and the historical processes by which they became normative.

Islamization and Financialization

The Dakwah movement's constructions of Islamic piety as a set of practices that revolved around Reformist values of self-reflection and adherence to authorized ethical forms would carry on into religious developments that continued in the years from the 1980s-2000s. Generally, this period is known as the "Islamization era," a term that is associated with the reign of long-time Prime Minister Mahathir Mohamad, whose term as PM ended in 2003, but who remains highly influential in the Malaysian political scene[11]. First brought to office in 1981 as the head of the United Malays National Organisation (UMNO) party, a pro-Malay group with a large national constituency, Mahathir and his leadership during Malaysia's formative economic years in the 1980s and 1990s have defined the country's transformation into, in Mahathir's words, a "first world nation." In the eyes of most analysts, Mahathir successfully merged an ambitious plan for rapid economic development with the burgeoning Islamic piety movement that continued to play a large role in public life after its inception during the Dakwah era in the 1970s. To do so, Mahathir often mobilized the discourse of a Weberian "Protestant Ethic" to describe the godliness of capital accumulation and also expanded the reach of the state in Malaysian practices of Islam by creating new government institutions for managing and regulating key aspects of religious life, including Islamic banking and finance, Islamic education, and the production and consumption of *halal* (permissible for Muslim consumption) commodities. As a result of Islamization's central role in Mahathir's leadership, many view it as the period in which Islamic practices, scholarship, and institutions became deeply politicized – that is, introduced into the

[11] In Malaysia's 2018 general election, Mahathir headed a newly-created opposition coalition, Pakatan Harapan, which unseated Barisan Nasional as the majority coalition in parliament by a narrow majority. Mahathir was sworn into the office of Prime Minister in May 2018 at the age of 92, and he remains the head of the PH coalition in parliament. I cover more of this topic in chapter 7.

discourse and actions of party politics in Malaysia's parliamentary democracy. However, it is important to emphasize that Islamization's distinctly political initiatives also emerge out of the path that Dakwah created for greater attention to Islam's role in everyday life, including matters of financial exchange, the production and consumption of food, beverage, and other material goods, education, clothing style and dress, and many other realms.

In addition to the continued rising presence of Islam in public life, this period in the late 20th century was also a time of intense financialization in Malaysia. Several significant economic transformations occurred in the late 20th century, much of which coincided with Mahathir's tenure. Starting the early 1970s, due to shifts in global demands, Malaysia's economy began to transform from one based on the export of rubber, tin, timber, palm oil, and petroleum to an economy that exported mostly manufactured goods. In order to enable this change, the decade leading up to Mahathir's rise to power is one in which early efforts aimed to grow Malaysia's manufacturing capacities through rapid urban industrialization. In the 1980s, Mahathir focused much of this manufacturing on heavy industry, such as the production of automobiles, earth-moving equipment, ships, die-casting, and the production of steel, iron, cement, and petrochemicals. State-supported heavy industrialization, although appealing for its linkage with large-scale infrastructural development efforts that mark Malaysia's classically "developmentalist" approach in the 1980s, did not produce the financial returns that Mahathir hoped for. By the mid-

1980s, Malaysia was in the midst of a national economic recession due to, among other reasons, the failure of the tin market, decreasing oil prices, and falling prices of Malaysia's other major export products, including rubber and palm oil (Gomez and Jomo 1997: 77). Malaysia's heavy industrialization program was primarily supported by joint investments between Japanese companies and the Malaysian state to develop a wide range of industries, including the nation's first flagship automobile manufacturer. However, due to the challenges of investing in heavy industry in Malaysia, including "the huge capital investment required, the long gestation periods, the lack of relevant technological expertise, and the expected heavy reliance on government protection and subsidies," these projects stagnated, lost money, and, as the government outlined in its 1989 mid-term economic report, their performance was "far from satisfactory" (78). In order to help finance its public sector industries, Malaysia relied on foreign loans throughout the 1980s, incurring a debt between foreign and domestic lenders that had nearly quadrupled between 1980 and 1986.

Although Mahathir continued to invest state resources in developing heavy industry, particularly through the creation of a flagship airline (known then as Malaysian Airline Systems, or MAS) and Proton, the first national car manufacturer, by the late 1980s, he sought to re-orient the nation's manufacturing sector from one in which the state was the primary owner and controller of particular sectors of the economy to one in which enterprises within these sectors was privately owned. In contrast with state-supported heavy industrialization, Mahathir viewed the privatization of a diverse range of industries to be more profitable, and he saw it as a way to alleviate an overburdened and inefficient public sector-oriented economy (as well as ameliorate the state's reliance on debt financing for its heavy industry projects). Mahathir's interest in privatization was inspired by the neoliberal economic policies of other state leaders like British Prime Minister Margaret Thatcher, who pushed privatization as a way to withdraw the state's over-heavy investment in enterprises that were previously nationally-owned. As a result of this turn to privatization in Malaysia, major revenue-producing sectors such as aviation, telecommunications, and utilities were split into privately owned corporations, garnering both profits from the corporations and taxes for the state. Mahathir also developed a "Look East" policy, which turned to neighboring regional neighbors such as Japan, South Korea, and Taiwan for inspiration in developing partnership and cooperation between government and the private sector, which he termed "Malaysia, Incorporated." In this scenario, much like its East Asian counterparts, Malaysia was meant to be a "company," owned jointly by the state and by private enterprise. Practically speaking, this required the deregulation of particular economic sectors such as utilities so that private companies could own and control newly-established companies in these sectors; ideologically speaking, privatization also required the state bureaucracy to be made more efficient, responsive, and open to private investment to support the business growth that was intended to increase tax revenue and funds for further national economic development. In effect, such a partnership between the state and private business meant that the logic of neoliberalism, under the banner of privatization and the value placed on private investment, became crucial for Malaysia's plans for economic growth.

One outcome of privatization in Malaysia was that it enabled financial interests in businesses that were previously held by the state to be transferred directly to the *bumiputera* business community. The reasoning behind this approach is nuanced, as many of Mahathir's policies are – although privatization was meant to advance forward Mahathir's own prioritization of free enterprise and the marketization of the Malaysian economy to increase efficiency and revenues, it was also instituted as an effort to carry forward the principles of state re-allocation of national wealth to *bumiputera* as outlined in the NEP. Mahathir inherited the NEP from his political predecessors, and was thus bound to implement its directives, but he disliked the idea that Malays were to receive "handouts" directly from the state. Instead, Mahathir favored the allocation of wealth to Malays through the direct transfer of ownership in previously state-owned enterprises to *bumiputera*-owned private enterprises, which were provisioned as Malay-majority (or, in some cases, Malay-only) shareholdings under the stipulations of the NEP. However, this age of privatization in the 1980s under Mahathir also became known as an era of crony capitalism. By favoring his Malay political allies within the UMNO party (and its affiliates in the Barisan Nasional parliamentary coalition) with "closed tender" contracts for newly privatized services and supplies for the government, or contracts for which transparent quotes and bidding did not occur, Mahathir and others within his government funneled these contracts to cronies and effectively re-created an elite, affluent class of Malays who became wealthy due to their patronage of his party. This era therefore introduces the figure of the UMNO-affiliated, newly-wealthy, “upstart Malay,” who, unlike the old-money Malays of the royal families who benefitted under the early days of the NEP, was considered to be a member of the *nouveau riche* and not of the established lineage of the nation’s traditional rulers. Ambitious Malays seeking wealth could therefore ingratiate themselves with Mahathir or his cronies and gain personal wealth through the channels of private enterprises that were tightly linked with the state – and all this, despite the ideology of neoliberal market capitalism that underlies the logic of privatization as a means of efficiently raising revenue and profits for the economic development of the nation (and of individual Malays within the nation).

By 1990, private investments accounted for more than 60% of total investments in Malaysia (Rani 2007: 14). This shift to privatization also had a noticeable impact on Malaysia's financial markets, which prior to this era, was dominated by the state’s financial needs to raise funds for infrastructural projects and to support heavy industry. In the newly privatized economy under Mahathir, financing needs within the private sector soared, due in part to the sheer increase in the number of recently privatized companies searching for capital to carry forward the enterprises that had been taken over from the state. Malaysia’s capital market subsequently expanded to meet this demand, resulting in greatly increased stock market capitalization (the total value of all shares of stock), larger markets for bonds and other forms of debt financing, as well as a growth in the financial services that support these markets, such as stock brokerage firms, investment management funds, and financial advising firms. Privatization in the 1980s essentially kick-started an explosion of the investment markets during the following decade in Malaysia, where there were suddenly many more companies in need of financing, as well as more investors in the form of individuals, corporations, and state interests who were in search of investment opportunities. Furthermore, the primacy of these capital markets resulted in a decrease in intermediation, where banks become involved in matching lenders to borrowers in order to facilitate business loans, shifting instead to forms of direct financing (i.e., buying stock, initial public offerings – IPOs – venture finance, etc.) found in capital markets. As in other parts of the world during this time-period, such as the United States, finance became king in Malaysia. Nearly every form of business, from small enterprises to large multi-national corporations, was affected, either directly or indirectly, by the growth and contraction of these financial markets.

In this era of late-20th century financialization in Malaysia, it became possible for money, in the form of finance capital, to make more money, simply by taking on the form of an investment in newly privatized enterprises. An era of financialization was born – but a very specific kind of financialization. The way that finance capital worked to fund private enterprise involved the entrance of *riba* into investment. When an investor transfers capital to an enterprise, in exchange for stocks, bonds, or other forms of ownership shares, they presume that they will be paid back the initial amount of capital that they invested, or the principal. But what makes investments appealing for investors is also the promise of a higher rate of return than the principal amount they invested. Calculating this rate of return as a percentage of the principal itself is considered interest. Essentially, the investor charges a fee for lending or "renting" capital to an enterprise, based on the logic that as the holder of capital, they should be paid a fee for the transaction. In Islam, this fee charged on top of lending or investing money is referred to as *riba*, which translates to "increase" in Arabic, and is a forbidden practice, because it is seen as oppressive for the lender to take advantage of the fact that the borrower lacks money. When financialization and the logic of finance capital permeated the Malaysian economy in the late 20th century, it was a logic that contained within it the assumption that *riba* or interest was a necessary component of finance. After all, as Marx explained in his general formula for capital and the circulation of money as a commodity, the whole point in capitalism is to make money by lending money, thereby making it possible to accumulate money in an ongoing cycle (1990-1991). Although during this time Islamic banking and finance was in its infancy as an industry in Malaysia, it operated – and still continues to do so – under the assumption that some form of interest, even under a different "*Shariah*-compliant" name (see chapter 3) remains critical for the flow of finance capital to fund the burgeoning private sector production of commodities. Otherwise, there would be no incentive for investors to take a risk on the financing of private enterprise, where there are no guarantees on a return on investment, or even a return of principal capital.

Following this era of financialization in Malaysia, the NEP expired in 1990 after having been implemented for 20 years. Mahathir replaced this policy with the National Development Policy, or NDP, which purports to shift its focus from the quantitative transfer of wealth to Malays to the qualitative transfer of wealth-growing and management skills to Malays. In essence, the NDP remained under the same auspices of the NEP, which gave rise to the nickname, "Never-Ending Policy" for the NEP and its continued presence in the Malaysian economy (Chin 2009). However, Mahathir also found the principles behind the NEP to be deeply problematic, having created an elite upper class of well-connected capitalist Malays who were "lazy and eager for handouts" (Sloane-White 2014: 24), and who sub-contracted much of the difficult work of running their enterprises out to business-savvy Chinese in "Ali-Baba" arrangements[12]. Tellingly, the target of his critiques were not the newly wealthy, UMNO-supporting business leaders who received special contracts from the government – instead, Mahathir reserved his reproach for elite Malays, such as those connected to the royal families, who expected concessions from the state for nothing in return. With the official expiration of the NEP, Mahathir desired to create a new middle class of Malays (*Melayu baru*) who would self-initiate their own

---

[12] In these arrangements, the "Ali" partner is meant to reference the Malay business owner or CEO who, despite having received help from the state to set up the business, has passed the most difficult work over to a Chinese "Baba" partner. The term "Baba" is often used to describe men of *Peranakan* Chinese descent, or ethnic Chinese who settled and inter-married with local women in Malaysia, Indonesia, and Singapore centuries ago.

entrepreneurial successes through hard work, rather than through the connections that the NEP had facilitated among the already wealthy, aristocratic Malays.

To contextualize this fixation with creating an entrepreneurial Malay middle class, Mahathir was often at loggerheads with Malaysia's nobility and hereditary royal families during his term as Prime Minister. He pushed through several constitutional amendments to limit their power and influence, including an amendment that abolished sultans' immunity from criminal and civil prosecutions and measures to limit the "privy purse," or allowances that royal families receive directly from the Malaysian government. Mahathir therefore found himself at odds with Malaysia's established aristocracy, including its royalty and nobility, and instead preferred to surround himself with Malays of humbler origins whom he personally raised in political rank in wealth. His commitment to establishing a wide base of middle-class *Melayu baru* was therefore grounded in his enmity for elite "Old Malays," and he saw "New Malays," counting himself among them, as self-starters without inborn privilege. While *Melayu baru* were in fact dependent on the state in a particular way, in the form of *bumiputera* concessions and crony capitalism, Mahathir nevertheless saw them as self-sufficient in comparison to the old elites and royal families, who Mahathir viewed as a drain on the state's resources. Not all forms of dependency were therefore construed the same way when it came to the relationship between Malays and the state – New Malays, as entrepreneurial *bumiputera*, deserved the ability to claim state concessions because they were thought to be productive investments that would pay off by generating future revenue and contributing to the nation's economic development.

Mahathir concretized his intentions to create a new middle class of *Melayu baru* with the unveiling of a his next plan for national economic development in 1991, termed "*Wawasan* 2020," or Vision 2020. As the plan stipulated, by the year 2020, Malaysia intends to have doubled GDP growth every ten years and to have raised the income of the average Malaysian to that of "highly industrialized states," thereby reducing poverty across all ethnic communities through an increase in national revenue due to heightened business activity. To entice this business activity, Mahathir cut corporate taxes and loosened financial regulations, thereby attracting foreign direct investment primarily from East Asian nations such as Japan. Most of this investment was put toward developing an electronics manufacturing industry, and by the late 1990s and early 2000s Malaysia became a leading producer of semiconductors, wafers, and other micro-electronics, for both export and local consumption. The idea behind this high-tech industrialization under Vision 2020 was for Malaysia to develop, as Mahathir termed it, "technological self-sufficiency," so that it would not have to rely on the expertise of other countries to manufacture key components of electronics that Malaysia produced for export. Symbolically, the emphasis within Mahathir's Vision 2020 plans also orient *bumiputera* as self-sufficient leaders of the Malaysian economy. Mahathir intended for these *bumiputera* to be no longer dependent on state handouts from NEP benefits, but to become instead titans of industry in their own right, having cut their teeth on the competitive open markets of a privatized, financialized, technologically-oriented economic landscape.[13]

This Mahathirian rhetoric of Malay self-reliance and "free-market merit" (Sloane-White 2014: 24), as well as its unfavorable views of the previous generation of well-connected Malays who received special favors in order to amass wealth, would come to have an enormous impact on the way that newly "entrepreneurialized" *Melayu baru* in the late 20th century viewed themselves as deserving of the capital they had accrued. Under Mahathir's reign, profit accumulation for the new Malay middle class became a godly enterprise, not unlike the early German Protestants of Max Weber's study of the "capitalist ethos," and as long as this enterprise was self-initiated and sustained, such profits could be "purified" through avenues such as the corporate giving of *zakat*, or Islamic tithes (Sloane-White 2017) charitable donations (Atia 2013), or conducting transactions through Islamic banks (Rudnyckyj 2014). In short, nearly all manner of wealth could be justified through the back end, so to speak, of applying Islamic principles of *fiqh al-mu'amalat* (jurisprudence in social relations, especially in transactions and exchange) to forms of profit and capital gleaned in this newly entrepreneurial economy.

---

[13] Of course, many Malays argued that by the end of Mahathir's tenure in 2003, *bumiputera* were just as reliant on the state as they had been under the early days of the NEP. His continued practices of crony capitalism, coupled with a political scandal in which he ousted his deputy, Anwar Ibrahim, and had him jailed essentially on bogus charges with a sham trial, did little to soften his reputation for being a leader who staunchly pursued his own interests at the expense of others.

Believing that the entrepreneurialization of Malays could be accomplished by linking Islamic ethical practices and attunements to the ability to purify wealth and business profits, Mahathir set into motion a convergence between particular ideas about the self, in terms of its duties and motivations, and understandings of what it meant to be a pious Muslim. Mahathir's Islamization approach emphasized that the economic rationalization needed to train the self to efficiently pursue profits was an ethos that could be inculcated into the Malay Muslim populace by demonstrating that Islamic practice itself was rational, profit-seeking, and self-managing.[14] Thus, the same Islamic Reformist ideals that flourished in the Dakwah era, that Muslims should be responsible for their own ethical behavior, continued into the Islamization era, but with a different nuance. This time, powerful institutions and individual, piety-seeking Muslims entered into a relationship of governance and subjectification (Ong 2006). In this sense, the properly conditioned Muslim subject was both self-managing and also sufficiently fearful of the state's power, which was apparent in the institutions that governed many of the realms of everyday life.

To this end, in the 1990s, Mahathir developed a strong program to introduce the state as a manager in the economic and religious affairs of Malaysians, generating

[14] Mahathir himself was deeply invested in ideas about science, rationality, modernity, and progress, and he believed that, in order to recover Islam's past glory, Muslims must espouse the pursuit of all knowledge, religious and otherwise, and change their attitudes toward science and materialism (Beng 2006). For instance, in 1983, Mahathir created the nation's first Islamic university, the International Islamic University of Malaysia (IIUM), where secular subjects such as economics and human sciences were taught alongside Islamic theology.

a consolidation of authority in a federalist system of governance.[15] He institutionalized a number of religious positions (such as teachers and *ulama*) on a federal level that were formerly administered on the level of the state or local community. Mahathir also invested newly formed government bureaus[16] with the power to seek, judge, and punish offenders of these standardization policies, which resulted in the institutionalization of matters ranging from religious preaching, education, and conversion to the state's oversight of the growing banking and finance and *halal* commodities production industries. In Islamized Malaysia, the very notion that individual Muslims were responsible for their own practices of piety gave birth to state institutions designed to help manage and enforce that responsibility. Such religious institutionalization represents a case not of how neoliberal ideas about self-management remain in opposition to state involvement in the religious and economic lives of its subjects, but a case of how the state has indeed become crucial for the development of the modes of subjectification and institutional forms that make an Islamic piety centered on self-management possible.

Financialization and the unfolding of neoliberal logic in Malaysia's religious and economic landscapes therefore took place in a way that had much to do with the

[15]In 1983, Mahathir formed Malaysian Islamic Bank, the nation's first official Islamic financial institution, which set the stage for the creation of a national Islamic finance sector that lay under the purview of the federal government. His administration also established *Takaful Malaysia*, the national Islamic insurance firm, and it expanded the operations of *Lembaga Urusan Tabung Haji*, the Hajj Pilgrims Management Fund. Under Mahathir's rule, Islamic *Shariah* courts became federalized, meaning that they were given the same authority as civil courts and all Muslim citizens of Malaysia were deemed to fall under their jurisdiction.

[16] Such as *Jabatan Kemajuan Islam Malaysia* (JAKIM), or the Department of Islamic Development Malaysia.

particularities of its state leadership. Economic privatization under Mahathir resulted in the expansion of capital markets and the rise of a predominant investment logic, and these neoliberal forms also hinged on Mahathir's desire to prove that Malays could be entrepreneurial and were not necessarily dependent on the state for concessions. However, by saturating the landscape with *bumiputera*-led enterprises that remained connected via political favors to his UMNO party, Mahathir also paved the way for the re-entrenchment of the idea, especially among non-Malays, that *bumiputera* enterprises may not actually be competitive on the open market. Furthermore, Mahathir's focus on entrepreneurializing a new middle class of Malays also reinforced the primacy of these particularly neoliberal ideas about the benefits of free markets and lack of state regulation in the economy, and the need for self-sufficiency among Malays and across Malaysia's global trade relationships as a whole. At the same time, during this era of financialization and the dominance of neoliberal market logic, the most visible accumulations of wealth among Malay entrepreneurs took place among those who were most tightly connected to the state through the channels of directly disbursed contracts and other forms of crony capitalism. Thus, the tensions between neoliberal ideology and state dependency – and who "deserved" to be dependent on the state, and who did not – become deeply interwoven into the fabric of the late 20th century economy in which todays' second-generation *Melayu baru* were raised and came of age.

I propose that financialization and its operation through the rhetorical and institutional entwining of Islam, Malayness, and capitalism in Malaysia are not inevitable, and instead rely on a number of contingencies. One of these contingencies lies is the fact that privatization and the dominance of investment capital within business and finance took place in a particular manner under Mahathir's leadership, and with a particular role for *bumiputera* to play in these sectors. While *bumiputera* were meant to be the beneficiaries of privatization and made into free-market capitalists in a new iteration of the NEP goals to re-distribute wealth to Malays, they also remained reliant on the state as a distribution channel for the opportunity and means to enter into business. Although this contradiction within capitalist logic is not new, nor is it entirely unique to Malaysia's circumstances, it did create the conditions in which particular assumptions about Islam and capitalism became normative to the operations of business and finance. These assumptions include the notion that profits could be retroactively purified, that *riba* was the basis of finance, and that state institutions should and could govern ethical economic action. Although these ideas remained generally accepted by first-generation *Melayu baru* as commonplace ways of engaging in economic conduct, I met many younger Muslims who argued that one could do business and invest without *riba*, and that finance without oppression was possible, but that a different kind of economic thinking and action was required. This different approach involved re-orienting economic norms around Islamic ethics, instead of around neoliberal market logic – with the caveat that these norms and ethics remain intimately entwined in their understanding and practice in Malaysia.

Central to this approach is the rejection of *riba*, which is an intervention into the basic assumptions of finance capital – and capitalism itself. The task of this dissertation is therefore to illustrate the cracks within normative finance and business from which another economics, based on Islamic principles of ethical action, has begun to emerge.

Section 3: Rethinking Islamic Piety and Neoliberalism

Scholars who study Islamic piety and late or neoliberal modes of capitalism have analyzed how Islam is co-constitutive with, or at least conducive to the practices and institutions of capitalism (Hefner 1998). Some have even argued that Islamic piety works in cooperation with the projects and subjectivities of neoliberal capitalism (Gokariksel and Secor 2008; Isik 2010; Schulz 2006), defined broadly through the deregulation of financial institutions and structures, free-market ideology, and a belief in the individual's own work ethic as a justification for wealth accumulation. This body of scholarship helpfully contextualizes how practices of Muslim piety have arisen, or transformed, under new regimes of capital and value, yet few studies have asked whether and how pious Muslims might disagree with, or remain opposed to this construction of "pious neoliberalism" (Tobin 2016). This scholarship also tends to frame piety and its forms of devotion, notions of virtue, and ethical frameworks as a set of fundamentally neoliberal practices and attachments, translated into the language of religion (Newell 2007; Shipley 2009; Soares 2005).

Furthermore, studies of Islam and neoliberal capitalism have examined how "market-based solutions" rooted in capitalism have been taken up to address social problems such as poverty and serve as a particular mode of economic development that easily translates into the vocabulary and pious orientations of Islam (Osella and Osella 2009, Rudnyckyj 2013a). This is a key intervention against the assumption that religion, and Islam in particular, is antithetical to the projects of entrepreneurialization and financialization, understood in the shorthand language of neoliberal capitalism as "economic development." From efforts to turn the handout-seeking needy into capital-accumulating micro-entrepreneurs (Elyachar 2005) to Islamic charities that use the language of Western-style non-governmental organizations to articulate that they are builders of new futures for the poor (Atia 2013), this scholarship frames economic development in a very specific way – as a means of "helping the poor help themselves," a form of humanitarian aid, and as a transformative process of creating entrepreneurs out of the soon-to-be-formerly needy. As a result, it highlights the way that such development maintains a particular relationship with neoliberal capitalism by examining how self-helping subjectivities are cultivated, and by centering the role that neoliberal modes of accumulation play in generating the problematic conditions in which the "solution" of entrepreneurial development is necessitated.

However, this literature does not follow how economic actors themselves – pious Muslims, in this case – critique economic development as a "solution," as well as propose their own alternative forms of economic action, which have little to do with the market-based solutions proffered by aid organizations, states, and venture financiers. Moreover, these studies tend to view economic development as a project for (and of) the poor, focusing on efforts to transform these "bottom billion" (Atia 2013: xxiv) into middle-class entrepreneurs. But the poor are not the only participants and beneficiaries of economic development – Malaysia in particular serves as an example in which efforts toward GDP growth and socio-economic mobility have been focused primarily on the middle class, specifically the *Melayu baru* who are the target of state efforts to spearhead economic development by becoming entrepreneurs (Sloane-White 1999), bankers (Rudnyckyj 2013b), and lifelong corporate and civil service workers (Sloane-White 2017).

My dissertation intervenes in this literature on neoliberalism by shifting the viewpoint from those who perform neoliberal capitalism-based economic development, as either givers or recipients of efforts to create self-helping, entrepreneurial subjects, to those who critique and reject such engagement. I aim to complicate this relationship by following the ethical action and knowledge-seeking efforts of pious Muslims who see themselves as specifically combatting the effects of neoliberal capitalism in their communities. Yet, they do so using some of the very language and ideas of the neoliberalism that they oppose, mobilizing conceptions of a self that, in its ideal form, would care for and do work on itself in order to counter the normative modes of finance and business in Malaysia. Rather than assume that pious

Muslims must be so thoroughly subjectivated under the proscriptions of neoliberalism that their very piety is neoliberal, this dissertation draws attention to the many ways that transformations to Malaysia's religious and economic landscapes have forged a neoliberalism that contains within it tools of pious reflection, critique, and transformation. As members of study circles, activists, entrepreneurs, and financiers, these pious Muslims and their economic action are not simply an instantiation of Islamic piety atop a "true" neoliberal economic base. Rather, they represent efforts to ethically reform self and society.

Furthermore, I address the question of what happens when people refuse to be conscripted into the service of economic development efforts grounded in neoliberal capitalism as a means to solving socio-economic problems – or, as in the case of Islamic bankers who turn rogue, whose conscription narrates the possibility of their escape (Scott 2004). As a result, many of the pious Muslims I met in Malaysia saw entrepreneurialism and financialization – the would-be "market-based solutions" – as the problems that warranted reform. This problematization of the neoliberal approach to economic development in Malaysia, situated within ethical understandings of what it means to be a pious Muslim, is the premise on which my ethnographic research is based. As such, it requires further explorations into the question of why and how the economic action proposed in these problematized neoliberal solutions became the grounds on which younger-generation Muslims in urban Malaysia examine, explore, and work through the meaning of Islamic piety.

This question of how practices of economic action became the basis for engaging with religious piety is attuned to the fact that Islamic social movements are particularly historical projects. As a result, much of my understanding of today's Islamic Revival in Malaysia is deeply indebted to Saba Mahmood's (2005) ethnographic investigation of the women's mosque movement in Cairo, which is a part of a broader piety movement in contemporary Egypt. Mahmood's contributions to scholarship of Islamic piety are many, but the most crucial for my own study is her tracing of the genealogy of the concept of ethical practice, and her analysis of its emergence as both the site and content of a pious selfhood. Mahmood follows how an Aristotelian understanding of ethics, or how a person's ethical capacities are honed and cultivated through repeated, intentional forms of bodily and emotional practice, was taken up by Christian and Muslim theologians, particularly the 11th-century Persian scholar and jurist, Abu Hamid al-Ghazali, whose writings on moral cultivation techniques remain intensely popular among pious Egyptians. Amongst pious Muslims in Malaysia, I found that the writings of al-Ghazali are equally treasured and beloved, and contemporary Islamic scholars popular in Malaysia, such as Sheikh Hamza Yusuf, who writes on similar themes of the techniques required to "purify the heart," extend the lineage of this conceptualization of ethical practice as an avenue for the cultivation of virtue through the aligning of exterior behaviors and interior dispositions. Mahmood's focus on the specific, authorized forms of bodily practice, such as praying, fasting, and veiling, allows us to understand these practices for "the *work they do* in constituting the individual" (29) – an individual who becomes an ethical subject through embodied discipline, practice, and self-examination, or through what Foucault calls "moral subjectivation."[17]

Mahmood's work lays a crucial blueprint for the study of Islamic piety in Malaysia by drawing together a Foucauldian analysis of the conception of selfhood, an Aristotelian genealogy of the meaning of ethics, and her own theorizations (drawn from Judith Butler) of how bodily practices constitute political action outside of the realm of liberal thought. If anything is missing from this momentous work, it is attention to how piety and ethical practice emerge within the realms of economic action, which are likely a reflection of what most (or least) concerned the Egyptian Muslims who informed Mahmood's research. In this sense, I feel that I must attend to the question of how ethical practice intersects with economic action precisely because it is a reflection of what most concerned the people I worked with in Malaysia. Approaching (but not quite getting at) this question is Max Weber's foundational writing (2002 [1905]) on Protestant religiosity within the realm of economic action. Weber's investigation into the linkages between a "Protestant ethic" and the ethos of capitalism is premised on the notion that, as industrial capitalism flourished, the attachments to Calvinist doctrine that once drove this flourishing eventually faded away or became "the ghost of once-held religious beliefs (2002: 121)." What

[17] In Chapter 5, "Riba and/as Debt," I explore more deeply the connections between the pious selfhood that is imagined among the people I worked with in Malaysia and the forms of ethical practice, marked by processes of moral subjectivation, in which they engage.

remained were powerful ideas about the virtue and dignity of work, or work as a God-ordained calling (*Beruf*) that was initiated under the asceticism movement among Protestant Calvinists in Europe before the advent of industrial capitalism. In this new period of capitalist modernity, these particular Calvinist ideas about the virtue of work spilled over from the sacred world to the profane world, which had grown precisely because of the industriousness of Calvinists who worked hard to please God. Once industrial capitalism had fully "modernized" society, as it now has (Weber theorizes), all that remained was the notion of work as a virtuous calling, and what was once a specifically Protestant Calvinist ethic had become a more broad "spirit" (*Lebensauffassung*), or conscious way of conducting one's life (*Lebensfuhrung*), that is foundational to capitalism.

In engaging with Weber's work, some scholarship has taken issue with the premise that religious modes of being in the world have indeed faded away, and that the virtue of work has been "carried out of monastic cells and into working life" (Weber 2002: 120). While it is debatable that such a process of secularization has actually occurred – and one may argue that the project of secularism itself relies on the incomplete but nevertheless persistent narrative of the separation between a social realm called "religion" and one termed "everyday life"[18] – one particular strain of scholarship that tests this Weberian theory looks to the case of Muslim Southeast

[18] While there is a particular debate within anthropological studies of Islam about the possibility and effects of demarcating "everyday Islam" from Muslim piety (Fadil and Fernando 2015; Deeb 2015), here I reference Western liberal assumptions that "religion" is defined through its separation from that which has been deemed "the secular." See Cannell (2010) for more on how these categories have been historically constructed and, more recently, deconstructed.

Asia. Here, scholars such as Daromir Rudnyckyj (2010, 2013a) investigate how today's capitalist societies are actually shot through with these continued Protestant-style investments in God-ordained, virtuous work. This literature, which supports Weber's ideas about "work as worship" (Rudnyckyj 2010), relies on the construction of a parallel between Protestant Calvinism, or "Puritan Christianity," and Islamic Reformism. In this parallel, contemporary forms of Islamic Reformism became reconfigured into "Protestant Islam" (Loimeier 2005) as an example of the ways in which Weber's characterization of the ascetic Protestant ethic are extendable into a similarly ascetic Islamic ethic about work as a form of bodily practice that enacts and elicits specifically Islamic states of virtue.

As an example of this Weber-inspired approach, Rudnyckyj (2010) investigates the contours of the "spiritual economy" that unfolds among participants of an Islamic-themed employee management program in a former state-owned steel plant in rapidly privatizing Indonesia. This spiritual economy, according to Rudnyckyj, combines neoliberal notions about the rationality of economic efficiency as a mode of organizing one's life with what he argues are Islamic values of efficiency, transparency, and rationality. Life under this spiritual economy entails, as in the case of Weber's Protestant ethic, the reconfiguration of work as a form of worship, the positioning of religious practice as a site of governance and self-management, and the inculcation of "ethics of individual accountability" (132) that are rationalized as effective and efficient means of generating profit. Also similar to

Weber's argument about the "otherworldly ascetic" practices of Calvinists that made them into effective capitalists is Rudnyckyj's argument about a group he terms "spiritual reformers" in Indonesia – the common thread between both Islam and neoliberal capitalism, proposes Rudnyckyj, is an intrinsic "asceticism and rationalization" that enables workers who exhibit and practice Islamic piety in a very particular way to find success and merit as managers, engineers, and technical experts at the steel plant.

However, there are some key differences between Weber and those who are inspired by his work. For instance, unlike Weber, who proposed that life would become less religious as it became more thoroughly driven by the norms of capitalism, Rudnyckyj and others demonstrate how the very visions of capitalist modernity entailed in economic development are contingent on specific understandings of religion as a proliferating, increasing force in the everyday lived experiences of Muslims. Moreover, while Weber argues that Calvinist characteristics of piety existed within an ethical tradition of Protestant Christianity, Rudnyckyj in particular spends little time illustrating how specific characteristics of Islamic piety that become so important in an era of neoliberal capitalism, such as transparency, efficiency, and rationality, are considered by Muslims to be ethical in a historical sense. Here lies my main problem with Rudnyckyj's argument, and with this broader approach to painting Islamic ethics as instantiations of neoliberal capitalist values – this approach assumes that "Islamic values" will simply stand in for themselves, and it underestimates the effect that tracing the Weberian genealogy of these concepts would have on helping us to understand why and how they can be considered characteristics of Muslim piety.

In contrast to this inattention, other approaches spend time excavating both the teleological arrangements (i.e., aspiring to live a life in emulation of the Prophet Muhammad) and the forms of authorization (i.e., the vast works of scripture, exegesis, jurisprudence, etc. found in the Qur'an, *Sunnah*, Hadiths, and many other works that make up Islam's discursive tradition [Asad 1986]) that frame the Islamic piety of Muslims *as* pious. This approach demonstrates to the reader "the how and why," so to speak, of the ways in which these particular understandings of Islamic values among pious Muslims have emerged from within a historical trajectory of piety movements in specific places. For example, in the case of Mahmood (2005) and Charles Hirschkind (2006), these efforts have the effect of showing that the Muslims they met in Egypt were willing participants in the cultivation of their desires to be pious in authorized, teleologically-organized ways, so that they may fulfill their deeply-held love for God and vision for how to live a meaningful life. Conversely, the understanding of Islamic piety as neoliberal piety that I find exemplified in Rudnyckyj's work paints Muslims primarily as subjects of surveillance and discipline, who aspire to mold themselves into certain kinds of subjects with certain kinds of ethical capacities, but whose own desires are diminished as mere effects of the extent to which the governing powers of Islamic piety have thoroughly inculcated their projects of self-making.

Furthermore, in the example of the Indonesian steel plant, Rudnyckyj's main source of Islamic ethical authorization and teleology (if it can be termed as such) is Ary Ginanjar, who is the developer of the corporate spiritual training program, as well as the words of the workers who are participants in the training program. There is very little from outside of the world of the training program – its dissenters, its precedents, other forms of "spiritual training" found in Indonesian practices of Islam, etc. Rudnyckyj's shortcoming here is indicative of a larger approach to Islam that can be found in other examples in the literature on Islamic piety and neoliberalism[19] – it does not do nearly enough work to show us where these neoliberal pious values come from, how they became "values," or the many other complex ways in which they could be interpreted and understood. Instead, this approach often situates Islamic piety primarily within a political history of Islamic Reformism's hand-in-hand relationship with projects of the state, including development practices (Atia 2013) and efforts to institute *Shariah* law (Sloane-White 2011), which presents piety as an effect of the extent to which legal and state governance techniques have made neoliberal subjects out of pious Muslims. In this construction of neoliberal pious Muslims, is their neoliberalism that defines and exerts transformation upon their piety, therefore positioning Islamic piety as epiphenomenal to (and merely an effect

[19] See other literature cited throughout this dissertation – Atia (2013), Isik (2010), Schulz (2006), Soares (2005), Tobin (2016), etc.

of) an underlying configuration of political economy. Thus, this approach fails to situate these neoliberal capitalist values within a broader tradition that can be called Islamic, thereby failing to fully explain why or how they gain purchase as *specifically Islamic* values. As Talal Asad (1986) argues, Islam itself can be understood as a set of arguments about conducting one's life according to an "instituted practice" (15) and with reference to a discursive tradition that is comprised of historically authorized forms. In this vein, the contrasting approach that Mahmood and others take therefore does the vital work of specifically establishing modes of action, articulation, or desire *as* Islamic (or Islamically pious) by situating these modes relation to Islam's discursive tradition and its authorized ethical forms.

There are further problems with the construction of the figure of the Protestant-style neoliberal pious Muslim, the first of which lies in the assumption that a shared sense of rationalism undergirds Protestant Calvinism, neoliberal capitalism (which is arguably the most recent and forceful iteration of the Protestant ethic's continuation within the spirit of capitalism), and Reformist Islam. This rationalism conveniently orients the Calvinist, capitalist, and Reformist beholder toward a specific form of economic maximization in which the pursuit of profit becomes paramount as an all-encompassing rule of governing logic. While I have little expertise to contest Weber's historically and theologically-grounded case for the positioning of early Protestant Calvinists as particularly "rational" in this way, I am not convinced that the rationalistic pursuit of profit organizes all aspects of life for pious Muslims who participate in (or identify with) Islamic Reformist movements. Rudnyckyj (2016) as well as Osella and Osella (2009) argue in support of this idea that profits gleaned from such practices of economic rationality can be "made Islamic" through processes of purification such as donating to *zakat* (alms), charitable giving, and corporate social responsibility (Sloane-White 2017). As a result, this argument rests on the assumption that all profits, regardless of their origins, can be purified in a *post-facto* manner, where the final end-product matters more than the process by which it was produced. The counter-argument to this assumption, that process matters just as much as product, and that profits gleaned through processes of back-end purification remain "impure," is precisely what undergirds my interlocutors' efforts of work, study, and public engagement in Malaysia. My dissertation traces how such a counter-argument emerges within the economic action of pious Muslims who participate in various industries (such as Islamic Banking and Finance, venture capital investment, and the entrepreneurial production of *halal* consumer products and services), thereby presenting an alternative to the neoliberal pious Muslim whose religious and economic practices are jointly conceived as organized toward the rational pursuit of profit.

The second problem in the construction of this kind of neoliberal pious Muslim is that it overlooks the question of the extent to which pious Muslims living in neoliberal conditions are reconciled with practices of neoliberal capitalism, and with the world that it has created. In other words, the fact that this question does not even seem to arise in many of these studies of neoliberal pious Muslims is what raises a red flag for me, for if reconciliation or grappling with neoliberalism is not part of the picture of how pious Muslims *became* neoliberal pious Muslims, then it can be assumed that Islamic piety is simply a vector through which the powerful forces of neoliberal governance have been enacted. In my own experience, after only a few months of research in Kuala Lumpur, the young Muslims I met explicitly and in no uncertain terms vocalized their opposition to the development of neoliberal economic landscapes in late 20th century Malaysia. For instance, their objections to the removal of the gold standard in valuing the U.S. dollar often worked their way into our discussions about free-floating or fiat currency's role in the problematic fluctuations experienced by the Malaysian *ringgit* (which was pegged in value to the U.S. dollar from 1998-2005) and its unfavorable comparison to the use of gold and silver currency such as the Islamic *dinar* and *dirham*. Yet, their criticisms of the normative ways in which neoliberal capitalism has shaped social and economic life in Malaysia also drew much of their meaning and power from their emergence within normative neoliberal discourse and action itself. As a result, one of the underlying premises of my dissertation is the assertion that, while not all who have benefitted from the transformations of neoliberal capitalism embrace or are reconciled with neoliberalism as ideal subjects of its governance, their subjectivation within neoliberal social and economic forms has also given them the tools for critiquing and imagining an alternative to these forms. Holding this tension by ethnographically investigating the ways in which younger-generation Malay Muslims remain critical of the effects of neoliberalism, even as they articulate their objections using some of the language and imagination of neoliberalism itself, is therefore a major task of this dissertation.

Thus, in exploring how the Muslims I met grappled with and conceived of ethical alternatives to the unfolding of neoliberal capitalism's economic norms in Malaysia, I attend to the way that such practices remain discursively rooted within neoliberal capitalism itself. In how they are discussed and conceived, these struggles against neoliberalism – or, as some termed it, efforts to be "liberated from *riba*" – manage to ignite imaginaries of responsibility, dependency, and self-sufficiency that are intimately entangled with their experiences of Malaysia's financialization, uneven wealth accumulation, and debt. The over-arching argument among the Malay Muslims that I knew was that, rather than taking for granted the hegemonic capitalist forms that were made possible by this financialization, another way – as in, another form of economic action, or another economics altogether – was possible. In their constitution of this other way, the Muslims I met actively attempted to undo or dis-embed the assumptions within theories of economy that individuals must maximize, that profit drives enterprise, and that interest is intrinsic to finance. However, these very articulations and imaginations of another economics were enabled by their intimate familiarity with the normative, dominant understandings of economy, enterprise, and finance in which they came of age. This dissertation therefore analyzes how, through forms of ethical economic action such as liberation from *riba,* the articulation and imagination of another economics by pious Muslims is made possible by the very conditions of neoliberalism itself, in which these ideas about the self, ethics, and *riba* exist.

Section 4: Chapter Outline

Although Malaysia is a place in which entrepreneurialism and financialization have aggressively burgeoned, indicating distinct processes of transformation to the social landscape that can be termed neoliberalization, these processes are by no means complete or inevitable. Rather, in their contingency and unevenness, entrepreneurialism and financialization have provided the conditions necessary for the imagination of the limits of neoliberalism. In the chapters that follow, I trace how this imagination unfolds in the spaces where the modes and practices of Islamic piety are articulated with regard to the disjunctures, fissures, and contradictions in entrepreneurial business and finance.

The first portion of this dissertation examines Malaysia's financialized landscape and explores the normative modes of entrepreneurship and finance that developed in the late 20th century. In Chapter 2, I outline how dominant understandings about what comprises and counts as entrepreneurship in Malaysia, particularly in the technology startup sector, have been structured by a paradoxical relationship between the colonial history of tying race and labor that led to Malay dependency on the state and the dominance of hegemonic ideas about the moral nature of economic self-sufficiency. In chapter 3, I examine the Islamic Banking and

Finance (IBF) industry, where some practitioners and students argue that the logic of *riba* still manages to permeate a supposedly *riba*-free form of finance. This argument unfolds around their claims that the process by which IBF products and services are rendered "*Shariah* compliant" involves, among other transgressions, inattention to proper form and poor intentions. Practices of normative finance therefore seem to carry on, even within Islamic finance. However, these norms do not go unchallenged. In the growing social sphere of *halaqahs*, or Islamic study circles, and among pious Muslims who attend them and other types of Islamic lectures, sermons, and discussions, I show the cracks that these Muslims identify and widen within the norms of market logic that permeate finance and business in Malaysia. I follow how *halaqahs* are important spaces where authorized ethical forms (Mahmood 2005) of economic action are learned, discussed, and practiced as a means of identifying and widening these cracks.

In the second set of chapters, I identify how these ethical forms are recalled using tools of self-reflection and evaluation *while* they are also deployed as tools of critique of the norms of finance and business. The goal, I argue, is not only to use this critique as a means of self-reform, but to also initiate a process of social reform, where broader institutions and systems of finance are transformed alongside individual practices of ethical economic action. Chapter 4 follows how specific norms of investment finance have developed among the venture capital (VC) firms that invest in *halal* tech startup businesses. The norms of finance are present in the assumption that all enterprises must be oriented toward maximizing profit so that investors can achieve a return on their investment – and in the process, the dominant logic of venture finance ends up minimizing some of the very *halal* characteristics of the enterprises that they purport to be helping to cultivate. Chapter 5 critically examines the assumption that the interests of the venture financing of startup enterprises must be solely driven toward profit maximization. Those who object to this assumption include the director of an Islamic venture finance firm that practices *mudarabah*-based Islamic investment and minimizes the role that profit plays in the goal of finance itself. Chapter 6 explores fractures in the normative assumption that debt is a necessary part of middle-class life in Malaysia, re-configuring debt as a form of *riba* itself, for it generates the same kinds of dependency and bondage that are entailed in *riba*. I trace how the goals of anti-*riba* activists are focused on attempting to remove *riba* from of the everyday life by eradicating technologies of debt, as well as through the building of alternatives to Islamic and conventional banking and financial systems.

A theme that gathers across all of these chapters is the way in which Muslims who hope to change hegemonic economic and social forms must also become entangled with them. I argue that is this entanglement, however, that contributes toward their ability to critique and examine their own actions and intentions – as well as the actions and intentions of others – in their efforts toward ethical reform, which comprise the basis of their piety as Muslims. These critiques often take shape in language and ideas that some might call neoliberal for their conceptions of a pious self that is responsible for its own reform, even as these articulations explicitly object to the primacy of individualism and self-interest that are central to how many people think about neoliberalism. For this reason, to characterize Muslims engaged in this sort of critique as "pious neoliberalism" or "neoliberal piety" seems to fall short of more fully investigating the tensions within neoliberalism that are drawn out by Muslims in their practices of piety. By reading this understanding of Islam in its expression as "neoliberal piety" alongside a different approach that analyzes Muslim piety through ethical practice, it is possible to discern a reconfiguration of pious Muslims' relationship to neoliberalism, where piety does not operate as a vector of a neoliberal economic subjectivity, but is instead construed within and against it.

Section 5: Methods

The 22 total months in Malaysia that I spent conducting field research varied widely. Prior to conducting dissertation research, I spent two months in 2011 at the National University of Malaysia (*Universiti Kebangsaan Malaysia*, or UKM) in Bangi, Malaysia, about an hour outside of the capital city of Kuala Lumpur. There, I lived on the campus in a dormitory and dedicated most of my time to learning basic Malay (*Bahasa Melayu*). In 2012, I spent another two months in language study at UKM, but this time I lived with a local Chinese Malaysian family in a suburb of Kuala Lumpur, spending many hours discussing Malaysian current events and politics with my host father and the family's three children who were around my age.

During that time, I also met a few Malay entrepreneurs who worked in creative arts and design industries, forming foundational contacts that would comprise the majority of my network during dissertation research, two years later.

From March 2014 – October 2015, I conducted dissertation research in Kuala Lumpur, spending most of my time within the urban core and suburban neighborhoods that loosely form a ring around the city center. I supplemented this study with short research trips to the cities of Ipoh, Melaka, Penang, and Alor Setar, but as the nation's financial center and a regional hub of commerce, Kuala Lumpur proved to be the primary gathering-point for the bankers, financiers, entrepreneurs, students, activists, and scholars who pursued the question driving my research – what does economic action have to do with Islamic piety?

The city center and suburbs of Kuala Lumpur (or "KL," as it is often called by locals) are home to about one-third of the nation's population. In Malay, Kuala Lumpur translates to "muddy confluence," referring to the juncture of two rivers, the Gombak and the Klang, on which the original site of the city was founded. Historically less culturally significant than the seat of major sultanates such as Melaka, and less strategically located than the island of Penang and the ports of Singapore, where the British established crown colonies known as the Straits Settlements in the 19^{th} century, Kuala Lumpur was founded in the mid-1850s as a tin mining settlement. Its vibrant commercial energy continues today, and contemporary

KL is home to a diverse landscape that is constantly undergoing infrastructural transformations. During my 18 months of dissertation research, I was surprised to see the relentless demolition and construction of office buildings, industrial parks, high-rise condominiums, shopping malls, rail transit lines, a new financial exchange center, gated tract-style housing developments, toll roads, and a low-cost carrier airport. The never-ending road construction, closures, and traffic jams made it difficult at times to navigate around the continually changing city in my small Myvi (a locally-made Malaysian car not known for its strong safety record) as I traveled from place to place to conduct research. In this city of constant change, the languages used to communicate within KL are varied – most adults speak some combination of Malay (the official national language), English, Tamil, Mandarin, Cantonese, and other Chinese languages such as Hokkien, Hainanese, Teochew, and Hakka. The people I worked with, as Malay Muslims, spoke primarily Malay and English, and some could speak other languages such as Mandarin and Arabic, but nearly all of the people I spoke with chose to communicate with me in English. Despite my attempts to carry out conversations in somewhat rudimentary Malay, the vast majority of my interlocutors spoke fluent English and preferred to only add in short phrases and words in Malay, Cantonese, and other languages in a distinct form of "Manglish" (Malaysian English) that is commonly spoken in the region.

I began my dissertation research by spending time with entrepreneurs in the creative sectors that I had met a few years before, and my primary contacts within this group soon introduced me to other younger-generation pious Muslims they had met through Islamic study and discussion groups, scholars' sermons and presentations, wellness retreats, startup bootcamps, guided reading circles, charity fundraisers, *dakwah* gatherings, local concerts, bazaars, and dozens of other formations of what many of these Malays called "like-minded people." Quickly enough, I found that this like-mindedness emerged from a coinciding interest in both Islamic study and matters of business and enterprise, since nearly everyone I met in Malaysia operated at least one small side business to supplement the fairly low wages of regular full-time employment. This common interest led them to form regular gatherings where I focused many of my research efforts – *halaqahs* and scholarly lectures, often given in a series on themes such as the importance of prayer, love and marriage, child-rearing, and, as I found to be among the most well-attended topics, trade, commerce, and finance. The events held in study circles and lectures often drew from the same general group of younger-generation, educated, middle-class, and urban-dwelling Malay Muslim men and women, but the two spaces differed slightly. Participants in both *halaqahs* and formal lecture spaces included both men and women, although seating was usually loosely separated by gender, and ages ranged from retirees (in 60s and 70s) to university-age students, with the most number of people being in their late 20s, 30s, and early 40s. Young children were often present, which both added levity and a bit of distraction to the often serious discussions taking place. There were usually slightly more men than women in attendance, and the language of common communication was almost always English, for participants usually included non-

Malaysians who could not speak Malay (and very few people spoke conversational Arabic, though many could read quite well). Most of my research activities in these spaces were constituted by participant observation, and after chatting with other participants during the many tea and food breaks that book-ended the events, I was often able to arrange with these participants for either small-group or individual interviews in homes, workplaces, and cafes, to be carried out at a later date.

In the more formalized lectures, which took place everywhere from art galleries and *suraus* (prayer rooms) inside swanky shopping malls to rickety *pondok*-style schools (similar to *madrasahs*) found in in semi-rural neighborhood compounds (*kampung*) on the edges of the city, nearly all participants sat on the floor, while scholars guiding textual study or delivering sermons sat on chairs or elevated cushions at the front of the room. Mimicking the typical student-teacher dyadic relationship found in Qur'anic study, these formations encouraged participants to take notes on the lectures and explanations, sometimes with digital recorders or on tablets and laptops, and other times by hand in notebooks. The topics covered in these lectures and textual study spaces remained close to the canonical works of scripture and exegesis, with the theological and philosophical writings of Imam Al-Ghazali featured as a mainstay across many of these studies. This space was marked by a solemn sense of decorum, for many of the scholars who led the textual studies and delivered lectures were once themselves students who, in the "chain of knowledge transmission," had studied at the feet of the venerated teachers who had generationally preceded them, and nearly all could trace their places within this chain back to the Prophet Muhammad and his companions.

Figure 2: A lecture held at an Islamic *pondok*-style school in Kuala Lumpur. Photo by author.

Many of the scholars who held sessions for study and sermons were at the forefront of their fields and held global reputations, and both local Malay scholars and scholars from other places such as Australia, Fiji, Trinidad and Tobago, the United Kingdom, and the United States had strong followings of attendees who would faithfully turn up to lectures that were held regularly across Kuala Lumpur. Participants were encouraged to ask questions at the end of each presentation or study session, and after the events finished, several people often lined up to speak directly with the Sheikh, Imam, or Habib who had spoken that day or evening. Chapter 6 describes many of the activities that took place within lecture and textual study sessions, where Islamic scholars were often invited to deliver sermons on specific topics related to matters of financial jurisprudence, ethics, and other issues of *mu'amalat* (human relationships).

In contrast, *halaqahs* were study circles without clear leaders, although often a member or visitor to the group would present on a topic of his or her expertise. The *halaqahs* that I regularly attended met within university classrooms and stadium-style lecture halls on the grounds of university campuses around Kuala Lumpur, such as the University Teknologi Malaysia and Universiti Malaya, all accessible by public transportation within the city. These were spaces marked by lively debate, disagreement, and sometimes conflict, where an urgent air often hung over the participants who were frequently being called to action. The debates that proliferated within the spaces of the *halaqah* were usually related to issues of finance, business conduct, currency, credit and debt, and Islamic or *Shariah*-compliant banking, and they varied in tone from good-natured and academic debates to more strained exchanges and disagreements. At the root of many of these disagreements and differences were questions about the "technical" use of Islamic finance versus the "spirit" of such instruments and exchanges. Participants with prior work experience in both conventional and IBF fields often stood up and made impromptu speeches or arguments about their opinions or personal experience with the topics being debated. Many of the people who stood before the *halaqahs* to make educational presentations used PowerPoint slides, and sometimes the format of the day-long symposium was used to fully immerse participants in topics of particular urgency or levels of

Figure 3: Attendees at a special *halaqah* gathering on Islamic finance. This meeting took place in a lecture hall on the campus of a university in Kuala Lumpur. Photo by author.

complexity. Here, the writings of Imam Al-Ghazali were also referred to and studied very regularly, as well as more recent writing by Malaysian scholars of Islam and financial jurisprudence. In short, the *halaqahs* I attended were both impassioned and academic-seeming spaces of engagement. Chapters 5 and 6 chronicle many of the activities and speeches that took place in the spaces of *halaqahs*, especially those dedicated to understanding and seeking alternatives to the current systems of conventional and Islamic banking and finance in Malaysia.

Finally, I spent a significant amount of time traversing various spaces of entrepreneurship, in a broad sense. Technology-focused entrepreneurship, often referred to as the "startup economy" in Malaysia, represented a fairly formalized economic field funded by state ministries and well-established private venture capital firms. I spent six months working as an unofficial intern in a government office designed to support tech startups, the Malaysian Global Innovation and Creativity Centre (MaGIC), where I gained a sense of the specific provisions made by the state in helping to grow not only the startup sector as a whole, but in particular the presence of Malay "bumipreneurs" (*bumiputera* entrepreneurs) who were to spearhead this entrepreneurial economic development. Through MaGIC, I was given access to other spaces within the startup ecosystem, such as private incubators and accelerators designed to support early-stage enterprises, as well as numerous public arenas in which competitions, showcases, and information-sharing sessions took place. I met with individual and small teams of entrepreneurs, often in places such as co-working spaces, workshops, cafes, pop-up stores, and homes, learning about their entrepreneurial histories and journeys through informal interviews and participant observation of their constant efforts to innovate, develop their businesses, and find investors. Chapter 2 describes the contours of this tech-focused startup sector, as well as many of the issues and challenges faced by entrepreneurs. On the investment side of entrepreneurship, I spent several weeks apprenticing at an Islamic investment firm to learn more about the intricacies of the venture capital (VC) landscape in Malaysia and Southeast Asia, and I also met with and observed the activities of partners in a conventional (that is, non-Islamic) VC firm that staged several public competitions to groom and "discover" the next big Malaysian startup. Chapters 4 and 5 describe the activities and conversations generated within this investment landscape by tracing the differences between these two models of venture financing.

Chapter Two: Malaysia's Bumipreneur Paradox

In a cramped, rather drab-looking and windowless meeting room, a group of six young men wearing Western-style grey and black business attire stood before an audience of a few dozen people, some fiddling nervously with their shirtsleeves as they shifted their weight between their feet. A large projector screen had been pulled down behind them, displaying the title page of a PowerPoint presentation that read, "UniverSoul Collective – Malaysia's Islamic Art, Design, and Lifestyle Brands." This was an important moment for the young men – they were about to pitch their early-stage businesses, or startups, to an audience of venture capital (VC) firms, with the hopes that the financiers would join in their enterprises as investors. These investor pitches were part of an event held in 2014 by the Malaysian Global Innovation and Creativity Centre (MaGIC), which, at the time, was the newest of Malaysia's many government organizations that were created to support and develop startup enterprises in Malaysia. Although MaGIC's sprawling, glass-and-steel building on the outskirts of Kuala Lumpur was packed with investors, entrepreneurs, and MaGIC staff, this meeting room was strangely quiet. Only the humming of the strong air-conditioning system and the overhead projector could be heard.

One of the young men stepped forward, cleared his throat, and, in a voice that carried confidently across the room, introduced himself as Nik Nasrudin. I knew Nik as a locally prominent spoken-word poet and longtime friend and supporter of the entrepreneurs who stood at the front of the meeting room. Like Nik, all of them were Malay Muslims in their 20s and 30s. I had developed friendships with many of them during research on Malaysia's creative business sector – a loosely defined group of artists, designers, musicians, writers, and performers who tended to be, like my friends, younger-generation Malay Muslims.[20] I also knew that this particular group of entrepreneurs had formed a collective, similar to those of artists, in order to share resources and publicity platforms as they developed their business ideas in the creative sector, particularly in the fashion design realm known as "urban wear" or "street wear," which features casual clothing and accessories such as tee shirts and canvas tote bags. Moreover, these creative businesses were all somehow related to Islam, producing everything from modern pieces of artwork featuring Islamic calligraphy to clothing and accessory design bearing pictures or words with Islamic significance.[21] The entrepreneurs called their Islamic arts and design collective UniverSoul, signifying both the general appeal of everyday objects of clothing and fashion, as well as their particular appeal to consumers who desire to "show some soul," to use Nik's words, as Muslims who felt connected with the messages and images featured on these objects.

[20] See chapter 1 for an exploration of why this might be the case.
[21] Examples include phrases such as "Peace Be Upon You," the English translation of a common greeting in Arabic among Muslims, "*Assalamulaikum*," or images of the *ka'aba*, the holy site at the center of the *hajj* pilgrimage to Mecca.

Figure 4: Display of artwork by Kufi Arts, a UniverSoul-affiliated startup. Photo by author.

In our previous conversations, Nik, who was a vocal advocate for local Islamic-inspired fashion designers, musicians, poets, and writers, had confided that many of the creative enterprises in the UniverSoul collective had great difficulty securing funding for their ventures. On paper, the art and design entrepreneurs belonging to UniverSoul seemed to present a high risk and a low return on the investment for financiers. Their pitches, or brief introductions of their startup businesses, would have to convincingly allay the concerns of potential investors by explaining the basics of how the business operated and why it was deserving of funding. However, in nearly all of the public pitch competitions that I had observed (mostly at MaGIC), potential investors often grilled the entrepreneurs on their company's finances, the methods they used to calculate the company's potential value, and their manufacturing processes and costs, sometimes causing entrepreneurs to stumble and stammer through even the most well-rehearsed pitches. In pitches that took place behind closed doors, VCs were rumored to be even more exacting in their demands for rigorous proposals about the risks and rewards of startup businesses. I wondered how the VCs lined up in the front row of the audience at this meeting would react to these funding requests by members of UniverSoul.

The pitches and their reception were, in short, awkward. Nik, ever the emcee, acted as spokesperson and facilitator by fielding questions from representatives of the VC firms, who sat with crossed arms and furrowed brows. He flipped through his slides with photographs of various design and artwork products, managing to maintain an enthusiastic tone despite the anxious demeanor of the UniverSoul entrepreneurs standing behind him. Facing the VCs in the audience, Nik implored them passionately, "You *need* to see this. You want enterprising spirit? These guys are it. Given the right opportunity and the right assistance, these companies can scale up." As he was explaining the workings of the street wear venture called MEM Watches, which made timepieces in which the hands moved counter-clockwise, to mimic the movements of pilgrims circling the *ka'aba* seven times during the *hajj*, one of the executives from MaGIC interjected. "I'm sorry – I get the appeal of this, and I really like all of this," she gestured with her hand across the PowerPoint slide. "It's super creative. I think I would buy some of this myself. But when would your investors see a return on something like this? How would you enforce your IP [intellectual property]? And what's your production scale like?" As Nik started to respond, the MaGIC executive interrupted again. "What I see is a lot of passion, but not a lot of product development, or solid business development for that matter. You need to be bankable and sustainable. Show that to us first." Implied but unspoken was the second half of the sentence – *and then maybe we can talk about giving you money.* A few of the other VC representatives nodded and chimed in with suggestions about finding state-supported distribution channels to test the market. Nik and the entrepreneurs standing before the audience smiled politely but shuffled their feet. The meeting was quickly wrapped up, and the VCs were ushered by representatives from MaGIC to help them get to their next appointments.

As he closed his laptop and shut down the projector, Nik's shoulders seemed to sag. "These guys *are* bankable and fundable," he later told me, referring to the entrepreneurs in the UniverSoul collective when we met up for lunch one afternoon. "They do have business know-how. They have decks [PowerPoint presentations] of their company profiles ready to go." Nik was frustrated that the creative arts and design entrepreneurs were not given much of a chance to demonstrate their worth to the VC representatives. "These guys, the VCs, it's hard for them to see the value that's there. These lifestyle brands in UniverSoul are for the spiritually conscious consumer in Malaysia. This is the prime place for that," he said with exasperation, hinting at the growth that the Islamic lifestyle sector[22] had experienced in the last several years among Malay Muslims in urban Malaysia. When I asked Nik how the UniverSoul-affiliated businesses could access funding if the VCs were not interested, he listed the options while counting on his fingers. "One is banks – private banks that give SME [small and medium enterprise] loans with special terms. Most of these guys [with UniverSoul] won't qualify because the loans are hard to get." Nik himself had worked in the marketing department of a large private bank in Kuala Lumpur, and he knew from experience that banks typically only offered commercial development loans to low-risk, already-mature businesses with a track record of previous investment and regularly-earned income. A second option, said Nik, could be grants issued by the state to help fund entrepreneurial businesses. "And, well, we all know how that goes," he said, rolling his eyes. Although mostly awarded and administered by state economic development agencies, grants for entrepreneurs were something that members of UniverSoul had encountered before. In a previous iteration of the collective, under the name of Urban Village, a large government grant had financed a number of Islamic-themed creative arts and design ventures, but further support from the state or from private VCs had failed to materialize for nearly all of the entrepreneurs.

[22] While there is no official designation in Malaysia regarding the businesses that fall into this category, the entrepreneurs I knew generally considered enterprises in fashion, cosmetics, art and design, and, in some cases, food and beverage to comprise the "lifestyle" economy.

I pressed Nik further, asking if any special programs from MaGIC might help with financing. After all, the purported goals of the agency were to develop nascent startups into fully-fledged businesses with solid financial support. As an intern working in the office of the CEO at MaGIC, I had become familiar with its efforts to provide special forms of financial and business development to entrepreneurs who were ethnically Malay, such as the young men affiliated with UniverSoul. Not long ago, a few floors down from the same meeting room where Nik pitched UniverSoul companies to investors, I had attended the launch of MaGIC's Bumipreneur program, which is a portmanteau of "entrepreneur" and *bumiputera* – literally translated in Malay as "sons of the soil," but also a term of ethno-racial identification for the approximately 60% Malay and Muslim majority in the country.[23] Would it not be possible for UniverSoul entrepreneurs to receive help from these bumipreneur-only sources of funding and development? Nik shook his head. "Not *bumi* stuff, no way," he said firmly, rejecting the idea of pursuing special loans or grants set aside for bumipreneurs. "You have to do it right. Do it clean." *Bumiputera* financing, mentorship, and development opportunities in the field of entrepreneurship, Nik explained, often involved what he termed "funny business," or practices that he considered to be not aligned with above-board business conduct. Moreover, Nik argued, *bumiputera* financing would not be helpful in the long run for the entrepreneurs at UniverSoul. "Look what happened to Urban Village," Nik pointed out. The special financing and support from the government had not materialized into

[23] The history of how this category of *bumiputera* emerged, and its implications for Malays seeking to go into business, will be explored in the following section of this chapter.

creating "bankable" or sustainable businesses. State assistance for *bumiputera*, although set aside explicitly to help finance Malay-led businesses when crucial VC funding was scarce, was not an option that he seemed to find viable.

This chapter explores how *bumiputera* entrepreneurs in Malaysia are faced with a paradox: Although Malays are meant to be "helped" *in* and *by* entrepreneurship – that is, they are supposed to be assisted in becoming entrepreneurs, and they are supposed to be beneficiaries of state-led efforts to engage in economic development through entrepreneurship – this assistance ends up having the opposite effect, damaging both their business prospects and their ability to prove their investment-worthiness overall. I argue that the paradox of this *bumiputera* special assistance in entrepreneurship rests on two key processes: first, it is made possible by the normative way that state assistance has come to define what it means to be *bumiputera,* which involves naturalizing the relationship between *bumiputera* and the state. *Bumiputera* are by definition a "special population" whose rights to state assistance were constitutionally enshrined in Malaysia following race riots in the late 20th century. However, such state assistance was necessitated in the first place by the conditions of social and economic inequality that resulted from a colonial legacy of tying race to economic function. The difficulty of escaping this legacy has presented *bumiputera* with a dilemma, first articulated in 1970 by then-member of parliament, Dr. Mahathir Mohamad – should Malays accept this assistance from the state? Doing so would help alleviate the very real effects of colonial inequality that continue to linger into the present day, but it might also result in the long-term dependency of Malays on the state to provision their economic success. This dilemma remains unresolved, and is re-articulated by today's *bumiputera* who are confronted with the double-edged nature of state assistance for bumipreneurs, which often ends up laying down roadblocks rather than facilitating access to financial resources.

I propose that the second process on which this paradox of bumipreneur state assistance depends is the way that private venture capital operates in Malaysia, in a tech startup economy (or "Durianscape") that is predominantly funded by state sources of investment. Although rather scarce and difficult to come by, private venture capital nevertheless generates powerful norms about what constitutes "proper" entrepreneurialism through a startup founder's financial practices. Within the context of these norms, *bumiputera* assistance from the state is cast in a negative light, having squashed the risk-taking subjectivities of bumipreneurs who are shielded from having to undergo the character-building process of experiencing financial failure and generating the ability to be self-reliant. Thus, bumipreneurs are assumed to remain reliant on the state, and as a result, will never be seen as "real" entrepreneurs – an assumption that I argue is based on the misconception that state assistance furnishes *bumiputera* entrepreneurs with an advantage in this tech startup sector.

This chapter's goal, to probe the conditions in which Malaysia's contemporary economic and political landscape has emerged, where private venture capital is assumed to be at odds with state-initiated *bumiputera* economic support, differs slightly from that of other chapters in this dissertation. While chapter 4 examines more closely how the norms of profit maximization structure the way that private venture capital finance operates within the entrepreneurial economy in Malaysia, and chapters 3, 5, and 6 document how Malay Muslims working in the entrepreneurship and finance sectors embark on projects of self-reform after articulating stringent criticisms of these economic endeavors, this chapter aims to excavate how and why dominant understandings of Malays as requiring special help in order to compete with more "entrepreneurially-inclined" Chinese emerged. Furthermore, this chapter seeks to hold in tension the notion that, while these understandings are grounded in ethno-racial stereotypes that are as problematic as they are inaccurate, they are also the very real effects of deeply felt inequalities and fears that developed under specific conditions of colonial labor and governance policies. Thus, while today's construction of *bumiputera* is the result of late-20th century political-economic developments in Malaysia, the developments themselves were set into motion long beforehand.

Section 1: The Making of *Bumiputera*

The investors who sat in the front row of UniverSoul's meeting at MaGIC represented some of the most powerful venture capital institutions in Malaysia's lucrative tech startup economy. Although about half of the VCs represented in the room were privately run organizations, many of which had global operations and regional field offices in Singapore, Bangkok, Manila, and Hong Kong, the other half of the VCs were actually owned and run by the Malaysian government. As a part of Malaysia's bid to become the next "Silicon Valley of Asia" (Ramasamy, et al 2004), the state had increased its efforts to provide significant sources of financing using the model of private VCs, which provide investment in exchange for equity, or ownership shares in a venture. Like all state economic development agencies, these government-run VCs also dedicate at least part of their budget toward investment in *bumiputera*-led enterprises. However, their use of equity financing instead of giving grants outright to bumipreneurs meant that they functioned slightly differently than the typical *bumiputera* entrepreneurship development agency. Nik, the UniverSoul spokesperson, had been adamant that VC funding was preferable to government bumipreneurship grants, and he was certain that the "*bumi* stuff" would only bring difficulty for the Malay entrepreneurs who sought financing for their startups – for reasons that this chapter will later explore. However, government grants to help develop bumipreneurs had been in use for many decades in Malaysia, forming a large part of the state's efforts to provide special assistance for *bumiputera*. I observed many of these efforts as they took place at MaGIC, although they also had a longer history that predated (but was carried forward into) the new entrepreneurial development agency's operations.

Empowering Bumiputera Through Entrepreneurship

During the six-month period in which I worked as an intern at MaGIC, I became well acquainted with the agency and its efforts to develop *bumiputera* entrepreneurship. Located in the suburb of Kuala Lumpur known as Cyberjaya, MaGIC's headquarters were impressive – its large building, erected only within the past six years or so, bore on its front a logo with Google-esque rainbow lettering, and in front of the sliding glass doors of its entrance stood a huge, silver sculpture capturing the loops and twists of a strand of DNA. The agency's history stretches back to 2013, when Malaysia hosted the fourth annual Global Entrepreneurship Summit and announced the upcoming launch of a new government-sponsored center for developing Malaysia's "entrepreneurial capacities." A few months later, during U.S. President Barack Obama's inaugural visit to Malaysia, he presided over the launch of MaGIC with Prime Minister Najib Razak. From its inception, MaGIC aimed to fulfill the collective vision of several state organizations to use entrepreneurship as an economic development tool, where entrepreneurs would "grow and enhance their contribution to the economy in terms of job creation, exports and share to GDP (*sic*)" (Ministry of Finance Malaysia 2014: 9).

Figure 5: MaGIC headquarters in Cyberjaya, Malaysia. Photo by Author.

This emphasis on state-led entrepreneurial development as a means to grow the economy is not a new phenomenon – in fact, increasing the small business sector has been a cornerstone of various iterations of Malaysia's economic plans since the days of British rule, which lasted officially from 1874[24]-1957. Since the mid-20th century, a primary guiding principle behind the establishment these entrepreneurial economic development plans has been the socio-economic advancement of the Malay population. For instance, colonial Malaya's first industrial development agency was

[24] Although the exact date that British colonization of Malaysia is somewhat subject to interpretation, 1874 was the date on which the Pangkor Treaty was signed, officially appointing a British resident (i.e., governor) in the state of Perak.

established in 1951 (named the Rural Industrial Development Authority, or RIDA), although the agency was renamed the Council of Trust for the Indigenous People (*Majlis Amanah Rakyat,* or MARA) in 1966. Still in operation today, MARA's focus is to support the growth of the entrepreneurial economy for the express aim of increasing *bumiputera* small business ownership, which became a high priority for a newly independent Malaysia whose government was led by Malay-majority political parties in parliament. Subsequent assistance also took shape in the Bumiputera Commercial and Industrial Community (BCIC) program, which was developed in 1971 to support agriculture-based enterprise among *bumiputera*. Programs such as these comprise the nation's "Bumiputera Empowerment Agenda," or the continued effort to utilize national resources to improve the economic standing of Malay communities. All government organizations dedicated to economic development in Malaysia implicitly operate under this agenda, regardless of whether they are *bumiputera*-focused agencies. The launch of MaGIC's Bumipreneur program exemplified the agency's incorporation of this agenda, when Malaysia's Deputy Finance Minister Datuk Ahmad Maslan announced that bumipreneurs in the 21st century would be tasked with "charting economic development," making their successes the pride of the Malay community and the entire nation's economic development efforts (Idris 2014). His words echoed those of Prime Minister Najib, who declared that the "agenda to empower the Bumiputera's economy would remain as one of the country's main agenda in transforming the country into a developed and high-income nation" (*sic*) (Povera 2014).

Although MaGIC technically belonged to the lineage of state-sponsored entrepreneurship-based economic development agencies that preceded it[25], its leadership tried hard not to make it appear like a typical government organization. MaGIC's founding CEO, a Malaysian Chinese woman in her early 30s named Cheryl Yeoh, was an unlikely candidate for holding such a high-profile leadership position within a government agency. However, her experience as a successful tech entrepreneur in New York City and Silicon Valley lent her the credence required to lead the organization without the oversight of high-level politicians and state officials. Yeoh and her team outfitted MaGIC headquarters like a Silicon Valley startup, complete with colorful beanbag chairs littered across town hall-style meeting rooms, an open office floor plan, and a swanky indoor cafeteria featuring a pool table and framed paintings of Steve Jobs, Mark Zuckerberg, and other famous figures in the tech world. MaGIC executives, including Cheryl, worked alongside regular employees – about 25 of us altogether at the time of my internship – sitting at long, communal tables laid out on the building's ground floor. The décor and ethos that Cheryl sought to cultivate at MaGIC differed greatly from other government agencies that I visited, where a strict hierarchy in the workplace was observed through clearly

[25] In 1995, a formal Ministry of Entrepreneurship was formed with the mandate to increase *bumiputera* participation and shareholding in the entrepreneurial economy, but in 2004, this ministry was dissolved, and a new Ministry of Entrepreneurship and Cooperative Development (MeCD) was formed – again, focused on boosting *bumiputera* enterprise. Most recently, two major state-led organizations for developing entrepreneurship in the tech startup sectors have been the Malaysian Digital Economy Corporation (MDeC), established in 1996, which lies under the jurisdiction of the Ministry of Communications and Multimedia Analysis, and the aforementioned Malaysian Global Innovation and Creativity Centre (MaGIC), which is a subsidiary of the Ministry of Finance.

separated cubicles, private executive offices, and formal meetings set up with microphones (so that only one person at a time may speak) and name-plates (so that employee positions can be clearly spelled out). While workers at other government agencies donned collared, cotton "logo shirts" and colorful *batik* clothing on Fridays[26], employees at MaGIC wore jeans and zippered hooded sweatshirts, and they worked on the latest company-issued MacBook laptops while swinging from indoor hammocks and hanging papasan chairs.

As I learned from observing MaGIC's weekly staff meetings, part of the reason for the agency's emulation of a Silicon Valley startup's work atmosphere was due to Cheryl's vision of MaGIC as a place that developed high-growth, highly scalable, and high-value enterprises. Whereas previous iterations of entrepreneurial development agencies focused broadly across a wide variety of sectors – including agriculture, food and beverage, and small-scale industrial production – MaGIC's mission under Cheryl was to help create a new generation of entrepreneurs in the information and communications technology (ICT) economy, or "tech" for short. The very definition of a startup, Cheryl reminded us during these meetings, was an enterprise that could grow on a large scale, without many resources, and solve a pressing problem for users or customers who were scattered over a wide geographical

[26] Logo shirts are typically issued to all employees of civil sector workplaces and are expected to be worn during public-facing events such as open-house feasts coinciding with the Islamic calendar, photo shoots, and other forms of press coverage. "*Batik* Fridays" take place in most government offices when, on Fridays, employees are encouraged to wear clothing patterned with *batik*, or a traditional form of textile production and decoration associated with Malay cultural expression and craftsmanship.

range. Platforms such as digital applications ("apps") on personal computing devices and smartphones were an ideal means of harnessing the power of tech startups. With 600 million potential users to be found in Southeast Asia, many of whom owned smartphones and had access to social media and apps, Malaysia represented a prime place from which to grow a hub of tech startups with the potential to bring in revenue and investment. "We're not interested in making another *pisang goreng* stall, okay?" Cheryl declared during one staff meeting shortly after the agency began full operations in 2014. *Pisang goreng,* or "fried bananas" in Malay, is a local snack food often sold by the roadside or in markets by food hawkers, representing a ubiquitous yet humble form of enterprise found in Malaysia. To Cheryl, such a business epitomized the opposite of what MaGIC aimed to develop through high-tech, high-value, and highly scalable startups.

Although Cheryl seemed genuinely invested in MaGIC's mission to develop technologically-oriented enterprises, it was well known among the agency's employees that her efforts also served the whims of a powerful politician who was chairman of its board of directors. This patron was the Malaysian Secretary of the General Treasury under the Ministry of Finance, Tan Sri[27] Dr. Mohammad Irwan Serigar Abdullah, whom employees at MaGIC referred to affectionately as Tan Sri. Irwan was a congenial, regular presence around MaGIC, where he had a rarely-occupied but stately office outfitted with beautiful teak furniture and sleek

[27] Tan Sri is among several non-hereditary federal titles and honorifics given to notable members of society such as high-level civil servants and even celebrities and star athletes.

electronics. Higher-ups at MaGIC reminded employees that Irwan thought of the agency as “his baby” – he had fought hard within his political party, the United Malays National Organisation (UMNO) to secure part of the national budget to the founding of MaGIC, and he wanted it to be part of his legacy as a statesman dedicated to driving economic development forward through entrepreneurial innovation. The goal of Irwan, and thus the goal of MaGIC, was to create a resource for budding entrepreneurs in the technology startup economy to receive training, gain contacts and networks, and attract their own sources of funding in the form of private venture capital or government grants. In MaGIC’s now-defunct “a note from the chairman” section of its website, Irwan also articulated that the main efforts of MaGIC were to help “cultivate the entrepreneurial DNA of the future generation” so that “together we can create an enriching ecosystem that will help drive Malaysia forward.”[28]

A key component of this effort in driving economic enrichment forward through entrepreneurship was the Bumiputera Empowerment Agenda. Irwan helped showcase MaGIC’s commitment to this agenda by developing the Bumipreneur program and its highly public launch at MaGIC headquarters. During one of the staff meetings when Cheryl explained to the team that this launch would take place in a few days’ time, several MaGIC employees expressed surprise. “Tan Sri asked us to

[28] Following the 2018 elections in which Irwan’s party, UMNO, was ousted from power, Irwan was suspended from his position as Treasury Secretary-General within the Ministry of Finance and removed from MaGIC’s board of directors.

do this? Why is it so last-minute?” a woman who was in charge of developing partnerships with corporate sponsors asked. Cheryl replied with an exasperated look on her face that, yes, the mandate to create a Bumipreneur program and host a launch event on short notice was indeed handed down by Tan Sri himself. She could not say why the orders were given so late, but she expected everyone to work hard to pull the event together with the resources that they had. Hastily planned and executed, the launch in December 2014 articulated MaGIC’s commitment to developing *bumiputera* entrepreneurs in tech startups through the signing of memoranda of understanding (MOU) between MaGIC executives and other government agencies. However, it was unclear how the Bumipreneur program being “launched” would be developed within MaGIC – the duties of expanding this program fell to the agency’s Chief Operating Officer, and I heard very little of it afterward.

Later, through conversations with Cheryl and her chief of staff, I found out that Cheryl had only begrudgingly agreed to establish *bumiputera*-focused programming at MaGIC. As CEO, she was upset that she had only been told at the last minute that such an event needed to be produced, which represented a larger pattern of “bait and switch” that she described to us in our weekly staff meetings. Shortly after securing the funds to establish the new entrepreneurial development agency, Irwan had personally appealed to Cheryl to move to Malaysia from the United States, where she was working at the time, to serve as the founding CEO of MaGIC. Cheryl described to us how she turned down a prestigious position at Google to return to her home country, only to be surprised that the agency she now headed was to be engaged in special *bumiputera* programming. It was not a part of the original plan to which she had agreed, Cheryl explained, but she had already relocated to Malaysia and, as she put it, “I had the keys to the building in my hand. What was I going to do, just turn around and leave?” Cheryl also conveyed that she personally did not view *bumiputera* to be in need of special provisioning by the state, and she disagreed vehemently with me when I proposed that Malay entrepreneurs experienced marginalization in the tech startup community, and therefore might be able to benefit from MaGIC’s Bumipreneur program. Then suddenly, at the end of 2015, Cheryl’s contract was terminated early by the Ministry of Finance (under which MaGIC operated), from what was originally three years to what amount to about one year and nine months. The move happened without prior warning or communication from Irwan, and the employees who I remained in contact with were surprised and saddened at Cheryl’s early departure. Many of her handpicked staff members also left to find other jobs, signaling to Malaysian tech industry newspapers and blogs that there was a regime change within the nation’s premier entrepreneurial development agency. Rumors swirled in the local tech startup community that Cheryl had been effectively fired because of her unwillingness to go along with the Bumiputera Empowerment Agenda, which remaining employees at MaGIC tried to squash by issuing denials in press statements and public interviews.

In early 2016, Cheryl's replacement at MaGIC was appointed by a search committee led by Irwan. MaGIC's new CEO is Ashran Dato' Ghazi, a Malay man with a wealth of experience in developing *bumiputera*-focused youth entrepreneurship programs. Ghazi has made it clear that MaGIC will continue to fulfill its commitment to the Bumiputera Empowerment Agenda – a commitment that Cheryl had seemed uncomfortable with from the start of her tenure at MaGIC. The Malaysian state therefore continues its investment in developing *bumiputera* tech entrepreneurs who will create high-revenue businesses to help boost the nation's GDP – not only through MaGIC, which faces new challenges in the wake of the 2018 general elections[29], but also through the government agencies designed to invest venture capital in startups, thereby growing the scale of their profit earnings. However, while *bumiputera* have come to be defined through the state support meant to assist them in developing income-generating businesses, the social and economic conditions in which this definition emerged are not self-evident in the numerous public speeches and high-profile program launches that accompany these efforts. Such conditions – of over 150 years of British colonialism, and in particular the policies that tied race to economic function in colonial society – have made these very definitions of *bumiputera* as both "sons of the soil" and recipients of state support in enterprise possible.

[29] When Mahathir Mohamad became Prime Minister in May 2018, he declared shortly afterward that all "non-essential" government agencies would be disbanded, effective immediately. MaGIC was on the list of agencies to be dissolved, but it has managed to stay in operation – likely through the efforts of Ghazi, who vocally advocated to state leadership that MaGIC's programs were key contributors to the nation's earning power.

Race and Labor in Colonial Malaya

Although it appears to reference a sense of timelessness, the definition of *bumiputera* as indigenous "sons of the soil" is the product of momentous political transformations that took place in Malaysia starting in 1969. During that year's general elections in May, political parties representing Chinese interests made unprecedented gains in parliament, which, ever since independence in 1957, had been dominated by the Malay political party, UMNO. Although parliamentary politics in Malaysia tend to fall almost exclusively along ethno-racial lines, which means that, as minorities, Chinese communities rarely see their interests represented in parliament, UMNO and its rival, *Parti Islam Se-Malaysia* (PAS), effectively split Malay voters, weakening the numbers of both Malay parties elected to parliament. Chinese parliamentary candidates won several seats outright, with many Chinese voters also abandoning the Chinese political party represented in the ruling multi-ethnic coalition. As a result, this ruling coalition, called The Alliance and led by UMNO, failed to obtain the two-third majority required in parliament to make constitutional amendments, weakening its power in parliament and opening up opportunities for members of opposition parties to stymie its efforts in pushing through legislation that would favor Alliance interests. Supporters of the newly-elected opposition parties publicly celebrated in the streets of Kuala Lumpur, where they were met with counter-rallying UMNO supporters. Violence spread quickly throughout Kuala Lumpur and the surrounding state of Selangor on May 13, 1969, resulting in nearly 200 fatalities – some of whom were rumored to be randomly slashed with *parangs* (machetes) or *kerises* (traditional Malay daggers) during street fights – and the looting of Chinese-owned shops.

During this time of violence, termed "13 May," temporary emergency measures were taken to suspend the constitution and dissolve parliament. When parliament reconvened in 1971[30], one of its first priorities was to address what state leaders at the time thought was the underlying cause of the race riots – economic inequality drawn along ethno-racial lines. The new Malaysian Prime Minister, Tun Abdul Razak, helped create the Second Malaysia Plan for economic restructuring and development, which contained within it an initiative called the New Economic Policy, or NEP. Implemented officially from 1971-1990[31], the NEP remains the single most impactful governance policy in Malaysia's postcolonial history. It constitutionally enshrined the special status of ethnic Malays[32] as *bumiputera*, or indigenous occupants of Malaysia, despite a contested history of what that indigenous ethnicity entails,[33] and extended specific privileges for Malays that were aimed at restructuring the nation's wealth distribution and income-earning opportunities. The stated goals of the NEP were two-fold: first, to eradicate poverty among all citizens, especially

---

[30] Between 1969 and 1971, a temporary National Consultative Council, formed by representatives from political parties, state governments, and trade unionists, among others, acted as the *de facto* government, in the absence of an elected parliament.

[31] The successor to the NEP that officially ended in 1990 is the National Development Plan (NDP), which was implemented the year the NEP ended, and continues today – leading many to joke that the NEP actually stands for "Never-Ending Policy."

[32] Who were deemed to fall into this ethno-racial category if they spoke *Bahasa Melayu*, or Malay language as their primary language, practiced Islam, and adhered to "traditional" Malay customs.

[33] This claim has been refuted by several scholars of Malay history who argue that contemporary populations of ethnic "Malays" in Malaysia likely have diverse origins across communities of Bugis, Minangkabau, Acehnese, and others in the region (see Barnard 2004; Milner 2004).

Malays; and second, to break the association of race with occupation, a notion first introduced under British colonial labor importation policies and continued into the present. The idea was that, by offering Malays special job quotas, university placements and scholarships, shareholding and capital-accumulation opportunities, and savings and investing schemes, the state could re-distribute wealth from ethnic minorities such as the Chinese to Malays, who, as the violence of 13 May indicated, looked upon Chinese prosperity with resentment and anger.

In its implementation throughout the 20th century, the priorities of the NEP have therefore focused on reallocating wealth to Malays, which the state has attempted to accomplish through myriad economic empowerment and entrepreneurship agencies (such as MaGIC) operating with the goal of uplifting *bumiputera* communities so that they may effectively spearhead national economic development through their enterprises. 13 May also formed the basis for enacting several subsequent iterations of the NEP, such as the Bumiputera Empowerment Agenda that Cheryl, the former CEO of MaGIC, disliked so greatly. However, the seeds of the conflict that came to a head on that day in 1969 were planted far earlier – as far back as the mid-19th century, when British economic interests drastically altered the landscape of what was then colonial Malaya.

Although there had been a British presence in the area since around the 17th century, the British began to gain a more permanent foothold in what would eventually become colonial Malaya by leasing the island of Penang in 1786 from the Sultan of Kedah, who was the hereditary ruler of the territory. By 1826, the British controlled Melaka (which it acquired from the Dutch), established a trading post in Singapore (which was developed via a treaty with the Sultan of Johor), and, along with Penang, formed the Straits Settlements. The Settlements were originally administered as a part of the British East India Company in Calcutta, but in 1867, they became crown colonies, which meant that they were then administered directly from London. In 1874, the British signed the Pangkor Treaty with the Sultan of Perak, ushering in an official era of British influence over the hereditary sultans, who at the time had appealed to the British for assistance in their own inter-kingdom rivalries and affairs. Thus began a system of British indirect rule, where colonial advisors handled matters of trade and governance in a territory comprised of the Straits Settlements and the Federated Malay States, which eventually came to include the states of Selangor, Perak, Pahang, and Negeri Sembilan (all ceded by Malay sultans by 1895). The states of Kedah, Kelantan, Terengganu, and Perlis (ceded by the Kingdom of Siam, which controlled these states up until 1909), as well as the state of Johor (ceded in 1915 by its Malay sultan), comprised the Unfederated Malay States in which British advisors exerted slightly less direct forms of political and economic control, compared to their governance of the Federated Malay States.

The Straits Settlements of Singapore, Penang, and Melaka and the remaining Federated and Unfederated Malay States differed significantly from one another in terms of economic structure under British rule. Straits Settlements, which were developed into urban towns focused on seafaring trade, tended to serve as colonial administration centers, and all who were born there, regardless of their place of origin, became British subjects. However, it was a very different story in the Federated and Unfederated Malay States. The two main industries that developed in these areas in the mid-19th and 20th centuries, unlike in the administrative centers of the Straits Settlements, were tin mining and plantation agriculture of rubber plants (to be followed by palm oil). By 1898, Malaya was the world's largest tin producer (Andaya and Andaya 2001: 214) and two booms in the rubber industry (1905-8 and 1909-12) meant that, by 1913, rubber surpassed tin as Malaya's highest-earning export (218). Due to the intensive nature of the work required to mine tin and harvest rubber at profitable levels, the British colonial administration directly recruited a large amount of low-cost labor from its other colonies, and it also relied on the efforts of migrant workers themselves to recruit labor from their places of origin.

Already acquainted with Indian and Tamil laborers from British India and Ceylon (Sri Lanka), the British allowed for workers to migrate to Malaya under the indentured labor and *kangani* systems. Tempted by the promise of high wages and economic opportunity, these South Asian laborers (collectively referred to by the British as "Indians," despite their diverse origins) were recruited by private firms in southern India under the indentured labor system, although extremely difficult working conditions primarily on agricultural plantations meant that it was often hard for the firms to fill the planters' labor needs. The *kangani* (overseer) system operated slightly differently, whereby a former plantation laborer would obtain a license from the colonial government to recruit workers (both men and women – and often, entire families) directly from their natal villages through personal networks, earning a commission for each new laborer recruited. When agricultural plantations eventually diversified to include harvesting palm oil, much of this Indian labor force continued to expand to oil palm estates as well. Although large numbers of Indian laborers migrated to Malaya between the 19th and 20th centuries, and nearly all of them were British subjects having come from other colonial territories, their work in the plantation agriculture sector under back-breaking labor conditions kept them poor, indebted, and physically isolated from the rest of the colony. These effects would continue to be felt well into Malaysia's era of independence from the British, with Indians still comprising the majority of non-foreign agriculture workers laboring on large plantations, which are controlled now by multi-national corporations, instead of British commercial agents and colonial management companies.

Another significant source of workers for labor-intensive colonial enterprises came from China, in the southern provinces of Guangdong, Fujian, and Guanxi. Although Chinese merchants had settled in relatively small numbers in Malaysia for centuries, following the 1851 outbreak of the Taiping Rebellion in southern China, this number became much larger as Chinese from the south sought to escape the violence.[34] During this era, the British sought to employ Chinese workers in a variety of manual labor sectors, including tin mining, plantation agriculture, and public works construction. Chinese laborers primarily came to Malaysia in the mid-19th and 20th centuries under the credit-ticket system, which is similar to indentured labor in that the migrant worker must put their wages toward paying back the cost of their passage. Determined by the British to be hard workers who tended not to cause trouble, more Chinese workers also arrived due to the generally unrestricted immigration that the British allowed between China and colonial Malaya, up until the outbreak of World War II. The credit-ticket system under which these migrant workers from China arrived was managed and brokered entirely by the Chinese, for the British gave Chinese middlemen in the labor recruitment system leeway to operate with essentially no oversight due to the high need for ongoing sources of low-cost labor[35]. This system worked in the favor of the Chinese in the tin mining sector, where prior to the start of the 20th century, many Chinese actually owned individual tin mines (although on a relatively small scale), having partnered directly with the Malay sultans from whom they leased tin-rich land and subsequently paid royalties. Thus, tin mining provided Chinese laborers, middlemen, and mine owners with various forms of liquid

---

[34] In 1851, a civil war was waged when officials from the Qing Dynasty government began persecuting a religious minority sect, the God Worshipping Society, which sought to overthrow Qing rule. The fighting continued until 1864, resulting in the death and displacement of tens of millions of people across China.

[35] Chinese migrants were not British subjects, unlike migrant laborers from India and Sri Lanka. The British therefore regarded the Chinese as temporary sojourners who were likely to return back to China – even if the evidence proved otherwise, and multiple generations of Chinese settled in Malaya. As a result, the British established a parallel system of governance of the Chinese, termed the "Chinese Protectorate," that oversaw Chinese affairs in a much more *laissez-faire* manner than the direct governance of Indian subjects. Malays in the Federated and Unfederated States remained subjects of their sultans, but were still bound by the laws of colonial rule in all non-religious matters.

capital, such as wages and profits from labor transactions and tin sales. Compared to Indian plantation laborers, the Chinese were able to accumulate wages on a larger scale and, having avoided British oversight for the most part, virtually monopolized the business of importing workers from China to staff the mines.

At the turn of the 20th century, the tin mining industry declined sharply in Malaya, due in part to the dropping price of tin globally and technological developments in tin recovery processes, and many Chinese found themselves without their previously reliable sources of income as miners and labor importation middlemen. With little ownership of land, but greater access to capital and credit than their Indian counterparts, the Chinese took their liquid capital and earnings and invested it in trade, which seemed more appealing than the daunting work of plantation agriculture. This Chinese investment was used to fund small-scale agriculture enterprises, when they were able to lease land from British and Malay landlords, as well as small-scale domestic trade of imported goods within the colony. The Chinese then established sundry shops, dried goods stores, and apothecaries and medicine shops as the middlemen disseminators of goods that had been imported by the British from overseas. In the early half of the 20th century, British Malaya relied heavily on imported products and finished goods for local consumption, for it was not until the 1960s that import substitution policies were enacted to begin producing these same goods locally. Chinese merchants became intermediaries who bought these goods in bulk from the British after importation, and re-sold them across the colony, from agricultural plantations to urban centers, to consumers on either cash or credit terms.

The reasons for the success of this Chinese merchant class in the early 20th century are many. Some scholars argue that, pressured to send remittances back to extended family still living in China, Chinese traders were more willing to take risks in investing their money in order to increase profits (Whah 2008). Others point to the importance of the *kongsi*, or clan houses, in which Chinese coming from the same region or claiming a shared familial lineage established investment networks and gathered enough capital to grow their businesses (Andaya and Andaya 2001). Through *kongsi,* as well as *hui* (unions), members could receive rotating credit and enter into joint investment partnerships brokered through these associations. Chinese networks thus stretched across British Malaya – from the cities of the Straits Settlements to the far-flung colonial territories on Borneo, and even back to mainland China, or among other diasporic communities of overseas Chinese in Southeast Asia – with the infrastructure of these connections through clan houses remaining active even in the present day. The development of this Chinese merchant class could only benefit the colonial economy, for its network of retailers and wholesalers was crucial for conveying imported goods and raw materials across plantations, production centers, cities, and ports. However, the reputation of the Chinese as savvy traders, merchants, and small-scale retailers with "entrepreneurial" traits such as a propensity for risk-taking and the ability to raise funds from personal networks emerged from specific colonial conditions. First, it required conditions in which colonial enterprises dedicated to selling valuable products such as tin and rubber mobilized vast amounts of low-wage labor brought from China and India. Second, it required British management of the colony to operate through the tying of race with *particular forms* of labor within *particular settings*. The ownership structure and changing market conditions of tin mining, which benefitted the Chinese in their ability to invest wages and profits into trade endeavors, was markedly different from those of rubber (and palm oil) plantations, which were owned and operated through British agencies, and which therefore would never benefit Indian laborers working on the plantations in the same way. Furthermore, if, like Indian laborers, the Chinese had been British colonial subjects who did not have the right to be left to their own affairs, or if, like Malays, they had access to land and did not need to convert their wealth to liquid capital or earn wages, things could have turned out very differently for the Chinese.

In colonial Malaya, where British labor policies and ownership structures linked race with economic occupation, Malays participated only in small numbers in the wage economy that functioned primarily within the realm of mining and plantation agriculture. With greater access to land than nearly all of the Chinese and Indians, Malays worked as subsistence farmers and agricultural smallholders, growing enough crops (primarily in the form of rice) within family farms or compounds to negate the need to earn wages. As Syed Hussein Alatas argues in *The Myth of the Lazy Native* (2006[1977]), Malays were therefore seen by the British as "indolent" and unsuited for hard work – work that the British themselves defined through the needs of colonial capitalism, where the labor necessary for supporting the colony's export economy took precedence over home-steading and subsistence farming[36]. In addition, colonial land management policies such as the 1913 Malay Reservations Act enabled the British to reserve land exclusively for Malays, whom they encouraged to grow rice on reserve lands (Andaya and Andaya 2001: 220). This act also made it illegal for Malays to sell reserve land to non-Malays, laying the foundation of a *bumiputera* reserve land ownership policy that remains in place today. Effectively, Malays were tied to land that they could not sell (and therefore did not fully own), cementing the British stereotype of Malays as yeoman farmers (Kratoska 1975) and noble, yet simple peasants. Rice-farming, however, was the lowest yielding agricultural product in terms of profits, with rubber being among the highest, and the British further protected their interest in high-value crops by mandating in the Rice Lands Enactment of 1918 that rubber could not be grown in land that was dedicated to growing rice (Andaya and Andaya 200: 221). As rice farmers on reserve land that they did not own, Malays also had to rely on tenancy and credit to obtain enough supplies to work the land, leading to systemic indebtedness to money lenders who were Chinese, Indian, and wealthy Malays.

[36] Alatas also points out that, while Malays did participate in the colonial wage economy found in mines (as drivers and machine operators) and on plantations (as surveyors, scouts, trappers, and hunters), the British nevertheless stereotyped Malays as unmotivated to engage in the difficult work of mining tin and harvesting rubber.

The result of British development of this so-called "plural economy," or colonial society where race was tied to labor, was therefore a rather rigid set of norms in which the Chinese were seen by the British as petty capitalists, the Indians were suited to hard, low-wage plantation labor, and the Malays were inclined toward a slow-moving, rural agricultural life. From an economic perspective, as Farish Noor (2014) argues, the plural economy singularly served the labor needs of colonial efforts to maximize profit through the export of Malaya's natural resources. However, from a governance point of view, this plural economy also served as the conditions in which acts of protectionism (such as the land reserve policies) were contrived by the British on behalf of the "weak Malays," who would otherwise decline once overtaken by the more industrious Chinese and Indians – a fear that was stoked by colonial census records indicating the rapidly rising populations of these immigrant communities in the early 20th century (70). These acts of paternalism thus became part and parcel of the colonial project in Malaya, which took shape as *de facto* racial segregation through differentiated labor and was reinforced through colonial approaches to urban planning in many of the major cities in Malaya that created ethno-racial enclaves and neighborhoods. Furthermore, in this approach of "divide and rule" colonial governance, the British also made themselves indispensable as mediators between ethno-racial groups who, separated by these enclaves and labor schemes, often fell into patterns of fear and mistrust of others. The perceived security and protection offered by colonial rule was therefore seen as a necessary component of this plural economy – which was, of course, a byproduct of colonialism itself.

Other effects of colonialism would continue to linger after the British officially withdrew from Malaya in 1957. These effects, as Syed Hussein Alatas argues, are the result of colonialism's ability to generate an entire regime of value – of people, their labor-power, and the fixed qualities of their "character" – not only through its economic operations, but also in its creation of a world that revolved around serving the needs of the colonial project itself. Thus, "[c]olonialism was not only the imposition of foreign rule for the purpose of extracting economic benefits. It was also an imposition of culture, values, ethics, attitudes and modes of reasoning" (2006: 210). The modes of reasoning that supported the colonial project in British Malaya entrenched the myth of the "lazy native," in which Malays were viewed as inherently unsuited to capitalist endeavors without some form of assistance or protection from the state. Such assumptions became further naturalized as forms of colonial knowledge that served as the foundations for 19th and 20th century-era Orientalist "Malay studies" in European and British institutions of higher education, including universities established under colonial rule, such as the National University of Singapore and University of Malaya (which was originally a part of the former). According to Alatas, this institutionalized knowledge of "the Malay character" became sedimented in the minds of post-independence statesmen such as Mahathir Mohamad, who, after the upheaval of May 13, 1969, went on to write a treatise on the natural deficiencies of Malays and their need for state assistance in order to compete in economic terms with their Chinese and Indian counterparts.

Enduring Dilemmas

In the tumultuous period marked by the violence of 13 May, the need to protect and assist Malays took on new meaning as a growing sense of Malay nationalism that had fomented since the end of British rule came to a head. When post-colonial state leaders conceived the NEP in 1971 in order to consciously undo the linkage that colonialism had forged between race and labor, it was met with significant mistrust and opposition by many – including some Malays. The crux of this opposition relied on several assumptions and naturalizations of Chinese and Malay (and, to a lesser extent, Indian) proclivities toward capitalistic enterprise that were deeply sown after over 150 years of British rule. In 1970, shortly after the NEP was implemented, Mahathir Mohamad argued in his treatise, *The Malay Dilemma* ([1970] 2008) that Malays were “passive” and uncompetitive by nature – in both an environmentally and biologically deterministic sense – and therefore needed a state-led affirmative action program to reclaim their rightful share of national wealth (considering their status as Malaysia’s “original inhabitants”) following the troubled transition into sovereign rule. Mahathir was already a controversial figure in Malaysia when he wrote his book. He had been a member of parliament with the UMNO party, but lost his seat in the general election of 1969 and roundly criticized Malaysia’s beloved first Prime Minister Tunku Abdul Rahman for not having done enough to address the racial unrest that precipitated the riots. As a result, Mahathir was expelled from the UMNO party and *The Malay Dilemma* was banned, with the ban only lifted in 1981 when Mahathir fell back into political favor and climbed his way through the party's ranks to became Prime Minister.

At first glance, Mahathir's argument would seem to reaffirm the need for special state provisions for Malays granted under the NEP. However, his book also articulated a dilemma that had long-lasting reverberations on Malaysia's social landscape, even among the people that I worked with in 2014-2015. Mahathir's dilemma was this: should Malays really accept this state assistance, given that it could engender a sense of economic complacency and a lack of ambition, ultimately resulting in a permanent dependency on the assistance itself? However, not accepting state assistance would surely lead to greater inter-racial inequality (and potentially more violence), ultimately reinforcing the logics and the boundaries of the racialized economy that the British had established to serve the needs of colonial capitalism. While the dilemma that Mahathir posed often recalled some of the problematic stereotypes that the British had used to characterize Malays as indolent and "lazy," he also identified something crucial – that the lasting effects of colonial policies linking race to labor had effectively enmired Malays in a no-win situation, in which they would suffer if they accepted *or* rejected NEP provisions for their economic advancement.

The Malay dilemma was also complicated by the fact that the Chinese were an easy and often unfair target for Malays to comparatively criticize. For instance, Mahathir, along with other Malay political leaders at the time, assumed that, under the British, the Chinese claimed thorough possession of capital in the colonial economy, which led to their dominance within Malaysia's economy in the immediate independence period after 1957. However, the visible Chinese presence within the petty trade and merchant sectors under the British not only gives an incorrect impression of Chinese economic control[37], but it also belies the fact that the colonial government controlled the very terms on which the Chinese could even participate in the economy. These terms included the refusal of the British to grant Chinese land ownership rights, as well as British monopoly of the highly lucrative export-oriented economy, which left the small-scale import and finished goods distribution sector to the only ethno-racial group in colonial Malaya with enough capital and access to credit to establish businesses in this sector. Criticism of the entrenchment of Chinese capital also downplayed the difficult labor and living conditions in which immigrant Chinese communities accumulated this capital. These conditions are reflected in the Chinese Protectorate policies of the colonial era, when the British thought the Chinese to be merely temporary or transient labor, as well as the constitutional terms under which the Chinese were granted citizenship in Malaysia after independence, with the provision that they must agree to a social contract stipulating that Malays would occupy a "special" (and supreme) position in order for them to remain in the country (Andaya and Andaya 2001: 276).

[37] For instance, Chin Yee Whah (2008: 208) explains that large-scale trade controlled by the British accounted for 65-75% of Malaya's export trade in 1953, and 60-70% of import trade in 1955.

Furthermore, the blaming of racialized others for enduring problems that originated under colonialism fails to address how elites within Malay communities have sought to maintain inequalities among Malays – which may have been first sown, or at least capitalized upon by the British. As Alatas puts it: "The weakness of both the *Revolusi Mental* [Mental Revolution – a collectively written UMNO tract on the need for Malays to "progress" beyond their natural irrationalities] and Mahathir's book is that they put the blame for the exploitation of the Malays on their character, British rule, an the impact of immigrant business but not to the same degree on the Malay ruling class which profited from colonialism" (2006: 163). In other words, Alatas argues, the Malay dilemma also contains within it the need for Malays differentiated by wealth and social status to apprehend how elites among them have maintained or re-created systems of inequality that began under the British, but that also continue under the conditions of contemporary capitalism in the late 20th century. Alatas's ardent problematization of *The Malay Dilemma* is therefore also a pointed critique of Mahathir himself, whose career was already on an upward trajectory after coming back into political favor thanks to his affiliation (or, as Alatas implies, ingratiation) with elite Malay politicians within the UMNO party.

By the time Alatas published *The Myth of the Lazy Native* in 1977, the cronyism for which Mahathir would become infamous (such as in his disbursal of political and business favors to UMNO supporters through networks of influence) was already well underway. However, throughout his term in office from 1981-2003, Mahathir worked hard to dispel this image and re-constitute both himself and the Malay population at large as entrepreneurial, meritorious, and self-reliant. When the NEP expired in 1990, Mahathir replaced it with the NDP, which sustained many of the special concessions extended to Malays, with a few significant changes in terms of how the transfer of wealth to Malays would be achieved[38]. By extending many of the key wealth redistribution policies of the NEP into the NDP, Mahathir seemed to give an affirmative response to the Malay dilemma of whether Malays should accept special assistance, albeit with strong reservations and moral judgments about reliance on the state. However, Mahathir's temperance of the sustained state assistance for Malays with a robust discourse of self-reliance through entrepreneurship creates a contradiction that runs throughout Malaysia's entrepreneurial economy today. This contradiction, while not uncommon to the workings of many economic endeavors, takes shape with regard to the specific manner in which state constructions of *bumiputera* sit uncomfortably against the powerful norms about what constitutes "real" – or, to use the words of the MaGIC executive at UniverSoul's funding pitch – "bankable" entrepreneurs.

Section 2: The Durianscape

During my time as an intern at MaGIC, one of the projects I was assigned to work on involved mapping the landscape of agencies and organizations (both public

[38] See chapter 1 for a more detailed account of the transition from the NEP to the NDP, and the similarities and differences between the two policies.

and private) that were dedicated to developing Malaysia's tech startup economy. Although my work mostly took the form of creating an Excel spreadsheet with hundreds of entries that formed a large database of these entrepreneurship-oriented organizations, the final product was created after my internship was over. This product takes the shape of a graphic that maps "The Durianscape," or "Malaysia's Startup Ecosystem," which is made up of inter-connected text blocks listing various organizations that assist in the development of startup enterprise in Malaysia.

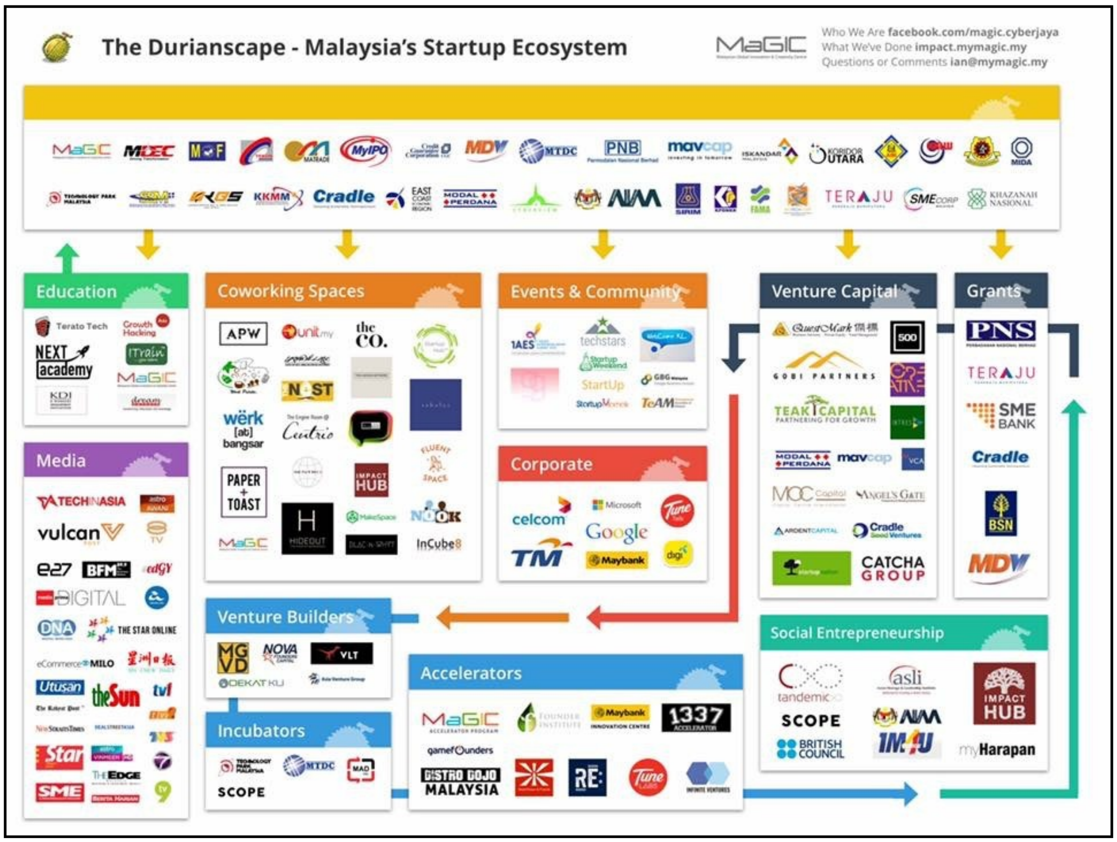

Figure 6. "The Durianscape." Source: Malaysian Global Innovation and Creativity Centre.

For instance, one section with the headline, "Coworking Spaces," lists the major co-working offices in Kuala Lumpur, where startup founders often work in communal spaces on their own ventures, drawing inspiration and resources from the other entrepreneurs around them in the co-working office. Another section reads, “Venture Capital,” and next to it, “Grants,” under which the major venture capital and grant-giving agencies are listed (but under these separate headings). The people I worked with at MaGIC were intensely proud of this mapping project, for they saw it as an effort to make transparent an otherwise murky pool of inter-connected organizations that were working to help develop enterprise in a rather undefined manner.

In this sense, the use of the term “ecosystem” is an interesting one to describe the startup sector in Malaysia. Although Cheryl and others at MaGIC used ecosystem in reference to a popular book at the time on tech startups, Brad Feld’s *Startup Communities: Building an Entrepreneurial Ecosystem in Your City* (2012), it also carries the connotation that all of these components in the entrepreneurial economy worked together, sustainably and seamlessly. But this network of organizations and agencies was not without its contradictions. In fact, it is the use of the other term to describe the startup economy, “The Durianscape,” that hints toward these contradictions. Durians are a large, spiky, and pungent fruit that are endemic to Malaysia (as well as Thailand and Indonesia). Considered a national delicacy in Malaysia, the image of the durian was used by MaGIC employees to humorously reference the local particularities of how entrepreneurship as an economic sector was financed and supported by both state and private organizations, such as the VCs in the audience of the UniverSoul entrepreneurs’ pitches. Thus, some of the so-called "quirks" of this landscape are folded into this understanding of how such an ecosystem has developed – contradictions and all.

These contradictions further took shape in the powerful norms that had been introduced and reinforced in the Durianscape by organizations that finance entrepreneurship. These norms not only emphasize the understanding of *bumiputera* as dependents of the state, which was preceded by British colonial approaches race and labor, but they also naturalize private venture finance as the definitive means through which the worth of a "real" startup (or entrepreneur) can be determined – a phenomenon that this chapter section will explore at length. However, I argue that these two norms – of *bumiputera* as state-dependent, and of private venture finance as the means through which "real" entrepreneurs are made – have created a paradoxical situation for bumipreneurs. Bumipreneurs are defined both through their status as *bumiputera* (and are therefore recipients of state assistance, particularly in developing their businesses) and through their participation in the tech startup sector, where the financing of these enterprises is supposed to be done by private sources of venture capital, rather than through state-issued grants and investments. Thus, although bumipreneurs are meant to accumulate capital and find social mobility through state provisions in the tech startup sector, their very definition *as bumiputera* also excludes them from participating in this startup economy as "real" entrepreneurs who are not dependent on the state to help develop their businesses.

Bootstrapping

Private venture capital, as demonstrated in the pitches the UniverSoul entrepreneurs attempted to deliver to the investors gathered at MaGIC, is key for incipient enterprises that carry high risk and therefore may not qualify for business loans from commercial banks. However, the purpose of venture finance is not exactly straightforward – while venture investors provide an infusion of capital in exchange for equity, most VCs know that there is a high probability that they will not see an immediate return on their investment. The shares that VCs receive in exchange for their investment would therefore be worth little unless the startup can grow the scale of its operations, its ushership (or customer base), and its profits. Thus, one of the goals of venture finance is to enable a startup to achieve a position in which it can raise further financing to attain this growth, ideally in larger quantities but likely from more risk-averse investors, until the enterprise is mature enough to begin making a profit (out of which, eventually, all investors will be paid). These multiple rounds of financing are usually termed "Series A," "Series B," and so on[39]. The most risky investment for a VC to make is in Series A, for the startup has likely not yet developed a history or track record fundraising, repaying its investors, or even making any significant headway toward becoming profitable as a business. Larger and more risk-averse VC firms tend to invest in Series B and C, once the startup has been able to prove that it is a strong investment that is likely to provide a high rate of

---

[39] Funding for even more incipient startups takes place at the "seed" stage, but VC firms rarely fund startups in this early stage. Instead, incubators and accelerators typically provide seed-stage funding, often in exchange for a large share of equity (sometimes up to 30%).

return. This phenomenon helps contextualize why the VCs listening to the pitches by UniverSoul entrepreneurs (most of whom were in search of Series A funding) were so concerned with the entrepreneurs' sustainability and "bankability," for venture financing must always be oriented toward the startup's future ability to raise more investment.

Another key feature of private venture capital in Malaysia is its scarcity. In 2013, private venture capital accounted for just 19% of all venture capital funds, accounting for 1.1 billion *ringgit*, or about $268 million (Nor 2015: 126). While working on the database at MaGIC that would ultimately become the Durianscape mapping project, I found that very few sources of private venture capital existed in Malaysia. Rather, regional and global firms, such as the San Francisco-based 500 Startups (with a Singapore-based offshoot fund called 500 Durians) rely on organizations called incubators and accelerators to help bring to their attention the most promising startups in parts of the world that are currently under-served by private venture capital. At the time of my research at MaGIC, there were only about a dozen accelerators and incubators operating in Malaysia, which differ in terms of the stage of a startup's "life cycle" when they offer development assistance – incubators tend to provide early-stage support for startups, while accelerators take on slightly more mature companies for development. Although one of the primary purposes of accelerators and incubators is to help develop startups by providing early-stage funding (in exchange for equity), as well as mentorship and technical skill-building opportunities, they also provide entrepreneurs with the crucial ability to meet potential investors through their networks. VC firms often find investees this way, through facilitated introductions across mutual networks, and more rarely through public events and contests such as the ones that MaGIC frequently hosted. The competition to attract attention and obtain funding from VC firms is therefore fierce. Once entrepreneurs gain introductions to VCs, or find themselves under consideration for VC funding, they face intense scrutiny to prove their worth, amidst a sea of competitors. Furthermore, it may be several months, or even years before a startup is able to obtain the opportunity to pitch in front of a VC firm. Some of the entrepreneurs that I met at the UniverSoul collective had prepared their pitch decks (or PowerPoint presentations) long before they ever found themselves with the chance to even sit in a room with representatives from VC firms. Meanwhile, their businesses still demanded their attention – and still cost money to operate.

In order to maintain operations in their startups while they fervently worked toward gaining an audience with VCs, nearly all of the entrepreneurs that I knew bootstrapped. This term refers to the colloquialism, to pick oneself up by one's bootstraps, and it carries two particular valences among startup founders. The first meaning of bootstrapping relates to the work that is required to develop the startup's commodity, or its product or service. To keep costs down while developing these commodities, startup founders are taught in bootcamps, short-courses, and seminars to create a minimum viable product (MVP), which is a prototype of their product or service that is only elaborate enough to show how it addresses some sort of a problem that is validated by users, or customers. Some founders need to teach themselves the skills to create their prototypes, which include becoming familiar with various forms of computer coding, web architecture, and other technologies that they may not have previously learned. I met several entrepreneurs throughout my time in Malaysia who proudly told me that they had learned how to code, or had taught themselves block-chain technology, or mastered the skill of 3-D printing in their efforts to bootstrap their way into an MVP that helped them develop their startup's product or service. Although some of these skills are taught at little to no cost in education and outreach efforts by entrepreneurship-supporting government agencies such as MaGIC, others require enrollment in privately run bootcamps and short-courses, which alludes to the second meaning of bootstrapping: self-financing. In order to fund the early operations of a startup, founders are often required to raise their own money through any means possible.

Some entrepreneurs amassed significant personal savings before starting their own ventures, and they used this savings to cover the startup's costs until they could obtain some other form of financing (which would ideally be in the form of VC funding). I met one startup founder named Francesca, a Chinese woman in her early 30s, who worked for five years at the prestigious business consulting firm, Boston Consulting Group, before taking an extended sabbatical from work and using the savings she had earned from her salary at the firm to finance her new company.

Francesca's venture, a micro-tasking and third party delivery service, was financed by four investment partners. In addition to Francesca, these partners included three other Malaysian investors that she had met through her work at the consulting firm. The advantage of such an arrangement, according to Francesca, was that "keeping the funding internally shows potential investors and customers that you're putting your money where your mouth is. It's proof that you're all in," she explained. I asked Francesca what other entrepreneurs did if they did not have personal savings or consulting firm salaries to help finance their startups. She thought for a moment and shrugged her shoulders. "I guess they will have to cast a net out there – the three 'Fs,' which are family, friends, and fools." In other words, entrepreneurs without their own money could raise funding by asking for investment from people within mutual networks of kinship and friendship, or those who were willing to take a risk on investment.

Francesca explained that she also had a wide network from which she could find potential investors, but she was more interested in using this network to seek other forms of support such as business advice, problem-solving recommendations, and commiseration about the hard work that her new life as a startup founder entailed. "I want to keep my investor pool small for now, but I still talk about [my startup] every day with my old schoolmates," she said. Having attended a private boarding school in the U.K. and earned her bachelor's degree from Northwestern University in the U.S., Francesca had access to a wide network of connections that spanned across the globe. Although she was undoubtedly exceptionally bright for earning admission into these selective and prestigious educational institutions, Francesca was not alone in having access to a global network for business advice, mentorship, and other forms of financial and non-financial support. I met dozens of entrepreneurs who had spent time overseas, usually as university students, and they all reported that the global connections they developed during this time spent abroad were invaluable in helping them to bootstrap through the early days of their startups. These entrepreneurs, including Francesca, described how overseas experience had broadened their horizons and helped them gain opportunities that they might not have otherwise had if they remained within Malaysia's educational institutions. Many of the entrepreneurs also explained that their early-stage funding almost uniformly came from within their overseas network, which was often comprised of fellow classmates from prestigious universities and Master of Business Administration (MBA) graduate programs.

However, those who were in a position to be able to pursue overseas education and create these invaluable global networks were almost all non-Malay. Foreign universities are expensive, especially if tuition is to be paid in currency that is strong compared to the Malaysian *ringgit*, and even more so if universities charge extra fees for international student enrollment. Public universities in Malaysia, by contrast, are very low-cost – not quite free of charge, but with only basic tuition and enrollment fees, and room and board is also substantially less expensive in Malaysia, where the cost of living is much lower than, for instance, that of the U.S., U.K., Australia, or Canada. This relatively low cost makes public universities in Malaysia significantly appealing, particularly for Malays. *Bumiputera* benefits reserve a number of scholarships and admissions preference for Malays at local public universities, making it hard to turn down a free (if less prestigious) education in Malaysia. This ability to partially or fully subsidize local education through *bumiputera* benefits made it unlikely for parents to take out the significant loans necessary to finance their children's overseas education. As a result, I knew many *bumiputera* whose parents discouraged them from studying abroad, which stifled their chances of cultivating the global connections and networks that were so crucial for assisting bootstrapping entrepreneurs.

Malay entrepreneurs, often without access to the global networks of their non-Malay counterparts, therefore have few resources for bootstrapping, unless they have personal savings or other sources of familial wealth. During the course of my research, I met a few Malay entrepreneurs who were able to convert this personal capital into financing for their startups – especially those who belonged to upper-class, or aristocratic families, where they could enter into joint ventures with (or request personal loans from) wealthy family members.[40] However, for Malay entrepreneurs who did not have these resources to bootstrap the investment and early-stage development of their startups, their best options were *bumiputera* entrepreneurial development grants, special loan schemes, and other forms of

[40] Zain from Mudarabah Investments (chapter 5) is one such example – he went into business with a wealthy uncle to help start his firm.

investment by the state. The vast majority of the Malay entrepreneurs I met sought some sort of state support for their ventures, usually through grants awarded by agencies that, similar to MaGIC, fell under the directive of the Bumiputera Empowerment Agenda to help develop bumipreneurship. However, bumipreneur funding from the state was not without its drawbacks, especially within the tech startup sector, where the normative values placed on bootstrapping and the need to prove one's "bankability" to VCs seemed at odds with institutional state support that was, in general, readily available to *bumiputera* entrepreneurs.

Funding Hacks

Among the Malay-led enterprises affiliated with UniverSoul who struggled to obtain VC funding from private investors, one startup stood out among the rest as having a more developed track record of raising prior rounds of fundraising from private investors, as well as capital transferred into the business from the sale of a previous startup enterprise. This company, Kufi Arts, was founded by two Malay men in their early 40s, Rahim and Aziz, who hailed from the rural east coast state of Terengganu and had been friends since grade school. Rahim and Aziz moved to Kuala Lumpur several years ago when they decided to form their first venture, a company that developed GPS technology and sold for an encouraging sum to a larger company, providing the modest capital to start their new business. In 2012, they began creating cutting-edge artistic designs on canvas and paper, and the company would soon become famous for its pop art–style iterations of classical Islamic calligraphy, or *kufi* in Arabic. When I met Rahim and Aziz in 2014, they had recently moved into a large new gallery space in a middle-class neighborhood of Kuala Lumpur, known for its bustling cafés and traffic jams. They were planning to officially open the gallery to the public soon, and several longtime friends of theirs had offered to help with the launch efforts. While volunteering for the gallery opening, I learned that Rahim and Aziz were much admired by their peers, for they had built one of Malaysia's most recognizable artistic brands from scratch and were therefore models of bumipreneur achievement.

In this, however, they were considered a rarity, for despite the emphasis placed on increasing bumipreneurs' participation in the tech startup economy, I observed few Malays working in this field, compared to Indian and Chinese entrepreneurs in tech. This issue often came up in the staff meetings at MaGIC, when program managers expressed that they had difficulty recruiting Malay participants. Some of these managers, particularly in the marketing and public relations division of the agency, worried that the optics of MaGIC's public-facing events, such as its startup bootcamps and pitch competitions, presented a skewed image of primarily Chinese and Indian entrepreneurs. These concerns were corroborated by statements from other MaGIC executives, who admitted in an interview with the online newspaper, The Edge Malaysia, that *bumiputera* were "underrepresented" in the tech startup sector, and that the "typical startup profile is the Chinese privileged male" (Halim and Chua 2015). Although Malaysia maintains no official numbers, my own observations at various entrepreneurship-related events, supported by conversations with people I knew who were familiar with this sector, were that approximately one-third or fewer of the participants at these events were Malay. As a company that used digital technology to produce its art and generate online sales, as well as social media to reach its customer base, Kufi Arts was therefore one of just a few *bumiputera*-led startups in a field dominated by non-Malays.

The initial success of Kufi Arts, however, had partially led Rahim and Aziz to seek additional means of financial support, such as the VC funding that they had hoped to receive from the pitching event at MaGIC. The company had done well selling artwork at small, local bazaars and at various *pasar Ramadan* (Ramadan markets) located on the ground floors of shopping malls during the holy month. Due to this increased visibility, Kufi Arts received constant requests from customers who wanted to see in person the broad range of styles that they produced, and having an art gallery seemed like the best solution. However, the company carried significant overhead costs in the form of rent for the gallery, and they needed to increase its printing production in order to fulfill the larger number of orders that came in. Kufi Arts' production was limited by a lack of financing for higher-capacity printing. Hence, there was an immediate need for bridge funding to get the company through to its next phase of expansion, where it could produce enough to match demand and amplify its presence in the Malaysian market.

When I spoke to Rahim and Aziz in their gallery after the unsuccessful attempt to pitch to VCs at MaGIC, the two founders seemed slightly discouraged. “They [VCs] say they see the potential in us, but they don’t want to invest,” said Rahim as we sat in the cool air-conditioning of the gallery’s second floor. “At the end of the day, we always get the same feedback – ‘I need to see a letter of offer, or an agreement from clients for recurring orders.’ This is not a tech product, so it’s hard for us to get that! When we had the GPS company, we could close that deal. But for art, it’s not a ready-made market. We need to get money to make more money,” he explained. Rahim and Aziz therefore had to formulate another plan to obtain this round of funding. Besides their strong sales record, the company was ostensibly at an advantage because Rahim and Aziz were *bumiputera* and therefore qualified for alternate sources of financing from the state. This financing is not as difficult to obtain as scarce, highly competitive private venture capital – in fact, 90% of financing for start-ups in Malaysia comes directly from the government (Ministry of Finance Malaysia 2014: 10), and much of this money is used to help bumipreneurs. For instance, special bumipreneur grants and loans are available for amounts between RM 500,000 (approximately US$11,200) for pre-seed capital for early stage startups, and RM 15 million (approximately US$3.3 million) for large-scale commercialization of more mature startups.[41] In addition, government entrepreneurship agencies, such as

[41] However, as Lisa Rofel reminds us in her invocation of political economist Karl Polanyi, “the state has always been involved in creating market economies” (2015). There is therefore significant precedence for state involvement in the creation or funding of a “private sector,” and the imagined divisions between private enterprise and public (i.e., state-governed) sectors are not necessarily the clearly-demarcated divisions that Smithian arguments for the free market would have us believe (see Moodie and Rofel, unpublished).

MaGIC, created several special *bumiputera*-only development programs and networking opportunities in order to carry out the mission of Bumiputera Empowerment Agenda stipulated by the NEP and NDP.

However, the ready availability of bumipreneur funding from the state does not necessarily mean that it fulfills its intended purpose of creating opportunities for *bumiputera* entrepreneurs, particularly in the tech startup sector. During one MaGIC event that featured a roundtable discussion about funding prospects for startups, some of the participants (notably, non-Malays) argued that state support, particularly in the form of grants, which do not require capital to be exchanged for equity, made entrepreneurs "soft" and provided a financial safety net that discouraged risk-taking and creativity. The roundtable participants proposed that, without these two crucial characteristics, startups that were founded with state support in Malaysia would remain uncompetitive within greater Southeast Asia, where a regional population of 600 million people meant that only the sharpest and "most hungry" startups would survive. One member of the audience at this event, a young Chinese man who appeared to be in his 20s, commented before the roundtable speakers that failure was a critical component of developing entrepreneurial expertise and resilience – what he termed "grit." Bumipreneur grants offered by the state, he implied, would detract from this important experience of failure and generating a sense of grit that was necessary for "real" entrepreneurship.

I also heard denunciations of special state assistance for bumipreneurs from Malay entrepreneurs themselves. Adam, a Malay man in his early 30s, was a startup veteran and a leader within the local community of tech entrepreneurs in Kuala Lumpur. Prior to our conversation, he had recently participated in a MaGIC-sponsored program that sent Malaysian startup founders to tour and network within various organizations in Silicon Valley, including Stanford University, Google, and Facebook. After word got out that very few of the 50 selected participants were *bumiputera*, 10 additional bumipreneurs were added to the roster without having to go through the rigorous application process that the others had endured. According to Adam, "Most of them were up to par. But then three or four were just everything that's wrong with Malay entrepreneurs. One guy, he was a super sleazy *bumi* version of Ganesh." Ganesh, a well-regarded Indian Malaysian entrepreneur who was developing a low-cost water filter, was someone that Adam respected immensely, having created more than a dozen different prototypes of his design. Although the bumipreneur who traveled with Adam to Silicon Valley was also developing water filter technology, his approach was markedly different from that of Ganesh, who had pitched his product as a potential way to aid disaster relief efforts after flooding and mudslides in rural parts of the country. "This *bumi* guy, he's trying to sell this filter to the highest volume of people possible. He even wanted to sell it to poor people who are not on the power grid, and his product requires electricity!" Adam crowed with disbelief. "All he's got is a solution looking for a problem. That's not real entrepreneurship." He added with a sad shake of his head, "I mean, it makes me feel embarrassed to be Malay. I don't want to be associated with those guys."

Adam's declaration about what constituted "real entrepreneurship" (or rather, what did not) was reiterated many times across the tech startup blogs and online news sites that I read for my internship at MaGIC. Some op-ed writers (again, non-Malays) proposed that state support for bumipreneurs was similar to behaviors of "helicopter parenting" (Goh 2014), or interventionist practices of childrearing that are stereotypically associated with parenting approaches in Asia. Other writers and bloggers argued that *bumiputera* funding from the state would dilute the efforts to cultivate a globally competitive tech hub (Asohan 2012) and create a "culture of dependency" (Shukry 2014). State assistance was therefore understood to be the wrong kind of "hack" – a shortcut that cannot be taken because it circumvents an important vetting process, without which enterprises would be doomed to fail (Singh 2012). These critics reasoned that grants from the state would bypass a character-building process found within bootstrapping that was crucial for developing self-reliant entrepreneurial subjects. Such critiques of state support for bumipreneurs seemed to invoke the logics of the Malay dilemma that Mahathir articulated in 1970, when he worried that state concessions would lead to *bumiputera* "deficiencies" that would only necessitate further concessions on a permanent basis. However, these critiques also assume that "true" entrepreneurs do not receive any state support in their endeavors – an assumption belied by the fact that all capitalist activity is supported, in some shape or form, by state concessions such as tax breaks, legal protection of private property, and so forth. Public forms of discourse that condemned bumipreneur funding also said nothing of the colonial conditions in which the need to compete with groups of racialized others over economic resources had developed. Similarly, arguments about the many ways in which special government grants for *bumiputera* created entrepreneurs who were not "real" entrepreneurs seldom, if ever, examined the role of private venture capital in creating a social and financial landscape where certain practices, such as self-financing and bootstrapping, were not only valorized, but also made necessary.

Thus, a particularly problematic set of assumptions about what made "real" entrepreneurs emerged within the tech startup sector, fostered by critiques of state funding opportunities for *bumiputera* that seems to have come from all sides. These assumptions made it impossible for bumipreneurs to be taken seriously as entrepreneurs, for their very definition as *bumiputera* meant that they are recipients of support from the state, while normative understandings of entrepreneurship shaped by the landscape of private venture capital meant that in order to be "real" entrepreneurs, these *bumiputera* should have been self-financing their startups or gathering support through their own global networks. Bumipreneurs are therefore captured within this contradiction of the Durianscape, for *bumiputera* "dependents" on the state can never be entrepreneurial "independents." However, a problematic assumption also lies within this contradiction, which is the assumption that state assistance does in fact actually help and support *bumiputera* entrepreneurs. As my conversation with Nik alluded to, and as Rahim and Aziz from Kufi Arts would experience for themselves, state support for bumipreneurs could actually lay down more barriers and roadblocks than it removed.

Double-Edged Sword

As *bumiputera* entrepreneurs in the tech startup sector, Rahim and Aziz qualified for numerous grants and special financing schemes. The funds are generous, but they come with stipulations—for instance, to apply for funding, bumipreneurs must often work with unofficial "agents" who expect kickbacks to help submit their applications.[42] Rahim and Aziz therefore agreed that government funding was a double-edged sword – although it could provide working capital that they needed, there were also several downsides to accepting the funds. Among friends, the two startup founders worried aloud that they might have to jump through bureaucratic hoops to push their applications through, and they had also heard from other bumipreneurs that grant-giving agencies had been quite rigid about holding grantees to the details of their business proposals, leaving little room for flexibility or changing market conditions. However, their need eventually outweighed the drawbacks, and Rahim and Aziz put in an application for a grant from a large public bank that offered financing for *bumiputera*-led small businesses. The entrepreneurs hoped that the grant

[42] Despite its critical function to Malaysia's tech startup economy, government funding offers an enticing opportunity to engage in rent seeking, or the use of government contracts and resources to increase the profits of private corporations or individuals (Khan and Jomo 2000).

they applied for would be approved and that their business could stay afloat, for the high rent costs of the gallery were adding up, and Kufi Arts had yet to even hold its official launch. It was with a huge sigh of relief that we heard the good news that the grant was approved, and that Rahim and Aziz could expect to receive the money soon.

While attending planning meetings for the gallery launch, I heard Rahim and Aziz go back and forth about whether it was a good idea to accept the special bumipreneur funding they had received. Rahim, who was a bit more talkative than Aziz, and often worked through his thought processes and internal debates by speaking them aloud, considered the pros and cons of *bumiputera* financial assistance. “If it were offered to me, yeah, I would take the *bumi* funding,” he said while we chatted during a tea break from one of the planning meetings at Kufi Arts. “Why should you turn it down? It’s not unethical to take funding from those who are offering it in good faith. If there’s ho hanky-panky, then take it.” However, Rahim seemed uneasy with the prospects of what he called “hanky-panky” working its way into *bumiputera* funding. He had owned his own business before, when he and Aziz had formed the GPS tech company, and he knew that state agencies offering *bumiputera* financing for startups could be difficult to work with. Rahim recounted that he and Aziz had been propositioned before to take what he called “dirty money,” or offers of financing with quid pro quo arrangements (such as needing to pay a bribe) attached to them. “The downside to taking that money is that, well number one, in our religion, it's forbidden," Rahim said. "On top of that, it's just immoral. Your heart won't be pure anymore." He went on to explain that Kufi Arts was not just a company that sold Islamic artwork – it was a company that held itself up to Islamic values. Rahim saw practices such as those involved with exchanging "dirty money" were incommensurable with Islamic values because they were unjust, dishonest, and lacking transparency, in his view. They were not reflective of the way that he and Aziz were brought up, Rahim insisted, and he had seen the toll that such financial arrangements had taken with others who had agreed to them. "Once you take it [quid pro quo financing], it's hard to stop. Everything gets really scary – people will see what you have and they'll want to stab you in the back," said Rahim.

We discussed the matter further with the larger group, when many of the friends and supporters who volunteered to help with the gallery's launch returned from a cigarette break outside. One of the volunteers chimed in to ask the question that had been on all of our minds as we saw the mounting costs of the gallery's rent. "So then without these *bumi* grants, how are you supposed to scale up without going broke?" Rahim responded that, instead of going to banks and government agencies for loans, the Chinese entrepreneurs he knew turned to funding and credit associations among their clan communities – the *kongsi* that had been so crucial for enabling the Chinese to gather enough capital and credit to become merchants in the early 20th century after the tin mining economy sharply declined. Although *kongsi* play vital roles in many overseas Chinese communities in Southeast Asia as spiritual and financial centers of support, they are sometimes (rather unfairly) associated with Chinese triads, or secret societies, and unsavory activities, such as gambling and loan sharking. What's more, Rahim said, *kongsi* members seemed to have financial connections "back to the motherland," where they can access even more investors among extended networks in China. "For us," Rahim said, "we have to rely on our network, but in a *halal*[43] way, *lah*. Not the underground way."

Rahim seemed to be trying to reconcile his discomfort with receiving special *bumiputera* assistance from the state by casting moral judgment on Chinese entrepreneurs, whom he perceived through the lens of stereotype to be involved in un-*halal* activities, although this assumption about *kongsi* was unproven. As in Mahathir's *The Malay Dilemma*, the Chinese appeared to be an easy and unwarranted target in this conversation, considering that the very reason that *kongsi* functioned as sources of capital for Chinese entrepreneurs in Malaysia was due, at least in part, to the persisting, often unacknowledged effects of colonial policies linking race with labor. However, as much as Rahim disparaged Chinese entrepreneurs for using their "underground" networks to finance their businesses, he also expressed a palpable sense of fear that the very institutions that should have been safeguarding his interests as a *bumiputera* entrepreneur – the state organizations in charge of disbursing

[43] Although the term *halal* is typically used to describe food that has been prepared in a ritually clean way (and is free from pork or alcohol), Malay entrepreneurs used it to describe business practices free from unethical behavior in business. These characterizations reflect understandings of Islamic ethics in financial jurisprudence (*fiqh al-mu'amalat*) that undergird the Islamic banking and finance sector, but entrepreneurs also applied them holistically to other endeavors. Adherence to principles of *halal* consumption and ethics were key for those who saw themselves as owners of Islamic businesses – a topic that I address at length in chapter 5.

bumipreneur grants – were engaging in similarly objectionable practices. In other words, Rahim worried that the network of state resources on which he needed to rely was, as he perceived the *kongsi* to be, also un-*halal*, and therefore inherently at odds with how he and Aziz understood themselves to be Muslim.

Rahim's fears about bumipreneur funds from the state becoming "dirty money" were soon warranted. The trouble began when the bank that was supposed to issue the bumipreneur grant said that Kufi Arts needed a commercial license to receive the funds, and there was none on file because their gallery had been converted from a residential building. The gallery's property owner was supposed to apply for the commercial license on their behalf, but after months of avoiding their questions, the landlord confessed that he had been using Kufi Arts's rent money for paying off the members of the state-run commercial licensing board to look the other way while Kufi Arts operated without a license. When Rahim and Aziz insisted that the proprietor get the actual license, he refused and would only continue keeping Kufi Arts as a tenant if they funded the bribes to the licensing board. Rahim and Aziz were thunderstruck. "We have an Islamic business," Rahim recalled telling the landlord. "We can't do that." The entrepreneurs began to panic when they realized that they were financially trapped. There was no way that the bank would issue the grant money without an official commercial license registered to their place of business, and they could not afford the gallery's high rent without this grant – a predicament that supporters of Rahim and Aziz saw as more than a twist of fate. "If it was just this one guy, the landlord, then I might say that we were just unlucky," a friend volunteering with the gallery launch later said. "But it wasn't just this one guy. It was the whole system. It was the licensing board, too. That's not how this is supposed to work."

After their refusal to continue paying bribes, the property owner gave Kufi Arts three days to vacate the premises. In a desperate bid to stave off their eviction, Rahim, Aziz, and many of their friends called around to anyone they knew who might have the right kind of influence to help the grant money come through. They spent hours sending messages over email, text, and WhatsApp[44] to the broad range of supporters in high places who they thought might be able to exert some influence in order to resolve the situation. I often heard entrepreneurs joke that every business needed support from a Tan Sri or a Datuk[45] to survive, and Kufi Arts was no exception. In fact, when Rahim and Aziz were contemplating whom to invite to help officiate the gallery launch, they had a list of four or five VIPs to choose from. However, none of these powerful people within their network was able to offer any assistance, and within a few days of the confrontation with their landlord, Kufi Arts had moved out of the gallery and gone into hibernation. To my surprise, as I was preparing to leave the field several months later, I heard hopeful news – Rahim and Aziz had re-established themselves at another gallery inside a new arts and design

[44] A popular web-based messaging service that many in Malaysia use to send text messages via data or wireless internet networks.
[45] Originally used as royal titles, Tan Sri and Datuk are two examples of the many honorifics, hereditary and otherwise, currently used to distinguish notable or wealthy citizens.

center in Kuala Lumpur, and had even opened up a dedicated retail shop in a popular shopping mall. However, the entrepreneurs were attempting to keep a low profile, and did not hold a large public launch in their new business location like the one we had been planning at their former gallery site.

The double-edged sword of state assistance for bumipreneurs had, in the case of Kufi Arts, offered a solution to the startup's financial woes that seemed to result from the scarcity and structuring of private venture capital, but it had also introduced key roadblocks, such as the "dirty money" that Rahim and Aziz were unwilling to pay as bribes in order to push their funding through. In this instance, and I suspect in many others, special provisions for *bumiputera* entrepreneurs in the tech startup sector did not function in the way that critics of state-assisted bumipreneurship assumed they would. Thus, the premise on which the contradiction of bumipreneurship rests – that *bumiputera* are defined through the material benefits and special status conferred on them by the state, making them dependents, rather than independent and "bankable," as entrepreneurs are meant to be – is shaky, at best. And yet, the very real lingering effects of colonial policies tying race and labor, and the enormous influence that colonial capitalist endeavors had in making certain entrepreneurial roles possible for some residents within the colony (and impossible for others), play a key part in destabilizing the underlying assumptions within this construction of bumipreneurs. The implementation of these colonial policies, and their role in support of labor-intensive industries in Malaya, thus created the conditions in which Malays were determined by the British to be unsuited to capitalistic endeavors and therefore in need of special economic assistance by the state. This colonial diagnosis (and its accompanying cure) then set the stage for the paradox that bumipreneurs encounter today, which is that, although *bumiputera* are meant to benefit from becoming entrepreneurs, the institutions designed to assist them in these efforts have the opposite effect.

Conclusions

Although one would not necessarily be able to discern it just by looking at the graphic representing Malaysia's tech startup "Durianscape," it is deeply marked by a colonial history of systematized inequity, pervasive norms introduced by private venture capital about what constitutes "real" entrepreneurship, and a double-edged sword in the form of state assistance for *bumiputera*. It is no wonder that the topic of bumipreneurship is a highly sensitive one in Malaysia, to the extent that it likely caused major upheaval within the nation's highly visible premier entrepreneurial development agency. However, it is also important to emphasize that many of the Malay entrepreneurs that I knew strongly disaffiliated with the label of bumipreneur. The problematic entanglements and ethical dilemmas that Rahim and Aziz faced in their pursuit of a state-issued grant stood as an example among their circle of friends as a strong reason not to pursue *bumiputera* funding, and not to identify as *bumiputera* altogether. These friends argued that the construction of *bumiputera* as recipients of state assistance only benefitted the elite Malays who occupied positions of power within the government and could therefore influence how and to whom this assistance was disbursed. For various reasons, as subsequent chapters of this dissertation will explore, their self-identification as Muslims was more important to them.

This point brings up the question of why young entrepreneurs, who identify more strongly as Muslims than as *bumiputera*, would engage in entrepreneurship at all. Would it not be more prudent to renounce these problematic efforts to own businesses and create products and services in favor of full-time Islamic study? In truth, I did meet a few Malay entrepreneurs who did just that, leaving the commercial sector – and sometimes leaving Malaysia altogether – to pursue religious studies in places such as Yemen and Egypt. There are also ready-made answers as to why Malays are suited to commerce and should therefore remain within this sector, despite all of its problems – for instance, as Patricia Sloane-White (2011) recounts, "one corporate leader told me that business was in his DNA. He explained that when Islam first came to the Malay Peninsula in the thirteenth century via Muslim traders who then intermarried with the Malays, the Malays 'inherited' their capacity for both piety and trade" (310). However, I heard no such explanations relying on genetic arguments among the Malay entrepreneurs that I knew. Instead, they argued that it was their intention to "fix the system from the inside," as Mat, the indie fashion designer married to Farah (and long-time friend of many of the UniverSoul entrepreneurs) once put it. Their commitments to enacting Islamic values *through* their business endeavors, including the renunciation of bribes and other practices that ran contrary to Islamic ethics and jurisprudence in commerce and finance (*fiqh al-mu'amalat*), stand as critiques of the normative ways that entrepreneurship and the state operate in Malaysia. Such critiques introduce the potential to do things differently, against this norm – in the case of Kufi Arts, Rahim and Aziz's objections to working with "dirty money" led their business to cease operations, although this was not always the case among other entrepreneurs that I observed encountering similar issues in their own businesses. Objections like these therefore not only induce a project of self-reflection and ethical reform, they also make it possible to imagine another way of engaging in economic action.

Chapter Three: Islamic Banking and Finance Under Fire

Jamil first sensed the distinct feeling of apprehension in the pit of his stomach when he saw the equations. "That can't be right," he muttered to himself. He took another sip of strong, sweet *teh tarik* and rubbed his eyes, peering more closely at the page of his textbook as he sat at his family's dining room table late one evening. The markings on the page did not change. A cold feeling of fear crept over him as he realized what he was being asked to do. Jamil was describing to me a point early in his career as a student of Islamic banking and finance (IBF) at the prestigious training academy, the International Centre for Education in Islamic Finance (INCEIF) in Kuala Lumpur, when his homework was a training exercise in which he was asked to learn basic equations for calculating the terms of contracts that are unique to Islamic finance. IBF contracts and transactions, as Jamil had learned from a young age, were supposed to be free of both collecting and paying interest, or *riba*. However, the calculations that Jamil saw before him in his textbook looked as though they were simply substituting *riba* with other terms in Arabic and calling the transaction "Islamic." Jamil shook his head in dismay as he flipped through the next several pages in the textbook, realizing that *riba* was indeed present throughout these equations, although it was called something else. "That's when I first realized that I was in trouble," he said, recalling his feelings of fear and disappointment. Dealing in *riba* is a major sin, Jamil explained. Up until then, he had assumed that his training at INCEIF would equip him to help rid the world of *riba* and provide Islamic alternatives for the oppressive, interest-based finance of conventional banking. But that evening, as Jamil sat at his dining room table struggling to finish his homework, he began for the first time to truly question what was Islamic about Islamic finance.

Jamil was in his early thirties and had been born and raised in Kuala Lumpur. As a university student in Malaysia, he studied law and held a master's degree from a university in Sydney, Australia, where he spent a few years on an overseas sojourn. Although he had grown up with what he considered to be a fairly rigorous Islamic education, learning to read Qur'an in after-school Islamic study and attending prayers at his neighborhood mosque with his brothers and father regularly, he credited his experience living abroad in a non-Muslim majority environment with helping him "find the real *deen* [spiritual path]" and becoming acutely aware of his Muslim-ness, as he put it. Such an awareness, he said, came from having to carefully think about and explain to others the practices that were, for him, not only distinctly Islamic (such as fasting during the month of Ramadan, eating only *halal* food, avoiding pork and alcohol, and praying five times a day), but that he also had taken for granted while living in Muslim-majority Malaysia. Upon returning to Malaysia from Australia, Jamil decided to try pursuing a new career direction, not as a lawyer, but in the burgeoning field of IBF.

Jamil's career aspirations to become an Islamic banker were not surprising, given the growing scope and value of the IBF sector in Malaysia, which is one of the nation's fastest-growing and most lucrative economies. Malaysia's status as an emerging hub of IBF also makes it an ideal place to examine how such a financial infrastructure has been built, and how its evolving practices affect Muslims whose lives intersect, in some shape or form, with IBF products and services. In many ways, the entire *ummah* has its eyes trained on Malaysia's Islamic finance markets and indexes, and with this notoriety comes a heightened sense of urgency in the discussions and critical debates over what makes IBF Islamic. I found this question repeated over and over again as I carried out research – by CEOs of Islamic banks, among advisors on matters of Islamic financial law, and by students of Islamic financial jurisprudence. The most common answer, when one was given at all, was that compliance with *Shariah*, or the Islamic legal norms on which accepted financial jurisprudence and custom are based, is what made IBF Islamic. However, as this chapter will illustrate, many pious Muslims, some of whom were practitioners of Islamic finance, were unsatisfied with this answer, protesting that institutionalizing IBF with legal compliance in mind erases the ethical contexts in which Islamic finance law was developed in the first place, thereby enabling the entrenchment of *riba* (usury, or lending with interest) within IBF. As a result, they argue, IBF has become indistinguishable from conventional (that is, non-Islamic) finance.

This chapter explores these critiques that IBF, as it is conceived and practiced in Malaysia, is not actually Islamic and retains within its core practices that can be considered *riba*. Among the pious Muslims who articulate these critiques, I find two primary (and inter-related) registers to their argument – first, that IBF is structurally problematic, related to the systems and institutions that have given birth to it, and second, that it is ethically problematic, related to the individuals who practice it. The structural issues have set up IBF institutions to be reliant, both operationally and "ontologically" (Maurer 2005) on conventional financial institutions, with the only difference between them lying in the fact that IBF transactions are subject to compliance with *Shariah* norms referenced in Islamic financial law and jurisprudence (*fiqh*). But this structural issue leads to the objection that IBF is also ethically problematic – as both scholars and practitioners of IBF argued, legal compliance fails to capture the ethical spirit of what the laws intended. As a result, IBF has been reduced to a practice where bankers merely seek out loopholes within *fiqh,* within which financial products and services that are all but conventional in name can be generated – loopholes in which *riba* resides.

I argue that at center of these problematizations it is the sense that *riba*'s entrenchment within IBF poses serious moral hazards for those who come into contact with IBF practices, products, and services. These hazards include entering into IBF transactions with the wrong intentions (i.e., the intention to pass conventional finance off as Islamic) and with poor form (i.e., paying attention only to the end-result, and not the process by which IBF products and services are created). Within their objections, IBF bankers, scholars, and students therefore position the form and intention of financial practices not only as the grounds on which IBF should be differentiated from conventional banking, but also as key locations of their own ethical interventions. The effect of their interventions, I propose, is the recognition that the task of IBF as it is construed in its institutional form in Malaysia – to make Islamic a set of financial practices, products, and services that are inherently un-Islamic – is impossible.

By documenting the forms that these critiques of banking and finance take, as well as the ethical imperatives they carry for the Muslims who articulate them, this chapter carries forward the dissertation's goal in exploring where the cracks within hegemonic ideas and practices of finance emerge. In addition, this chapter illustrates a broader argument of this dissertation, which is that Muslims who are intimately familiar with the world of conventional finance are able to recognize its persistence within IBF, often using the language and ideas of normative forms of finance and neoliberal capitalism to as their tools of critique. While chapter 4 covers how the ruthless pursuit of profit maximization in conventional venture finance runs counter to the ethical sensibilities of Malay Muslims, thereby laying the foundation for an Islamic economics and financing that conceives of profit differently, here the focus lies on analyzing how financial practices that are meant to be *explicitly* Islamic also manage to raise serious doubts about their ethicality. Furthermore, this chapter identifies a specific argument about *riba* that is central to these ethical doubts, demonstrating how *riba* is understood by IBF practitioners and scholars to have settled into the very financial institutions that are supposed to be producing *riba*-free finance. This theme connects to those of chapter 6, which also center on *riba*, but which open up larger questions about how *riba* remains foundational within the larger nexus that links everyday technologies of consumer debt, such as mortgages, loans, and credit cards, with the consumption habits of middle-class Malay Muslims.

Section 1: Institutions of Compliance

Most attempts to understand what is entailed in Islamic banking and finance, and in particular to address the question of what makes its practices Islamic, begin with definitions. A common definition of Islamic banking and finance that I encountered across many conversations with IBF professionals and students, as well as in reading IBF-related texts and handbooks, describes it as financial transactions and products of any kind – from investments and contracts to bonds, insurance, and pension funds – that are free of *riba*, or interest-bearing debt. *Riba* is the Arabic word for "increase," and it refers to the increased profits of "renting" money through loans and the charging of interest on top of the principal amount owed to the lender. It is also absolutely forbidden by God, and the descriptions of *riba's* evils, as well as the disfavor that will befall all who engage in it are recorded in many verses of the Qur'an and in the *Sunnah*. However, the definition of IBF in its most expansive form also includes financing and investments that are free of any association with impermissible (*haram*) substances and practices, such as pork, alcohol, gambling, narcotics, pornography, or prostitution – in addition to, of course, *riba*. According to

Islamic law and practice, if such financing and investment is free of *haram* elements, then it can be considered *halal*, or permissible for consumption by Muslims.

There are also definitions of IBF that refer to its relationship with Islamic bodies of law and jurisprudence. S*hariah*, or the Islamic legal norms that are grounded in the Qur'an and *Sunnah*, is the basis for the formation of a broad legal framework called *fiqh*. Large bodies of scholarship, collected over centuries by renowned scholars of their age, exist as the *fiqh al-mu'amalat,* or jurisprudential guidelines of relationships between people that are based on commerce and transactions. This *fiqh* has been incorporated into the construction of a wide variety of financial practices, products, and services, such as loans, investments, bonds, credit cards, etc. Thus, most who practice and study IBF agree that Islamic banking is built on the legal and jurisprudential guidelines of *fiqh*, which are themselves gleaned from *Shariah*. By basing itself in *fiqh*, IBF's construction of consumer-facing products and services is also supposed to carry out the Qur'anic directive to avoid *riba*, which therefore distinguishes Islamic finance from conventional, or non-Islamic finance.

The question of how to distinguish IBF from conventional finance often starts, among anthropologists, as a question of how practitioners, scholars, and consumers of IBF define how transactions between people can be understood as Islamic. In Daromir Rudnyckyj's (2013b) work on the making of an Islamic Wall Street in Malaysia, he follows how IBF scholars and experts emphasize that, in addition to prohibiting the payment or charging of *riba,* Islamic finance also avoids engaging in speculation, seeks to share instead of transfer risk, makes terms of exchange and financing transparent through contracts, and makes "ethical investments that facilitate social well-being" (837). Under IBF norms, relationships and exchanges between people are therefore meant to be equitable because they should be taking place within a realm of "perfect information" – all risks are made clear, terms are defined, and concrete outcomes, rather than conjecture, are pursued. This, of course, represents an ideal and rather unachievable situation, for human control in Islamic philosophy is seen as secondary to the will of God, and no human being can fully predict or make transparent this divine will. However, as much as possible, transactions made under the banner of IBF are meant to be clear and predictable, so that no one party entering into an exchange has better or more complete information than the other. This notion that Islamic finance is meant to engender a dynamic of equality between what is otherwise a deeply unequal relationship between lender and borrower is nonetheless an important ethical intervention of the *fiqh* that undergirds Islamic contracts and investments – and one that will continue to be explored elsewhere in this dissertation (chapters 4 and 6).

In a different vein from focusing on efforts to reach a point of clarity in knowledge and understanding of IBF transactions, other approaches to identifying what makes IBF Islamic begin with the point of its "entangled" origins as an industry or sector of economy, and seek to analyze through the tool of comparison how and why IBF differs from conventional finance. According to Bill Maurer (2005), such an entanglement between IBF and conventional finance indicates that, although the two sets of practices have distinct histories, politics, and infrastructures, IBF still draws the bulk of its meaning through a constant comparison to conventional finance. This persistent specter of comparison (Anderson 1998), in which conventional finance and its baggage (including, but not limited to, practices such as the un-Islamic charging of interest, which amounts to usurious lending) continues to haunt IBF, indicates that both occupy the same field of meaning and have a "shared ontology" (Maurer 2005). Throughout my time in Malaysia, I met people who often agreed with Maurer's assertion, and argued that the entanglement between IBF and conventional finance created the conditions for the persistence of *riba* across both sectors. Moreover, as Benedict Anderson's writing on European-style botanical gardens in the colonies and territories of Europe reminds us, the ghostly presence of imperial modernity is a closeness that can only be seen properly from a vantage point that is far away, such as in the Southeast Asian colony, for this distance makes similarity more visible. From their vantage point within an up-and-coming global hub of IBF in Malaysia – a hub for financial practices that aimed to remain distinct from the practices of conventional finance, separated by the gulf of *riba* – bankers, students, and other users of IBF often described to me how closely IBF seemed to rub up against conventional banking and finance. The need to differentiate IBF from conventional finance creates an intimate relationship between the two spheres of meaning, where, as Maurer notes, it becomes impossible to define IBF without referencing conventional finance.

Maurer concludes that what defines IBF is its own debate and its contexts of disagreement: "In a sense, 'Islamic banking and finance' *is* the debate over its own origins and the debate over *riba*: how it is defined, how it is avoided, and how it has become the absent center of IBF practice today. As an ongoing debate among an enormous number of participants, not a thing or clear-cut set of practices, it cannot be said to have an inside or an outside" (39). Significantly, what emerges out of this debate is that there is no observable "separation" between IBF and its conventional counterpart. In their entanglement, IBF and conventional finance are "part of one field," by virtue of the fact that they are "densely interconnected, indeed, constituted as separate objects by their very interconnection and their attempt to purify their constant hybridization" (40). Because IBF defines itself vis-à-vis that which it does *not* do, but which conventional finance *does* do, the two become co-imbricated. IBF cannot exist without conventional finance, in this scheme. In this shared field of meaning, Maurer argues, the analytic that best describes both IBF and conventional finance is "an anthropology of entanglement," a phrase he attributes to Michel Callon's (1998) proposal that the relationship between economies and theories of economics is one of embeddedness. Thus, IBF is not an ersatz version of conventional finance, where conventional finance is "authentic" and IBF is an "imitation" or "dilution." Instead, Maurer argues, both IBF and its conventional counterpart are relationally bound together and reflexively reference one another.

However, an issue that Maurer does not attend to in his argument about the close relationship between IBF and conventional finance lies in the fact that IBF not only relies upon conventional finance to give it meaning, but its very existence relies on conventional finance's dominance in the world. This imbalance of power positions IBF and conventional finance not as counterparts entangled with another on equal footing, but it instead orients IBF as dependent on conventional finance. In its contemporary practice (that is, rather than in its historical form during the time of the Prophet Muhammad), IBF and its aim of *riba*-free banking is necessitated through conventional finance's hegemonic use of *riba*. The normalization of *riba* within the products and services of conventional finance therefore provides the conditions in which it is possible to think of and desire a finance that is free of *riba*. Furthermore, this relationship between conventional and Islamic finance is not on equal terms, revealing the analytic of entanglement to insufficiently capture the power dynamics between the two forms of finance. Although IBF cannot exist without conventional finance, the reverse is not necessarily the case. This power asymmetry between conventional and Islamic finance underscores the arguments of practitioners and students like Jamil, who find futility in attempts to render an Islamic form of banking and finance from the starting-point of conventional finance. Furthermore, this problem with Maurer's argument brings up Daniel Miller's (2011) critique of Callon's theory that economists create economies rather than study them. Miller contends that Callon confuses economic representation for its practice – an assessment that could also be said for Maurer's positioning of IBF and conventional finance as co-imbricated and entangled.

The disparities and proximities between IBF and conventional finance are not only a matter of theoretical importance – they remained at the heart of the critiques and practices of people I knew who studied and practiced in the IBF sector. Moreover, in their implications for what made IBF Islamic, the differences between IBF and conventional finance also set parameters around the kinds of transactions that fall under Malaysia's legal jurisdictions. Issues of jurisdiction matter in this case because they impact the institutional foundations on which this very lucrative sector was built.

Institutionalizing IBF

In 2013, the global Islamic finance market was valued at $1.66 trillion (Thomson Reuters 2013: 77). While this number may seem like a small percentage of overall worldwide commercial banking assets, which are an estimated $127 trillion (78), IBF's demand, stability, and business opportunities continue to grow steadily. Malaysia's Islamic finance economy is considered to be the most robustly developed within this valuable market, claiming the top spot among all Muslim-majority nations in the 2013 Thomson Reuters Islamic Finance Indicator (79). At each node within the Islamic financial system, Malaysia's market footprint continues to rapidly expand. For instance, the report divides the IBF sector itself into different segments along the "value chain" of generating financial assets – from regulatory bodies such as central banks and compliance agencies, to intermediaries like exchanges and clearing houses, to product providers such as commercial banks and insurance agencies, and finally to brokers and agents who deliver IBF products, services, and instruments to consumers. In each of these segments, Malaysia is increasing its share of assets, level of governance, and overall consumer awareness of IBF, outpacing even the more established centers of IBF in the Middle East and South Asia.

The stakes are also high for IBF in Malaysia, for it is not only is it a lucrative industry that appears to be growing more valuable as its infrastructure is expanded throughout the chain of value in delivering IBF products to a large local consumer base, but it is also a crucial means through which the Malaysian nation aims to situate itself as a hub for global finance. This positioning as a finance hub is significant, for it reflects over three decades of efforts by the state to promote IBF as a means of developing the national economy, as well as a site for consolidating political power in the realm of Islamic governance. As Daromir Rudnyckyj (2013b) explores in a history of Malaysia's IBF industry, the elaboration of the Islamic financial infrastructure – such as an Islamic securities market to support a growing network of Islamic banking institutions across the country – reflects initiatives begun by Prime Minister Mahathir Mohamad during his first term in the 1980s and 1990s to "Islamize" the state bureaucracy, or to create institutions and government departments whose jobs were to oversee matters of Islamic finance, education, and law, among others.[46] IBF's scaling-up on a national level represents one of these efforts of the state, and specifically of Mahathir's political party, the United Malays National Organisation (UMNO) – the only party to have control of parliament since British independence in 1957 – among many to position Malaysia as a central node amidst global flows of finance capital. The national expansion of IBF infrastructure is therefore considered by many to be an enduring and valuable "pride project" of Mahathir, designed to bring financial glory and influence to Malaysia, UMNO, and even Mahathir himself, who remains the self-styled "father of modern Malaysia" (Spillius 2001).

Similarly to how scholars have followed Malaysia's plans to become the next Silicon Valley of Southeast Asia through the development of its entrepreneurial economy (Ramasamy, et al 2004), Rudnyckyj traces these efforts to become the next London, New York, or Dubai of the IBF world. In documenting the creation of Malaysia's "Islamic Wall Street," Rudnyckyj argues that Malaysia came to see itself as a natural headquarters for a regional and global IBF industry through its assembling of infrastructures across Islamic finance education and *Shariah* regulation – infrastructures that take the shape of the banks, jurisprudence committees, and

---

[46] Examples of these institutions and government departments include the *Shariah* court system, which governs matters of Islamic personal law for all Muslim citizens, the Malaysian Central Bank's National *Shariah* Advisory Council, which serves as the authority on all matters of *Shariah* pertaining to Islamic finance, and the Department of Islamic Development, which is in charge of *halal* certification and the enforcement of Islamic norms of comportment such as fasting during the month of Ramadan and the avoidance of *khalwat* (proximity between unmarried men and women). See others such as Noor (2004), Beng (2006), and Liow (2009) for more on how Mahathir's projects of Islamization involve an elaboration of Malaysia's state bureaucracy.

training institutes that enabled the technical rendering of Islamic financial instruments and services. To be at the center of such a financial hub places Malaysia squarely within a network where it can influence matters of critical importance for the global IBF economy, such as the *Shariah*-based opinions on the legality and illegality of certain kinds of investments and contracts, as well as the training of up-and-coming bankers and financial jurisprudence advisors.

The transformation of Malaysia's IBF economy into the seat of a global financial hub hinges on the historical processes that shaped IBF into an Islamic institution of the Malaysian state. IBF has only been a federally regulated financial sector in Malaysia since 1983, the same year that the nation's first Islamic bank was formally established. However, the fact that the legal regulation of IBF falls under the jurisdiction of the federal government is somewhat unusual, given Malaysia's dual legal system. All Malaysia's citizens, residents, and visitors are subject to the nation's civil and criminal law, which comprises its federal-level legal system. However, for Muslims, issues of Islamic legality, such as family life and marriage, or "personal-status law" (*munakahat*), have fallen under the domain of state-level *Shariah* courts – whose jurisdiction extends only to Malaysia's Muslim population – since the time of the British (Peletz 2002).[47] Prior to colonization, Malaysia's traditional ruling sultans

[47] There are many other examples in which European colonizers established dual legal systems of civil (i.e., "secular") and religious (or personal status and family) law, particularly in order to delineate economic matters as matters of colonial governance and issue moral judgments about appropriate ways of accumulating wealth (see Birla 2008). In the case of colonial Malaya, the former was governed by the colonial government, while the latter fell under the jurisdiction of Islamic law and therefore "local" Islamic legal systems.

maintained total governance over each state independently. When the British first established the Federated Malay States in 1895 as a protectorate of the Crown, they left matters of Islamic practice and *munakahat* personal-status law up to each state's sultan in exchange for the right to govern the Federated States in all other matters – from commerce and criminal law to the ability to strike international trade deals and treaties.

Today, each state essentially has a *Shariah* court for matters of personal-status law for Muslims and a non-*Shariah* court that handles equivalent cases for non-Muslims, with the federal courts left to handle all criminal and civil cases that do not pertain to personal status law. The federal legal and justice system is therefore unequipped to handle any matters of Islamic law, since that jurisdiction falls solely to the state-level *Shariah* courts – *except* for in the case of Islamic financial law. Effectively, this means that *all* people in Malaysia, non-Muslim and Muslim alike, fall under the jurisdiction of federal-level Islamic law when it comes to Islamic finance. The institutionalization of Islamic finance law as a matter of federal legal regulation in 1983 thus represents novel instances of nation-wide application of Islamic law through financial governance, as well as the extension of federal jurisdiction over Islamic matters in the economic realm.

This institutionalization – and nationalization – of Islamic financial governance effectively ushered in the creation of a formalized industry around the provisioning of IBF. Whereas non-financial matters of personal status remain issues to be handled by *Shairah* courts presided over by sultans, who as individual heads of state have the ability to govern according to their own lineage's traditions and precedence, IBF is the entire nation's business. As an Islamic institution, IBF also takes many forms, from public and private Islamic banks to the National *Shariah* Council under the Malaysian Central Bank (Bank Negara Malaysia) that issues judgments on the legality and illegality of specific Islamic finance-based transactions, investments, contracts, products, and technologies. Institutionalized IBF is also sustained by training academies and universities, which are the centers of learning tasked with educating and certifying IBF practitioners and *Shariah* finance advisors in Malaysia and around the world. IBF is therefore a part of a highly governed and formalized sector of the national economy that falls under the authority of Malaysian state writ large. However, this institutionalization has also had the effect of defining IBF through its legal technicalities, particularly in an emphasis on *Shariah* compliance.

The Most Governed

In August of 2015, I attended an event put on by the World Islamic Economic Forum (WIEF), called IdeaLab, at a swanky hotel across the street from Kuala Lumpur's iconic Petronas Towers. With its global headquarters located in the heart of KL, WIEF's mission is to increase trade opportunities, build networks, showcase emergent industries, and attract global investment in the Muslim world. The IdeaLab event, described as a “startup empowerment platform,” was geared specifically towards drawing investment in the startup economy. IdeaLab featured elements that I had by then come to understand as typical for Malaysian conventions. There was a registration table with a “swag bag” for attendees, containing colored lanyards and badges that differentiated between participants in an elaborate hierarchy of importance – I was among the lowest, a “public participant.” The large conference room in which IdeaLab’s main stage was located was buzzing with energy and conversation, and, in a typical and rather accepted fashion, most members of the audience were talking throughout the presentations taking place on the large stage set up at the back.

For many attendees, the highlight of IdeaLab was likely the opportunities to network with entrepreneurs and investors in the startup economy. With its many rounds of exchanging business cards and *lepak*-ing (loitering) around the food tables while angling to meet someone important, networking at events such as IdeaLab is a perfected art. I, however, was most eager to attend a panel discussion on Islamic finance for startups. It featured two prominent bank directors speaking informally with a moderator onstage about the issue of how Islamic banks can help startups flourish, particularly in Malaysia and Southeast Asia. The bankers onstage emanated power and prestige, but one in particular was a household name in Malaysia - Raja Teh Maimunah Raja Abdul Aziz, a *Yang Mulia,* or descendant of one of Malaysia's royal families. Raja Teh, as she was referred to during the panel, had much to say about the state of Islamic finance in Malaysia, and as the CEO and managing director of Hong Leong Islamic Bank, a large Malaysian bank's Islamic banking division, she wanted to set the record straight about some misgivings and misconceptions related to Islamic banking.

Figure 7: The main stage at the WIEF IdeaLab event. Photo by author.

The moderator of the panel, a young woman named Elaine, posed the bombshell question almost at the end of the panel: “How *Islamic* is our Islamic finance? You know what I'm trying to say?” Perhaps I was the only one who saw it as a bombshell, for the din and chatter of the conference room never seemed to falter as the question was asked and awkward silences onstage followed. Raja Teh paused and re-crossed her legs at the ankle, flashing the unmistakable red soles of her six-inch Christian Louboutin stilettos. She leaned forward with the microphone, smiling but serious. “Yeah,” she responded, laughing. “I love this question, because everybody, um...” Raja Teh seemed ready for a counter-attack, but, mid-sentence, she changed directions in her response.

She began instead to explain some contextual history about the growth of the IBF sector in Malaysia. In 1983, she recounted, the first Islamic bank, Bank Islam Malaysia, was established, marking a milestone in the development of the industry. For over 20 years, conventional banks such as the one in which Raja Teh was employed were also allowed to operate with “Islamic windows,” where customers could opt to bank with IBF transactions, investments, and contracts within the same umbrella structure as the existing non-Islamic banks. As Raja Teh described it, such windows allowed “immediate reach” of IBF services to the public, making IBF accessible within banks to which customers already belonged, without necessitating the bureaucratic roadblocks[48] often required to open up new accounts in Malaysian banks. What she did not mention, however, was the termination of such Islamic windows within conventional banks by Malaysia’s Central Bank in 2004, when it was determined that a stronger form of financial separation was needed to ensure that funds and operations from conventional banks (which charge interest) and Islamic banks (which forbid the charging of interest) do not mix. In this arrangement, a “clearly demarcated ‘firewall,’” which involves “the segregation of Islamic from conventional funds, with each segment of the bank’s business containing its own individual handling and clearing accounts,” was established in order to sufficiently

[48] Such as pay stubs, proof of assets, or specific kinds of visas for foreigners working or living in Malaysia.

contain the non-Islamic bank assets from "contaminating" the Islamic operations (Rudnyckyj 2013: 842).

Instead of operating Islamic windows, conventional banks hoping to tap into the growing IBF market were subsequently directed to create full-fledged subsidiaries to handle their Islamic financing, resulting in the founding of Islamic divisions such as Hong Leong Islamic Bank, of which Raja Teh was CEO, underneath its parent company, Hong Leong Bank. This practice is not uncommon in Malaysia, where several of the biggest commercial banks have non-Islamic parent organizations (such as Maybank, CIMB Bank, etc.) but contain within them Islamic banking operations as full subsidiaries. Raja Teh continued to describe the incredible progress that the IBF industry in Malaysia had made from its humble beginnings, determining that, to this day, the industry had always been committed to providing the most cutting-edge and creative financial instruments that it could offer. "I have to say, as we were learning to do things, we fumbled in a way. Intentions were good. But today, and I say this with full conviction, this is the *most* governed *Shariah* jurisdiction in the world," she said. Elaine, the moderator, cut in: "In Malaysia?" she asked, a note of disbelief in her voice at the idea that Malaysia, rather than one of its Islamic banking rivals in the Middle East could bear the title of the Muslim world's most governed *Shariah* jurisdiction. "In Malaysia," Raja Teh answered firmly.

When Raja Teh described Malaysia's *Shariah* jurisdiction as the "most governed in the world," she referred to the notion that Islamic finance law essentially applied to everyone in Malaysia. Financial institutions, from Islamic banking divisions within larger parent banks, all the way up to the level of the Central Bank, were potentially subject to *Shariah* governance. This feature – the intensity and saturation of *Shariah* governance over Malaysia's broader financial landscape – was what she considered to be a manifestation of how Islamic the IBF institutions in Malaysia were. However, Elaine, the moderator, was unable to hide her skepticism in her line of questioning. She seemed to be asking whether Malaysian IBF institutions possessed inherent characteristics that made them "Islamic," and whether these characteristics truly distinguished Islamic banks from conventional ones. Raja Teh addressed this implied critique head-on, facing the audience without faltering her smile: "I know why you're asking that. Because many moons ago, we subscribed to certain contracts that our scholars in the Middle East did not." These contracts were known as *bay' al-'inah* – a controversial sale-and-buyback transaction that other Islamic banks around the world scorned and characterized as akin to usury or lending money with interest. Although Malaysia's IBF regulations recently outlawed *bay' al-'inah* contracts and they were being actively phased out among commercial banks, their previously wide acceptance among IBF practitioners had left somewhat of a stain on the reputation of Malaysia's IBF infrastructure.[49] Rajah Teh continued, "And since then we've not been able to live that down. But actually, we have cleaned up

[49] The details of this transaction, and why it is controversial among Islamic bankers (and not accepted by many outside of Malaysia as *Shariah* compliant), are covered in chapter 6.

our act. We have moved towards contracts which are more universally accepted. And like I say, today, I think we're the most compliant of the lot. So, there you go."

By describing Malaysia's IBF system as "having cleaned up its act," Raja Teh implied that, in ceasing to utilize controversial contracts such as *bay' al-'inah*, IBF institutions embodied a strong sense of *Shariah* compliance, and, as a result, should be considered highly Islamic. With facility and charm, the CEO had articulated a linkage between *Shariah* governance, compliance, and Islamicness in Malaysia's IBF landscape. In this scheme, the IBF institution's compliance within the *Shariah* governance structure remains a key feature for evaluating its Islamicness. In other words, as long as an Islamic bank or financial institution exhibits a sense of compliance, or outwardly manifests its efforts to meet the requirements of *Shariah* and the *fiqh al-mu'amalat* rules and regulations that govern IBF transactions, products, and services, then it could be considered Islamic. By these standards, Malaysia's IBF sector was among the best in the world, according to Raja Teh.

However, even before Raja Teh's presentation had finished at the IdeaLab event, I heard a few mutterings from audience members around me. These comments were not distinct enough to halt the proceedings onstage, for others in the audience had continued to chat, network, and take phone calls during the presentations. But I did manage to hear someone sitting nearby mention in a low voice to his companion that Raja Teh could not possibly be in a position to determine how Islamic Malaysia's

Islamic banks were because, as he put it, “She’s only the CEO of the Islamic division under a Chinese parent bank. It’s not a *real* Islamic bank.” This comment struck me as strange because it did not call into question Raja Teh’s distinguished career in banking and finance regulation, nor her mastery of financial jurisprudence – rather, it questioned the Islamicness of Hong Leong Islamic Bank because of its relationship to its parent bank, a 100 year-old family-owned institution founded by Chinese financiers.

Raja Teh described the relationship between the bank’s parent and the subsidiary companies as one in which a central risk management division was shared, despite the financial “firewall” designed to keep banking operations and capital between conventional parent banks and Islamic subsidiaries separate. As a friend who worked in finance would later explain to me, sharing the management of risk between the two divisions could entail the joint usage of a wide variety of resources, technologies, operations, and personnel between the parent and subsidiary banks. While in many cases this type of shared management between financial institutions appears to be a prudent move to operate efficiently and limit each division’s exposure to risk and vulnerability to variables within the global economy that may affect its investments[50], my friend warned me that it could also be a means for the parent company to exert control over the subsidiary when it came to making investment decisions. Effectively, the child and the parent could remain separate legal entities on

[50] Such as currency fluctuations, interest rate adjustments, etc.

paper, but this separation could be no more than a bureaucratic formality that obscured an intimate relationship, although one of unequal terms, between the bank divisions.

To some, such as the discontented members of the IdeaLab audience during the presentation on Islamic finance, this relationship between parent and child (and non-Islamic and Islamic) represented a formalistic separation of assets, debts, and operations that followed the letter of legalistic governance and compliance, but not the spirit of the financial jurisprudence that aims to create a distinct circulation of wealth in an Islamic economy. If compliance with *Shariah*-based governance is the marker of Islamicness for CEOs such as Raja Teh, and such compliance entails following rules that have been put in place by Malaysia's federal-level system of legal governance, then compliance with the rules was not enough for some members of this audience. Shortly after the proclamation that Malaysia's IBF institutions were among "the most compliant," Elaine, the moderator of the panel managed to elegantly wrap up the discussion and Raja Teh descended from the stage to a dutiful round of applause from the audience. But this nascent critique – that a bank could be Islamic in name, merely by following the rules, and not in practice or spirit – continued to circulate beyond the conference room of the IdeaLab event.

The critique seemed to hinge on the notion that, because IBF itself is defined by a set of institutionalized technicalities of legal compliance, it establishes the assertion that *through* this compliance, the "child" (i.e., Islamic finance) can distinguish itself from its "parent" (i.e. conventional finance). A financial institution's ability to demonstrate its compliance with *Shariah* norms as embodied in *fiqh* therefore becomes the basis of evaluation for its differentiation with conventional finance, or, in short, its "Islamicness." However, this argument that legal compliance is what makes IBF Islamic contains within it a number of assumptions, not only about the relationship between *Shariah* compliance and Islamic piety, but also in the broader connections between laws and ethics.

Section 2: Problematizing Compliance

Although the term "*Shariah*-compliant" is commonly used as a synonym for *halal* (permissible) or "Muslim-friendly" products and services across the board in Malaysia[51], the matter of compliance itself can be a thorny issue. In the case of IBF, the phrase, "*Shariah*-compliant finance" usually refers to IBF practices that are compliant not only with the norms of *Shariah* (such as the avoidance of *riba*), but also with *fiqh*, or the body of legal and jurisprudential guidelines in which *Shariah* norms are applied. The *fiqh* of Islamic finance is elaborated within a large body of legal, opinions, judgments, and applications by qualified Islamic scholars that outline issues such as what kind of contracts are legal, or how investments should be

[51] Such as in the case of Rayani Air, a Malaysian private airline launched in 2015 that called itself "Southeast Asia's first *Shariah*-compliant airline." The fact that Rayani Air has since gone out of business, lasting little more than a year in operation, and faced so many financial and organizational issues that the company was forced to close suddenly without refunding many ticket-holders, has been cited by many skeptics as proof that *Shariah* compliance is not necessarily an indicator of a company's solvency or integrity.

structured. Among other points, it is through the ability to demonstrate knowledge and proficiency with financial *fiqh,* or *fiqh al-mu'amalat*, that students of IBF are officially recognized by certificate and degree-granting institutions as Islamic bankers. The *Shariah* compliance of an Islamic financial institution therefore depends on its bankers' and *Shariah* advisors' knowledge and use of *fiqh.*

Shariah compliance also refers to the creative and disciplinary ways in which *Shariah* norms have been introduced into banks and offices, thus making it a slippery term that covers a range of institutional practices. With a focus on Islamic financial institutions' abilities to generate pious comportment through disciplinary apparatuses, Patricia Sloane-White (2011) demonstrates how compliance with *Shariah* can also be applied in the realm of corporate human resource management. "Personnel *Shariah*," as Sloane-White argues, elicits a sense of compliance that is also tangled up with power hierarchies, which often fall along gendered lines in the office spaces of Malaysia's Islamic economy. These rules, social pressures, and employee expectations wrought by hiring practices and other forms of personnel management have been taken up in an effort to bring *Shariah* compliance into the corporate workplace. Furthermore, they are also important sites of Islamic subject-formation that Sloane-White invites us to take seriously as spaces of Muslim piety – and corporate governance – among the emerging white-collar, middle-class Malaysian work force.

Shariah compliance, and the social engagement on which it relies, also play a central role in how Muslim consumers of IBF understand themselves as practitioners of "authentic" Islam. In Sarah Tobin's study (2016) of Islamic finance in Jordan, IBF institutions produce what they see as "the *real* Islam," or a sense of Islamic authenticity, through its compliance with and incorporations of Islamic principles of finance law found in *Shariah*. Such compliance can be found in the ability to reference *Shariah* in how banks conduct business. However, beyond – or perhaps as a complement to – this business conduct, *Shariah* compliance is also found in how banks enable certain practices and modes of pious comportment among people within the space of the bank. This comportment is engendered, among other practices, by the bank's role in limiting the interactions between members of the opposite sex – by creating gender-segregated waiting rooms and teller windows where bank customers interact with employees and one another, Islamic banks perform their *Shariah* compliance and, according to Tobin, produce an authentic version of Islam for both employees and customers to consume. *Shariah* compliance, then, is not just about structuring a bank to follow the laws when it comes to financial transactions; it is also about enabling the people within the bank to engage with one another in a pious and modest manner, thereby producing subjectivities that are understood as authentically Islamic.

In illustrating how *Shariah* in the Jordanian financial landscape has become a tool of self-management, where compliance with *Shariah* is an expression of one's competency in this management of the self, Tobin posits an argument that I disagree with – that the "calculative agencies" (3) of rationalized economic behavior have found a home within Islamic piety. She proposes that this behavior, such as the maximization of "spiritual gain" (6) and monetary profits, are resonant with both neoliberal economic practices and with practices of Islamic piety, such as modulating one's comportment in order to accumulate blessings (*barakat*) in the afterlife (*akhirah*), and to avoid sin and damnation, thereby producing what she calls neoliberal piety. For Tobin, piety pursued and performed as Islamic authenticity through *Shariah* compliance involves, in a calculated manner:

> This relentless striving toward profits and blessings and rewards, and the avoidance of punishment and hellfire, is the archetypical reflection of neoliberal piety. Neoliberal piety prompts both Islamized economic practice in the dreams of higher levels of profits and economized Islamic practice in the objective of more rewards. The desire to practice 'the real Islam' is equivalent to the pursuit of ever-increasing profit: it is a primary motivator and aim for action (6).

In its orientation toward the afterlife, the behavior of Muslims striving for piety in the earthly realm is viewed by Tobin as a practice of "risk management," which employs calculative principles to carrying out compliance with *Shariah* (6). This understanding of compliance as a practice of risk calculation unfolds a framework of neoliberalism as an analytic throughout Tobin's work on Jordanian Islamic banks. The calculative agencies that such compliance entails have "successfully penetrat[ed]" Jordan's economic landscape and its marketplace, an incursion that Tobin proposes has "lent credence to their use in pious practices" (6-7). In other words, this application of risk management tools and calculative agencies –

such as faculties of thought and reason (*ijtihad*) that are central to Muslim notions of self-sufficiency in decision making – began within, but now exceeds the scope of the IBF institution and has emerged as a powerful force in how Muslims in Jordan consider themselves to be pious.

Tobin's argument performs a naturalization of the ways in which neoliberal calculative agencies, embodied in the institutional form of the Islamic bank, have been embraced and understood by Muslims to be resonant with their senses of piety. However, what I observed among the Muslims I knew in Malaysia who were involved with IBF was the opposite of this naturalization – it was a wholesale rejection of calculation's ability to elicit or reflect piety in economic practice. The people I worked with argued that the penetration of calculative agencies in the marketplace, including in an institutionalized IBF sector governed through the legal apparatus of *Shariah* compliance, had rendered these practices, and the institutions in which they are practiced, deeply suspect. I found that Muslims in Malaysia often argued that the application of calculative agencies to Islamic financial jurisprudence amounted to a reduction and instrumentalization of the ethical principles that IBF was meant to evoke. They described such financial ethics as being "evacuated" or "hijacked" when put to the service of IBF institutions, particularly when done so under the authority of the Malaysian state, recalling a historical means of governance known as the "bureaucratization of Islam" (Liow 2009). This critique would re-surface, again and again, across many seminars, presentations, and informal discussions during my fieldwork. The spirit of financial ethics and jurisprudence, IBF practitioners, scholars, and students argued, could not be captured by such calculative agencies. These efforts involved the reduction of Islamic ethics from which *Shariah* and *fiqh* both emerge – a complex, living body of financial jurisprudence that is not only based on well-known historical text but is also under a process of constant revision, re-application, and scholarly study – to technical methods for adhering to (by seeking loopholes within) the letter of the *Shariah*.

Although IBF's institutionalization as *Shariah* compliant in Malaysia was part of what has helped it rise to a level of national and global importance, becoming a lucrative sector that state leaders hoped would put Malaysia on the map as a hub of international finance, this institutionalization and focus on compliance was also at the center of many problematizations and ethical critiques of IBF. Some practitioners and scholars of IBF argued that the institutionalization and legal governance of Islamic financial jurisprudence that was meant to facilitate ethics, justice, and equality in commerce and exchange had not succeeded in distinguishing IBF as an ethical alternative to conventional finance, but just the opposite: it resulted in what some termed the "ethical evacuation" of IBF, thereby reducing it to no more than conventional finance under a different name.

Lowest Common Denominator

The emphasis on *Shariah* compliance found within literature on Islamic finance, as well as within the notion that Malaysia's IBF system is "the most compliant of the lot," insufficiently explains the relationship between institutionalized legal compliance and ethics. As it is outlined in the body of Islamic financial jurisprudence that comprises the *fiqh al-mu'amalat*, IBF's main goal and desired outcome is to generate ethical practices, comportments, and relationships – particularly those found within transparent, just, and non-oppressive financial transactions. However, I heard several IBF scholars and practitioners argue that complying with *Shariah*-based financial jurisprudence for compliance's sake fails to adequately embody the ethical precepts that are at the heart of such legalistic frameworks.

One such scholar was Professor Mohamad Aslam Mohamad Haneef, called Prof. Aslam by his students, who taught several classes on IBF and Islamic Economics at Malaysia's premier Islamic university, the International Islamic University of Malaysia (IIUM) in Gombak, a town located about 17 kilometers, or 10 miles outside of Kuala Lumpur. The university, which was established in 1983 – the same year that Malaysia's first Islamic bank began operations – was the brainchild of Prime Minister Mahathir Mohamad, who, during his first term in office, aimed to create an educational institution in which to carry out the project of Islamization on a national level. Opinions on the university are somewhat divided, for some argue that it is little more than a tool for educating the civil servants needed for filling positions in the Mahathirian Islamic administration and bureaucracy (Hamid 2010). In many ways, the sprawling, blue-roofed buildings designed in the style of Moorish architecture represent the seat of such projects to bureaucratize Islam, where Islamic principles of finance, education, and jurisprudence have become instruments for the Malaysian state's projects of governance.

The reach of IIUM's influence is broad, in part because the university also owns satellite campuses with higher levels of specialization taught at the institutes and academies housed there. As it turns out, Prof. Aslam gave a talk at one of these satellite campuses, occupied by IIUM's Institute of Islamic Banking and Finance (IIiBF), which has offered Master's and Ph.D. degrees in IBF since its establishment in 2005.[52] The facilities at the IIiBF campus were built on a smaller scale, but were even more meticulously designed than the larger main campus. Buildings were erected in a distinctive style, fusing elements of Malay, North African, Arabian, and Greek architecture together to create an effect that was reminiscent of the designs of great centers of learning in places such as Cordoba during the 13th-century period of Muslim rule in southern Spain (Mat Zin, et al 2013). The lecture hall in which Prof. Aslam delivered his talk was a large, white-walled room filled with leaded, stained-glass windows. Dark wood, carved in intricate designs and geometric formations,

[52] I should note that my official institutional sponsorship during dissertation field research came from the Institute of Islamic Banking and Finance at IIUM, although no faculty or administrators reviewed or required approval my research topics, scope, or findings.

created an overhead latticework that overlay the white ceiling, and a deep balcony with wooden balustrades ran around the upper-story perimeter of the hall.

Figure 8: Lecture hall inside of the Institute of Islamic Banking and Finance (IIiBF). Photo by author.

Elegant arches and marble columns flanked the room's two longer sides, and at the head of the hall stood a small stage, lectern, and chairs. The effect was awe-inspiring. While I sat and waited for Prof. Aslam's talk to begin, several students around me whispered in admiration of the room's design and architecture, snapping pictures of themselves and their surroundings on their phones.

When Prof. Aslam stepped up to the lectern, all chatter in the large hall ceased. As one of the foremost scholars of IBF in Malaysia and member of the IIUM *Shariah* advisory board, Prof. Aslam had been asked to deliver a lecture on the topic of Islamic finance education. Despite his status as a pioneer in the field of IBF pedagogy, Prof. Aslam's talk delivered a set of sharp critiques about the current state of IBF. In impeccable English (which, along with Arabic, is one of the two languages of instruction at IIUM), he argued that IBF today, as it is practiced and taught, over-emphasizes *fiqh* at the expense of ethics. "IBF is heavy on *fiqh,* but *fiqh* is just a legal position," he said, addressing the crowd with measured tones. "Thus, IBF has a very legalist approach. But there is not a focus on *ethical* compliance. That is the difference between law and justice, you see." Members the audience nodded and scribbled notes. "Legal compliance is just the lowest common denominator," he said, a serious expression on his face.

Many members of the audience, which was mostly comprised of students from the IIiBF satellite campus and the IIUM main campus, seemed to agree with Prof. Aslam's critical assessment of the IBF industry's heavily legalist – and thereby not-necessarily-ethical – focus. I observed murmurs of assent and heads nodding in agreement as he punctuated his points with a gentle tapping of his hands upon the wooden lectern. Dressed smartly in both Western-style wool suits and Malay traditional clothing such as the form of women's dress known as *baju kurung*, the majority of the students were women who appeared to be in their early 20s and 30s.

One Malay woman seated in the row in front of me stood to ask Prof. Aslam a question, smoothing her floor-length gray skirt and matching blazer as she waited for the microphone to be brought to her. "Prof. Aslam," she began in a soft voice that was amplified by the microphone, "Thank you, first of all, for giving us this knowledge and wisdom from your lecture. I very much enjoyed it." She continued, "What I want to know is, how can the banks actually do ethical compliance? They must do legal compliance, of course, because they are overseen by the *Shariah* committee, so they must comply with *fiqh*. But how to do the ethical part? This is what I want to know, this is actually what I have come here to study, and so I would like to be proficient in this part. Thank you." As she sat, several other students around her nodded and murmured in agreement with the sentiment expressed in her question.

Prof. Aslam cracked open the seal on a bottle of water and took a long drink before answering. "Yes, this is a good question to ask. But I would direct you to look not only at the banks, but also at the *bankers*. How can *bankers* learn the ethics of the *fiqh al-mu'amalat*?" He asked, the audience unusually silent and still as we waited for his answer. He swept his hands towards the rows of students seated in the wooden pews of the lecture hall. "The answer is right here. *Education*. You, the next generation of bankers, need a strong education, not just in how to create financial products that comply with the law, but in all aspects of Islamic knowledge. You must know Islamic Economics, you must learn how to spot *riba* in all of its forms, you must have *adab*[53] for the whole of the teachings in Islam, not just the legal traditions."

Prof. Aslam's response to the question of how banks can engage in ethical compliance turned the question on its head, for instead of addressing how *institutions* enmeshed within the legal structures of *Shariah* compliance can exhibit ethical behavior, he implored the audience to consider how the *people* within those institutions – bankers and students of Islamic finance – can learn and exhibit knowledge of Islamic ethics in economic action. Legal compliance, he implied, means little without knowledge or demonstration of the ethical contexts in which such legality is articulated. Prof. Aslam therefore presented an argument that was, in some ways, quite subversive. Standing in a lecture hall within a storied institution of education for the *Shariah* advisors and jurists who had helped to construct IBF's infrastructure in Malaysia, he implored his audience not to care about building a better system, but to care about building a better self. Mastery of financial jurisprudence is only a starting-point, he implied – the knowledge that would make a difference in accessing the true heart of Islamic finance would be knowledge of ethics and justice, which could only be found in the ability to identify and avoid forms of financial oppression like *riba*. In order for IBF to truly engage in ethical compliance,

[53] The term *adab* typically means "respect," but in the context of Prof. Aslam's lecture on the importance of Islamic education for IBF, it also describes having proper knowledge of not only the laws related to Islamic finance, but also the ethical intentions behind those laws.

as the student asked in her question, IBF practitioners and students required ethical training, not just legal education.

In this analysis of Prof. Aslam's response, I do not intend to minimize the importance or rigor of legal education in IBF. As I learned from Jamil, his education at INCEIF involved developing a thorough knowledge of the financial laws and jurisprudence that gave rise to the practices of IBF found in Malaysia. Jamil explained to me that he learned how to legally engineer Islamic finance products by first learning about contracts, transactions, and other forms of investment recorded throughout Islamic history in bodies of *fiqh*. Then, he learned how to create modern-day versions of those financial products and services that were meant to be modeled after finance of Islamic antiquity. Such education in IBF therefore required knowledge of historical jurisprudential sources that described various kinds of acceptable transactions and exchange, as well as knowledge of the contemporary financial landscape – its rules and regulations depending on jurisdiction, customer demands and expectations when dealing with commercial institutions, how global financial markets affect or intersect with Islamic ones, and so forth. Gaining an education in how to follow the legal guidelines for IBF was therefore no easy feat, for it required what seemed to be an extraordinary amount of historical and contemporary knowledge that revolved around a complex body of *fiqh*.

However, in Prof. Aslam's call for bankers to gain knowledge and practice of the broader and less clearly-defined ethics of IBF, or the spirit of the *fiqh,* he emphasized a related but separate component of legal compliance that he termed *adab*, or respect and propriety. In order to fully understand and practice the ethical precepts of Islamic finance, Prof. Aslam proposed, bankers and students of Islamic banking needed to exhibit *adab* toward "the whole of the teachings in Islam," or the broader contexts and intentions in which legal traditions were grounded. His use of the term *adab* was an homage the scholarly interventions by the renowned Malaysian Islamic philosopher, Syed Muhammad Naqib Al-Attas, who founded one of the graduate programs at IIUM, and had designed the architectural plans for the IIiBF campus on which this lecture took place. As Al-Attas has argued, *adab* is a call to exhibit practices and characteristics of virtue that have become lost within the practice of Islam since the advent of Western secularism and colonialism (2014[1978]). Thus, the need for bankers to practice ethics in Islamic finance is grounded in the need for all Muslims to restore the virtues of transparency, justice, and non-oppression that are meant to be embedded within Islamic financial law and the transactions, contracts, and investments that it authorizes. As the next section illustrates, the cultivation of these virtues involves concrete practices of self-reflection and evaluation of the form, or manner in which Islamic financial products and services are constructed, as well as the intentions of those performing this construction.

Section 3: Reverse Engineering

In the course of my fieldwork, I actively sought out the stories of Malaysians who were intimately acquainted with IBF as practitioners or students. I had heard plenty of IBF professionals such as Raja Teh engage in a public relations-style defense of the industry, and lectures on university campuses by scholars of IBF abounded, for IBF seemed to enjoy the spotlight as a hot topic of debate and study. But it was more rare for me to spend time with people who actually built IBF products and services, using the toolkits of Islamic law and jurisprudence and knowledge of disciplines such as economics, finance, and accounting. Jamil, whom I introduced at the beginning of this chapter, was one such example.

I arranged to meet up with Jamil at an outdoor café at one evening, at one of the most bustling junctions in Bangsar – an upscale suburb of Kuala Lumpur where middle- and upper-class Malaysians shopped and dined. Jamil had agreed to grab a quick meal together before he began his evening Arabic-language classes nearby, and the eatery where we met up was packed with professionals and families. As I tucked into a plate of steaming stir-fried noodles, over the din of car horns blaring as drivers jockeyed for (mostly illegal) parking spots, I asked Jamil about his education and work experience. Although we had known each other for several years, we had not yet discussed the story of how he got to where he was in his current profession, as an intellectual property legal advisor in the music and entertainment industry.

Jamil began his story by describing how he had initially became interested in a possible career shift to IBF while he was completing professional rotations for his training as a lawyer. Although he enjoyed learning and studying law, he was not sure if it was where he was meant to be, professionally – his studies were in the field of non-*Shariah* civil and criminal law, and he feared that a legal career would be rather boring. IBF seemed exciting to him, and it appeared to successfully integrate his interest in Islamic scholarship in financial transactions with practical applications in an industry of growing importance and scale in Malaysia. He was accepted to the prestigious INCEIF academy, based in Kuala Lumpur, which is a training institute for aspiring Islamic bankers funded by Malaysia's central bank. Established in 2005 as the world's first and only Islamic finance university focused on training the "future captains" of the global Islamic finance industry, INCEIF caters to English-speaking Malaysian and foreign students, often giving them scholarships funded by the bank in order to cover the costs of tuition for degrees ranging from an M.sC (Master of Science) or Ph.D in Islamic Finance to professional certificates for those currently in the IBF industry (www.inceif.org). In 2012, the center moved to a new location, where it now occupies a modern steel-and-glass construction on a large land reserve adjacent to the University of Malaya, Malaysia's premier and elite national university, and offers facilities such as lecture halls, a library, a swimming pool, and a gender-segregated gymnasium. It is one of the most prominent reminders of Malaysia's plans to stand at the forefront of the global IBF industry, and marks

Malaysia as a key center of learning for the next generations of bankers and scholars of Islamic finance.

When Jamil enrolled at INCEIF, he was among the first cohorts to be admitted, and he studied Islamic finance with a focus on banking projections using financial instruments. He made a point to tell me that he paid his own way through the program, which is significant because, as a Malay student, Jamil would have qualified for state-sponsored scholarship to a variety of university and graduate-level academic programs. Instead, he paid for tuition himself, preferring to leave NEP benefits for others among the special *bumiputera* population who were truly in need. About mid-way through the program, however, Jamil noticed something that troubled him. In all of their courses, the students were receiving a rigorous training in Islamic finance, jurisprudence, legal contracts, and other related subjects. Financial ethics was a topic that was briefly touched upon in the contexts of some of those courses, but Jamil found the substance of those ethics, and how they were taken up by students and teachers at INCEIF, to be lacking. The ethical purpose behind *mu'amalat*, or the legal and jurisprudential strictures of Islamic finance, was not emphasized in Jamil's classes. Instead, Jamil and his classmates focused on the techniques and legal maneuvering needed to render financial transactions compliant with *mu'amalat.*

"When I studied at the institute, I felt like it was very mechanized, that everything existed on paper only. There was no sense of ethics. No ethical people," he said. He described how the Islamic nature of the financial products that he was helping to create only seemed to be evident when they were dissected and re-assembled as formulas on balance sheets – "on paper." In terms of the ways that aspiring bankers who studied at the institute carried themselves, Jamil said, there was a deeply felt lack of ethical comportment. "The *adat* [custom] and *fiqh* wasn't a concern for these banking folks. Their only concern was how to *halalize* secular instruments into Islamic instruments just to facilitate a transaction," said Jamil. The way in which Jamil's peers and teachers utilized Islamic law and custom to construct a sense of justification or *halalness* (permissibility for Muslim consumption) around the financial products they created did not match with the end-products that they created. In other words, there was a disjuncture between the product and the process by which so-called Islamic financial products were generated, or the manners in which people carried out this engineering. To clarify, the term "secular" that Jamil used to describe the financial instruments of conventional banking does not necessarily reference the projects of power in which oppositional conceptions of secularity and religion are generated, such as in colonialism and state-making (Bowen 2011; Fernando 2014). Instead, what Jamil described as secular were the products of an attempt to distill or instrumentalize an Islamic form – an outward appearance, or a general theme without substance – for the application of complying with regulations that are based in Islamic financial law and jurisprudence. Evacuating the ethical context in which these laws attempt to guide exchange and relationships between human beings from this instrumentalized sense of compliance resulted in the creation of financial instruments that are no longer grounded in Islamic ethics. Thus, as Jamil saw it, they were more akin to the instruments of conventional banking and finance that were not grounded in *fiqh al-mu'amalat,* or the *fiqh*'s underlying ethical principles.

By identifying this disjuncture between product and process, Jamil articulated a concern that remained at the heart of many critiques of IBF, as well as with the production of goods and services deemed appropriate for Muslim consumption in other economic sectors. In *Everyday Piety: Islam and Economy in Jordan* (2016), Sarah Tobin explores this product-process rift at length. One of her interlocutors, a Jordanian imam, advocated for the *halalness* of Islamic banks and described the processual nature of how this *halalness* emerges: "Islamic banking is like how we make meat *halal*. Everyone knows that the meat is the same. The cows all eat the same food. But it is how we kill that makes it pure for Allah. It's the same with the banks" (168). Similarly to Raja Teh, the Jordanian imam stresses a process of compliance with Islamic law in order to differentiate Islamic financial institutions from conventional ones, "making it pure for Allah," as the imam put it.[54] However, Jamil's firsthand knowledge of this compliance-seeking purification process challenges the assumption that this set of procedures – in effect, financial engineering – can truly make financial products and services *halal* and fit for consumption by Muslims. As Jamil described, it was not so much an issue of whether the products and

[54] In the case of *halal* slaughtering, the *Shariah* requirement is to make a single, swift incision across the animal's aorta and immediately drain its blood.

services could be made compliant with *Shariah* law and therefore *halal*, but rather a question of whether compliance and *halal* were even sufficient in the first place, given the process by which these labels were achieved. In Jamil's view, learning how to make finance Islamic involved learning technical skills to maneuver through loopholes in Islamic financial law, or learning the laws with the purpose of figuring out how to circumvent them. This training emphasized a process of "reverse engineering," as Jamil called it, in an attempt to "purify" conventional financial products and services into a state of *halalness*. However, these actions could never fully purify the transactions and make them Islamic, for as Jamil saw it, the dishonest intentions behind such a process of reverse engineering could not result in a product that was truly *halal*, in financial terms. That is, such products could never be ethical, just, or non-oppressive, for they had originated from a place of deception. He quoted an adage as he explained, "The end never justifies the means, you see. You cannot loophole your way into making an IBF product that is actually Islamic and actually reflects the ethics of the *mu'amalat*."

Jamil also found it troubling that the other students around him at the training academy did not find this instrumentalizing process (and its disjunctures) to raise any red flags. As long as the formulas added up and the transactions formally met the basic requirements of Islamic financial law and jurisprudence, then his colleagues thought that the financing could be called Islamic. To Jamil, however, the ethical intentions that were central to the entire premise of IBF itself had become jettisoned in the process. Unlike his colleagues at INCEIF, Jamil cared deeply about the ways and manners in which IBF constructed its offerings. “These details – that’s where the devil is, right? But the others, they wanted to just roll out these products. That’s their sole concern. It turned me off. They were just looking for the Islamic version of regular transactions, and that was it.” The details to which Jamil referred were the particularities of the IBF engineering process that sought to contrive a difference between IBF and conventional finance. To him, it made a difference if the engineering process was mismatched from the final product, and if it began with a conventional form of contract or transaction that was then transformed into an Islamic version by working in reverse. The appearance of the devil (in Malay, *Syaitan*) in these details and differences was a stark reminder that they were not simply a matter of minutiae – they were issues of grave importance for the soul of the banker, and of all who touched and used these products, for it is the devil who leads people astray to sin, however aware or unaware they are. Jamil therefore found it imperative to remain aware of those details, and their entrenchment in the way that IBF products are conceived and made through loopholes or dishonest intentions.

Reconciling the Unreconcilable

Jamil was dismayed when he first realized what he was being taught at INCEIF. As he saw it, these renowned scholars of IBF were teaching students to dress up the products and services of conventional finance with nominal alterations that did not amount to a significant departure from the aims of conventional finance. This realization underscored for him the impotency of the process by which *Shariah*-compliant IBF products and services were created – the "reverse engineering" that he had described with disdain. As a result, he argued that students and scholars of IBF attempted to make financial products and services suitable for consumption by Muslims that were *inherently* unsuitable, rendering the process by which they attempted to do so suspect, akin to a search for loopholes, and nothing more. Jamil's disappointment eventually evolved into a sense of fear, for he saw that the IBF products and services that he was being trained to engineer contained within them dangerous remnants of conventional financing, which operates heavily – if not wholly – on *riba*[55]. To him, such products and services amounted to the "secular instruments" of conventional finance, and became evacuated of any ethical properties that were meant to differentiate Islamic finance. It was therefore a very dangerous game to play – marketing IBF products and services as Islamic, while retaining the predatory core of *riba* and conventional finance within them.

In helping to create what amounted to bogus Islamic financial products, Jamil said that he felt he was in peril of risking his mortal soul. The spiritual risk that he identified in his work at INCEIF presented very real and material forms of danger to him – it was the risk of going to hell, of invoking eternal damnation, and of being confined to a state of suffering in the *akhirah* (afterlife). This revelation came to him only after he had "gotten [his] hands dirty" by participating in the very industry that

[55] The details of this argument – the way in which conventional finance manages to retain within them core elements of *riba* – is covered in chapter 6.

claimed to "purify" the otherwise "impure" financial instruments produced by *riba* transactions within the dominant system of conventional finance. The impossible situation that Jamil had been put in – indeed, the impossible position of Islamic banking and finance itself – was that he had to "make Islamic" something that was inherently un-Islamic from the start. The process involved deception and smoke and mirrors, which effectively sullied the end-product and cancelled out any ethical qualities that were meant to have been conferred to it through its *Shariah*-based construction. The fact that people had so much faith in this process made Jamil even more disturbed, for it indicated the dangers of simply labeling something *halal* and prompting Muslims to consume it, which would inevitably lead them to sin. Such false labeling could put the entire *ummah* at risk, for it could unknowingly lead consumers of IBF offerings around the world to consume such ethically evacuated products and services, which could risk their entry into *jannah* (paradise) in the afterlife. Jamil's responsibility, as he saw it, was therefore far more comprehensive than simply engineering *Shariah*-compliant but unethical transactions that were never likely to withstand Judgment Day. He could not risk being implicated in such a scheme.

The issue at hand lay in Jamil's understanding of form, or the process by which bankers created IBF products and services, and the intentions of the bankers themselves. For Jamil, starting from a desired end-product, such as an Islamic credit card, and working backwards to shed some of the *haram* elements of a conventional credit card (such as the charging of interest on the line of credit extended to the cardholder) did not make a truly *halal* financial product. “There is nothing ‘Islamic’ about an Islamic credit card,” he said, recalling the frustration of trying to debate with his classmates and professors at INCEIF. The making of that Islamic credit card, he explained, originated from a place of wanting to create the *closest thing* to a conventional credit card. “And intentionality matters,” he said, his expression turning serious. “What is your intention in making a so-called Islamic credit card? Is it to skirt around the rules and find a loophole, or is it to create a genuinely Islamic product for Muslims to use?” Jamil explained that God cares just as much about the intentions of the faithful as He does about the outcomes of their actions. If the intention of IBF practitioners in creating an Islamic credit card is to construct a product that is essentially the same as a conventional credit card, other than a few cosmetic tweaks, then this product does not honor IBF’s true intentions of equity and transparency.

Thus, making an “Islamic version of a regular transaction” dangerously muddied the waters between a world in which exchange between people was meant to generate greater equality and conform with God’s expectations for proper behavior in all deeds, and a world in which predatory finance, endless cycles of debt, and the invocation of God’s displeasure surely awaited. As he explained, there is a very real sense of danger in provisioning Muslim users of IBF with products and services that are only Islamic in name. Exposing Muslims to the risks of accidentally or unknowingly engaging in usury or financial oppression could be doubly damning. Not only would the end-users be unwittingly engaging in sin, which Jamil likened to a Muslim consuming a drink that had been deliberately spiked with alcohol or drugs by others who insisted that the drink was safe to consume, but those who had facilitated the offense, such as the bankers and financiers themselves, would surely be acting in sin as well. Enabling IBF to "masquerade as Islamic," as Jamil put it, when it was really more akin to conventional finance, had the potential to bring disastrous consequences. "Do you know what happens to people who oppress others through finance, who introduce *riba*? They risk it all. They risk being judged harshly by Allah when they die. He hates *riba* and has declared a war on *riba*. Should I let that happen because of my ignorance or unwillingness to act? I don't want that on my conscience. That's why I had to leave," he said.

Jamil's narrative elaborates on a connection between action and intention that Mayanthi Fernando (2014) explores among pious Muslim French women who wear the veil. In the act of contriving Islamic financial contracts and transactions, Jamil was obliged, as Muslim French women were, to follow authorized forms of ethical conduct that, in the case of Islamic finance, are laid out in the *fiqh al-mu'amalat*. For pious Muslims, Fernando demonstrates, such obligation is then transformed into an inner sense of desire, where "the desire to perform duties flows naturally from within the self" (158). However, Jamil argued that, if one's intention is to skirt this authorized form in the *fiqh*, or to manipulate its expression in IBF offerings with the goal of undermining its ability to generate the virtues of transparency and justice, then this key element of desire to enact the authorized form of ethics in finance remains unfulfilled. The correct form of constructing Islamic finance therefore relies on the intention with which the practitioner enters into the acts of construction. Furthermore, as Fernando emphasizes in her reference to Mahmood (2005), the practice of ethical action with correct form, such as in veiling or praying, “do not simply signify Muslim piety but are integral to achieving that piety” (Fernando 2014: 161). Through external practice, one develops a sense of piety within the self, and through repetition, this practice becomes a necessary component of that sense of piety within the self. In Jamil’s case, the introduction of *incorrect* form in creating IBF offerings, or what he termed “reverse engineering” and the opening of loopholes within *fiqh*, thwarts the development of piety that might otherwise occur within the self. Thus, it is crucial that both correct intention and correct form are present in the acts of constructing Islamic finance – something that Jamil found to be critically missing in his IBF education.

There is another element to intention that unfolds within Jamil’s story – while correct intentions are necessary for ethical action, and correct form helps develop a pious self, *unintentionally* incorrect form can have dire consequences. Recall how Jamil felt a keen sense of fear when he realized that he was being taught to create IBF financial products and services that were actually rife with *riba.* This fear, grounded in his unintentional actions of potentially leading Muslims astray and into sin, was one of the primary motivations for him to end his education in IBF. As he described it, he could not risk even the unintentional introduction of *riba* into the lives of unwitting IBF consumers, for to do so would put both his and their afterlives in danger. Jamil's stint in IBF was therefore short-lived, and he described his departure with an ironic laugh and a shake of his head: "It was an ugly divorce, *lah*." Jamil left his program without ever attaining the degree, in search of something more fulfilling, both professionally and spiritually. The moment that he started to see things clearly at INCEIF, he said, was when he initiated his departure from the finance field altogether. "I remember telling myself, 'There must be something more than this,'" he said. In his current role as a legal advisor helping to manage performing rights for record companies, he said that he felt safer now that he no longer had to deal with the sinful process of what he called "legalizing *riba*."[56] As he described it, "That work [at INCEIF], it weighed too much on my conscience."

When Jamil was confronted with the risk of accidentally creating so-called Islamic financial products and services infused with *riba*, he left the field of IBF altogether. I view this action not as a form of risk management, nor as an example of his exercise of calculative agencies in rationalizing a maximum "spiritual profit" in the afterlife, to reference Tobin's analytic of neoliberal piety. Rather, I view Jamil's departure from IBF as a refusal of the calculative logics that made the reverse-

[56] Although I do not know exactly where Jamil and his family do their banking now, I know that he is a part of an Islamic study and economic activism group, UNRIBA (which I explore in chapter 6) that is attempting to create an independent, community-based banking cooperative that is not a subsidiary of an Islamic or conventional bank.

engineered loopholes within the *fiqh* of Islamic finance possible in the first place. The terms in which Jamil voiced his objections with IBF, such as how its practice involved questionable intentions that weighed on his conscience, underscore a particular sense of self that developed through examining and reflecting on the structural and moral problems found within IBF's emphasis on legal compliance. This problematization prompted him to turn to the authorized ethical forms found within *fiqh* to realize his "inner, individual desire" to reject institutionalized IBF, demonstrating how authorized form and individual desire are not configured in opposition, but, as Fernando argues, are "inextricably linked" (162). Jamil's sense of self, grounded in the ability to realize his desire to submit to authorized forms of ethical finance and God's judgment in the afterlife, is also not predicated on the naturalization of individual maximization and self-interest, or what Tobin calls neoliberal piety. Instead, Jamil's sense of himself as a pious Muslim stems from his ability to critically point out and renounce these expressions of calculation and maximization within IBF, and to identify the failures of a system that has tried to generate an Islamic finance from un-Islamic parts with bankers who seem to know or care little of this futility.

Conclusions

IBF practitioners, scholars, and students criticized Malaysia's efforts to "make Islamic" an institutionalized form of Islamic finance law that was molded into a system that requires legal compliance but not knowledge or demonstration of the law's broader ethical goals. Led by both the state (in the form of institutions such as the national *Shariah* advisory board under Malaysia's Central Bank, the national INCEIF training academy, and others) and private banks (which are either directly or indirectly advised by the state's *Shariah* boards and training academy graduates in creating IBF products and services), these efforts to create an institutionalized system of Islamic finance amounted to no more than the perpetuation of conventional finance, according to the people I met who worked or were trained within this system. To these critics, the project of creating a national IBF economy was a failure. "You cannot 'Islamize' something that is inherently un-Islamic," Jamil told me. The IBF industry that Malaysia had wanted to build as a rival to London or Dubai was, as he saw it, shot through with practices, contracts, and exchanges that were Islamic in name only, for they reflected the rather distilled, bureaucratic requirements of state-enforced *Shariah* compliance and governance but failed to capture the true ethical spirit of the *fiqh al-mu'amalat.*

This criticism – that one cannot Islamize something that is inherently un-Islamic – captures the dual registers of the protests against IBF that I encountered in Malaysia. On a structural level, IBF remains dependent on and subservient to conventional finance. Its entire scheme of differentiation hinges on its compliance with *Shariah*, but as the Muslim bankers I knew argued, this problematic orientation toward compliance has only generated the technical mechanisms for rendering a form of finance that is all but conventional. Furthermore, IBF's structural problems point toward its ethical problems, which are articulated in Jamil's argument that the form and the intention of the practices that generate IBF products and services matter greatly. With its reliance on practices of reverse engineering, and on the questionable intentions of the bankers who begin with conventional finance's offerings and attempt to re-create *riba*-free versions for IBF, Islamic finance in Malaysia asks its practitioners and students to do the impossible. The impossibility of this task reflects the impossible position of the IBF industry itself, for attempts to render an Islamic finance out of conventional finance's "ingredients," so to speak, involve jettisoning the ethics of the *fiqh* in which Islamic finance was originally conceived. Conventional finance remains comfortably dominant, and institutionalized IBF seems to have only re-inscribed the hegemony of finance's reliance on *riba*. However, as Jamil's account illustrates, there are fractures beginning to show in the normalization of the idea that finance cannot exist without *riba*.

At the end of our conversation, Jamil revealed that he had broken a few friendships and burned more than one bridge after leaving the INCEIF academy. However, there was much more to be gained from his split with Islamic banking. Jamil's departure prompted him to re-evaluate his understanding of the values and goals of IBF, and of Islam's ethical teachings at large, and triggered a realization that his true professional calling lay elsewhere, in the creative arts sector where he was able to pursue work at the intersection of creativity and the spiritual path, as he put it. The experience of working briefly in IBF also gave Jamil the grounds on which to strongly critique the current IBF system's failure to make financial transactions Islamic, and thereby truly embody and practice the ethical tenets behind Islamic financial law and jurisprudence. Importantly, through his "ugly divorce" with IBF, he became involved in a group that was part-economic activism and part-Islamic study circle (*halaqah*), called UNRIBA. Through his activities with the group, he soon found other Muslims who had left or protested against IBF on ethical grounds, and together they began to think about making their own alternatives to existing forms of both conventional *and* Islamic finance. In chapter 6, I explore more closely how UNRIBA conceived, and, in some cases, enacted these alternatives among this group of ex-bankers, former financiers, and other pious Muslims who sought to learn more about the damaging effects of *riba* in finance and business.

Chapter Four: Financializing *Halal*

In September 2014, a large, nationwide event for developing and showcasing entrepreneurship took place at the Malaysian Global Innovation and Creativity Centre (MaGIC), located in Cyberjaya, an exurb of Kuala Lumpur. The event was termed GREAT, an acronym that stood for the "Gathering of Rising Entrepreneurs Acting Together," and it took place over four days in MaGIC's sleek, glass-and-steel main building and the wide expanse of its green front lawn, nicknamed the Obama Oval.[57] Prime Minister Najib Razak and Secretary of the Treasury Tan Sri Irwan Seringar Abdullah officiated GREAT's opening ceremony, and the excitement was palpable among the hundreds of participants as the Prime Minister delivered a rousing speech in sweltering afternoon heat, in which he encouraged young entrepreneurs to remain dedicated to their ventures, even in the face of setbacks. Local musicians such as hip hop artist Joe Flizzow took to the main stage after Najib's speech, rallying a crowd that was comprised of current and aspiring entrepreneurs who looked to be mostly aged 30 and under. The cheerful, festival-like atmosphere at GREAT was accentuated by the dozens of mobile food and drink vendors who were set up in carts, stalls, food trucks, and even repurposed shipping containers along the edges of the lawn.

[57] Five months earlier, U.S. President Barack Obama made an inaugural visit to Malaysia, where he co-presided over the opening of MaGIC with Malaysian Prime Minister Najib Razak.

Figure 9: Preparing for opening ceremonies on the MaGIC front lawn at the GREAT 2014 event. Photo by author.

Throughout the course of the GREAT event, several prominent programs were scheduled to take place within the main auditorium. One such program was an intensive entrepreneurship development bootcamp and funding competition called the Halal Tech Power Challenge. This bootcamp was unlike any of the dozens I had seen while conducting fieldwork at MaGIC – it was very large in size, at over 100 participants divided into 20 teams of five entrepreneurs, and it would be judged by a panel of high-profile startup CEOs and some of the biggest names in venture capital. In fact, Prime Minister Najib was scheduled to sit in the audience and listen to the bootcamp participants pitch their business ideas. The Halal Tech Power Challenge was also the only startup bootcamp I had ever seen dedicated solely to the development of *halal* technology startups. In the context of consumer goods and services, *halal* means lawful, permissible, and approved for consumption by Muslims, and it is often defined by an absence of pork, alcohol, gambling, narcotics, pornography, and other forms of consumption deemed inappropriate under Islamic law and custom. Enterprises adhering to such standards can be found across several sectors in Malaysia, including food and beverage (F&B), travel, media, finance, fashion, and pharmaceuticals and cosmetics. But I had never heard of *halal* tech startups, and I was curious about how such enterprises were conceived and developed.

On the first day of the bootcamp, a large crowd of young people – almost all of them local Malaysians, and mostly of college-student age, but with a few who looked to be a bit older than that – clustered in the expansive foyer inside of MaGIC's building. They were all dressed alike, wearing dark green tee shirts bearing the logo, "Halal Tech POWER Challenge," with the word "power" written in camouflage-colored text. As the bootcamp entrepreneurs milled around and chatted, I introduced myself to one participant who was a student at a local university but hailed from Nigeria. Two members of his team were Malaysians, friends from his business and marketing classes, and one was from Singapore, while the last was Indonesian. "How did you all find one another?" I asked, surprised that he had connected with such a diverse group while studying at a university mostly known for its local enrollment. "We were matched," he answered with a wry smile. "It was sort of like speed-dating. I don't know them very well," he said, gesturing towards his teammates. "But we have common interests, I think." I asked what those interests were, and he replied, "To make a real startup. To win this thing. And uh, to make the next Amazon[58] for the Muslim world."

This chapter explores the meaning of *halal* as it is constituted within Malaysia's tech startup economy, tracing how a group of entrepreneurs and financiers in the "*halal* tech space" – most of whom were young, white men from Europe and North America – sought to develop and finance *halal* commodities for a burgeoning Muslim consumer market in Malaysia and beyond. I focus particularly on how and why the venture capital firms that employed these men were oriented toward profit, arguing that the overriding drive to pursue profit and a disregard for the manner in which such pursuits were carried out is a phenomenon that is both specific (to the experiences of the young, white, Western men who work in the *halal* startups sector) and generalizable (to the very structure of the venture capital that finances the startups). Furthermore, as the words of the young Nigerian entrepreneur at GREAT suggest, I examine how the meaning of *halal* has been stretched to describe commodities that are meant to appeal to a valuable market segment of

[58]Amazon.com is a U.S.-based multi-billion dollar e-commerce business with a global reach, but it currently does not operate in Malaysia. Its scale, however, provided ample inspiration for e-commerce entrepreneurs in Malaysia and Southeast Asia to try and replicate its success for a Muslim market.

Muslim consumers – and even includes goods and services that are not exactly certified (or certifiable) with a *halal* logo. However, I am less interested in investigating whether certain commodities are "really *halal*" or whether they are "counterfeits,"[59] and remain more interested in how the means through which *halal* commodities are produced bring up questions about their financialization (or its use as a resource for generating profit) and their significance to Muslim consumers themselves.

In this sense, this chapter's exploration of the relationship between product and process in constructing *halal's* meaning and value continues to pose similar questions that are asked throughout this dissertation – how does economic action, and the landscapes of finance and entrepreneurship in which such action is carried out, become the grounds on which Muslims in Malaysia reflect on and enact what it means to be pious? While other chapters focus on different forms or aspects of economic action that have become meaningful arenas for this work – such as technology entrepreneurship among *bumiputera* (chapter 2), Islamic banking and finance (chapter 3), Islamic venture finance (chapter 5), and debt as *riba* or usury (chapter 6) – this examination of how *halal* has been financialized within Malaysia's tech startup sector involves institutions and practices that are rooted within the specific dynamics of a form of global venture capital that views Malaysia as an ideal frontier from which it can extract value and generate profit.

[59] For more on "counterfeit" *halal* commodities, see Faegeh Shirazi's *Brand Islam* (2016).

Section 1: Halal Tech Enterprises

The young Nigerian entrepreneur's words, about how his bootcamp competition team's goal was to create the next Islamic Amazon.com website, strikingly mirrored those of another young man – the organizer of the Halal Tech Power Challenge himself. Magnus Nielsen, a Danish MBA graduate in his early 30s, had said nearly the same thing just a few nights before the bootcamp's commencement, at a planning meeting that I had attended in a large, airy bungalow in an upscale suburb of Kuala Lumpur. With chin-length, curly blonde hair and a dry sense of humor articulated in clipped, Danish-accented English, Magnus seemed every bit the impressive, rather imposing startup veteran. He was also one of the first venture financiers to mobilize capital from Europe to be invested in the *halal* tech sector in Southeast Asia, connecting his network of European investors and managers to this lucrative, untapped Muslim consumer segment. As a resident of Malaysia for several years, he helped run the organization that sponsored the bootcamp, a technology startup incubator and VC investment firm called Halal Tech Enterprises (HTE), which was founded in 2012 by a Canadian venture financier in Kuala Lumpur. Typically, venture financing comes from a collectively pooled group of funds that represent the interests of various private investors and is managed by an individual or firm, such as HTE. Their primary goal is to invest in businesses that offer a high reward, or rate of return on the investment, in exchange for equity in their investees' businesses. But with this high reward comes high risk, for these businesses are typically in their early stages, and many do not necessarily have a proven track record of having generated sustainable profits.

As a venture capital firm, HTE had two clear goals: to develop, or incubate, up-and-coming startups oriented toward *halal*-focused Muslim consumers, and to invest directly in startups in exchange for equity, using its network of connections within Malaysia's startup sectors to help position their investees for financial success, thereby increasing the return on its investment. The HTE incubator focused, as nearly all incubators do, on developing startups that relied on technology for scalable growth, or market reach that can grow without needing to increase accompanying overhead costs. The venture finance arm of HTE then selected the most promising of those startups for investment, typically in exchange for shares of ownership in the enterprise. This model of venture financing is a common one across many investment firms, but what made HTE unique was that it focused almost exclusively on investing in startups aimed at Muslim consumers. At the planning meeting, Magnus had voiced very specific goals – "to build the next Amazon for the Islamic market" – for the bootcamp, and by extension, for HTE itself. He stood in front of a group of about 75 would-be entrepreneurs, of whom about half appeared to be locals from Southeast Asia, while the other half seemed to be from Europe and North America, and explained its premise. Participants would form teams of five, and complete training modules over the course of the bootcamp's four days, aided by experienced entrepreneurs (many of whom were employed by or affiliated with the HTE incubator-slash-VC fund). Each training module would focus on a different aspect of developing a startup from scratch – ideation, product sourcing and prototyping, market validation, online marketing, business development, and the all-important investor pitch. When he came to this point of his presentation to the bootcamp participants, Magnus exclaimed, “You will be pitching in front of the *Prime Minister*! How many of you can say that you’ve done that before? That’s something you will be able to tell your children.” Each team would be focused on developing a *halal* technology startup for the global market, and at the end of the four days, a panel of judges who were prominent figures within the startup community would declare a winner. First prize, Magnus explained, would be an invitation to join the HTE incubator, as well as 100,000 ringgit (about $33,000) worth of funding. Four other teams of entrepreneurs would also be selected to join the incubator, minus the funding.

The questions came from participants almost immediately. “What counts as a *halal* tech startup?” one woman wearing a magenta hijab asked. “Like, does it have to have JAKIM[60] certification?” Magnus responded:

> A *halal* tech venture is catered specifically to the global Islamic population. And if that's the case, then we define it as *halal* tech. You don't have to have a *halal* certification. You cannot certify a hijab. But hijab2go [one of the e-commerce companies developed by the HTE incubator] is definitely catered specifically to the global Islamic population, hence *halal* tech.

[60] JAKIM, the Malaysian Department of Islamic Development, is the state’s certification body for all consumer products labeled halal. JAKIM affixes a seal of inspection and approval to *halal*-certified products and services in the food and beverage, cosmetics, and pharmaceutical sectors.

Another participant called out, “What is our budget?” Magnus looked out to the audience with a piercing stare. “Your budget? What do you mean? Your budget is zero. We will provide you with everything – guidance, mentorship, food, and drinks. You just show up with your ideas. All you need is your GFGI mindset!” The audience broke out into scattered applause. As I would later learn, the “GFGI mindset” that Magnus referenced is an acronym of the phrase, “go fucking get it.” Such a term accurately reflects the ethos of tech startup culture in Malaysia, which relies heavily on tropes and values from Silicon Valley about the kind of self-starting and bootstrapping characteristics required for success in a highly competitive economic environment.[61] It was also a phrase that would illustrate the highly problematic nature of the *halal* tech startup economy, embodied by Magnus and his colleagues at Halal Tech Enterprises.

While Magnus was a particularly memorable example of the European and North American young men who worked in Malaysia’s startup sector, he was by no means alone. During my time at MaGIC, I often helped in the agency’s efforts to host events in which speakers and “startup gurus” from Western countries came to Malaysia to share their expertise in the tech economy. It was also not unusual to see these startup veterans, nearly all of whom were young, white, Western men in their 20s and 30s, serving as mentors and consultants to startups led by local Malaysians. One programming director who worked at MaGIC (and was Chinese Malaysian)

[61] See chapter 2 for more on this Silicon Valley ethos in Malaysia’s startup sector.

explained the phenomenon of white Western men in positions of perceived or real authority within the startup sector as the "*ang moh* effect," using a Hokkien Chinese term commonly called upon in Malaysia to describe white foreigners who live or work in Southeast Asia. As had been implied with this phrase, the low cost of living and burgeoning economic opportunities in Malaysia was inviting to Westerners, who benefitted from their own status as white men in a place where they would stand out and claim unique knowledge and expertise from having worked in the startup sector in North America or Europe. After the global economic downturn in 2008, and particularly since the slowing of the European economy by 2015, it was no surprise that many Europeans such as Magnus, who had ample experience with tech startups already, occupied roles as experts and investors in the startup economy in Malaysia.

In addition, it seemed that many white Western men worked within startup incubators as mentors, trainers, and advisors. Incubation is an important aspect of venture finance because is not only money that startups need in order to expand their businesses by developing prototypes, scaling operations, expanding market reach, and beginning to turn a profit – they also need guidance from those who are knowledgeable about issues such as market competition, relevant technology, and production costs. Aside from capital, these forms of business development assistance from VC firms are viewed as crucial for the growth of a startup within a life-cycle that begins at its most incipient phase, ideation, or the identification of a consumer need or market opportunity, and extends all the way to an exit, or the point when a startup business sees an influx of profit.[62] Such business development programs or academies are therefore often called incubators, and it is not uncommon for VC firms to fund a startup incubator and select its investees from that pool. The knowledge and expertise that these white Western men were assumed to possess, due to their educational pedigree or previous experience in startup ventures within their home countries, made them highly employable in incubators that aimed to "farm" early-stage startups into maturation.

Figure 10: At a "startup academy" event hosted by MaGIC, the workshop leaders were two entrepreneurship experts from the U.S. Photo by author.

[62] Prior to an exit, a startup may generate revenue through subscriptions or other forms of payment from customers, but it is a fairly standard practice for the startup to re-invest that revenue back into the business to maintain operations and pay salaries.

Within nearly all of the incubators, in addition to broadly-defined entrepreneurial capacity-building and development agencies such as MaGIC, at least two or three white men from North America, Europe, or Australia worked in some sort of advisory role. HTE was unusual in that its incubator was staffed almost exclusively by white, Western men.

“But seriously, guys,” Magnus interjected, motioning for the clapping to cease after exhorting the audience to “go fucking get it.” “We have a whole team of people who are going to help you get there.” He explained the structure of the bootcamp, where the entire group of participants would be called the battalion, which would be further organized into squads of five entrepreneurs. Six of those squads would form a unit referred to as a platoon. “There are four platoons – Alpha, Bravo, Delta, and Charlie – and each platoon will have assigned to it a captain, a sergeant, and a medic. So you will have a lot of these resources there to help you, and I promise you that we will get you answers whenever you need it.” Magnus further explained the military-themed terms for organization: “Our leadership here really comes from the six captains, which is very similar to our Navy SEALs that we have here.” At the HTE incubator, advisors and mentors to the startups were called SEALs, and all of them were white Western men and women. “I know it’s kind of our branding thing,” Magnus said, “But I really feel that if you want to do the impossible, you have to create an environment where you can push each other to do that.” After listing the names of the advisors who would be acting as captains, he addressed the audience over another round of applause. “What you see in real life, with the Navy SEALS being real assholes, that’s not the case. We are here to push you, but we are here to help you. We love entrepreneurship and we’re here to build a minimum 100 *halal* tech entrepreneurs who will come out and be successful. We’re looking to position Malaysia as the global *halal* tech hub. And for that, you need success stories. For that, you need to build the next Amazon for the Islamic market.”

Malaysia’s Halal Market

The dream of building an Amazon for the global Islamic market – shared by both Magnus and the 100 participants at the Halal Tech Power Challenge – was not as far-off as it sounded. According to a report produced by Thomson Reuters in 2014, the global *halal* economy is valued at $2 trillion in the food and lifestyle sectors, and $1.66 trillion in Islamic finance assets (22). Situated at the very top of this lucrative economy is Malaysia, which was named in the same Thomson Reuters report as the world’s “top Islamic economy,” an accolade bestowed due to Malaysia’s strengths in *halal* compliance, regulation, training, and overall certification infrastructure. Malaysia began its transformation into a global hub for *halal* commodities production in 1974, when the Islamic Affairs Division of the Prime Minister’s Office first created standardized criteria for the evaluation of *halal* goods. In 2000, the Malaysian government published a set of *halal* standards by which this certification would be issued, making it the first country in the world to have a documented system. This *halal* certification standard, signified with the logo of *Jabatan Kemujan Islam*

Malaysia (JAKIM), or the Department of Islamic Development Malaysia, is used not only by companies located in Malaysia, but also by global conglomerates such as Nestle, Colgate Palmolive, and Unilever. Malaysian *halal* commodities are often exported overseas, in places such as the U.K., Australia, and elsewhere in Southeast Asia, which positions Malaysia as a concentrated site of *halal* suppliers for regional and global consumption. JAKIM certifies every importer and local producer of *halal* commodities, and its approval logo is so highly regarded that overseas producers of *halal* consumables in meat and livestock-exporting countries such as Mexico have sought Malaysia's expertise and aim to use the JAKIM logo on their own *halal*-certified beef exports. Today, Malaysia is one of the world's leading producers of *halal* commodities for export, with the *halal* food and beverage export sector valued at RM 20.1 billion, or almost $5 billion (Rosli 2018).

The vast majority of *halal* commodities produced in Malaysia are in the form of food, beverage, pharmaceutical, and cosmetics products that are subject to regulation and certification by JAKIM.[63] However, the sector of *halal* technology and services – *halal* tech, for short – comprises an important exception. *Halal* tech, or what usually falls under the "Islamic lifestyle" category of economic reports such as the 2014 analysis published by Thomson Reuters, is not necessarily subject to regulation by *halal* certifying bodies in Malaysia. Instead, *halal* tech aims to fulfill

[63] Islamic Banking and Finance is generally considered to fall under the umbrella of the *halal* economy. IBF in Malaysia is subject to different forms of Islamic jurisprudence than other *halal* commodities, and debates about its "*halal*-ness" have sprung up among many groups of Muslim bankers, financiers, and community advocacy groups. I address IBF as an economic sector and the controversies it generates in chapter 3.

the needs and desires of Muslim consumers for whom the principles of *halal* are important (such as purity of ingredients, or an orientation toward assisting Muslims with meeting the directives of the five pillars of Islam[64]) in goods and services that are not technically certifiable as *halal*. *Halal* tech is therefore a relatively open economic sector in which the standards and certification procedures perfected by inspection bodies such as JAKIM do not apply. This renders the field somewhat of a frontier, and subject to a degree of interpretation not seen in the highly regulated markets of F&B and Islamic banking.

For example, I knew a woman named Raziah who worked at a Kuala Lumpur-based startup that created a mobile application ("app") to help Muslims find *halal* restaurants while traveling overseas, or in places where *halal* food is not readily available – such as in South Korea, where very few *halal* options are available, and the app recommended restaurants that were vegetarian or vegan and did not serve alcohol. As someone intimately familiar with this sector, Raziah described *halal* tech in the following way: "There is no way that you can *halal*-certify an app or a website. That just doesn't exist. But the app or website that you build can help Muslims fulfill their religious obligations. It can make their life easier, or satisfy some kind of need for them. That's a *halal* startup." Raziah used slightly different terminology – *halal*

---

64 The five pillars include having faith in a singular God, fulfilling the duty to pray five times per day, giving *zakat*, or tithes, fasting when obligatory (such as during the holy month of Ramadan), and performing *hajj*, or pilgrimage to Mecca, if possible.

startup, rather than *halal* tech – but her assessment resonated with the information I heard from others, including Magnus, about what constituted a *halal* tech startup.

Magnus also had his own specific understanding of what constituted *halal* tech, based on his experience as a long-time entrepreneur in this sector. In his definitions of *halal* to the participants of the Halal Tech Power Challenge bootcamp, Magnus characterized *halal* tech commodities as the goods and services that catered to a global Muslim population and were made available through e-commerce platforms accessible on the internet and mobile devices. However, as he explained to the group of participants:

> [I]f it is something that you put in your mouth, and your business is about that, then you better have *halal* certification. And if it's something that you apply to your skin, then you better have it *halal* certified. So wherever JAKIM can be involved, you'd better have the certification. But if it's something you can't certify, then if it's catered specifically to the global Muslim population, then ok *lah*.

Magnus made it clear that, at a bare minimum, these commodities needed to meet the standards set forth by JAKIM in terms of being permissible for consumption by Muslims, but only if they were commodities that took the form of food, beverage, pharmaceuticals, or beauty products and services. He also implied that he was not necessarily interested in the qualities contained within commodities that made them *halal*. If such commodities took the form of consumables that fell under JAKIM's *halal* regulations, then they must be certified *halal*, but if they only fell under the category of "catered specifically to the global Muslim population" and no JAKIM certification was needed, then no further thought seemed to be required in terms of what characteristics of these commodities might appeal to Muslims, or why this might be the case. What made HTE startups *halal* was therefore simply that they were targeted at generating profit from Muslim consumers – consumers whom Magnus assumed would care deeply about proper JAKIM certification for *halal* commodities.

However, I found this emphasis on the labeling of commodities as *halal*, particularly through JAKIM certification, to be at odds with what some Muslims themselves had to say about *halal* – often in the form of critiques of the *halal* industry in Malaysia. Farah, the owner of the successful home-based curry puff-making business, was a savvy entrepreneur with several decades of experience in different business sectors and had her own ideas about *halal* branding and markets. When I asked if she would ever seek JAKIM certification, she replied with a sarcastic snort, "*Halal* certification! What a joke, *lah*. My customers know these curry puffs are 100% *halal* because I make them in my own house with ingredients that I myself have bought. They [customers] are smarter than that, ok? They don't need a sign saying, 'This is *halal*, ok to eat!'" Farah explained that the rapid expansion of *halal* products and services only multiplied the opportunities for others to "cash in on the *halal* craze," as she put it. The increased availability of *halal*-certified consumer goods had unleashed a flood of ill-intentioned entrepreneurs looking to make a quick buck off of the demand for *halal* – even within the Muslim community, she noted. "Where there's opportunities to make money, there's also opportunities for people to do things in a way that's not right," Farah said. "With *halal*, you have to be careful.

You can't get so excited about jumping on the bandwagon that you lose sight of what it's all about. After all, anything can be *halal* nowadays. Credit cards, McDonald's, KFC – it's all technically *halal*, but does that mean it's good for you? Look at us, we [Malaysians] are the most obese and the most in debt in Asia. So don't tell me that a *halal* credit card and a *halal* cheeseburger is good for me."

The strong feelings about *halal* that Farah expressed were common ones that I would hear across many conversations with other Muslim entrepreneurs creating both *halal* and non-*halal* certified products, who felt that *halal* certification lacked meaning and that consumption of *halal* goods should be a matter of common sense. Moreover, like Farah, they resented being seen as a "market segment" from which others could profit. Her warning, that with the opportunity to reap profits from *halal* also came the prospect of misuse, was also echoed in discussions among Muslim entrepreneurs and among those who worked (in smaller numbers) in the field of venture finance. The majority of these conversations came about during my attendance of *halaqahs*, or study circles, where those who were interested in learning more about Islamic jurisprudential scholarship on commerce and finance regularly met on Saturday mornings in a lecture hall on the campus of a university in downtown Kuala Lumpur. The membership of the group itself fluctuated – sometimes it was comprised of around 15-20 people, while other times, for heavily advertised events involving well-known speakers, there would be over 100 people in attendance, with a fairly balanced mixture of men and women, ranging in age from their early 20s to their late 60s. But the heart and soul of this *halaqah* was Dr. Iskandar. For many group members, he was a teacher, mentor, and source of inspiration – several participants had begun their enterprises after attending his lectures and feeling compelled to find satisfaction outside of their day jobs, get out of debt, and start making, rather than buying commodities that they could easily create at home. In this study circle, he guided discussions, lectured on key Islamic texts related to business, entrepreneurship, and finance, and, similar to the critiques he levied against the Islamic banking and finance sector[65], he railed against the institutionalization and appropriation of *halal*. Such regulation, he argued, was only possible through the violent abstraction and flattening of the true meaning of *halal*.

Dr. Iskandar was one of Malaysia's foremost Islamic scholars on matters of Islamic economics and the writings of Imam Al-Ghazali. Despite being a devout Muslim, a widely published Islamic scholar, and a formidable figure among the intellectual circles that debated matters of Islamic financial jurisprudence in Islamic banking and finance, trade, exchange, and enterprise, Dr. Iskandar was also one of the biggest critics of the *halal* industry itself. He was particularly critical of JAKIM, whose judgments of *halal* or non-*halal* fall primarily on *mufti*, or Islamic legal experts and jurists, represented in Malaysia by one chief judge from each state. Dr. Iskandar spoke passionately and disparagingly of Malaysia's obsession with *halal*, calling it a "*halal* fever," in which "everything is *halal*, and nothing is *halal*." His

[65] I recount and explore Dr. Iskandar's critiques of Malaysia's Islamic banking and finance sector in chapters 5 and 6.

lectures were often controversial, arguing potentially dangerous ideas in criticism of the Islamic regulatory bureaucracy in Malaysia,[66] and he sometimes punctuated these points with exclamations of, "And you can put this on YouTube! I don't care who hears!" So when Dr. Iskandar faced the study group during one particularly fiery conversation about *halal* regulations, his hands wringing with emotion, everyone in attendance was transfixed. "What have we done to ourselves?" he asked with a somber expression, after several seconds of silence in the room. "What have we accomplished with all of this *halal* fever? What we have accomplished is the institutionalization of the selling of the *deen* for a song."

The true essence of the *deen*, or the spiritual path through which one pursues knowledge and practice of Islam, should not be institutionalized, Dr. Iskandar said. By formalizing and standardizing *halal*, and putting a bureaucratic government body in charge of administering the certification seal signifying a commodity's *halal* status, Muslims in Malaysia had relinquished their right and ability to determine for themselves, using their own judgment and reason, or *ijtihad*, to decide what was *halal* and what was not. Such judgment was a large part of the *deen* itself – honing it, experiencing the mistakes and setbacks of it, and cultivating it by learning from established scholars who were experts in various matters of ethics and propriety. Moreover, he argued, Muslims had relinquished their *deen* and *ijtihad* to JAKIM,

[66] It is not unusual for vocal critics of the Malaysian government and Prime Minister who propagate their views in forms of media such as newspapers and online social media sites to be jailed under the Sedition Act of 1948, which punishes seditious discourse but is often used at the discretion of state leaders to selectively punish political opponents.

who, like any government body, could be bought and sold through bribery and influence. Dr. Iskandar said, “You should have enough knowledge of your *deen* to know what’s good food and not good food. You don’t need *mufti* to tell you what’s *halal* or not. That’s the problem! The problem is the abscondment of our own personal responsibility for our own *deen*.” In this abscondment, Dr. Iskandar said, Muslim consumers who purported to care so much about *halal* were also blind to the structural conflicts of interest at play in the certification bodies run by the state. “There is a revolving door between the state’s regulators and the private sector that is being regulated. It is up to us, the ethical community, to weed out the charlatans. It’s not up to the government, because *they* are the ones in bed with the corporations,” he said. By placing their faith in the hands of the government *halal* certification boards, pious Muslims were in grave danger of unforeseen spiritual transgressions because the certification boards themselves were not comprehensive in their discernment of *halal*.

Dr. Iskandar also made the compelling argument that *halal* certification only cared about very minute, technical aspects of *halal* commodity production, at the expense of a larger, holistic evaluation of the conditions of that production. These conditions were not only those of the laborers, who produced such commodities, but also the conditions of the animals and other living beings that would eventually be consumed:

> Even though technically [this industry] is *halal* and *fiqh*[67], and it's been approved by some *mufti* on some *Shariah* board, I say blah, blah, blah. Do you know what *halal* consumerism is? It is the flattening of the religion to the most instrumental, formal aspect of it. We have a *halal* industry that only cares about how you cut the neck of a chicken. But how about how you raise the chicken? Do you torture it, put stress on it? That's not *halal*. It's not *halal* to torture animals. It's not *halal* to sell meat that is toxic, pumped full of antibiotics. What about your workers? If farm workers are overworked or exposed to pesticides, then the business strategy is not *halal*. We need *halal* across the whole value chain, from production to midstream market structure, then to downstream, to the end-game. But why are reducing *halal* to what feeds our *nafs*? The whole *halal* industry is built on the crass commercialization of a sacred religious concept.

In this focus on the technical aspects of *halal* certification, Dr. Iskandar insisted, institutional bodies such as JAKIM reduced *halal* to overly simplistic components that made it impossible to be considered as a whole. By jettisoning the broader relationship between *halal* commodities and the conditions in which they were produced, those who engaged in the "crass commercialization" of *halal* created commodities that were *halal* in name only, and did not truly embody the ethical intentions of such a designation. Thus, Dr. Iskandar viewed the production of *halal* commodities as contingent on the appropriation of *halal's* actual sacred and ethical significance, and it was incumbent upon Muslims to take responsibility for their own *deen* by recognizing such appropriation and the ethical transgressions that it entailed.

Dr. Iskandar's argument that Muslims who were truly in charge of their own *deen* should be culpable for their own judgments (and only their own judgments – not those of the state) about *halal* relies on an understanding of the self that has strong

[67] Technically, *fiqh* refers to the body of jurisprudence grounded in Islamic legal norms, or *Shariah*, but in this context, Dr. Iskandar used the term to refer to action that is lawful.

resonances with neoliberal idea of a self that is at liberty to make its own determinations. However, there are also noticeable differences between these two conceptions of the self. While a neoliberal self may be considered "free" to make its own assessments about what to consume and put in the body, and therefore personally responsible for the effects of such decisions and actions, Dr. Iskandar painted a portrait of a different kind of freedom and responsibility. In this picture, Muslims with proper knowledge and faculties of reasoning should be able to decide *whether and the extent to which* the commodities before them met the standards of *halal*. In this sense, "freedom" is not about eschewing *halal* standards altogether and choosing to drink alcohol or consume pork, contrary to core teachings in Islam that forbid such practices. Rather, in a similar vein as Saba Mahmood illustrates throughout *Politics of Piety* (2005), particularly in her analysis of veiling, freedom is construed *through* a Muslim person's ability to directly submit commodities (and their own consumption practices) to the standards of *halal,* without the interference of intermediaries whose judgments may be flawed.[68] A properly construed Muslim self should therefore not only remain responsible for one's own *deen*, but would also be invested with the power to submit their practice of that *deen* to authorized forms such as the ethical programs and "sacred religious concepts," as Dr. Iskandar put it, that were meant to be captured within *halal* standards.

[68] I do not insinuate here that the *mufti* in Malaysia possess flawed judgment about rulings over *halal* – only that, in a theoretical sense, as Dr. Iskandar argued, the institutionalization of *halal* standards might have rendered this ability to judge *according to institutionalized standards* an inherently flawed practice.

Commodifying and Financializing Halal

The appropriation of resources in order to produce commodities that Dr. Iskandar found so problematic forms a process that is central to many analyses of capitalism. Some, like David Harvey, invoke the Marxian argument that this is part and parcel of how capitalism works – it cannot function without enclosure, or the creation of "private property" out of what would otherwise be collectively owned and used resources (i.e., the commons) in order to accumulate profit (2011). Furthermore, studies of capitalism have also highlighted how the commodification process is not limited to enclosed resources, for the commodification of values, attachments, and desires have long been a key part of what makes capitalism as a process possible – and these values and desires can also be produced *through* capitalism's operations (Rofel 2007). The production of commodities therefore involves the production of many other things along the way, including labor power, value, and relationships of inequality (Rofel and Yanagisako, forthcoming). By drawing attention to the ways in which commodities are produced, and what resources are harnessed and transformed in those production processes, research on commodities brings to the forefront questions about who has the ability to produce commodities, by what means such a process is undertaken, and – perhaps most importantly – who stands to benefit, financially and otherwise, from the production of these commodities.

In *Taking Southeast Asia to Market: Commodities, Nature, and People in the Neoliberal Age* (2008), Nancy Lee Peluso and Joseph Nevins explain that commodities such as spices, aromatic wood, and coral are not simply harvested, as if they existed *in situ* prior to the arrival of European colonialism, but are instead created through a process called enclosure. Calling upon the arguments of Marx, Peluso and Nevins describe how enclosure, often carried out by European colonial forces and governments, "involves appropriating land, resources, and people both to turn them into commodities and to 'free' – or create – a labor force to work and make capitalist accumulation possible" (3). Enclosure generates marketable products from resources that were previously accessible to all, and the resulting primitive accumulation, or profits of the sale of such commodities on the market, are not redistributed to the communities subjected to enclosure, but are instead funneled back to the new "owners" of the enclosed resources, which, through enclosure, have become private property. Peluso, Nevins, and the contributors to *Taking Southeast Asia to Market* also point out that the making of commodities – what some call commoditization – is a political process in that it reflects particular experiences of war, dictatorship, economic growth, and ecological degradation in Southeast Asia. For example, those who are in positions to carry out and maintain acts of enclosure are typically colonial armies, state governments, and ruling political parties. Moreover, these acts of commoditization usually involve some form of violence, or as Peluso and Nevins cite Marx's term, "blood and fire," such as eviction of forms of life previously residing within now-enclosed spaces. This process is not always outwardly confrontational or violent, and sometimes it is described as acts of "development" or "conservation" (3). In other words, the expropriation of the resources needed to create profit-generating commodities does not always look like an outwardly exploitative relationship – sometimes it wears the face of benevolent modernization and prosperity.[69]

Based on my observations of how HTE communicated its objectives to create the next Amazon.com for Muslim consumers, it was apparent that VCs similarly viewed the appropriation of *halal* in order to generate profit as a form of prosperity-bringing benevolence. In this vision of creating a global *halal* marketplace, Magnus saw *halal* tech as a way to revolutionize the market and deliver commodities on an unprecedented scale to Muslim consumers. Rather than an exploiter, he saw himself as solving a problem (which took the form of market demand) and as bringing a much-needed solution to a consumer base that happened to be in a position to transfer their capital to him in exchange for the needed goods. The entire project of Halal Tech Enterprises centered on notion that entrepreneurs and VCs sought solutions to problems that fulfilled the needs of Muslim consumers. In this scenario, the commodification of *halal* was therefore justified as a means of fulfilling a consumer need, with little acknowledgement of the enormous profits that entrepreneurs and the VC firms that financed them were positioned to accumulate. When startups and VCs commodify *halal*, they therefore stand to benefit in a manner and on a scale that

[69] Furthermore, as Michael Taussing argues in *Shamanism, Colonialism, and the Wild Man* (1987), the entire project of capitalism itself relies on seemingly non-capitalist acts such as missionizing and "civilizing" in order to carry out the violent atrocities that would otherwise be difficult to justify.

differs vastly from those of the Muslims consumers to whom these commodities are marketed.

If commodification relies on the appropriation of resources, natural or otherwise, to produce goods and "solutions," then financialization describes a slightly different process in which the financing of that commodity production is made possible through a broad and dense web of inter-related practices, modes, and subjectivities. Natascha van der Zwan (2014) characterizes three primary forms of financialization, the first two of which I find particularly germane to the *halal* tech startup sector: financialization as a regime of accumulation, and financialization as the ascendancy of shareholder value. In the first instance, van der Zwan finds that financial institutions, rather than trade or other forms of labor, have become the primary modes through which profits are accumulated and gathered into capital. As a result, "financialization is rendered abstract, anonymous, and teleological: 'finance' becomes the driving force behind its own expansion" (106). In the second instance, financialization lies at the center of the modern corporation, where shareholder value functions as an "ideological construct that legitimates far-reaching redistribution of wealth and power among shareholders, managers and workers," justifying exploitative, cost-saving practices by invoking the shareholder's right to glean the profits of the business (102). By substituting the venture-backed startup for van der Zwan's use of the modern corporation, I find that this approach to financialization as a regime of accumulation and as a process of unequally distributing profit is an apt way of situating the relationships between venture finance, *halal*, and profit. HTE stands as an illustrative example of how, when a VC firm (and the startups that receive funding and incubation from the firm) financialize *halal*, its sole focus lies in developing a product or service that is able to effectively capitalize on its value to consumers and thereby generate profit. Unless other factors in the production of *halal* commodities – including the processes or means through which the commodities were produced – serve some sort of end in the ability to accumulate profit from those commodities, then these factors remain of minimal importance to the shareholders who seek a return on their investment. The dynamics of financializing *halal* in Malaysia have therefore contributed to the "*halal* craze," as Farah put it, and the "crass commercialization" described by Dr. Iskandar. Venture capital's relentless focus on profits, enabled by the commodification and financialization of *halal* in the tech startup sector, therefore helped to create a landscape in which "*halal* tech" could be produced in an entirely un-*halal* manner.

Section 2: Profiting from *Halal*

In light of these understandings of commodification and financialization, it is helpful to illustrate how the processes by which *halal* commodities were produced by HTE involved the pursuit and generation of profit that is specific to venture finance. For example, one of the success stories publicized by the firm was that of a startup called hijab2go.com. Magnus had formed the enterprise with a business partner, a local Malay woman, and had initially come to HTE to ask for venture funding. With the financial support of HTE, the company grew quickly and began to scale its revenue model, thereby increasing profits[70] to the point that Magnus was invited to join the management team at HTE, serving as a mentor to other startups within HTE's incubator. I spoke with one of Magnus's colleagues at HTE, a Danish man in his 30s with a marketing background named Jan, who explained that hijab2go was one of the "original startups in the *hijabi* fashion space founded by a *mat salleh*." Invoking the slightly derogatory Malay term for a white foreigner, Jan emphasized that, even though Magnus was an outsider to the cultural world of Malay Muslim consumers, he had a savvy understanding of their purchasing habits. When Magnus first moved to Malaysia, he learned that Muslim women in Malaysia buy an average of five to six new *hijab* (headscarves, sometimes called by their Malay name of *tudung*) every month. Magnus and his business partner launched hijab2go with a simple premise – to make *hijab* available for purchase online, where customers could upload photos of themselves and virtually "try on" the scarves to see whether they would suit them. The significance of the startup, Jan said, was not that it contributed another *hijab* vendor to an already saturated market, but that it found a novel way to reach customers via a technology that could exponentially increase the scale of *hijab* sold with minimal impact to the operation, structure, and financing of the company – thereby generating a maximum margin of profit.

[70] Although I tried to find data on how much exactly hijab2go was worth, I was unable to do so – perhaps follow-up conversations with Magnus or his collaborators at HTE may yield this information.

In addition to its innovative (at the time) technology, one of the key factors in making hijab2go.com a success within HTE's venture portfolio was its scalable business model based on the emerging habits of online consumers. As Jan described it, the genius of hijab2go was that the founders "used the Zalora and Lazada e-commerce model[71] in the *halal* fashion space, which just hadn't existed before that." With minimal cost, Magnus and his partner were able to expand the reach of hijab2go.com using web and mobile designs that paired well with the shopping habits of Malaysians who tend to use their smartphones for browsing and buying goods online, or what is termed "mobile commerce." As a result, the startup quickly became profitable as it collected a share of payments from transactions made across thousands of users who bought and sold *hijab* using their phones. Hijab2go.com's profitability is part of what made it a "shining star" within the HTE investment portfolio, and surely contributed to Magnus's own promotion to work within the incubator arm of the firm. The very structure of venture finance places an enormous amount of importance on the profitability, current or in the near future, of the startups that are investees of the firm. Venture financiers often (but not always[72]) inject capital into startups in exchange for equity in the business, with high potential rewards, since their equity would grow exponentially in value if the venture successfully earned profits. The

[71] Zalora and Lazada are two examples of e-commerce startups based in Southeast Asia that, similar to companies such as Amazon and Alibaba, provide a platform for matching online customers and retailers, without actually producing or owning any inventory. It is nicknamed the "C2C market," or marketplace for customer-to-customer transactions, where technology companies provide platforms (almost exclusively to be used on mobile applications) for customers to buy and sell directly to one another, not unlike the Silicon Valley-based tech giant, Ebay.

[72] For example, VCs might offer convertible debt financing to a startup as an alternative to equity investment. Convertible debt takes the form of a loan that can be changed into stock ownership, typically when an investee has secured future rounds of financing from other investors.

focus of VCs lies intently in developing a business to the point that it reaches profitability via an exit, which could take the form of the company's sale, acquisition, trade, buyback[73], or an initial public offering (IPO) on the open stock market. It is at this point – and usually *only* at this point – that a venture finance firm will garner a share of those profits, finally realizing a return on its investment, or an ROI.[74] Once a startup becomes profitable through an exit, its VC investors are paid first, according to a pre-arranged amount that is typically a percentage of the initial capital it invested, while startup founders and employees are paid last.

One reason that VCs focus so teleologically on profit is because they undertake an enormous amount of risk when investing in startups. According to one Harvard Business School study, 75% of venture-backed startups fail – that is, cease operations without making any profit (Nobel 2011). When these startups fail, any money invested by VCs is not returned, and this potential loss of investment comprises the risk that is involved in startup financing. VC firms therefore aim to make a return back for its investors (and pay for its own operations) from the profitable 25% of its investees, or enough to cover both its capital costs and its operational costs for all of the investments in its portfolio. In order to increase their

[73] A buyback, or a share repurchase, occurs when a company buys its own shares in order to reduce the amount of shares available to other investors or owners. In effect, the company self-invests, often with the effect of providing shareholders with greater returns.
[74] However, sometimes investors who took on equity in exchange for capital receive dividends, annually or at another interim, according to the number of shares they own. This will only happen if the startup is profitable, however. If the company goes public, then shareholders can sell their shares on the open market – otherwise, they sometimes can sell their shares to other investors who are approved by the other partners and shareholders.

chances of such returns, VCs tend to focus their investment and incubation efforts on companies that they think are likely to earn a profit quickly.[75] Thus, a VC's pursuit of profit, especially for the purpose of seeking an ROI, is in the very architecture of venture finance. However, risk mitigation does not sufficiently explain how, or in what manner and with what processes venture capital firms such as HTE sought to profit from *halal* tech startups specifically. Focusing on the form and manner of the pursuit of profit leads to the question of how such processes impact the end-product, or the commodities that are made. In other words, what does the process of creating, developing, and investing in *halal* startups look like within this paradigm of profit-oriented venture finance, and what is the effect of such a process on both the startups in which they invested, and the commodities produced by the startups themselves?

At the Forefront of this Space

Curious to observe the operations of HTE incubation and investment, I set up a meeting with a startup founder who was an investee of HTE and worked out of the firm's incubator. Located in the same large suburban house where Magnus had led the preparation meeting for the Halal Tech Power Challenge bootcamp, the incubator was referred to by members as "The Nest." It was an apt description of the part-workspace, part-hangout that developed up-and-coming startups in the *halal* tech sector. I arrived there intending to conduct an interview with Farid, a young Malay

---

[75] Such efforts usually include training startups to create "minimum viable products" (MVPs) that can be easily tested and swiftly scaled up to reach a wide customer base or audience, thereby bringing in revenue and moving toward the goal of an exit.

Muslim man in his mid-20s who was the co-founder of a startup called HalalFit. Jan had put me in touch with Farid, describing his business as one of the most promising within the HTE incubator after having worked with him closely as a mentor while Farid was launching his startup. Before I even met Farid, however, I sat inside The Nest and waited for him to arrive for our interview – he had sent me a text message that he was running late and would arrive as soon as he could. The delay afforded me some time to observe the goings-on there, and as it turned out, I would wait for quite some time, since Farid had become stuck in one of Kuala Lumpur's notorious, inexplicable, mid-day traffic jams.

I first noticed something strange about The Nest when I arrived at the building's entrance – a converted residence that is referred to in Malaysia as a bungalow, but in other contexts might also be considered a mansion. It had a luxurious marble floor, which cooled my feet as I waited in a corner of the expansive living and dining room that was set up as the main working space, and I spotted a large swimming pool beyond a deep, shaded veranda, on which many of The Nest's members seemed to be continually taking smoke breaks. The workspace itself consisted of a number of heavy teak dining-room tables with intricate carvings, coupled with cheap, plastic, portable tables and chairs from IKEA. Around the eclectic mix of furniture sat several people – some young men and women who appeared to be locals, and, unusually, quite a few young white men – wearing headphones and working in front of laptop computers. The white men, I later learned, were mostly from Denmark, like Magnus and Jan, and they immediately drew my attention, for they dominated the shared workspace inside of The Nest. With loud laughter and an overall air of braggadocio, they put their feet up on the worktables and traded insults with one another, cursing in a mixture of Danish and English. The young men also wore sleeveless tank tops and shorts, attire that is considered highly inappropriate by Malaysian standards for men to wear in public, even in casual work environments such as a startup incubator, making them stand out like tall, blonde, sore thumbs.

Although the majority of these white men interacted little with their Malaysian colleagues and co-workers, I saw one young man standing behind a seated Malay man, the two of them bending and gesturing at the screen of the laptop on the table. The white man seemed to be giving instructions the Malay man, and I wondered if he was one of the mentors at the incubator, for he had a demeanor of a person who was teaching or explaining something to a pupil. Their interactions appeared to be congenial, but, as I would later learn in a gossip session with a friend sometime after my interview and observations at The Nest, these white men did not have good reputations. My friend, who was Malay and worked at a rival incubator and therefore knew several of the Danish entrepreneurs and incubator mentors quite well, would not elaborate much more beyond that, but she explained vaguely that she had "heard some things" about them, including that they held low opinions of Malays, Muslims, and Malaysia in general. She had also heard that these entrepreneurs and incubator mentors were notoriously difficult to work with, making unreasonable demands of their local partners and institutions, and they rarely seemed to socialize with local entrepreneurs outside of business meetings. “You kind of get a sense that they think they’re better than everyone,” she said. “They don’t want to mix with us [Malaysians], so I really don’t want to hang out with them.”

Furthermore, these entrepreneurs and mentors from Denmark, my friend later explained, were mostly well-to-do young men who had come to Malaysia in search of an “untapped markets” of *halal* startups that they had heard were worth a fortune, even from Denmark. According to my friend, many of these young men had described their intentions to become wealthy by joining the first foreigner-led startup investment firm to monetize the burgeoning *halal* tech sector – and they were undoubtedly finding success. Prior to the establishment of venture finance firms such as Halal Tech Enterprises in 2012, most of the VC funds available came from state-owned or supported organizations created for the express purpose of transferring state capital to finance startup enterprises – often with the explicit directive to fund *bumiputera*-led startups, as stipulated by affirmative action policies like the NEP[76]. These organizations, such as Cradle, Malaysia Venture Capital Management Berhad (MAVCAP), Teraju (a division of the Prime Minister’s office designed to facilitate *bumiputera* economic activity) and MaGIC, drew capital from sovereign wealth funds

[76] I describe these policies and their operations in arenas outside of venture finance in chapters 1 and 2.

such as Khazanah Nasional[77] or directly from the budget of the national government. As one of only a few non-state-backed venture firms based in Malaysia, HTE did not have much competition in the private VC sector – yet. Among VC firms with operations in Malaysia, only a handful – perhaps three or four at the time of my research, in 2014-2015 – were headquartered in Malaysia, with a few more being added each year. Other European and U.S.-based firms had a global or regional presence, but used Malaysia as one of several locations in which they sought investment opportunities[78]. From speaking with my friend at the rival incubator, I also learned that HTE counted itself as a pioneer for having been among the first wave of North American and European-backed VCs to invest in Malaysia, or the lucrative market that comprises a "*halal* frontier" in Southeast Asia.

Contrary to how Johan Fischer (2011) uses this term to describe the marketplace of available *halal* goods for consumption diasporic Malays in London[79], I characterize Malaysia as a *halal* frontier in that it represents a terrain ripe for profiteering – an understanding evidenced by the desires of young Danish men to reap the financial rewards of being among the first Westerners to develop a presence in the *halal* tech market. This perception of Malaysia as an ideal place from which

---

[77] Khazanah Nasional is the strategic investment fund of the government of Malaysia, entrusted by the state with the directive to manage state-owned commercial assets and invest state funds in global commercial endeavors.

[78] These firms include 500 Startups, which is a Silicon Valley-based VC firm that recently expanded operations to Southeast Asia under the name, 500 Durians.

[79] Fischer also problematically locates this frontier within the metropole of a former colonial relationship between the U.K. and Malaysia, attempting to reverse the power dynamics of such a relationship without accounting for how colonial relations of domination continue to affect the terms on which members of the Malay diaspora find themselves living in London.

value could easily be extracted in the form of profits from *halal* startups was corroborated by Jan, who explained that the inspiration for HTE's incubator and venture financing model came from the San Francisco-based firm, Y Combinator. As Jan described it, Y Combinator had inspired HTE to compete with startup markets in "top-tier cities" by developing the niche markets in second-tier cities within the region. "For us, frontier venture investments are this niche. Right now, Malaysia is a frontier. But soon, new frontier markets will be opening up around Southeast Asia. Like Cambodia, which is the next big thing. Everyone wants to get into these spaces because you don't have to do much to be successful there – just work well," he said. I took Jan's words to mean that entrepreneurs looking to enter the frontier markets of Southeast Asia only needed to exhibit basic work ethics, such as proficient communication and due diligence in market research in order to realize a profit. Although experienced entrepreneurs and financiers from highly competitive markets in Europe and North America should not ostensibly find it difficult to "work well" in the Malaysian frontier, this was not necessarily the case, as I learned. From my friend at the rival incubator, I had heard that the white men who came to capitalize on frontier markets in Southeast Asia had a tendency to become distracted by all that the "tropical paradise" had to offer – many had quit their startups after just a few short months, preferring to use whatever money they had for going to nightclubs and bars and financing extended surfing trips to Indonesia. I met at least a few men who found local girlfriends and not only quit their jobs, but they also never returned to Europe and North America, preferring instead to live as "digital nomads" doing tech-based odd jobs remotely. Although those who were among the first wave to financialize *halal* in Malaysia's untapped frontier market could find immense wealth there, the temptations of the frontier could also easily lead them off course.

After spending an hour waiting, and being studiously ignored by the other entrepreneurs working at The Nest, I finally spotted Farid as he rushed into the bungalow's front door. We began our interview as he pulled out his laptop and showed me his company's website and marketing materials. As a university student in computer science, Farid had built the prototype for his startup from the ground-up by himself, as he told me proudly, using the English term "bootstrapping" to describe his efforts, until he had been taken under the wing of HTE and mentored by Jan. Farid explained how, as an online-based meal delivery service, HalalFit was operating in a market that was steadily growing but, as a result, also faced increasing competition. Businesses that specialized in the daily or weekly delivery of ready-to-eat meals were not new in Malaysia. When Farid was growing up in Kuala Lumpur, many older women, including some of his aunts, would make extra money by delivering meals and snacks to neighbors for a small fee, often traveling on foot or bicycle. If their customer base grew larger, some might employ a local student to deliver the food via motorcycle or scooter. The food that these enterprising women made, however, was comprised of local Malaysian fare, and often contained deep-fried ingredients, rich curry sauces, and more rice and noodles than Farid himself preferred to eat. Moreover, the food itself was not certified *halal*. It was made in the kitchens and homes of Muslim women who, like in the case of Farah's curry puff-making business, had purchased *halal* food and prepared it in a manner consistent with *halal* prescriptions, but the their products and food preparation premises were not inspected by *halal*-certifying bodies such as JAKIM. "This space is not a new one," Farid said, referring to the market niche or segment of ready-made meal delivery. "But the *halal* space is growing. If you can certify your food to be *halal*, that's a start. Then you add something different – you make the food healthy." Farid explained that Malaysia has the highest rate of obesity among all of the Southeast Asian nations, and as a dedicated weightlifter himself, he knew that eating high-starch and high-fat content Malaysian fare was inimical to maintaining a healthy lifestyle.

Even though Farid had described HalalFit's ingredients and food preparation methods (performed through a third-party vendor) as *halal*-certified, I found myself pressing him a bit further, asking what exactly was *halal* about his business – was it just the food itself, or was there something else that appealed to Muslim consumers in this exciting *halal* "space"? Recalling Magnus's insistence that *halal* certification of food and beverage commodities was essential, but not the sole marker of a *halal* tech venture, I was hoping to hear Farid explain how his startup was, to use Magnus's words, "catered specifically to the global Islamic population." I also remembered what Farah had conveyed to me in a tone of exasperation, that JAKIM certification was of minimal importance to her as a Muslim consumer, and that she found it to be little more than a marketing gimmick. Farid responded to my awkward prodding with a blank look. “Well, I sell *halal* meals, but that’s about it. It’s still just a healthy meal service that anyone can use.” I tried to re-frame the question, thinking that I had not been clear: “Yes, and is there anything else about your company that is meant to appeal to Muslim consumers? Any special message or angle, perhaps?” I asked. “No,” he replied. “I just make the *halal* meals available through my vendor. Otherwise, it’s the same as any food delivery startup.” If anything was different about his startup, Farid said, it was the *halal* certification of his product for consumers who occupied what he described as an “under-served gap” in the market, and who were willing to pay a premium for the convenience of having the ready-made meals delivered to their homes or offices. When I asked Farid to elaborate on the Muslim consumers who comprised this gap, he explained that he thought it existed because no one had really thought of them before as a high-paying consumer market. “Muslim consumers, at least on a global level, are really untapped for this kind of thing. I see it as a problem just begging for a solution. And I’m surprised that no one else has seen it. I think I’m the first in this space.”

At the time, I felt that my interview with Farid at The Nest had been a letdown. I was hoping that he would offer insight into the linkages between producing healthy *halal* meals for consumers and his *halal* business practices, procedures, or any other means by which he generated value for *halal*-consuming Muslims. In the end, though, his response proved to be informative in another way, for when he replied that the *halal* nature of his business was to be found in the end-product, the meals that he sourced from a third-party vendor and delivered to his own customers, he signified that, to him at least, there was nothing *to* designate his business as *halal* in the way that it was conducted. In other words, in the *halal* tech startup sector, *halal* described a product or commodity, but not a process of producing those commodities. As far as I could tell from my observations of the young, white, Western men (and their Malaysian protégés such as Farid) who worked as entrepreneurs and mentors at The Nest, the means, or the form and the conduct involved in commodity production, mattered very little to them. Their actions and reputations sent the message that they viewed the demand for *halal* commodities as simply another frontier market to be monetized, making *halal* a resource on which to capitalize in the search for profit in this market. But rather than merely condemn these individuals who cared little for what *halal* might mean for them, it is also important to also recognize the ways in which the dynamics of venture capital itself – including the never-ending search for fruitful investments, and, in Southeast Asia, the neo-colonial dynamics of frontier value extraction – contribute to these behaviors by encouraging VC firms to eschew a focus on the ways of conduct in venture finance in favor of creating a profitable end-product.

Conclusions:

Within the lucrative *halal* frontier that is the Malaysian market for *halal* commodities, the entrepreneurs and financiers at the Halal Tech Enterprises incubator and VC firm were among the first, the fastest, and the most singularly driven to monetize *halal* that I had met. The entrenchment of these primarily young, white, Western startup gurus and investment experts within the entrepreneurial sector in Malaysia meant that the norms that they practiced and inhabited – such as their disregard for the process of producing *halal* commodities for local and global Muslim consumers – were shared with others who sought their capital and know-how. While financializing *halal* was a business strategy that advanced and was compatible with the interests of HTE in particular, it also reflected a broader landscape of venture finance in which more newly established firms could look to financialization as a model for how to remain competitive and profit-driven in an expanding sector. In other words, financialization in the *halal* tech startup economy served as a blueprint and instructional device for how to effectively extract profit that could be brought to other frontiers and "second-tier cities" around the world.

Thus, while this chapter's examination of *halal* tech enterprise and venture finance as a form of financialization centers on the HTE firm in particular, financialization as an analytic exceeds the practices of a singular organization. Instead, it describes a wide-ranging and dynamic process of extracting value, consolidating profits for financiers and equity-holders, and rationalizing away the necessity to pay attention to how or in what manner profit is pursued. While financialization is by no means unique to the *halal* tech sector, it is particularly jarring to observe the disjuncture between producing and financing *halal* commodities and producing and financing commodities in a manner that is consistent with the Islamic ethical context in which *halal* is situated. Drawing attention to this disjuncture invokes the question of whether another way was possible – for instance, could the actual act of investing in and incubating startups be done in a *halal* manner? How might a venture finance firm practice a form of "*halal* investment," such the Islamic investment partnerships used in classical Islamic finance, with consideration for the ethical and jurisprudential contexts in which they were developed? What impact would such practices have on the configuration of relationships between venture finance and profit? I found that the people who most readily asked such questions worked in a sector that was tightly linked with – but distinctly different from – the VC industry. These were investors who were attempting to make venture finance Islamic, and enacting transformative practices on finance in the process. I examine in closer detail the efforts of those who sought to advance this form of Islamic venture finance in the following chapter.

Chapter Five: Islamic Venture Finance

Even before I met him, Zain's reputation and family name preceded him. A trim man in his early 30s with a quick wit and a slight Anglo-Australian accent, he came from a long line of illustrious figures in the Malay Archipelago. Zain's relations in Malaysia include descendants of royalty, many of whom trace their family ancestry to Muslim traders, scholars, and jurists who migrated to colonial Singapore in the mid-19th century from the Hadramawt region of Yemen. Like other Hadramis, they soon married in to local noble families, forming one of the most well-known branches of what scholars and Zain himself describe as "creole" Malay-Hadrami kinship clusters in Southeast Asia (Ho 2006). Similar to many of his ancestors and living relatives, Zain worked in business. After completing his university degree in Melbourne, Zain worked for a two different advertising firms before deciding that he wanted to try his own venture. He launched his first startup in Malaysia with his best friend, Daud, in 2007, and their business – a marketing firm that focused on urban Malaysia's cosmopolitan youth consumers – quickly grew to the point that he and Daud sold it at a profit a several years later to a larger company. Shortly thereafter, Daud chose to pursue further education in Islamic studies in Tarim, Yemen, and Zain decided that he would partner with a relative to form an investment firm. In 2014, he co-founded Mudarabah Investments in Kuala Lumpur, where he had been working for a year as the managing director of the firm by the time I met him.

But despite his famous last name and impressive professional accomplishments, Zain was noticeably modest. When I was first introduced to him at a roundtable discussion on Islamic charitable endowments (*awqaf*) sponsored by his firm, I was surprised when Zain reluctantly admitted that the firm was actually involved in a form of venture financing known as angel investment. His humble demeanor and air of quiet authority presented a sharp contrast with other investors I had met, who tended to be more brash and boisterous. For instance, Zain was hesitant about describing himself as the director of an angel investment firm. In fact, he disliked even using the term "angel" to describe the type of investments that his firm made. During one of our first conversations, he explained, "It's very self-gratifying, [saying] that you are this angel that comes and helps people. So it's a bit more humbling, come on, we didn't fall from the sky. We came from the ground." As a type of venture financing, angel investment differs from the more common VC investment in that, whereas VCs are usually collective funds managed by a firm, angel investment firms manage funds from a single, high net worth benefactor. Compared to VCs, angel investors also typically offer more favorable terms to their investees, particularly when it comes to exchanging capital (money invested in an enterprise) for equity (shares of ownership of the enterprise). This is because angel investors are usually less concerned about the viability of the business itself, and whether the business will make enough of a profit to provide a high return on the invested capital, than they are concerned with the potential of the entrepreneur to make future profits, either in this venture or in another. Thus, an often-used adage states that angel investors invest in people, not in businesses.

This chapter explores the contours of Islamic venture finance, a term I use to describe a set of practices and philosophies taken up by the angel investment firm, Mudarabah Investments, in its efforts to place, as Zain termed it, "purpose before profit." I follow how Zain pursued knowledge of these principles and their applications by studying the Islamic financial jurisprudence and ethical teachings in which they are situated, often within *halaqahs*, or study circles, led by expert scholars in the field of Islamic economics and finance. I argue that the lessons gleaned from this scholarship – in particular, its emphasis on the importance of self-reflection and critique, proper business conduct, and virtuous practices in commerce and finance – create the grounds for a radical departure from the norms of conventional (i.e., non-Islamic) finance and economics, and for the conception of an ethical self that emerges through, but also against, economic action in the form of pursuing profit. Finally, this chapter demonstrates how practitioners of Islamic venture finance such as Zain, as well as the scholars who instructed and inspired him, drew from both the extensive body of Islamic ethics and *fiqh*, or jurisprudence, and from their knowledge of Malaysia's entrepreneurial sector and the financial system that supports it. Their familiarity and experiences with this economic field therefore enabled them to imagine and enact an Islamic alternative that reconfigures the meaning of economy.

In contrast with chapter 4, which illustrates and analyzes how a conventional VC firm paid little attention to the processes by which commodities were produced and financed in the *halal* tech startup sector, this chapter delves into the ways in which process remained deeply significant for Mudarabah Investments. While chapter 6 covers the formation of an ethical self in relation to Malaysia's experiences with *riba*, or usury and debt, this chapter's focus lies in examining how such a self is forged through the forms of conduct and practices of virtue that are authorized in a particular body of Islamic scholarship on the ethics and jurisprudence of commerce and finance.

Section 1: The Meaning of *Mudarabah*

I met Zain for our first interview in the modern, minimalist workspace where Mudarabah Investments operated within a large office building in the upscale neighborhood of Mont' Kiara. Located a few suburbs to the west of Kuala Lumpur but separated by a series of winding, frequently congested highways that often made it difficult to enter and exit the area during rush hour, Mont' Kiara features massive high-rise apartment buildings, four shopping malls, and several of Malaysia's top private international schools. Although I arrived sweating and stressed from fighting a continual stream of traffic from the highway exit to the entrance of the building where Mudarabah Investments was located, Zain was gracious and calm, taking the time to show me around the office and introduce me to the employees who worked there.

Figure 11: The offices of Mudarabah Investments. Photo by author.

When we began our interview, Zain took the time to explain in detail what a *mudarabah* was, and how he had learned about this form of classical Islamic finance that has been in use since the time of the Prophet Muhammad. *Mudarabah* describes an investment partnership in which a provider of capital, or wealthy individual (*rab-u-mal*) offers financing to an entrepreneur (*mudarib*) for the purpose of developing a business. Should the business become profitable, the *rab-u-mal* would be entitled to a portion of the profits earned, according to a predetermined ratio that is independent of the amount of capital that was initially invested. In other words, the profit of the *rab-u-mal* cannot comprise a percentage of the capital investment made, as that would constitute a fixed rate of return, or interest, which is considered *riba* (usury) in Islam and is strictly forbidden.[80] However, if the business were to lose money, then the *mudarib* is not liable for any losses, and the *rab-u-mal* is the sole party to bear the losses.

After thanking one of his employees for delivering steaming cups of sweet instant coffee from the office pantry, Zain crossed one leg over his knee as a thoughtful look came over his face. "I'm glad you're asking me about *mudarabah*, *musharakah,* and *qirad.*[81] Most people think that *mudarabah* is just a name that we chose, but it has more meaning than that. It's something that's been done for 1,400 years. It's not something new. But to me, it was a revelation when I learned about it." Although Zain had been born in Jeddah, Saudi Arabia, and received what he described as a comprehensive education in studying the Qur'an and *Sunnah* after he moved to Malaysia as a young child, he had known very little about Islamic finance prior to founding Mudarabah Investments. Along with his best friend, Daud, Zain had taken an interest a few years ago in attending lectures and seminars given by Imam Afroz Ali, a Fijian-Australian Islamic scholar from Sydney whose talks on the ethics of trade and commerce I had also attended. Zain was drawn to Imam Afroz's colloquial, but sometimes fiery lecture style, and he learned much that caused him to

[80] See chapter 6 for more on *riba* and why Muslims are forbidden from engaging in it.

[81] Mudarabah, *musharakah*, and *qirad* are all investment partnerships based on classical Islamic financial instruments that have some degree of similarity to one another. *Qirad* is a synonym for *mudarabah*, and *musharakah* is a version of *mudarabah* in which a group of investors pool money together to provide capital to an entrepreneur.

pause and re-consider some basic aspects of economic theory that, as a budding entrepreneur, he had until then taken for granted.

"I attended a talk, maybe four or five years ago, with Imam Afroz Ali. He talked about the concept of economics being 'unlimited needs with limited resources.' But he said that, with our value standpoint as Muslims, it should be the other way around. It should be a limiting of your needs so that we have unlimited resources. And that thing stuck with me all the way," Zain said. In studying Imam Afroz Ali's reversal of human needs and material resources, Zain began to doubt the lessons that he had learned in his university courses on conventional economics, in which the pursuit of profit was assumed to be the primary role of a business. "Then I met Dr. Iskandar, who also talked about that. He really deep-dived into that concept," Zain recalled. Dr. Iskandar was a well-known professor of Islamic Economics who taught at a university in Kuala Lumpur and led several *halaqah* that many of my own friends and acquaintances attended[82]. "Dr. Iskandar explained to me that commerce in Islam is the right livelihood of the common good. And he gave me a whole lecture on just that one line – what it means to be the right livelihood, which is just the ability to earn for you and your family, and that you don't need anything beyond that," Zain said. The concept of common good, he explained, referred to the beneficiaries of those who pursue a right livelihood, which is represented by the immediate communities around us. "Then he said, 'welcome to the Islamic Gift Economy.' That's how I

[82] I first introduced Dr. Iskandar and explain his role within a local *halaqah* on Islamic finance in chapter 4.

learned about the IGE. I did one semester studying full-time with Dr. Iskandar, and I realized that I'm not an academic. I'm more of an on-the-ground guy. So I took what I had learned, and I moved on to form Mudarabah Investments."

Although I initially thought that *mudarabah* investment partnerships were similar to the VC and angel investment arrangements with which I was already familiar, I soon learned through my conversations with Zain that, due to the Islamic jurisprudential context in which *mudarabah* partnerships were situated, *mudarabah* differed greatly from conventional venture financing. Moreover, the application of *mudarabah* partnerships to the particular field of venture finance – where funding is difficult to secure for entrepreneurs and investments are risky for VC firms – brought up ethical considerations that had never arisen in my discussions with others who worked in this field, most notably at Halal Tech Enterprises, covered in chapter 4. The dynamics of investment partnerships, between someone who holds capital and another person who seeks capital, contain within them inequalities that most VC firms use to their advantage. Investors at private VC firms have access to a high concentration of capital that many individual entrepreneurs would never be able to match through their own fundraising efforts. As a result, venture financiers can be selective about who they invest in, and, as the examples of the young, white, Western men who worked within HTE demonstrated, they can also conduct themselves in whatever fashion they choose, opening the door for ethically dubious (or at least ill-mannered) behavior that might seem at odds with the *halal* commodities that they produced and financed. Thus, the ways in which venture financiers conduct themselves in the face of these inequalities speaks volumes about themselves and their firms. Mudarabah Investments, led by Zain, was a firm that, through its conduct and understanding of the dynamics of venture finance, put an unusual amount of emphasis on the ethical implications of finance and investment – implications that he learned while studying with experts of Islamic economy and finance.

Learning the Science of Earning and Provisioning

I could understand why Zain had felt so inspired by Dr. Iskandar's teachings about Islam and economy. His study circles often transformed into lively discussions, which I observed firsthand during study groups held at the university campus in Kuala Lumpur, such as his "*Adab* and *Fiqh* of the Islamic Market." In this course, Dr. Iskandar guided us through the study of foundational jurisprudential texts by authors such as Ja'far ibn Ali al-Dimashqi, a 12th-century Syrian merchant, which was referred to by its shortened name of *Kitab al-Isharat ila Mahasin al-Tijarat*, or *The Indicator to the Virtues of Commerce*.[83] This particular *halaqah* met regularly to study matters of Islamic finance and economics, and while some of the participants came and went, a core group of about a dozen men and three or four women regularly attended meetings on Saturdays at the university lecture hall. Since the group was comprised of a mixture of local Malay attendees and participants from other parts of

[83] The longer name of the text by al-Dimashqi was known as *Kitab al-Isharat ila Mahasin al-Tijarat wa Ma'rifat Qimat Jayyid al-A'rad wa Radiyyiha wa Ghushush al-Mudallisin fiha*, or *The Book of the Indicator to the Virtues of Commerce and to Recognizing the Value of Good and Bad Merchandise and Discerning the Adulteration of Merchandise by Swindlers.*

the world (such as Egypt, Pakistan, and Turkey) who did not speak Malay, we mostly spoke in English. However, Dr. Iskandar often peppered his lectures with Malay aphorisms and jokes, which he then tried to translate for the benefit of the group, resulting in much laughter from Malay speakers and non-Malay speakers alike.

Dr. Iskandar also photocopied several translations that he had completed on works by al-Dimashqi and other noted scholars of ethics and jurisprudence in commerce and bound them into a workbook for us to annotate and refer to during discussion. Later, when I spoke with Zain, we found out that Dr. Iskandar had assigned several of the same texts to Zain when he had studied with the professor, and we shared a few appreciative laughs over Dr. Iskandar's sometimes provocative language and teaching style. In one instance during a *halqah* that I attended, Dr. Iskandar had insisted in the writings of al-Dimashqi that part of the message to be delivered in the scholar's treatise on virtuous commerce was a warning to hardworking tradespeople about the temptations of speculative and dishonest ventures proposed by what Dr. Iskandar called "economic hit-men," or smooth-talking charlatans. With raised eyebrows and a pointed look at our study circle, Dr. Iskandar said, "You know the type. Some are even at the head of this country." His oblique reference to swindling heads of state was toward then-Prime Minister Najib Razak, who, at the time of our *halaqah* meetings, was only somewhat implicated with wrongdoing in his workings with the 1 Malaysia Development Berhad (1MDB) financial scandal[84] through whispers and rumor. Several of the participants in the study group burst out laughing at this reference, perhaps equally out of nervousness and humor, for not long before that, a Malaysian independent newspaper had made similar public accusations and had been viciously shut down by the Malaysian government following its coverage of the unfolding 1MDB scandal, as well as Najib's role in it. Dr. Iskandar's willingness to call out forms of wrongdoing in finance, especially within the space of the *halaqah*, would set the tone for our studies of these foundational Islamic jurisprudential texts.

Our studies of al-Dimashqi led Dr. Iskandar to devote an entire day to discussing the meaning of the word, "economy." As the professor explained to us, "The word 'economy' originally referred to 'household management' (*tadbir al-manzil*). So the main job of the householder is to ensure that the resources and revenues of the household are managed properly, so all within the household have their needs met." We scribbled notes in our photocopies and followed the English translations of al-Dimashqi's text while Dr. Iskandar lectured. "In the classical Islamic system of philosophy, *tadbir al-manzil* falls under the division of practical philosophy (*al-hikmat al-amaliyya*), which includes, aside from economics, or management of the household, ethics (*akhlaq*) as the management of the self, and politics (*siyasa*) as the management of society." One of the study group members, an

[84] In brief, the scandal involved missing funds from the national development and investment company, 1MDB, some of which later found their way into Najib's personal bank accounts. I explore the 1MDB scandal involving former Prime Minister Najib Razak in further detail in chapter 6.

older Malay man who appeared to be in his 60s, spoke up. "So the underlying message is that good management of the self has to be the basis for good management of economy and society." Dr. Iskandar exclaimed, "Yes! That is exactly so. Al-Dimashqi is telling us that, in order for an economy to flourish, you first have to start with *akhlaq*, with ethics of the self. And it is a science that you must learn, just like any other kind of studies."

When Zain and I talked about his studies with Dr. Iskandar, he explained that he had spent a semester of intense learning under the professor because, despite his prior experience forming a successful tech startup, there was still more knowledge to pursue, particularly when it came to knowledge of the ethics of commercial exchange. As Dr. Iskandar had taught us with the writings of the 11th-century scholar and jurist, Imam Abu Hamid al-Ghazali, in his *Kitab Adab al-Kasb Wal-Ma'ash* (The Book of the Properties of Earning and Living)[85], knowing and understanding the science of earning and provisioning (*'ilm al-kasb*) is crucial to ensuring that one does not unwittingly engage in deceptive or oppressive business practices. "Every person who does business, or works for a living, is required to learn the science of earning," Dr. Iskandar said during one study circle session on al-Ghazali. He emphasized that it was not just knowledge of trade that Muslims engaged in commerce needed to pursue – just as important was the ability to evaluate the ethicality of one's own practices.

[85] The *Kitab Adab al-kasb wal-ma'ash* is the third of four books on the Norms of Daily Life from Imam al-Ghazali's famed treatise, *Ihya ulum al-din* (The Revivification of the Sciences of Religion). Texts such as these were a mainstay in the various *halaqahs* I frequented, and nearly all of the Islamic scholars who lectured and gave sermons on Islam, finance, and commerce referenced al-Ghazali's writings.

Quoting from the *Kitab Adab al-Kasb Wal-Ma'ash*, he read aloud to us: "Al-Ghazali says here that 'acquirement of the knowledge of this topic is obligatory on every Muslim earner (*muktasib*), for seeking knowledge is an obligation on every Muslim.' The idea is that you'll use this knowledge in your trade, right? Then he tells us, 'And he will be able to pause at practices that corrupt transactions (*mufsidat al-mu'amala*) and guard himself against them.'" This pause, when one reflects and takes precautions about one's own practices, using one's knowledge of the ethics of transactions, is where the juristic, or *fiqhi* core of al-Ghazali's entire treatise lies. "That pause is everything. Without it, you could engage in *al-haram* [the unlawful] without even knowing it," Dr. Iskandar said solemnly to our *halaqah*.

Zain had taken Dr. Iskandar and al-Ghazali's lessons to heart. As someone who felt he could have a greater impact in putting these lessons into practice, Zain never forgot about his obligation to continue learning about ethics in transactions, and about the self-reflection and evaluation that these teachings had emphasized. As we sat in the spotless, glass-enclosed meeting room within the offices of Mudarabah Investments, Zain's gaze turned to the group of about eight people working on laptops around a large, communal worktable in the center of the office. "When you do work like this, you have a different responsibility that falls on your shoulders. Not just for me, but for them, too," he said, nodding toward his employees. "When we think about investing in a business, I ask myself, every time: Does this serve our purpose? Or is it only in the service of profit? If it is the second one, then I have to consider very hard whether it is the right investment to make. It has to be purpose before profit. That's what *mudarabah* really means for me." Zain explained that *mudarabah* was not simply a type of investment partnership outlined in Islamic financial scholarship. With all that he had gleaned from Dr. Iskandar's teachings, and with the study of al-Dimashqi and al-Ghazali's writings on the relationship between ethics, economics, and the obligation to carry such knowledge into commercial dealings, Zain saw *mudarabah* as the thoughtful, intentional practice of making ethical considerations in the firm's investments. These reflections, and the question of intentions that they brought up – such as whether a venture finance investment was being put toward the service of purpose or profit – would continue to play a crucial role in Zain's management of both the firm and himself.

Purpose and Profit

Like many venture finance firms, Mudarabah Investments maintained two operations: investment and incubation. As a result, Zain's role as the managing director was to both "keep the money flowing," as he put it, by disbursing funds from the angel investor to promising startups that caught his eye, and to "keep knowledge flowing" through the mentoring and development of the ventures in which his firm invested. However, as an angel investment firm, Mudarabah Investments, through its relationship to profit, differed from those of VC firms in a few ways. The singular goal of a venture capital firm is to gain a financial return on its investments in the form of profit, which it does on behalf of a group of investors. Some VCs focus on profit by choosing to support already-profitable startups that simply need more capital to scale their operations and increase their profits, while others do so by developing startups with a high potential to achieve profit in the near future. Angel investors, by contrast, “use their own money, and they invest in projects that they are passionate about,” Zain said. As a result, angel investors would not need to quickly “pay themselves back,” so to speak, as VC firms are often pressured to do. While any type of venture financing, angel or otherwise, is understood to be a high-risk investment wherein the investor may never be paid back for the investment they have made, VC firms have a reputation for pushing their investees to quickly grow their businesses so that they can become profitable – and, as a result, ostensibly provide a rapid return on the investment made by the contributors to the VC fund.

Even from the beginning, when Zain and the angel investor behind Mudarabah Investments first decided to launch the firm, they were both adamant that the search for profit would not drive the firm’s investments and operations. “We didn’t care if we got our money back or not,” Zain said. “We want to invest in people that want to create awesome things, not people that want to be the next billionaire.” Seeking out solely profit-oriented investees was just not an approach that interested Zain. “When I look at a startup [for investment], I don’t look at how much profit they’re making. There are so many other factors that are more important than that. For one, I want to look at how far the business is from becoming self-sustainable.” When I asked Zain how he might identify or assess such sustainability, he gave a half-smile and shrugged his shoulders. "When you're doing this early-stage investment, there's no such thing as due diligence with financial books and projections [a common evaluation practice by potential investors], because it's all rubbish. There's nothing to project on. There's nothing to look into. What you're looking into is the *individual*." Although venture finance firms almost always evaluate a potential investee's financial solvency and its future projected earnings or value (a process called "valuation") in order to determine the risk and reward of investment prior to offering any money, the approach of Mudarabah Investments was a little different. First, Zain explained that startup founders were notorious for inflating their value and downplaying their risks or debt in order to exaggerate their financial health. If a venture finance firm were to make investment decisions with such data, then they might unwittingly perform speculation, which Zain identified as one of the major contributing factors in the "dot-com bubble" of the early 2000s. Islamic investment partnerships such as *mudarabah* are also forbidden by the teachings of the Qur'an and the *Sunnah* from engaging in speculation, which is understood by most Islamic scholars of finance as a form of gambling. Furthermore, through the training or incubation of startups, Zain described how he hoped to get know potential investees on a deeper level than what a list of sketchy financial projections could provide. "You cannot tell the individual over a cup of coffee. How you do it is through personal referrals, and also through chemistry, in working with that person. So I turn to training [i.e., incubation] because that gives me a window into that person," he said.

In addition to the fact that this incubation program also helped provide revenue to Mudarabah Investment's business operations so that its income was not wholly reliant on profits gleaned from the exits of its investees, Zain saw this incubation as an opportunity to invest directly in people – and glimpse within them. When I asked why looking within a person was important to figuring out if they were a sound investment for the firm, he paused for a moment to sip his coffee and think about his response. "Looking within, either at them [potential investees] or at myself, is a big part of all of this," he said slowly. "Because you have to look within if you're going to find your purpose, or *qasd*. And that is our motto here – 'Purpose Before Profit.' That is one of our core values." I asked Zain to elaborate, and he leaned back in his chair. "Look, I get a lot of [startup] founders that don't want an investor that's going to pressure them to make a bottom line. Thinking about profits, and if they [investees] are making profits, we don't need to be worried about that," he said. "I'm worried about – what's our purpose, our *qasd*? What are our intentions? What kind of impact do our actions have? So I'm constantly asking myself three questions: Are we putting a lot of effort behind what we do? Are we putting our best abilities behind it? And are we keeping our purity of intention? That's what I need to be worried about. If we're not doing any of those three things, then I wouldn't be able to sleep."

Zain's emphasis on examining purpose and intentions, both within himself and within his firm's potential investees, held a striking resonance with the points made by Imam Afroz Ali, who, along with Dr. Iskandar, remained one of Zaid's primary sources of inspiration and knowledge on matters of Islamic finance and commerce. A popular lecturer and teacher in Kuala Lumpur, Imam Afroz, as many of his students and followers referred to him, often traveled to Malaysia from Sydney, where he ran a website called "Seeker's Hub." The site was designed to be a "global Islamic seminary" with online courses, information about study groups in major cities around the world, a blog, a podcast archive, and a question-and-answer section, with all content provided by classically trained and qualified Islamic scholars coming from the four Sunni schools of Islamic law, or *madhhab* (i.e., Hanbali, Shafi'i, Hanafi, Maliki). His in-person gatherings functioned similarly to Dr. Iskandar's *halaqah*, although they were held with less regularity, and audiences of anywhere from 50-200 people would gather to hear his lectures on the ethics and laws of Islamic finance and commerce. During one of the presentations that I attended, Imam Afroz explained and exemplified the importance of self-reflection on one's purpose and "purity of intention" that Zain found to be so compelling.

Speaking in a strong baritone voice through a microphone, Imam Afroz addressed a crowd of about 100 men and women who had gathered in a part-café and part-community space in Kuala Lumpur. "When I look around at ourselves as to how trade is actually occurring among us Muslims, I mean, let me give you an example of this. The Prophetic tradition medicine market. Let's just bottle some black seed oil and sell it to the world! You know, Prophetic medicine in a bottle," he said with a mixture of sarcasm and disdain. Imam Afroz then explained that in the *Sunnah*, it is written that the Prophet Muhammad extolled the benefits of black seed (*nigella sativa*, or black cumin) oil as a cure for all sickness – except, as Imam Afroz invited the audience to call out, death. However, selling black seed oil as a form of Prophetic medicine was problematic for two reasons. The first had to do with *how* it was sold: "Selling black seed oil plays with emotions…I don't want to die. Give me some longer health. It won't fix up the death issue, but it will at least give you longer life. I don't want to return to my Lord, and that's the emotion a black seed oil seller plays with," Imam Afroz said. The second problem with selling black seed oil has to do with *what* was sold. As Imam Afroz explained, the Prophet Muhammad did not specifically say that black seed oil itself was a cure for all sicknesses – he merely explained the beneficial qualities of black seed oil, which are "hot and dry,"[86] the same effects which can be found in any hot and dry oil. Thus, those who sell commodities in the Prophetic medicine industry – Muslims, no less – do a disservice to both their customers and the Prophet himself by selling such products without sufficient awareness or thought about their true qualities. As Imam Afroz said:

> A black seed oil trader today does not even go and *study* Prophetic tradition. And uses from the *tongue* Prophetic tradition. And what they basically do is use the name in vain! Our – *my* Prophet! And we are worried about ISIS? When *we* do the same thing. We are also using in vain His name! We are also making claims that are not true about Him. And the Prophet, peace be upon him, said that anyone, *anyone* who makes a claim about what is said, and it's not true about me, then let them guarantee a seat in hellfire. So what are we doing? …All we're doing is commodifying emotion. And this is not our way.

[86] Here, Imam Afroz referenced two of the four elements used in ancient Greek or Aristotelian medicine (fire, earth, air, and water), each of which is also associated with two of the four properties or qualities (hot, cold, dry, and wet). Ancient Greek medicine is rooted in many of the same teachings as the prophetic medicine tradition.

> This is not our way. A person who wants to help people for the illnesses, to give them wellbeing, will go study what our beloved Prophet, peace be upon him, has said. And understand what he was saying. And then utilize that to serve people. And out of it will come profit which is *halal*, which is *tayyib* [wholesome].

What was striking about Imam Afroz's words was not only their condemnation of an industry that seemed based on faulty knowledge, but also their exhortation of Muslim sellers – of black seed oil and other goods – to reflect on the intentions and effects of their actions. As he said to the audience, many of who murmured in agreement, "We have to change how we think, but we also have to change how we do things." Examining and reflecting on one's intentions and actions, and making the necessary changes so that their actions served God, seemed to be a crucial component of what it meant to engage in ethical commerce, especially considering the serious implications that a lack of such practices might mean for one's fate in the afterlife.

These lessons on the importance of self-reflection when it came to managing one's eschatological fate seemed to have a strong impact on Zain, which was especially noticeable when I asked him about how his firm's practices and philosophy compared to those of other firms, particularly conventional (that is, non-Islamic) VCs. Zain shook his head and blew out a breath slowly, belying a small amount of frustration in his demeanor as he described the futility of "looking outward," or comparing his business's practices with other firms that did things differently. Instead, he said, he put more stock in looking inward. "I don't know what to judge others on. But I can say that, the best effort, the best abilities, and pure intentions, that's what *we* can be judged on. Look, here we are," he said, sweeping his arms around him. "The pantry is full of plastic and take-away cups. We've got our iPhone 6. It's easier said than done.[87] But we have to try to look at ourselves and just forget about what others are doing. Sometimes we think too hard about other people [compared to] ourselves. First, we must fix ourselves. Then, worry about others." Zain quickly elaborated on this view, not stopping for a response, as he described how "we" – meaning himself, in addition to his friends, colleagues, and relatives – tended to complain about corruption within the government and the police force. "But have you paid to get away from a speeding ticket, or not wearing a seatbelt, or not parking properly? So you, too, what are you talking about, that it starts from the top?" His voice became uncharacteristically forceful and insistent. "No, *you*! You fix yourself! Fix your inner circle. *Then* comment about other people." He seemed to steady his voice for a moment, taking a more measured tone. "People are very obsessed about others, but what we really need to do is self-reflect. Not worry about what others are doing."

Thus, maintaining a purity of intentions in trade and commerce, or engaging in venture finance with an eye toward purpose instead of profit, required important practices of self-reflection and critique. As Zain's insistent narrative emphasized, simply comparing one's own actions to those of others, and feeling self-satisfied at

[87] Zain was implying that our consumption of material goods was far from the thoughtful, measured ideal – disposable tableware and the latest (at the time) mobile phones represented to him the evidence that further self-evaluation of our consumption was likely needed.

the result, was a wholly insufficient way of conducting business if purpose, or *qasd*, was more important than profit. The ethical nature of how one carried out commerce and finance should be absolute rather than relative, and thus should be held up to the highest standards. Maintaining one's own course in the pursuit of purpose, made possible by a regular practice of inward self-examination and adjustment, was therefore more important than comparing one's own actions with those of others. By evaluating the deeds and intentions of the self, rather than those of others, entrepreneurs and financiers such as Zain would be better positioned to engage in a set of practices that emphasized the ethics and propriety of business conduct.

Section 2: Islamic Business Values

When Zain said, "First, we must fix ourselves," he did not refer to the necessity to make improvements to himself in a general sense – rather, as I learned from our common experience in participating in Dr. Iskandar's *halaqah*, such fixing referenced a specific program of ethical and disciplinary practices of proper economic action. This program is described more broadly by the exhibition of correct conduct, or *adab*. Although generally used to describe practices of etiquette, respectful comportment, and propriety, the term *adab* also carries specific valences according to when and where it was used. For instance, in colonial Mali, it was understood as a form of cultivation and manners that became part of Islamic public norms (Schulz 2006), while in a contemporary girls' *madrasa* (Islamic school) in New Delhi, *adab* describes a "non-formal teaching regime, i.e., through rules, discipline, bodily control, and behavioural expectations, especially vis-à-vis those considered authorities in the madrasa" (Winkelmann 2008: 111-112). Within the mystical aspect or "tradition" of Islam known as Sufism, *adab* refers specifically to an element of morality known as "fraternal etiquette" (Heck 2006: 54), as well as more generally to the "ways of behavior" on which all of Sufi Islam is built (Huda 2004: 463). However, among contemporary circles of Islamic intellectuals in Malaysia, the term was popularized by the philosopher and scholar Syed Muhammad Naqib al-Attas, who wrote in his book, *Islam and Secularism* (2014) that *adab* entailed:

> [T]he discipline of body, mind, and soul; the discipline that assures the recognition and acknowledgement of one's proper place in relation to one's self, society and Community; the recognition and acknowledgement of one's proper place in relation to one's physical intellectual, and spiritual capacities and potentials; the recognition and acknowledgement of the fact that knowledge and being are ordered hierarchically (105).

As a local Malaysian and the founder of the International Institute of Islamic Thought and Civilisation (ISTAC) at the International Islamic University Malaysia in Kuala Lumpur, Al-Attas remains one of the most influential Islamic thinkers for scholars such as Dr. Iskandar and Imam Afroz, as well as their students. Notably, his use of *adab* describes a sense of discipline and recognition of propriety that Al-Attas argues has become lost among Muslims, due to the effects of colonialism and the growing dominance of Western (in his terms, "secular") forms of knowledge and power. For Al-Attas, *adab* needs to be re-instilled by a new generation of Muslim scholars and students who will revive Islamic knowledge to replace the hegemonic secular forms of knowledge, or philosophies, values, and practices. In our *halaqah*, Dr. Iskandar, who had studied at ISTAC with Al-Attas, took seriously this directive to revive

Islamic knowledge and practice, lecturing on *adab* as a set of five specific principles outlined by al-Ghazali in his *Kitab Adab al-Kasb Wal-Ma'ash* that are exhibited by pious Muslims while they work, earn, and pursue livelihoods.

As Zain and I had both learned from Dr. Iskandar, al-Ghazali's teachings on the *adab* of business contain the following principles: First, God exhorts Muslims to earn a living, and to do so by means of engaging in trade is meritorious. Second, all Muslims who trade or work for a living are obliged to learn the science of earning and provisioning (*'ilm al-kasb*). Third, Muslims engaging in trade must be dedicated to pursuing justice (*'adl*) in their transactions by avoiding all means of financial oppression. Fourth, traders will best uphold justice in transactions if they make it a point to exhibit magnanimity (*ihsan*) in trade. Fifth, as Dr. Iskandar explained at one study circle session I attended, "Traders should always be conscious of the eschatological dimension of mundane commercial life, and the search for one's daily livelihoods in this world is inseparably integrated into seeking everlasting felicity in the life of the afterlife," he explained. Quoting from al-Ghazali's text, Dr. Iskandar read aloud: "'Allah Most High says, And do not forget your portion of the world (Surah Al-Qasas 28:77), that is, do not forget while you are in this world [to prepare] for your portion of it for the [sake of your salvation in the] Afterlife, for this world is the seed-bed of the Hereafter, and in it you earn your good deeds (*al-hasanat*)." In other words, life in this world is the seed-bed for the life to come (*al-dunia mazra at el-akhirah)* – and, as Dr. Iskandar reminded the *halaqah*, these principles of proper conduct are not only for use in commercial transactions, but in all dealings between humans (or, broadly conceived as *mu'amalat*). It is therefore incumbent upon all Muslims who engage in trade and commerce to exhibit proper conduct according to al-Ghazali's teachings, which comprise some of the most authoritative texts in Islam on the ethical basis for Islamic financing, and for social relationships between humans as a whole.

When Zain and I discussed how Mudarabah Investments practiced al-Ghazali's ideas about proper business conduct, he referred back to the notion that, for conventional venture finance firms, the search for profit drives their business practices. Making profit itself is not problematic, he clarified, "but it is *what is done to achieve that* that matters." Zain referred to this concern with the manner in which profit is sought and gained as "the how." For Zain, and for his Islamic investment firm, "it is more about the how, than about the how much" – in other words, the conduct that one undertakes in pursuing profit, or the form that such pursuits take, matters more than the end-result of the profit itself. Although these ideas were familiar in that they echoed what I had learned in the *halaqah* with Dr. Iskandar, I still pressed him further to describe how exactly Mudarabah Investments practiced *adab* in business. Was it reflected in the firm's tendency to finance and incubate Islam-themed or *halal*-oriented businesses, like Halal Tech Enterprises? Zain held up a hand and answered carefully. "Our firm does not only invest in startups or businesses that have to do with Islam," he said. "The difference between that VC firm and our firm is that we are an Islamic business, but we do not exclusively fund businesses that are about the religion." When I asked what exactly he meant by the term Islamic business, and how that translated to the firm's practices of *adab* in business, he settled into his seat and began to paint a picture for me.

"I think one of the early reports I read [about Islamic business] was by [the Islamic branding agency] Ogilvy Noor, four or five years ago. And the key takeout from the report was, the Muslim market is one that you don't want to ignore because they're becoming a sizable portion of this world's population. So, it's about money. How much money can be made from these people?" Zain explained that he saw this approach of wanting to capitalize on Muslim consumer tastes and market demand as the first tier of Islam-oriented businesses, and not one that he held in very high regard. The second tier, which he characterized as "slightly better than the first one," was comprised of businesses that similarly recognized the large and quickly-growing Muslim market, but cultivated an approach that sought to solve problems or meet unfulfilled needs of Muslim consumers – however, Zain noted, this approach was still run like a "for-profit, capitalist business" and still sought to make a profit while providing services and solutions for the Muslim market. In the third tier, businesses attempt to embody "the right values" – that is, the *adab* of business – but they still only target a Muslim market to seek a profit. The fourth and final tier, Zain said, was what he hoped his business would be: "It's not just targeting that [Muslim] market, but targeting anybody in the world, *while* embodying the values consistently. We are striving to be in that fourth tier. Because to us, Islamic business is about bringing those values into the way that you do your business, and that can be in any industry."

Embodying values, or observing the *adab* of business as we had learned from Dr. Iskandar's teachings on al-Ghazali, involved a set of practices that took a specific form within the operations of his firm. Zain grouped these practices as demonstrations of "fair trade," explaining that such actions had less to do with fair prices paid to outsourced suppliers in developing countries (as the conventional definition of fair trade implies), and had more to do with thoroughly knowing and understanding the proper conduct of person-to-person interactions in commerce (*mu'amalat*). "There is a *fiqh* of *mu'amalat* that is grounded in the ethical teachings of scholars like Ghazali," he said. "So embodying the values has to reflect your understanding and knowledge of the *fiqh*, which is mandatory for [Muslims] to know if we are in business." Furthermore, embodying such values took practice, and needed to be done again and again in order to be ingrained into the way a business operated, so that eventually the practice of *adab* felt normal – even though, as Zain would tell me, such practices were far from typical in terms of what other venture finance firms did. For him, developing practices of *adab* in his work at Mudarabah Investments nearly always began with the ongoing practice of asking himself questions about the manner and mode of seeking profit. "So I ask myself – are you making a profit at the expense of someone else? Are you paying the market rate?" Since profits are also calculated through the cost of employee compensation, these questions must also be extended to whether such compensation was fair, and whether it under-valued the work that employees perform. "You have to pay people properly. You pay them at a market rate for the time and place that they are at [i.e., in accordance to the cost of living]," Zain explained. Once again, he emphasized that proper business conduct does not preclude a business from gaining profit, as long as practices such as fair compensation and payment were enacted. "If you manage to [pay] the market rate, and you make a thousand percent profit, then that's your fortune[88]. You're not cheating people. It's only cheating people if you're making a big profit when you're being unfair to someone in the chain – your employees, your customers, or your suppliers."

In addition to concerns about honest marketing that does not mislead customers, not slandering one's competition, and being trustworthy, other important markers of *adab* included treating employees with fairness and generosity, for "fair trade also involves how you treat your workers, all right? Army SEAL or bootcamp or whatever, it might not be the best way to push your people," Zain said with a not-so-subtle dig at Halal Tech Enterprises. The key for Zain was that these practices of proper conduct should be observed consistently, and not only when it was convenient. For instance, he mentioned that, although he aimed to treat his employees with compassion, he also wanted to hold them up to the highest standards of performance. Even minor breaches of etiquette presented opportunities for both the employees and

[88] In this context, I took "fortune" to be similar to the concept of *rizq* (or *rezeki*, in Malay), rather than wealth or good luck. For more on *rizq*, see chapter 1.

Zain to practice fairness and accountability. “One time I was meeting my team at a client site. And one of my employees was late. Well, we all waited for him in the lobby – because if one of us is late, we are all late in the client’s eyes. There is no, ‘Oh, he [the late employee] is coming later,’ and meanwhile we all walk in.” When the employee finally appeared and Zain led his team up to his client’s office, he apologized profusely to his client for being late, but did not reveal the reason for their tardiness. “And that person [his employee] felt really bad because he made us all late, but I didn’t say anything. Just apologized on behalf of all of us.” In Zain’s eyes, he had done the right thing by being forgiving and not publicly blaming the employee for being late in front of the client, even when it had made the entire team appear less than professional, for he knew that his employee felt bad enough to never again be late. For the rest of the business interactions with that client, Zain said, he also knew his team would strive to go above and beyond in communication and service to earn the client’s trust.

I was eager to hear Zain say more about why it was important for him to uphold a sense of proper conduct, given what we both knew about competing venture finance firms such as Halal Tech Enterprises. After describing some of my observations of events such as the Halal Tech Power Challenge, I asked what he thought of these large, public displays of interest in developing *halal* startups. Perhaps in a show of his unwillingness to slander the competition, however, Zain was hesitant to speak negatively about this firm and its practices in particular. After some time in contemplation to my request for his opinion, Zain said thoughtfully, “Well, I will say this. A lot of companies, especially today, they all talk about having a higher purpose. But how they do it [i.e., conduct their business] is the deciding factor.” Although Zain did not criticize HTE directly, his point about the importance of the actual practices of commerce – which, through al-Ghazali’s teachings, we had both learned were reflective of the need for fairness and propriety in social relationships as a whole – was well-taken. The way in which one conducted oneself in business, the proper actions that were to be developed over time and set into motion through a crucial process of self-reflection, was for Zain the true marker of whether a person embodied the values of fairness and generosity that were foundational to ethical life economic action for Muslims. “At the end of the day, I’ll go back to those values. Those that go down the road with the wrong set of values will not be successful in their mission. They’ll go in with a VC mentality – a vulture capitalist mentality,” he said with a half-smile. “It [the business] is going to tank anyway.”

At the risk of engaging in acts of comparison that Zain might discourage, contrasting the business conduct of Mudarabah Investments with that of HTE underscores how, in Islamic venture finance, the *adab* of business – that is, the processes, manners, and relationships through which commerce and finance are carried out – matters greatly. Such conduct not only relies on practices of self-reflection to evaluate one’s ethical intentions and actions, but it also, as al-Ghazali reminds us, is the seed-bed or the grounds on which one’s fate in the afterlife is determined. However, concerns about the afterlife are not the only reason why actions in the present matter. As the words of Zain and the teachings of Dr. Iskandar and Imam Afroz stressed, paying attention to the conduct, processes, and relationships of business and finance, and evaluating their ethical implications, is significant for the here and now as well. The virtuous qualities of one's conduct are deeply meaningful in the daily interactions and transactions of one's life, for they have the ability to confer similar senses of virtue on one's character and generate pious feelings and emotions, but only if they are practiced correctly and repeatedly.

Section 3: Cultivating Character Through Reflection and Conduct

The consistent practice of Islamic business values, or the *adab* of business, cannot be carried out in a vacuum. As Zain emphasized, a business leader or practitioner must constantly evaluate whether their actions, practices, and intentions remain in accordance with authoritative sources on proper business conduct, such as al-Ghazali's teachings. He described his own evaluation process as one of continual self-examination prompted by questions about the manner in which he and his firm pursued profit. This self-questioning, or self-scrutiny (*muraqaba*) of one's actions and intentions was a familiar concept that I would also encounter in reading al-Ghazali's texts, particularly in his *Kitab Sharh Aja'ib al-Qalb,* or *The Marvels of the Heart*. Al-Ghazali's' writings on self-reflection emphasize that it is only through humankind's knowledge of the self that we may attain knowledge of God, for "[e]very heart is thus a microcosm and a mirror, and being thus constituted is capable of knowing itself and the divine" (Skellie 2010: xxii). These writings also explain that "man can polish and burnish the mirror of his heart by means of acts and of obedience so that it will reflect the image of true reality" (xxii), such reality being the oneness of God, or the concept of *tawhid*. Self-reflection, then, is both a virtue and a practice that enable other virtues and their practices – the "acts of obedience" that polish the mirror of the heart – to take place and to take root in the heart. In order for self-reflection to have its desired effects, however, it must be practiced consistently and intentionally.

In *The Ethical Soundscape* (2006), Charles Hirshckind describes a similar process unfolding among Muslim listeners of cassette-tape sermons in Egypt, where listening to sermons on tape allows the listener to reflect on their mundane, daily actions, and alter them if needed (71). Such reflection, Hirschkind proposes, initiated by the act of repeatedly listening to taped sermons, could become "a means by which a range of Islamic virtues could be sedimented in one's character, enabling one to live more piously and avoid moral transgressions" (71). Hirschkind provides a helpful framework for understanding self-reflection and the practice of *adab* as efforts to develop certain qualities within the self that are virtuous in their specific application to commerce and finance. Two particular virtues in business come to mind, underscored by the lessons conveyed in al-Ghazali's *Kitab Adab al-Kasb Wal-Ma'ash*: '*adl* (justice, or fairness) and *ihsan* (magnanimity, or generosity). However, al-Ghazali stresses that these virtues and their application in the science of earning and provisioning (*'ilm al-kasb*) are not necessarily innate, and that they must instead be learned and cultivated, lest those who intend on engaging in business transactions unintentionally cheat or oppress others. These acts of cultivation are key, and, as Hirschkind proposes, one is able to develop such virtues through repeated practice, performance, or "disciplined ways of being and acting" (131), which embeds them deeply within one's disposition. Thus, in order to become a person who exhibits the virtues of *'adl* and *ihsan* in commerce, one must repeatedly practice disciplined comportments, or the *adab* of business, that cultivate and develop these qualities, sedimenting them within.

This repeated practice to cultivate virtues, or what Saba Mahmood calls "conscious training in the habituation of virtues" (2005: 139), describes acts such as prayer and veiling, that, through their repetition, become nearly like a "physiological need that is fulfilled without conscious reflection" (139). However, Mahmood argues that such practices are forms of "self-directed action" and "embodied disposition[s]," and are not automatic, nor unthinking: "Since the point is not simply *that* one acts virtuously but also *how* one enacts a virtue (with what intent, emotion, commitment, and so forth), constant vigilance and monitoring of one's practices is a critical element in this tradition of ethical formation" (139). In other words, the repeated practice of acts that develop virtues within the self can create a conscious habit that continually reminds the self to check in and reflect on the effectiveness of its practices – but these acts must be carried out with correct form and intentions. Thus, as Mahmood proposes with the example of veiling, the form of such repeated practices – or the "how" of enactment – situates these repeated acts and practices as not only themselves "*critical markers* of piety," but also as "the *ineluctable means* by which one trains oneself to be pious" (158). In this analysis of pious practices, Mahmood emphasizes that, reflective of the Aristotelian philosophy woven into authoritative writings on Islamic ethics, such as those done by al-Ghazali, correct form and intentions found within bodily acts have the ability to denote and elicit piety.

This point about bodily action allows us to see something specific to Mahmood's larger argument, which is that intentional action performed in accordance with texts and teachings that authorize particular forms of piousness must not be mistaken as the opposite of freedom, as it is conceived in Western liberal thought. But her argument also opens up questions about how action that is not necessarily (or exclusively) bodily in nature can also exhibit and elicit piety. For instance, practices of economic virtue – of demonstrating *'adl* and *ihsan*, authorized by conceptions of proper conduct outlined in al-Ghazali's *Kitab* – can also constitute a "program of self-cultivation" (158) in which their enactment involves the exhibition of virtues toward others in acts of commerce and finance, as well as the sedimentation of those virtues within the self. Such practices, grounded in the *adab* of business, are not solely projects of self-improvement – they are also carried out with society very much in mind. For instance, Hirschkind illustrates this point when he examines how Egyptian Muslims' efforts to live piously entail acts of *da'wa* (*dakwah*, in Malay), or proselytization, in which practices of *adab* play an important role. As is the case among Muslims in Malaysia, Egyptian Muslims also use the term *da'wa* to refer to a broad range of everyday acts and interactions between people that are engaged in persuading (or challenging) one another to exhibit greater piety. Among the people that Hirschkind worked with, the *adab* of *da'wa* also references specific virtues and disciplined practices that include gentleness of speech, the self-modulation of one's passions, and careful listening in order to effectively "move fellow Muslims toward correct forms of comportment and social responsibility" (2006: 131). Thus, while the acts of *da'wa* themselves entail their own sense of *adab*, and it is incumbent upon the individual to develop such capacities for proper conduct, the purpose of *da'wa* is to serve an appeal to improve both self and society through correct behavior.

These two registers, self and society, are connected by the practice of *da'wa* and its conduct of *adab*, for it is *through* improvements to the self that society will improve. As Hirschkind illustrates, such improvements to the self emerge from practicing the *adab* of *da'wa*, which is itself a virtue that enables other virtues to deepen and flourish within the *da'iya* (practitioner of *da'wa*) as well as within those with whom the *da'iya* interacts. As the leader of the only Islamic venture finance firm in Kuala Lumpur (that he knew of, at least), Zain indicated a similar desire to reflect on and improve his own conduct in business, with the intent to exhibit virtues such as *'adl* and *ihsan*, so that the entire landscape of venture finance might be improved. For example, as Zain explained in our conversations, paying one's employers and suppliers market rates not only helps business owner avoid cheating or oppressing the people who depend on those earnings to make a living, but compensating at the market rate also stabilizes the market itself, leaving less room (or providing less of an excuse) for other business owners to under-pay their employees and suppliers. In another example, he described how venture finance firms that focus solely on profit while investing in and incubating startups could pave the way for entrepreneurs and other financiers to engage in speculation and over-valuation, creating a bubble that could undermine the entire startup economy. With these linkages between individual responsibilities and their broader social impacts in mind, Zain made it clear that improving society begins with making improvements to the self. This lesson was also driven home in the lectures of Dr. Iskandar and Imam Afroz, who reminded audiences that, at stake in changing the way that individuals conduct business is the transformation of an entire community of Muslims. Similar to *da'wa*, the inspiration, elicitation, and modeling of this change among entrepreneurs and financiers starts with the individual – but it is through these actions that all who are connected with venture finance and enterprise will benefit.

The Feeling of Shukr, or Enoughness

The repeated, intentional, and correct practice of the *adab* of business not only allows for virtues such as *'adl* and *ihsan* to be imprinted within one's character – this practice can also constitute action that elicits certain feelings or emotional states within the practitioner, making this emotion "integral to action" (Mahmood 2005: 145). Such feelings, as I would learn from a lecture that I attended by Imam Afroz, were also powerful engines of transformation that could have a significant impact on the field of venture finance. This lecture, which took place in 2015, was highly anticipated and well-attended by the people I knew through various *halaqahs* and groups of friends[89]. By this time, I had attended previous talks led by Imam Afroz, and found his speaking to be engaging and thought-provoking, and his expertise on the *fiqh* of commerce and finance to complement the discussions of Dr. Iskandar's *halaqah*. Held in the same café and community performance space where I had attended previous events, Imam Afroz's lecture drew a crowd of about 100 attendees, many of whom still wore the professional attire (including Western-style dress shirts and slacks for men, and *baju kurung* for women) and sipped on fruit juice and lattes while the stage was set up for the talk. When Imam Afroz first took the stage and settled into a stuffed armchair that was positioned to the side of a large screen on which his PowerPoint slides were projected, he intoned an opening prayer, beginning with the familiar phrase, "*Bismillah ir-Rahman ir-Rahim* [In the name of Allah, the Beneficent, the Merciful]." After the prayer, he explained that the title of his talk, "The Pious Trader," had two meanings: first, to trade piously, that is, in a virtuous manner; second, to exhibit the characteristics of a pious person while engaging in trade. The premise of the talk was therefore that piousness is located both within in the acts of trade and within the person committing those acts.

[89] One of the major sponsors of the talk was the economic activist group, UNRIBA, which I describe further in chapter 6.

Figure 12: Imam Afroz Ali delivering his talk, "The Pious Trader." Photo by author.

Although I had become familiar with the concept of the virtuous nature of certain practices in trade from my attendance of Dr. Iskandar's *halaqah*, Imam Afroz's talk spent much more time on the second distinction, the piousness that is located within the trader. Above all other virtuous feelings to be found within the pious trader, Imam Afroz explained, the most important was *shukr*, or thankfulness:

> So, when we speak of the abundance of the gifts of Allah *Subanahu Wa Ta'ala* [abbreviated SWT, "Glory to Him, the Exalted"], Allah SWT has asked us in the Qur'an for one simple response to this. And it's not trade. It's not trade. To the divine favors that Allah SWT has given us, he asks us one response. And that response is *shukr*, first and foremost. So for the pious trader, they need to start from the point of *shukr*.

Imam Afroz elaborated that the pious trader who carries feelings of *shukr* within would encounter various "altitudes" or stations of occupying a state of thankfulness. Although he identified five stations in total, three of them stand out as particularly descriptive facets of the emotional states of piousness associated with *shukr* – a state of humility, shown through one's contentment with God's gifts, a state of sincere love for God, and a state of praise in God as the giver of all gifts.[90] By developing the virtuous feeling of *shukr*, and its associated states such as humility, love, and praise, pious traders could generate a sensation that rested at the heart of Islamic economics and "the science of earning and provisioning," as al-Ghazali termed it – enoughness, or a sense of fullness and amplitude that comes with the knowledge that all of one's needs have been met by the abundant gifts of God, and thus there is no need to further pursue profits through trade. In other words, *shukr* was the feeling of knowing when to stop pursuing profit.

Imam Afroz explained this idea by telling a long, elaborate story, delivered like a comic telling a joke. He recounted the tale of a simple farmer who fished every day on the banks of the same river, caught a few fish for his family, and went home to pray and spend time with his family when he had caught enough. One day, the farmer encountered a man fishing on the other side of the bank – with a twinkle in his eye, Imam Afroz described this man as a Harvard University-trained economist from the

[90] The other two stations of *shukr* include the practice of uttering *shukr*, rather than concealing it, and the practice of using God's gifts (such as natural resources) in the way that God intended for humans to use (rather than abuse) them.

United States, drawing laughs from the crowd. For several days, the economist watched the farmer catch a few fish, and then go home when he has caught his fill, until the economist finally crossed the bank of the river to talk to the farmer. “Of course, you know, an American, he knows everything,” Imam Afroz quipped, following up with an apology to any Americans in the audience. The economist then asked the farmer why he only caught a few fish and left early every day, with the farmer responding that he did so in order to return home and spend time with his friends and family, perform his prayers, and have a little bit of time left over for silence. The economist advised the farmer to work longer hours to catch more fish. Then he could sell the extra fish at the local fish market, and buy a boat with the proceeds so that he could sail out to the middle of the river, where there were bigger fish, which he could sell at the market for an even higher price. When he had amassed enough money, the economist advised the farmer, he could buy a whole fleet of ships, and employ other people to fish on his behalf. Then, said the economist to the farmer, you can spend time with your family, your friends, with your silence, and with your prayer. Imam Afroz delivered the punchline with a broad smile – “The farmer looks at him and says, I do that already!”

Although full of humor, Imam Afroz’s story had a point to it – that, for a pious trader, profit should not and cannot be the primary impetus for trade. Echoing the points I had heard made by Zain during our interviews, Imam Afroz said, “You must understand that profit is actually *halal*. But to seek it as a sole end is actually *haram* [impermissible].” He explained further, “Our increase [in provision from God, or *rizq*] is not actually from profits alone. They are a good thing and have [their] own purposes, but our increase is from gratitude, from *shukr*.” Since the feeling of *shukr* and its concomitant emotional states should be the sole end of trade for a pious Muslim, rather than profit, it would seem that profit itself had a limit to what it could accomplish. Profit, Imam Afroz explained, was not inherently undesirable – it was, after all, a byproduct of both God’s blessings (*baraka*) and humankind’s own industriousness. However, it remained imperative for those who seek to trade in a pious manner (and for whom trade is a means of expressing or enacting piety) to recognize when these blessings, originating first and foremost from God, were enough, signaling when the pursuit of profit had reached its limit. Such a feat would not be easy for pious traders to accomplish, considering the fact that economics, “in Western terms,” as Imam Afroz put it, assumes an arrangement of limited resources that need to be managed in order to meet the growing needs of consumption, or what he called humankind’s “unlimited desires.”

Herein lay a set of assumptions that remained troubling to Imam Afroz – that the needs of humans were ever-growing and unlimited, and that the resources necessary to address those needs were a part of a zero-sum game. “And this is one of the critical problems that a trader has to deal with, because a trader’s nature, or the framework of a trader, is to sell more and more,” he said. “So we have this consistent idea that we have to make so much more money and we have to produce so much more, because we have to continue to feed the unlimited desires of human beings, and you already know that that's a problematic place to start with." Given that there are no viable solutions to this problem, explained Imam Afroz, the key is to change the assumptions of the very meaning of economy itself. "Islam's understanding is that, in fact, the resources, the favors of Allah SWT, the *baraka* of Allah SWT, are in fact abundant and unlimited. It's actually the other way around. And the science of [economy] in Islam is, how do you limit your desires? It's the complete opposite [of the conventional definition]." This redefinition of economics, from the science of managing scarce resources to meet growing needs, to the reverse (i.e., the science of managing one's own needs so that resources – blessings from God – can remain abundant) also underscored the lessons of Dr. Iskandar's *halaqah* that Zain and I had both learned. Dr. Iskandar termed such a rearrangement, "Islamic economics," and used it as the basis for theorizing what he called the Islamic gift economy (IGE). A major tenet of the IGE involved curbing one's desires to continually consume, seek profit, or amass wealth, with the failure to do so potentially resulting in effects such as the unwitting entry of *riba* (usury) into one's financial practices and habits of consumption – a consequence that I explore in chapter 6.

The theory of the Islamic Gift Economy, and its emphasis on seeking the feeling of *shukr*, or enoughness, rather than the unbridled pursuit of profit, also served as the grounds on which Zain steered Mudarabah Investments away from the relentless course of conventional venture finance to the objective that he termed "purpose." This ability to make a connection between one's outward actions and the development of one's interior state is once again usefully demonstrated by Mahmood's (2005) use of the example of veiling, which she argues is a bodily act that creates and trains virtuous feelings of shyness within the wearer of the veil. In this sequence, "action does not issue forth from natural feelings but *creates* them" (157). Action therefore elicits feelings, which – if we interpret practice of virtuous trade and commerce as acts that are meant to elicit a feeling of *shukr* – lead to further pious action. In the case of the pious trader, the feeling of *shukr* should lead to the act of suspending the search for profit, due to the fact that the state of enoughness and gratitude toward God felt by the trader acts as a signal that the limit of their desires has been reached. Pursuing profit through pious trade – specifically, pursuing profit *piously* – therefore contains within it a teleological outline for its own ending.

Conclusions

Zain's focus on honing and exhibiting what he described as Islamic business values in the management of Mudarabah Investments exemplify how practices of self-reflection and critique can invoke virtues such as *'adl* (fairness) and *ihsan* (generosity), thereby generating the pious feeling of *shukr*. This feeling, which indexes both thankfulness and a sense of enoughness, also signifies that the pursuit of profit should come to a close, for those experiencing *shukr* have had all of their needs and desires sufficiently met, and pursuing profit beyond this point would no longer in the service of pleasing God. Furthermore, as Mahmood and Hirschkind's texts help clarify, one's business conduct is not only a reflection of the virtues that lie within, but its form and practice also has the ability to entrench virtues such as generosity and fairness in one's character, so that the external practice of the *adab* of business and the interior qualities of virtue and piety may be aligned. Without proper knowledge and intentional practice of the correct means of conducting business, it is possible to unwittingly exhibit the impropriety embodied in the actions of conventional venture finance firms, which made it all the more important for pious Muslims such as Zain to consciously acquire and practice the lessons gleaned from *halaqahs* and lectures on Islamic ethical and financial jurisprudence.

By invoking Mudarabah Investments' competitors such as HTE, I aim to do more than draw attention to the many problematic assumptions and practices of conventional venture capital firms. Rather, painting a picture of the dominant landscape of venture capital also helps to contextualize the way in which these norms of business and finance that are practiced and embodied within Malaysia's lucrative *halal* frontier market play a role in conceiving the alternative path that Zain sought for himself and his firm. I find it significant that, even after all that he had seen and experienced in finance and enterprise, Zain still remained dedicated to working within this sector. Unlike his best friend, Daud, who left Malaysia after selling their startup to pursue Islamic scholarship in Yemen and "live with the saints," as Zain put it, Zain elected to stay in finance and help establish a venture finance firm in Kuala Lumpur that was grounded in *mudarabah*. Moreover, he used his intimate knowledge of how conventional venture finance worked, including its norms and contradictions, to lay a blueprint for how his firm would operate differently. Teachers such as Dr. Iskandar and Imam Afroz, who instructed Zain on these blueprints, similarly utilized their knowledge of conventional (that is, Western) theories of economy and finance to develop critical counter-theories that placed the onus on individuals to limit their needs, desires, and search for profit so that a pious state of *shukr* could be achieved. Thus, while this segment of Malaysia's financial and entrepreneurial landscape remained troublesome for pious Muslims such as Zain and his teachers, it also served as the conditions in which it was possible for them to hone the critical and practical tools for bringing about its transformation.

There is one final point to be raised about a development that took place in 2016, after I returned to the U.S. from fieldwork in Malaysia. Mudarabah Investments was acquired for an undisclosed sum by a large Swiss venture capital firm with operations in both Europe and Asia. Zain stayed on as the CEO and managing partner of the Swiss firm's Malaysia division, although as a conventional VC firm, it does not appear to have the same angel investment structure exhibited by Mudarabah Investments. The question remains unanswered as to whether and how Zain's new firm practices Islamic investment partnership principles or is oriented toward the *adab* of business, and whether "Purpose Before Profit" remains the firm's motto. However, it is telling that the new firm that now owns equity in Mudarabah Investment's portfolio of investees appears to be financed by European capital, although it is not explicitly oriented toward developing startups designed to serve an exclusively Muslim (or *halal*-consuming) market.

<u>Chapter Six: Debt and/as *Riba*</u>

When Sofiah was a third-year university student living abroad in Adelaide, Australia, she hit another car while driving, resulting in a terrible accident. Although she escaped with only a few minor injuries, both the car that she was driving and the car that she hit were damaged beyond repair. The accident itself horrified Sofiah, who told me that she has nightmares about driving to this day, but the most difficult part of her recovery was the financial hardship she endured afterward. The car that she had been driving was not hers – it belonged to a friend who had loaned it to her, and Sofiah needed to pay to replace her friend's car and the car of the other driver in the accident. Altogether, she owed several thousands of dollars. Sofiah was a full-time foreign student who only qualified for very limited forms of employment, as the recipient of a scholarship from the Malaysian government that sponsored students to study abroad. "I was really scared," Sofiah said. "I owed so much money, and I couldn't even tell my parents about it. I didn't want to ask them for money because I knew it would worry them. I didn't want to let them down and be dependent on them financially." Sofiah described how she felt incredibly guilty about being responsible for the accident and could not bear admitting to her parents what she had done. "As a sponsored student, I was a representative of Malaysia. I felt so ashamed that I had done such a thing, even if it was by accident."

A soft-spoken young Malay woman in her early 20s, Sofiah's slender frame was usually covered by a fashionable, modestly-cut garment (*abaya,* in Arabic) in all black, which matched her black *hijab* and offset the artfully-placed, small jeweled pins she used to secure her headscarf in place. She was self-possessed and thoughtful in a way that lent maturity to her youth. We first met through a mutual friend and soon discovered that we both attended several of the same events around Kuala Lumpur, including the discussion groups and study circles that were popular with younger-generation Muslims in the middle-class neighborhoods of the city. One Sunday, Sofiah and I met up for lunch at a busy restaurant in a shopping center in Mont' Kiara, the same upscale suburb of Kuala Lumpur where the Islamic venture finance firm, Mudarabah Investments, was located (chapter 5). Sofiah had been the one to choose the location of our meeting – when we made plans to see one another, she mentioned that her sister would be accompanying her on the drive from the apartment they shared, several neighborhoods away, for she rarely drove alone anymore. "I drive this very old car, and my parents are always telling me to buy a new one," Sofiah said. "I think they are worried that it will break down, and I'll be stuck by myself at the side of the road or something. Or maybe that I'll get in another accident, I don't know." She was reluctant to buy a new car, however, because it would mean taking out a loan, since her cash savings were low at the moment. "I just don't want to be in debt, ever again. Even for a car loan. I already have a car. So I just sort of smile to them [my parents] and say that I'll think about it."

Following her accident in Adelaide, Sofiah commit herself to paying back all of the money she owed with earnings from extra jobs she took on while still studying at the university. “I could have re-allocated the scholarship money to pay for the damages, I suppose,” she mused, as we ate our lunch. “Maybe I could have lived on instant noodles and tinned tuna or something. But that would have been wrong as well. In my mind, the only way out of this mess was to work off the debt.” To earn extra money and repay her debt, Sofiah worked three jobs simultaneously – as a clerk at the counter of a *halal* butcher’s shop, as a restaurant worker, and as an after-hours cleaner in a car dealership, all while studying in school full-time. “I went in late at night and vacuumed, cleaned toilets, everything,” she said. “It wasn’t very nice. Sometimes, it was dirty and gross. But it felt really good to pay down what I owed. I hated the feeling of being in debt. That was even worse than cleaning smelly toilets.” She continued to work odd jobs until she graduated from the university in Adelaide, and described her experience altogether as a humbling one that made her appreciative of all that her parents had provided for her when she was growing up in Malaysia.

I told Sofiah that I admired her for how hard she worked at these “dirty” jobs. As someone who had worked in several less-than-clean food service positions over the years, I sympathized with her experiences. She seemed a bit self-conscious as she recounted her story, so I asked her if she had felt embarrassed for taking on such undesirable work. Most low-wage service work in Kuala Lumpur is performed by immigrants from Indonesia, the Philippines, Bangladesh, and Nepal, and workers are frequently mistreated by managers, owners, and even customers. I initially thought that Sofiah might have felt that doing such work was demeaning. "No, not at all," she said, her eyes downcast as she fiddled with her hands. "Working hard in a dirty job is not shameful. What's shameful is being in debt," she said, her words quiet and brimming with emotion. "Owing others money for something that I had done – that's what shamed me." While she worked these extra jobs and maintained a full course load in university, Sofiah found that she had little free time, and some of her friendships diminished, for not many of her friends fully understood why Sofiah was so determined to repay her debts on her own. Eventually, Sofiah paid back all of the money she owed, and then, due to the terms of her scholarship for studying in Australia, she had to return to Malaysia and begin work as a civil servant[91]. Although she found her work at one of the Malaysian government's national medical bureaus to be enjoyable but not particularly exciting, Sofiah appreciated the fact that her work schedule allowed for spending free time on weekday evenings and on weekends with an Islamic study group (*halaqah*) by the name of Seeker's Circle. This organization was originally founded in Sydney, Australia, by the Islamic scholar Imam Afroz Ali (who I introduced in chapter 5), with several branches later established around the world, including in Kuala Lumpur.

[91] As the recipient of a government scholarship to attend a university overseas, Sofiah was bonded for at least five years of civil service after graduation. Although she tried to remain in Australia by applying for jobs there, her visa status as a sponsored student excluded her from employment overseas.

Sofiah first came to know Seeker's Circle when she was living in Adelaide, where she regularly tuned in to the organization's Friday afternoon webcasts. Despite having little free time between school and work, she made a point to listen to the sermons of Imam Afroz on her computer whenever she could, and soon she found herself joining Seeker's Circle events and attending Imam Afroz's sermons in person. Although these sermons wove together a diverse range of topics on the ethics of finance and trade, environmentalism, relationships between humans (*mu'amalat*), and Islamic eschatology (the study of prophetic teachings on the Day of Judgment, or *Yawm ad-Din*), Sofiah said that she began to feel for the first time that she was really a part of a Muslim learning community where she could ask questions and seek knowledge (*'ilm*).[92] "I grew up in Kedah [a state in northwestern Malaysia], and my parents and one of my sisters still live there. My family has a very religious background, and growing up, my parents were the ones who taught us about Islam," said Sofiah. "I myself was always religious, but I was also rebellious. I always had questions inside. I followed what my parents said, but I didn't understand why. I didn't do it from the heart," she said, referring to elements of her practice as a pious Muslim, such as praying daily, covering her hair and dressing modestly, and fasting for Ramadan. "When I was a third-year [university student] in Adelaide, that's when things changed for me. I started studying Islam more, asking questions, and developing that awareness." This awareness, Sofiah said, was the process by which

[92] In the *Sunan ibn Majah*, one of the six major collections of *hadith*, or narrated sayings or actions of the Prophet Muhammad, *hadith* 224 declares that seeking *'ilm* is for all Muslims. This directive is taken particularly seriously by pious Muslims in Malaysia, who often turn to *halaqahs* in order to engage in *'ilm*-seeking.

she became engaged in cultivating greater knowledge of Islam by participating in *halaqahs* such as Seeker's Circle – an ongoing process, she emphasized, that is never really finished. She began attending gatherings at an Islamic community center in Adelaide, where she also taught the basics of Qur'an to preschool-aged children. "When I started to teach religious classes to the little kids at the community center, I realized that I needed to do better, to be a better Muslim." For Sofiah, her experience within the *halaqah* in Australia played a crucial role in providing the inspiration and knowledge of how to be a better Muslim – and, in particular, the relationship between this process of betterment and her journey to no longer be in debt.

This chapter explores how debt came to figure so prominently in the lives of pious middle-class Muslims in Malaysia. I examine its significance with regard to the particular ethical and political relationship constructed between debt and *riba* (usury or lending with interest), and I investigate the claims of Islamic scholars and the pious Muslims who attended their lectures and study circles that *riba* in its most expansive form should also include the everyday forms and technologies of debt (such as mortgages, credit cards, and debt-backed currency), rather than the narrow definition of riba as usury or interest.[93] I argue that this re-definition of debt as *riba* has made it possible to enact a potential solution to the pervasive, morally hazardous bonds of *riba* in the eradication of debt and debt-reliant forms of finance. With the knowledge

[93] Throughout this chapter, I may use *riba* and debt interchangeably in the context of the specific discussions that I follow, but I want to make clear that the people I spoke with did not see them as the same thing, and nor do I.

that *riba* was forbidden by the words of the Qur'an and constituted a grave transgression, the pious Muslims I met argued that the struggle against *riba* was ethically imbued with a sense of justice and righteousness against the financial oppression that *riba* produces. This chapter therefore investigates how such an understanding of debt and *riba* (or, more accurately, debt *as riba*) emerged in a particular moment in Malaysia when the prosperity of the Malay middle class seems to have been built on consumerism made possible by debt, and in a religious climate in which the very real fear of engaging in *riba* has powerfully shaped the discourses and practices of Muslims who aspire to embody ethical action in all realms of life.

This chapter also picks up a line of enquiry developed throughout the dissertation on how and to what effect younger-generation pious Muslims like Sofiah participated in *halaqahs* focused on learning and discussing ethical economic action. I follow how this participation involved learning authorized forms of Islamic ethical practice, as well as specific approaches to the cultivation of virtues necessary for this practice (Mahmood 2005). In attending *halaqah* events and lectures, as well as Islamic conventions, conferences, and seminars outside of the *halaqah* that were sponsored by local *dakwah* organizations, the pious Muslims I met considered this activity to be a form of ethical practice in its own right (Fernando 2014). Within these spaces of learning and striving to do better, participants responded to a call to look within themselves – often phrased as a reflection on one's heart, to echo the terms of Imam al-Ghazali – and perform transformations to the self and to society through a collective enticement to action. By participating in *halaqahs* and heeding this call to self-reflection and betterment, as well as by entreating others to join in these efforts, I propose that younger-generation Muslims like Sofiah engaged in a form of *dakwah* that remains central to Islamic piety's ethical project of critique and reform in Malaysia.

However, a seeming incommensurability casts its shadow over this project of critique: although it emerges from a place of deep unease and dissatisfaction with the arrangements of financialization and dominant forms capitalism that mark Malaysia's landscape of debt, these critiques of capitalism often re-articulate sensibilities reflective of what some might call neoliberalism, such as financial liberation, self-sufficiency, and discipline. But in unpacking pious Muslims' attempts to liberate finance from *riba*, I resist the urge to theorize a reconciliation by painting these efforts with a broadly neoliberal brush – instead, I ask how the imagination of life outside of *riba* (and outside of capitalism) relies on a specific understanding of debt and responsibility that is borne out of Malaysia's particular experiences with these dominant forms of capitalism. In other words, I argue that, by undertaking efforts to eradicate *riba*, pious Muslims are not simply "really" practicing neoliberal capitalism, nor neoliberal piety (Tobin 2016), nor pious neoliberalism (Atia 2013) – rather, their struggles within and against the norms of neoliberal capitalism present in *riba* are made possibly by the tools of critique that neoliberalism itself has offered them. As a result, they are able to imagine and articulate a life outside of this dominant form of capitalism, in which ethical practices of economy are made possible.

<u>Section 1: Changing Hearts in the *Halaqah*</u>

Seeker's Circle was a *halaqah* that met often in person, converging around specific discussion topics or texts, and it also contained an online component through Imam Afroz's website, where anyone interested in learning more about Qur'an, *Sunnah* (recorded teachings and sayings of the Prophet Muhammad and his companions), *fiqh* (jurisprudence), and other forms of Islamic knowledge, exegesis, and scholarship could access such information. Unlike other *halaqahs* where I conducted research (such as Dr. Iskandar's study groups on the Islamic ethics and jurisprudence of commerce and finance, which I cover in chapter 5), Seeker's Hub tended to focus on large, public-facing events, often bringing in expert scholars from around the world to give talks, lead discussion groups, and offer commentary on books and films. Its participants were mostly upper- and middle-class, split fairly evenly between men and women who ranged in age from their late teens to their 60s and 70s. This *halaqah*, and others like it, are the product of a longer history of Malaysian Islamic Reformist movements that began in the late-19th and early 20th centuries and were highly influenced by Modernist Islamic scholarship emerging from the Middle East and South Asia at the time. As an important space of sociality and Islamic study under the guidance of scholars such as Imam Afroz, who could trace his intellectual lineages back to the Prophet Muhammad[94], *halaqahs* like Seeker's Circle also functioned as prominent sites for the formation of pious Muslim sensibilities for a younger generation that was raised by parents who came of age in the 1970s and 1980s.

Referencing some of the practices associated with Malaysia's late-20th century "Dakwah era," Sofiah explained that her parents' Islamic instruction in the home consisted primarily of rote-memorization of Qur'anic verses, a strictly-kept list of "do's" and "don'ts" without much explanation, and the threat of punishment in the afterlife for sins and transgressions. Younger-generation Muslims often expressed to me the feeling that what was absent from their parents' religious instruction was a broader contextual understanding of how and why the ethical commitments of Islamic piety matter – for themselves, and for Muslim communities as a whole. Sofiah and others therefore described Seeker's Circle as a place in which they could ask questions, not from a place of doubt, but from a place of wanting to know more and deepen their *deen*. For Sofiah, a crucial part of seeking knowledge of Islamic teachings with the guidance of a scholar was the process of examining her own knowledge, actions, and intentions within the space of the *halaqah's* community.

[94] The ability to trace one's intellectual lineage (i.e., the teachers with whom one studied) back to the Prophet Muhammad and his companions was highly valued among Islamic scholars. It was implied that, if a scholar could not perform this lineage tracing, then they were akin to "self-taught" scholars who lacked authoritative guidance in correctly understanding and interpreting the key texts from which they had gleaned their expertise. One of the major contentions among Sufi-leaning scholars in Malaysia is that "self-taught" scholars of Salafi and Wahhabi orientations tended to gather many followers but lead them astray, for their knowledge of Islam was not guided by a teacher whose lineage and scholarly authority could be verified.

Individually, she explained, Muslims must fulfill a range of obligations – from the basics of prayer, fasting when necessary, and paying *zakat* tithes, to the additional duties to seek *'ilm* and ensure one's proper comportment. But within communities of like-minded Muslims, Sofiah said, fulfilling these duties makes for a different experience. "When I spend time with other people who feel the same as I do, I don't know, something changes," she said, describing her participation in Seeker's Circle. Seeking *'ilm*, practicing self-reflection, and thinking of ways to improve one's *deen* were certainly activities that could be done alone, but for *halaqah* members like Sofiah, the collective space of being able to discuss and ask questions of their approach created a valuable community ethos.

Furthermore, among pious Muslims in Malaysia, *halaqahs* are also places in which they can spend time together among and across gendered groups of men and women – an important feature, since most pious Muslim men and women do not often socialize with members of the opposite sex. Furthermore, unlike the bars and hookah lounges frequented by their non-Muslim (or non-pious identifying) coworkers and peers, study groups such as Seeker's Circle provided an important social sphere that was neither home nor work, but was instead a "third space" of knowledge pursuit, contemplation, and even debate. Many of the pious Muslims that I met considered *halaqahs* to be worthwhile places to spend their time, which represented free time outside work and family duties that was spent well and not wasted. Such descriptions of time spent in *halaqahs*, and the value that this time carries, are important markers of how the language and practices of Islamic Reformism have been taken up by younger-generation Malay Muslims. To want to spend one's time wisely, in the pursuit of worthy activities such as studying Qur'an, is a desire that illustrates how the values of prudence and frugality are cast in terms of Islamic ethicality that reflects both the ability of middle-class Muslims to claim a time that is free for study, and the imperative within Reformist Islam to prioritize self-responsibility and discipline. As this chapter will illustrate, this sense of ethicality often took shape in relation to the issue of debt and *riba*.

Riba, otherwise known as usury, or lending and borrowing with interest, is mentioned in the Qur'an and *Sunnah* as one of Islam's gravest sins. In Arabic, the word means "increase" or "excess," which refers to the lender's increased charge for "renting" money to the borrower, as well as the excess that is charged on top of an exchange or purchase of goods and services. The term *riba* references the notion that extra charges levied on debt or in commercial transactions do not reflect any intrinsic value of what is being lent, bought, or sold, and is therefore unjust. However, Bill Maurer (2001) proposes that *riba* is, ultimately, an untranslatable term that finds meaning only through "the interpretative practices of a global community of believers, or *ijtihad*, to gloss its meaning" (11). Thus, its definition is not limited to the lending or borrowing with interest – it in fact comes in many forms (73, to be exact) and it is up to the *ijtihad* and faculties of interpretation of Muslims to identify *riba*, and to avoid its pervasive effects, for as the well-known *hadith* states, "There will certainly come a time for mankind when everyone will take *riba* and if he does not do so, its dust will reach him" (Sunan Abu Dawud: 3325).

Riba was therefore frequently the topic of study and discussion among participants of Seeker's Circle, as well as among other knowledge-seekers whose membership often overlapped with Seeker's Circle – a group called UNRIBA.[95] Formed in 2012 under the scholarly guidance of Sheikh Imran Hosein, UNRIBA's original mission was to offer an educational presentation on the dangers of (and possible alternatives to) *riba* at a gathering called the World Riba Conference, convened by students of Sheikh Imran Hosein. Jamil, the young Malay man who had dropped out of the INCIEF Islamic banking and finance academy[96], founded UNRIBA with a close friend of his after nearly experiencing the dangers of *riba* himself while "reverse engineering" supposedly *riba*-free products and services to be used by IBF professionals. Participants described UNRIBA as a mixture of *halaqah*, a gathering of activists focused on issues of economic injustice, and an educational campaign to raise awareness among Malaysian Muslims about the pervasiveness and gravity of *riba* in their everyday lives. The aims of the group were both to educate participants and the general public about *riba*, as well as to provide the space to

[95] There are convergences between the Seeker's Circle and UNRIBA groups that go beyond their shared membership demographics. Imam Afroz Ali was a frequent intellectual collaborator with UNRIBA's advisor, Sheikh Imran Hossein. The two scholars often gave presentations and led discussion groups among Islamic knowledge-seekers that overlapped in theme and purpose – to rid the *ummah* of its reliance on debt and thereby eradicate *riba*.
[96] I discuss Jamil and his experiences with IBF in more detail in chapter 3.

discuss and enact alternatives to the *riba*-based economy in Malaysia – which members often saw as embodied in the financial institutions of the IBF sector.

It was by attending several UNRIBA events that I learned that, in its most expansive definition, *riba* can also include debt writ large. The topic of debt featured prominently in UNRIBA lectures and discussions on the social and spiritual ills of Muslims in Malaysia. Auto loans, home mortgages, and credit card debt were often described as the "*unnecessary* evils" that were taken on by members of the Malay Muslim middle classes who, either knowingly or in ignorance, had been entrapped and oppressed by being in debt. In addition, the manner in which scholars such as Sheikh Imran Hossein and group members such as Jamil discussed debt as *riba* echoed the concerns that I had heard from Sofiah about the toll that being in debt had taken on her emotional and spiritual well-being. For Muslims who were concerned with avoiding the dust of *riba*, debt was an affliction of both the individual and the community – and UNRIBA saw its mission, not unlike a form of *dakwah,* to educate, inspire, and collectively consider a different relationship with the everyday forms of debt that had become commonplace in the world, and particularly in Malaysia.

Emancipate Yourself

In order to gain a broader reach in spreading this message to Muslim audiences in Kuala Lumpur, UNRIBA frequently partnered with other Islamic groups, particularly Seeker's Circle, for programming and community events. In

2015, I attended one such event, co-sponsored by UNRIBA and Seeker's Circle, when a group of scholars, musicians, artists, and activists had gathered to discuss the life and struggles of Malcolm X. Better known to some by his Muslim name of el Hajj Malik el-Shabazz, he remains one of the most well-known American Muslims in Malaysia. A crowd of around 75 adults, children, and elders had gathered at an art gallery in a busy suburb of Kuala Lumpur called Damansara Utama, which was rented by the Islamic art startup that I followed in chapter 2, Kufi Arts. Seated in plastic folding chairs and along the sides of the gallery's walls on wooden shipping pallets covered with cushions, men and women at the event sat apart from one another, with significantly more men in the crowd than women – especially among the university-aged group, which dominated the audience. The audience was comprised of about half local Malaysians and half foreigners, who, judging by the wide variety of languages spoken and dress worn, hailed from the Middle East, North and West Africa, Europe, and North America. Like Seeker's Circle, the *halaqah* community that gathered for UNRIBA events spoke almost exclusively in English. Interspersed with phrases and names in Malay and Arabic, this form of English functioned as the *lingua franca* of many of the *halaqahs* in which I spent time. Importantly, the use of English denotes the cosmopolitan nature of these gatherings, and of the community of often younger-generation pious Muslims who, like Sofiah, spoke fluent English after studying or living overseas. At this particular event, the lively group chatted and gossiped in several different languages, settling down in plastic chairs and on cushions placed on the floor once a tall, dark-haired man approached the small stage that had been set up on shipping pallets at one end of the gallery.

Figure 13: The audience gathered for the UNRIBA event on the life of Malcolm X in 2015. Photo by author.

The event's emcee, Samir, welcomed everyone to the event and gave a few remarks about UNRIBA. An American man in his early thirties, Samir was, along with Jamil, a co-director of UNRIBA. Whereas Jamil was often more inclined to help manage audio and video recording equipment and lighting for their events, Samir seemed to enjoy speaking in front of the group and helped to run the question-and-answer sessions. Raising his voice slightly to be heard over the scraping of chairs on the concrete floor and attendees' rustling garments, Samir explained in his introduction that UNRIBA was a campaign designed to reform Muslim communities against the acceptance and perpetuation of *riba*. Describing the connection between UNRIBA and Malcolm X, Samir proposed that, just as the iconic civil rights activist had stood against what amounted to the slavery and bondage of black men and women in 20th-century America, UNRIBA similarly stood against the enslaving power of debt within the *ummah*.

Figure 14: UNRIBA's logo: "Emancipate Yourself." Photo by author.

"The social injustices that Malcolm led the struggle against are very much overlapping with the economic injustices that we struggle against," he said. "We cannot be free if we are enslaved by debt." As Samir explained, UNRIBA's slogan was "Emancipate Yourself," which referenced the notion that, "for us [Muslims], we think we are free with our lifestyle.[97] But our bonds are nonvisible, unless we educate ourselves about these issues – what *riba* is, and what role it plays in social injustice and economic injustice. So we are here today to learn about the many forms that this struggle for freedom takes."

Enthusiastic applause followed Samir's opening statement, and he soon introduced the event's main speaker, Sheikh Imran Hosein. One of the world's leading scholars on Islamic eschatology (and an influential teacher of Imam Afroz Ali), the Sheikh frequently spoke at UNRIBA events and elsewhere about the close relationships between economic inequality, unjust global political systems, and Islamic notions about the end of times in which humankind would be judged for our actions and deeds. Now in his seventies, Sheikh Imran Hosein had been a long-time personal friend of Malcolm X and his wife, Betty Shabazz, with whom he would often discuss matters of Islam, politics, and economy. After being introduced by Samir, the Sheikh walked slowly to a chair at the front of the event's makeshift stage, folding his crisp grey *jubah* around his legs as he sat. A small cluster of photographers sitting toward the front of the audience clicked their shutters excitedly, illuminating the Sheikh's somber expression and henna-colored beard in flashes of light. Sheikh Imran Hosein began to speak in a slow, grave voice, weaving a story in

[97] The "lifestyle" to which Samir referred would be elaborated upon as a sense of Muslim subjectivity rooted in an expanding desire for consuming material goods – an issue that I explore in a slightly different manner in chapter 5.

British-accented English for the audience that was part-personal narrative and part-scholarly sermon.

Figure 15: Sheikh Imran Hosein speaking about Malcolm X and *riba.* Photo by author.

"It has been nearly twenty years since I last spoke on the subject of Malcolm. This is a very personal subject for me, you see. He and I were friends, and even many years later, I am still struggling to make sense of his death and of the fact that he is not here to help us fight the effects of prolonged enslavement across the world," said Sheikh Imran Hosein, his eyes resting on the crowd and cameras gathered before him. "From Malcolm, and from my own upbringing in what was, at the time, the British colony of Trinidad and Tobago, I learned the similarities between slavery and *riba*.

This is what I would like to convey to you today. *Riba*, once you're injected with it, paralyzes you. It is a new form of slavery." He stared out into the crowd and repeated slowly, "*Riba* is slavery." Members of the audience diligently scribbled notes and held up audio recording devices to capture the Sheikh's words. He continued, his voice occasionally trembling with feeling:

> We must go all the way back to the days of slavery in America and the Caribbean to understand the connection between *riba* and Malcolm's teachings. You see, when black communities were enslaved, they would be divided into house slaves and field slaves. The house slave was often treated better, offered nicer clothing and food. Thus, the house slave identifies with the slave master and is an appendage of him, while the field slave nurtures a hatred for the slave master and sees his oppression for what it really is. Although he may not feel it, internally and externally, the house slave is still a slave. Even in his mind and his heart, he is colonized. The field slave, however, is only externally a slave. Internally, he is a free man. Free men and women cannot tolerate injustice and oppression. So you, my sisters and brothers, must have no tolerance for this oppressive system of *riba* under which we all live. This is our path to true freedom. This is Malcolm's legacy.

Riba, according to the Sheikh, was not only the state of indebtedness in which people such as Sofiah found themselves unexpectedly owing money to others. Such a state could, after all, be reversed after paying off the debts and refusing to engage in further borrowing. Sheikh Imran Hosein also spoke of another form of *riba* in relation to debt – *riba* that emerged from everyday forms of consumption rooted in a reliance on credit cards, loans, and the largesse of others in order to fund a way of living that is beyond one's means. Such debt could be addictive, the Sheikh said, because it is based on the false promise of happiness and satisfaction through the consumption of material objects, or matters of the earthly realm (*dunya*). But material objects, including financial wealth, could never accompany Muslims into the afterlife (*akhirah*), he warned. "When *Yawm ad-Din* [the Day of Judgment] arrives, all that we will have with us in the *akhirah* is our deeds and our debts. We will see that none of the material things matter. According to our tradition, we are all buried in the same white shroud, within the same simple graves. The wealth and material things that we have held in our hands will never make its way into the heart of the true *mumin* [faithful Muslim]." True satisfaction could never be attained through material consumption, as it is only through the blessings of God that the hearts of the faithful could feel joy, he concluded. Thus, according to the Sheikh, it was not just the act of spending money that one did not have on frivolous objects and status markers that constituted *riba* – after all, such material goods could be purchased with cash and still hold an equally dangerous spell over their owners. Rather, it was the act of investing in material objects in the first place, paid for either by credit or with cash, that constituted a dangerous addiction to what Samir had called a "*riba*-based lifestyle." Such a lifestyle was built on an endless desire to consume more and more beyond one's means, and to pin one's social worth to the material goods that one possessed. Over-spending in cash was not technically *riba*, but the addiction to such a consumption-based lifestyle would surely lead to debt, which was *riba*.

Sheikh Imran Hosein's description of debt as the by-product of a desperate search for earthly satisfaction differs in this regard from Sofiah's understanding of debt, but it is worth exploring the two together here. While the Sheikh seemed to be framing debt as the result of the condition of enslavement to one's own desire (and, specifically, the desire to consume material goods in the earthly present), Sofiah saw debt as a shameful personal failure. For Sofiah, debt was a transgression that needed to be worked through, or out of, because it represented a serious, if temporary, failure to assiduously maintain a sense of responsibility for one's actions. In contrast, Sheikh Imran Hosein counseled the audience at the UNRIBA gathering to view debt as a state of transgression, where the very landscape of that sinfulness was difficult to discern and, in some cases, was even desired and embraced. However, what links these two approaches to debt together is a common understanding of the need for self-emancipation from debt and *riba* by transforming one's heart through its relationship to the material world. In this emancipation, the duty lies within the self to examine its actions and desires by looking within to perform intensive, transformative work. In the case of Sofiah, this work was difficult, dirty, and time-consuming, but it led her to emancipation from her debt. According to Sheikh Imran Hosein's lecture, such work entailed ending an addictive love affair with materialism and enslavement to *riba*.

As the Sheikh wrapped up his talk, he delivered a final comment that made all chatter and rustlings in the audience cease. "I would like to return to the topic of the house slave and the field slave, or the decolonization of the mind that Malcolm's legacy has taught us. I would like each of you to ask yourselves – am I a house slave or a field slave? Do I still love my slave master, in my heart, or do I see him for the oppressor that he is?" Curious about how this audience would react to these questions, I glanced at the faces of others around me and saw many furrowed eyebrows and unsure expressions. To insinuate that Malays were ever enslaved, particularly by European colonizers, could invoke offense. Despite being governed as a British colony for 150 years, Malays had enjoyed a significant degree of sovereignty in matters of Islam and local custom and culture (*adat*).[98] In his grave, lilting voice, Sheikh Imran Hosein continued, "You must ask yourself, do I willingly embrace *riba* because I do not understand, or do not care to understand what *riba* truly is? Am I still spending money that I do not have, putting it all on a so-called Islamic credit card and driving a flashy car just to impress my neighbors? Am I living as a true Muslim or *Muslimah* [Muslim man or woman]?" A few deep sighs could be heart in the audience as Sheikh Imrain Hosein looked to us with searching eyes. He held visual contact with the audience silently, refusing to blink, bringing the weight of his words and now his silence upon us. Then, he closed his eyes and began to intone prayers, signaling the end of his talk. Around me, members of the audience joined him, some speaking the words of prayer aloud while others mouthed along silently. One young woman sitting near me had tears streaming from her eyes, staining the soft purple fabric of her *niqab* face covering with two dark spots. Another elderly woman dabbed at her eyes and nose with a handkerchief, shaking her head slowly and tapping her right hand over her heart. The Sheikh's words had clearly hit home.

---

[98] In chapter 3, I describe the agreement reached by British governors and advisors in the 19th century that they would be in charge of legal, economic, and political matters in the colonial state, while Malaya's "traditional" rulers, the sultans, would remain in charge of matters of religion and local custom.

I would later hear from Sofiah, who I did not know at the time, but was also in the audience that day, that Sheikh Imran Hosein's question about whether she felt enslaved by *riba* made her feel slightly affronted at first. But her feelings changed as the Sheikh continued speaking, for it was then that she truly understood the slavery metaphor that the Sheikh had used throughout his talk. Although she had previously known very little of the history of slavery in the United States, the Sheikh's stories about Malcolm X and his struggles for black liberation – particularly his efforts of intellectual and affective decolonization in the struggle for civil rights – struck a deep chord with her. "We can never be free from *riba* if, in our hearts, we still desire and rely on the things that come to us through debt," she said. "We will always be enslaved by that debt and by that desire to remain in debt. I realize this now. But it does not have to be the case. It starts with changing our hearts, and with educating ourselves about all aspects of *riba*." I asked Sofiah what would happen then – where does one seeking to live as a good Muslim go from there, after revelation, transformation, and education? She answered, "Freedom. Like Brother Malcolm, we can seek freedom from *riba* and live a life outside of *riba*. That would be my ultimate goal." Thus, in a reversal of Saba Mahmood's example of how pious acts such as veiling help generate pious feelings within the person performing the act (2005: 145), Sofiah's narrative seems to propose that desired action – i.e., liberation from *riba* – begins with a change of heart from within. Similarly to Mahmood's example of veiling, though, Sofiah characterizes the state of the heart, or the feelings and desires that reside within, to be changeable. The heart therefore serves as a site on which work, or change, is able to be performed through self-reflection and seeking *'ilm*.

Tellingly, Sofiah's use of the collective form, "we," to refer to those who must perform this change indicates an image of collective transformation among all members of Muslim communities in Malaysia. This vision of the work of self-reflection, education, and transformation as the task of all of Muslim society illustrates how emancipation from *riba* is as much about changing one's *own* actions, knowledge, and heart as it is about entreating *others* to make similar changes. The space of the *halaqah* is a key factor in initiating these changes, for it is a place where seeking knowledge about the many forms and iterations of *riba* (which many Muslims in Malaysia did not even know were *riba*), as well as a form of collective entreating or call to action – similar to *dakwah* – can take place. By changing their own hearts, habits, and knowledge of *riba*, Muslims like Sofiah who seek liberation from *riba* also have the ability to initiate change within the rest of society.

Section 2: A State of Indebtedness

Inspired by the words of Sheikh Imran Hosein and committed to the goal of educating the public about *riba* by way of proposing potential solutions to the problems of the current financial systems, members of UNRIBA and Seeker's Circle utilized the discourse of liberation in order to situate their proposals for a life outside of *riba* – a discourse based on notions of freedom and slavery that were inspired, in part, by Malcolm X and his struggles for black liberation. However, even beyond the meetings of this fairly specific community, everyday conversations and sentiments of many Malaysians reflected similar concerns over debt – but on a national level. These concerns can be contextualized in the recent history of the Malaysian state's relationship to debt. According to recent figures gleaned by Malaysia's Department of Insolvency, a government entity that handles and reports on bankruptcy cases (http://www.mdi.gov.my/index.php), the number of bankruptcy cases filed in 2014 by individual citizens was the highest that it has been in five years. The majority of these cases came from gainfully employed private-sector workers with vehicle, personal, and mortgage debt, starting at age 25 and increasing in number all the way until the 54 year-old age group – a span that represents the prime of most people's income-earning years. While these cases of bankruptcy may represent the most extreme end of un-repayable debt, they remain significant indicators about the rate at which individuals and households are spending in relation to income. Malaysia's rate of household debt, which is the highest in Asia, is at a ratio of nearly 90% to the national GDP (Kaur 2016).[99]

Most Malaysians' debt stems from the financing of home purchases, while the rate of savings remains low. In terms of savings per household as a percentage of adjusted disposable income, the rate is just 1.4% – by comparison, the household savings rate in the United States is 5% (Ngui 2016). In fact, more than half of the

---

[99] By comparison, the ratio of household debt to GDP in nearby Singapore is 60%, while Indonesia is at 17% (Kok 2016).

households surveyed in a State of Households report by Khazanah Research Institute, a Malaysian think tank affiliated with the country's sovereign wealth fund, Khazanah Nasional Berhad, report that they had no savings at all. This high rate of household debt and low rate of savings comes at a time when median income has actually risen in Malaysia - from 4,585 *ringgit* (about $1,125) in 2012 to 6,121 *ringgit* (approximately $1,502) in 2014, which the report attributes to a rise in salaries and wages. However, even mainstream Malaysian newspapers such as *The Star*[100] admit, "Debt-fuelled consumption in Malaysia may have helped support the country's growth in recent years" (Kok 2016), echoing UNRIBA's concerns that the expansion of Malaysia's middle class has relied on consumer spending that is paid for by credit cards and loans.

Malaysia also carries a high load of national or sovereign debt in the form of bonds – just over half of which fall under the category of *sukuk*, or Islamic bonds (Ramli 2016). National revenues are steady, stemming from relatively stable sources such as oil for export, the Goods and Services Tax (GST) implemented in 2015[101], and the removal of subsidies for fuel and most staple goods in 2014. However, Malaysia's financial strategy for stimulating economic growth has focused on

[100] Majority ownership of *The Star* is by the Malaysian Chinese Association (MCA), a national political party that comprises part of what, up until 2018, was the majority-ruling *Barisan Nasional* alliance. It is commonly thought that state-owned media such as these are more heavily censored and restricted in content production, and therefore are less likely to publish controversial news that might stir up the emotional reactions of the public readership.

[101] This tax was recently revoked in 2018 as a part of an administrative policy change under new Prime Minister Mahathir Mohamad. It remains yet to be seen the extent to which the loss of income from GST will impact national revenues.

infrastructural development projects such as a Mass Rail Transit (MRT) project connecting much of the Klang Valley around Kuala Lumpur via commuter rail and the upcoming construction of the Pan-Borneo Highway through the East Malaysian states of Sarawak and Sabah[102]. Thus far, the Malaysian government has extended guaranteed loans to local public entities to finance these infrastructure projects, and the bonds comprise most of the state's 630.5 billion *ringgit* in sovereign debt (Palansamy 2016). As of 2016, this debt amounts to 54.5% to the national GDP, which stands just under Malaysia's self-imposed sovereign debt cap of 55%. The nation as a whole remains very much in debt to its bond-holders, most of whom are classified as domestic, but a significant portion of whom are classified as offshore debt holders (Liau 2016).

It would therefore seem that much of Malaysia's income-earning population carries some form of consumer debt that, in many cases, cannot be repaid. Furthermore, bond-financed infrastructural projects also contribute significantly to the nation's sovereign debt, meaning that, in some shape or form, debt touches nearly all aspects of daily living in Malaysia. Debt, however, is not simply a neutral fact of life. It carries with it deeply-felt senses of morality, the range of which is illustrated in two major financial events in Malaysia that took place within recent history: The so-called "Asian financial crisis" of 1997, and the 1MDB scandal that began in 2015.

---

[102] Political changes have also affected these projects – in 2018, Prime Minister Mahathir pledged to reverse several of the costly infrastructural development initiatives that his rival, former Prime Minister Najib Razak, initiated and sought to pay for using bond sales.

The 1997 Asian Financial Crisis

Malaysia, like many of its Southeast Asian regional neighbors, felt the impact of an event that is now termed the Asian Financial Crisis of 1997 (another global financial crisis was to follow in 2008). That same year, Farid, a Malay man now in his early 40s, began working in his first job in the finance sector, as an analyst for a large Malaysian public bank. "My first week on the job," he said, "I watched the value of the *ringgit* fall from 2.5 [*ringgit* to the dollar] to the high fours. The crisis hit full-force soon after that." He found it both exciting and fearful to be on the front lines of the banking sector that was, for the first time in recent memory, making front-page headlines about its efforts to stave off an imminent financial collapse. Farid was a Kuala Lumpur "local boy," as he called himself, and had grown up in the suburb of Kepong. The area is known for being the location of the Forest Reserve Institute of Malaysia (FRIM), a large swath of protected virgin forest that is thick with old-growth trees and hosts a number of scientists, researchers, public educators, and tourists. Farid's father was a lecturer at FRIM, and he grew up primarily within the forest reserve and in the nearby town of Kepong, which was (and remains) a heavily Chinese area. "All of my neighbors and schoolmates were Chinese, and I was one of very few Malays in my entire school," he reminisced, describing his youth spent in a school building that sat almost entirely surrounded by the trees.

As scenic as the location of his early education was, Farid felt utterly unprepared by his high school education in Malaysia to handle his job as a financial analyst at the bank:

> On my own, I had to read up on currency systems and educate myself about what was going on during the ’97 crisis. I realized that our currency is engaged in this somewhat fragile system of floating, which had made it highly unstable. If we had the *ringgit* pegged to another currency that was more stable, or even if the U.S. dollar itself was pegged to another system of value, then it would be different. But after the break with the gold standard, there’s lots of instability with global currencies.

Farid watched the unprecedented fluctuation of Malaysia’s *ringgit* with a sense of dread, and he was relieved when things began to recover fairly soon after the crisis emerged. “Mahathir really saved us that time. You know, say what you want about him, but it was smart of him to reject the loans from the IMF [International Monetary Fund] and World Bank and keep Malaysia’s currency value stable. Everyone knows that those loans are a huge trap, and the debt that you find yourself in as a country makes it impossible to pull yourself out,” he said as we chatted one evening over coffee. “Look at what happened to Indonesia, Thailand, and South Korea. They were much more exposed by their debt when yet another financial crisis hit in ’08.” He shook his head, unable to hide his frustration. “The boom and bust cycles are getting closer and closer together. Carrying a massive amount of debt will just make you that much more vulnerable to these wild fluctuations.”

What Farid described, and what he had witnessed firsthand as a bright-eyed young financial analyst in 1997, was former Prime Minister Mahathir Mohamad’s effort to staunch the free-fall of the *ringgit* by pegging its value (to the U.S. dollar) and imposing strict capital or currency controls. Among the measures instituted was the requirement of approval by Malaysia's central bank for fund transfers between external accounts (i.e., across accounts held at different banking institutions), as well as a firm limitation on the amount of currency, both foreign and Malaysian, that could be brought out of or into the country by tourists, foreign residents, or overseas workers. Furthermore, the Malaysian government required that all offshore funds held in *ringgit* be "repatriated," or sent back to Malaysia in order to be redeemed, effectively necessitating that any trade being done in *ringgit* currency be done in Malaysia in order to limit currency speculation and the departure of on-hand capital from within the country (Sadi 1999).

In today's analyses by economists and finance professionals such as Farid, Mahathir's decision to pursue stringent currency controls is considered correct and even heroic, but at the time, it was thought to be a rather unorthodox solution to the financial crisis, considering that other Asian nations most critically affected ended up borrowing heavily from the IMF in order to stabilize their massive losses in currency value. The Malaysian public was deeply divided on this issue initially, with some supporting Mahathir's decision to implement currency control as a stop-gap measure, while others calling for Mahathir to accept IMF loans. However, in a move that has now become illustrative of his persona and self-styled title as "The Father of the Modern Malaysian Economy," Mahathir refused the IMF loans, instead pursuing a course of action that, at the time, IMF reports called "a retrograde step," although, with hindsight, they later re-characterized such controls as "a stability anchor" (Pesek 2015). Thailand, South Korea, and Indonesia did accept IMF aid in the form of loans, unlike Malaysia, and as a result, they were also compelled to accept IMF-conceived structural adjustment economic reforms[103] in order to restore investor confidence as conditions of their borrowing (Visser and ter Wengel 1999). Mahathir's decision to implement capital controls represented, in the minds of people like Farid, an admirable bid to remain independent of global financial institutions and to resist being relegated to a long-term state of indebtedness. This strategy sought to maintain that sovereignty over the nation's financial, corporate, and civil sectors remained in the hands of Malaysians, rather than a group of global creditors.

Farid's admiration of Mahathir's refusal to place Malaysia into a state of massive indebtedness – particularly to Western financial institutions – was echoed by many members of UNRIBA, even those who were not entirely enamored with the former Prime Minister's legacy of bringing Malaysia into an authoritarian social and political age. In Farid's eyes, Mahathir could be forgiven, if temporarily, for his draconian state leadership because he protected Malaysia from catastrophic debt, which would have inevitably stalled the dreams of middle-class social mobility for Malay Muslims such as himself. However, if avoiding debt conveyed an admirable

[103] Example of these structural adjustment policies implemented by the IMF include drastic public spending cuts, despite many of the countries affected by the crisis retaining budget surpluses. As a result, spending on infrastructure, healthcare, and education (among other sectors of public expenditure) came to a near-standstill under these IMF terms, resulting in high poverty rates and unemployment (Bello 1999).

sense of self-sufficient independence, then falling into debt – and, even worse, defaulting on those debts – carried with it feelings of embarrassment and shame.

Malaysia's Debt Scandal

In addition to bearing high rates of personal bankruptcy, household debt, and national debt, Malaysia is also home to a particularly egregious financial crisis in the 1MDB fund, dubbed by a *Guardian* journalist as "[t]he world's biggest financial scandal" (Ramesh 2016). 1MDB, which stands for "One Malaysia Development Berhad," is a sovereign wealth fund developed in 2009 by former Prime Minister Najib Razak with the purpose of financing pensions, public works, and other national development initiatives through the issuance of bonds. According to investigators, at least $4.5 billion was stolen from the fund, which was diverted through a number of shell companies and offshore bank accounts in tax havens to the bank accounts of various associates of Najib. Furthermore, lawsuits filed by the U.S. Department of Justice, which has become involved in the investigation into 1MDB because some of the missing funds were funneled through U.S.-based bank accounts and investments, allege that Najib himself received $681 million of 1MDB's funds in his personal account, which he initially claimed was a gift from the Saudi royal family, and was subsequently spent on lavish shopping trips and vacations. It was also reported that 1MDB has officially defaulted on its payment to bond-holders who financed the sovereign wealth fund (Lamar 2016), invoking criticism of Malaysia's inability to repay its debts. The result of this scandal has been overwhelmingly detrimental to

Najib's reputation among Malaysian constituents – and, as many people I knew argued, detrimental to Malaysia's reputation within the international community at large. As news of the scandal broke, Najib was ridiculed on social media platforms such as Facebook and WhatsApp as one of the world's biggest grifters, immortalized in memes and other forms of digital satire. Even more concerning to many I spoke with, however, was the fact that Malaysia's reputation and credit rating – which has risen back to its normally high operational levels, despite these financial scandals – remains staked on its ability to repay its debts. This ability, as the public critique and outcry following the 1MDB scandal articulates, was in danger of faltering.

Among people I knew, news and gossip about the latest revelations of the scandal often arose as we discussed the general public's reactions to Najib's misdeeds and the questioning in international media of Malaysia's creditworthiness and debt repayment abilities. In June 2017, a few years after I had returned from fieldwork in Malaysia, a particularly cringe-worthy piece of news broke that Najib had used some of the stolen 1MDB money to buy his wife, Rosmah Mansor (who has long been ridiculed in the Malaysian media for her Imelda Marcos-esque love of high-end shoes) a 22-carat pink diamond set in a necklace, reportedly worth $27.3 million (Ananthalakshmi 2017). After Malaysia's general election in 2018, Najib's party, the United Malays National Organisation (UMNO), lost its majority representation in parliament, and Najib was replaced by former Prime Minister Mahathir Mohamad, who headed the newly-established opposition coalition, *Pakatan Harapan* (Alliance of Hope). Soon after Mahathir was sworn into office, he launched a thorough investigation and seizure of Najib and Rosmah's material assets. Images of government investigators removing hundreds of boxes from one of Najib's luxury apartments in KL were splashed across regional and global newspapers, with the media frenzy reaching its peak once it was revealed that among the 12,000 items seized in these raids were bags containing 114 million *ringgit* ($27.8 million) in cash, a 6.4 million *ringgit* ($1.5 million) diamond necklace, and 51.3 million *ringgit* ($12.5 million) in designer handbags – particularly the Birkin bag by Hermes, Rosmah's apparent favorite – with a value totaling 1.1 billion *ringgit,* or about $273 million (Shukry 2018).

The Malaysians that I remained in contact with repeatedly mentioned feeling ashamed and embarrassed about the 1MDB scandal in their emails, WhatsApp messages, and Facebook posts. They spoke of their embarrassment in the state leadership's corruption, of Malaysia's indebtedness to the bond-holders who had financed the 1MDB fund, and of the seemingly ridiculous luxury goods that the missing money had been spent on. Their experiences of shame that emerged around debt in the case of 1MDB strongly echoed what I had heard in the sermons and discussions around debt and *riba*, particularly from Sheikh Imran Hosein – that being in a state of debt was deeply contrary to the ethos of self-sufficiency and responsibility that should be embodied by pious Muslims, and that it was often engendered by imprudent spending on unnecessary material goods. As a result, debt often went unrecognized for what it truly was – *riba* – and instead, unsuspecting or unknowing consumers of those material goods embraced the outcome of the debt (i.e., the ownership of goods) without understanding its true cost. When it came to Najib and the 1MDB scandal, this cost exceeded the amount of money lost in the fund itself – the cost also came to Malaysia's international reputation, which was marred by the scandal and by its inability to repay its debts.

Islamic scholars such as Sheikh Imran Hosen often emphasized that this behavior around debt took place not only among the ultra-rich, which was highly visible on the international stage and was therefore shameful in its own way, but also among the middle class. His claims were supported by a growing public discourse about the extent to which middle-class Malaysians were reliant on debt in order to support their everyday modes of consumption. The image of Malaysia's growing middle class as one whose purchasing power relies heavily on debt – and whose debt sometimes went unpaid, to the extent that it engendered bankruptcy – resonated with people such as Sofiah and other members of UNRIBA. At group meetings, attendees often discussed Malaysia's household debt situation. Rather than express sympathy for people who appeared to be without better options than to remain in debt, given the disparity between wages and cost of living in urban Malaysia, some members of the group declared that middle-class consumers who spent money that they did not have did so because they were overly attached to the desire to consume material goods, echoing the words of Sheikh Imran Hosein. They compared indebtedness to a state of enslavement, and as one member said following a discussion of the Sheikh's presentation on Malcolm X, "You become trapped by your things, and your love of your things. You're trapped by the bank that finances the purchase of these things. But is it really worth going into debt for these things, these objects that we surely can live without?"

What UNRIBA participants found deeply troubling was not that the objects being purchased by the Malaysian middle class were wildly luxurious (like Rosmah's handbag and accessories collection) – instead, what they objected to was the notion that middle-class consumers were becoming beholden to these objects, through the debt that their purchase engendered, when truly pious Muslims should only be beholden to God. The theological basis for this objection is rooted in the Islamic understanding that humankind, and the earth it occupies, is a divine gift from God. Humans therefore are not considered owners of themselves or the earth – they are merely stewards whose existence is owed to the creator who made them. Thus, the notion of being owned or bound by material objects purchased through debt was highly unsettling, given that the pious Muslims I knew thought of themselves instead as being owned by no one but God. Being owned by anything or anyone other than God was also a shameful feeling, for it implied that those in debt served multiple masters who were lesser, in comparison to God. To be a servant of God is noble, but to be a slave to objects and other humans lacks the dignity of the former.

(Im)morality and Debt

The dignity, shame, and other moral valences of indebtedness felt by Muslims concerned with *riba* are not static sensibilities – they are emergent and historically-specific, having been developed within Malaysia's particular experiences under contemporary forms of capitalism. Lending further context to the historical emergence of debt as a matter of immorality and morality, David Graeber's (2011) study of debt in antiquity illustrates how, in ancient Greece, debt underwent a significant transformation of meaning with the widespread introduction of capitalist marketplaces and currency. In the Homeric age, debt used to serve as a proxy for honor and relationships of equal exchange, such as "the need to repay gifts, to exact revenge, to rescue or redeem friends or kinsmen fallen prisoner," thus forming what he calls "the essence of moral relations" (193). However, around 600 B.C., commercial markets began to expand in Greek cities such as Athens, which introduced the notion that nearly any goods or services could be bought with money – but often, *only* with money, and not necessarily with one's honorable reputation as was possible in the pre-commercial market era. Repaying a debt was thus "debased" into a transaction in which anyone could participate, regardless of reputation, as long as they had money. Interest-bearing debt and poverty became rampant around that time, when Aristotle writes of impoverished farmers becoming so indebted to creditors that they became sharecroppers on their own farms. Thus, "[f]or the aristocrats, who wrote most of the surviving texts, money was the embodiment of all corruption. Aristocrats disdained the market. Ideally, a man of honor should be able to raise everything he needed on his own estates and never have to handle cash at all" (187). The development of this sense of the dishonor of money and debt, Graeber argues, stems from an "aristocratic rebellion against the values of the marketplace" (188) and generated an "extreme fear of dependency on others' whims," valuing instead a household that is entirely self-sufficient (190).

Graeber therefore demonstrates the way in which debt is situated in moral terms differently depending on transformations to the social and economic contexts in which it is used. In the example of ancient Athens, debt became immoral after the introduction of the commercial marketplace in which currency, rather than one's "word of honor" was needed to engage in the purchasing of commodity goods and services. Debt also became dangerous because it generated relationships in which, rather than forging a sense of equal exchange, created sharp inequalities based on the possession of currency that could puncture the social fabric. In such a society, people's ownership over themselves could be revoked in the name of debt, creating social and financial dependents who were bonded by what they owed. Thus, debt as something to be loathed or feared, for its entailing of a form of ownership by (or through dependence on) others, is a historical feature of the transformation of ancient Greek society from non-market to market-based economy. Such moral understandings of debt are a result of the particularities of these social and market transformations.

With a similar focus on the historical emergence of a moral sensibility about debt and dependency, Daromir Rudnyckyj (2017) traces efforts within the Malaysian Islamic finance sector to utilize equity-based, rather than debt-based contracts to fund business ventures. Such financial practices are meant to elicit a sense of entrepreneurialism among an otherwise "complacent" group of Malay Muslim entrepreneurs whose endeavors have historically been financially supported by a state safety net of affirmative action-based entitlements. Rudnyckyj argues that earlier iterations of Islamic finance-based economic development projects in Malaysia, introduced by the state through means such as special *Shariah*-compliant business loans and financing schemes available only to Malays, have created subjects who are "calculative but dependent," as he cites in the writing of Aihwa Ong (1999: 203). These projects, initially pitched as tools of financial inclusion for Malay uplift and socio-economic mobility, have indeed succeeded in that they have resulted in the emergence of a Malay middle class ("New Malays," or *Melayu baru*). However, as financial subjects, new Malays are seen as problematically reliant on the state for special concessions, and are therefore lacking in agentive, entrepreneurial characteristics such as the willingness to take on risk and initiative. Through the analysis of one particular debt-based contract used in Islamic finance, the sale-and-buy-back transaction known as *bay al-'inah*,[104] Rudnyckyj proposes that debt operates

[104] *Bay al-'inah* contracts, which I also explore in chapter 3, entail the sale and repurchase of an asset with deferred payments. Critics in Malaysia argue that such a contract mirrors the act of lending of money with interest, since the borrowing party does not have ownership of the purchased asset for any longer than the amount of time that is necessary to immediately re-sell the asset back to the original owner, usually in installments and at a higher price. These contracts have become increasingly controversial in Malaysia and are currently being phased out among reputable Islamic finance

as a technology of subjectification and therefore creates Malay citizens who, as "subjects of debt," remain bound to the state for their livelihood and class status, and who are therefore economically prosperous but politically dependent on the state.

The immorality that Rudnyckyj illustrates lies in debt's ability to create subjects who rely on the state – and on questionable Islamic financial practices – in order to prosper. It is important to note that a number of the IBF professionals calling for the end of debt-based contracts in Rudnyckyj's study were trained in the discipline of economics in institutions of higher learning in the United States such as the University of Chicago, and as a result, they often utilized the language and theories of free-market economics espoused at the university to support their ideas about the immorality of debt. In this world-view that we could characterize as neoliberal, or perhaps hegemonic to contemporary capitalism, their articulation of morality revolves around the imagination of a proper financial subject who tries their luck on the open market and is not propped up by state interventions (in the form of debt-based financing) into their ventures. Rudnyckyj therefore contributes an important point about how the moral culpability of debt has emerged in this landscape of contemporary capitalism's uneven prosperity, thereby creating the conditions in which financial dependency on state entitlements among Malays is necessitated, but

institutions, but Malaysia became rather notorious in the early days of its foray into IBF in the 1980s, and IBF practitioners and scholars around the world have condemned Malaysia's IBF industry as an outlier for allowing such contracts.

also criticized by those who find such forms of reliance to be a systemic failure that is endemic to Malays as financial subjects, writ large.

Among participants at UNRIBA events, some of the conversations and debates around culpability and responsibility would seem, at first glance, to reflect similar sentiments as the "Chicago school" economists and IBF practitioners that Rudnyckyj worked with. At times, the language that UNRIBA members used to condemn the reliance of Malay middle-class purchasing habits on debt seemed to reiterate the notion that individuals are responsible for their own economic fates, and that any successes or failures on the part of these individuals to remain dependent on others through debt were linked to their ability to exhibit rational, disciplined behavior. However, between the Chicago-trained bankers and anti-*riba halaqah* members, there remains an important difference. Whereas the bankers and economists identified the dependency of newly middle-class Malays to reside within the very subjectivities of Malays themselves, due to their status as "subjects of debt," members of UNRIBA acknowledged this sense of dependency, and the individual's responsibility to change it, but did not identify its origins to lie *solely* within Malay subjects themselves. Instead, they traced this dependency to additional factors, such as the construction of a Malaysian middle class that, due in part to low wages and high urban costs of living, lived on loans to pay for housing, transportation, and material goods that many mistook for necessities. To refer back to Graeber's study of how changes to Greek market economies transformed the social landscape of debt, it is possible to frame the UNRIBA members' understanding of Malays' debt dependency as both a matter of individual responsibility *and* a result of something much broader than individual action or, to use the Foucauldian term that Rudnyckyj invokes, subjectification.

Jamil, the ex-Islamic banking student who co-founded UNRIBA, illustrated this notion when he told me that the people to blame for rampant debt and bankruptcy were not individual borrowers, who often did not know that debt underpinned many of their consumer practices and that it amounted to *riba*. Rather, in Jamil's view, the failures of Malaysia's banking and financial systems, including its Islamic finance infrastructure, were ultimately responsible for the entrenchment of *riba* within the practices of debt-reliant consumers. Individuals, especially Muslims, had an obligation to educate themselves about how *riba* operates through technologies of debt, but on an institutional and societal level, these technologies of debt had become so normalized and commonplace that individual people could not be blamed for making financial decisions that made them vulnerable to *riba* when they were the only options available. As Jamil and others within UNRIBA saw it, the reason why these forms of debt appeared to be so ubiquitous was because few alternatives to debt-based financing and banking even existed. Thus, in addition to spreading the word about debt as a form of *riba* and educating fellow Muslims about the dangers of *riba* to their spiritual fates, a major component of the UNRIBA *halalqah* was a call to action to come up with alternatives to these everyday forms of debt that were commonplace in Malaysia. The ultimate goal of this group of pious Muslim economic activists was to develop viable alternatives to the current conventional *and* Islamic banking and finance systems, thereby building a life outside of debt-based relationships and transactions. Only by living such a life, they argued, could one truly be free of the bonds of *riba.*

Section 3: Life Outside of *Riba*

Among UNRIBA members, conversations about how to emancipate themselves from *riba* quickly jumped from the theoretical realm to the concrete, particularly as they began to brainstorm how to create alternatives to the IBF system (and its reliance on forms of debt) of which many of them were critical. These discussions took place within the regular meetings and study circles that UNRIBA members attended, often on the campus of a university in Kuala Lumpur. The university was a popular place among the pious Muslims that I knew where they could go after work or on the weekends to attend drop-in lectures, seminars, and discussion groups on subjects related to Islamic ethics and theology. Its location near the city's financial district, home to banks, trade organizations, and multi-national corporations, made it convenient to access for many of the members who worked nearby. At these gatherings on the university campus, UNRIBA members began to seriously discuss the means through which they could pursue a life free of *riba*. The problem, in their view, was that such a life remained impossible when the only financial options lay with institutions such as Islamic banks, which continued to rely on *riba*-derived practices to generate products and services that were far from *Shariah*-compliant (as they claimed to be). In the case of these financial institutions, the solution proposed was to abandon the Islamic banking system altogether, and the problematic system of fiat currency on which it rested. Fiat currency describes the paper money used by many contemporary economies in which the value of the currency is not backed by a physical commodity, such as gold. As a result, fiat currency contains no intrinsic value, and its value is instead determined by markets of freely floating exchange rates.

For scholars and activists such as Dr. Iskandar, the professor of Islamic economics and UNRIBA supporter who I introduced in chapter 5, the path to realizing such dreams of freedom first lay in financial liberation from banks – both Islamic and conventional. "True Islamic finance can only happen outside of banks," he said during one UNRIBA-sponsored seminar on Islamic finance, arguing that financial products such as stocks, bonds, equities, insurance, currency, and even the notion of property itself (or at least the way that banks conceive of property) have their foundation in *riba*. "How can you Islamicize something that is built on *riba*?" he asked the members of the seminar. Islamic finance as it existed today only perpetuates *riba* and therefore needs to be abandoned, he said. By making a clean break from banking institutions, we could all find true freedom from the enslavement of *riba*-based finance. Another speaker at this seminar, Mohammad Abu Bakr, who was a former *Shariah* auditor at a large bank in Abu Dhabi, further reinforced Dr.

Iskandar's argument. To make his point, he offered a lengthy example about Muslim traders who struggled with *riba* in the marketplace during the time of the Prophet when he and his followers migrated to the city of Medina from Mecca: "The *Yehudi* [Jews] monopolized this market in Medina. It was usurious and unjust. The Prophet, peace be upon him, did not just say, let's Islamicize it with Islamic finance. He just created a new market altogether. So do not ever think that you can bring Islam into the market. The true *mu'amalat* [financial jurisprudence] has to be outside of it. We need to leave that slave mindset."

Scholars and experts at UNRIBA meetings emphasized the idea that neither the conventional nor the so-called Islamic banking system could be "fixed" through processes of "Islamicization." It is important here to parse Abu Bakr's words about what he calls Islamiciziation (or what others in the *halaqah*, such as Dr. Iskandar, called "Islamization"). Abu Bakr's story about the Prophet creating an entirely new marketplace in Medina illustrates a concept that I would hear often among UNRIBA members – that taking some sort of conventional, *riba*-derived financial practice (such as charging interest on a loan) and modifying it through a process of "Islamicizing" (such as calling the practice something else, like a service fee or giving it an Arabic name) did not actually change the true character of the practice, nor did it change the character of the institutions and people who employed such a practice. This critique offered by Abu Bakr and echoed by many posited that "Islamicization" was a process that was all for show – it contained within it no transformative properties that would truly address the heart of the problem with finance, which is that it is built on *riba*. In effect, Abu Bakr also criticized the notion that finance itself can be extricated from *riba* because financial institutions that derive from Western capital – and, in the case of Malaysia, much of the modern banking system's original infrastructure and working capital came from investments made by colonial-era British plantations and early European corporations – remain rooted in Western financial and philosophical architectures of finance. In his mind, the only way to truly be disentangled from these institutions of *riba*-based finance was to create an entirely different, separate means of trade, exchange, and value generation.

These leading voices of critique within UNRIBA had an unmistakable effect. UNRIBA events and gatherings began to swell in size, as attendees ranging from university students to retirees filled lecture halls and community spaces to hear Islamic scholars and experts advocate for the abandonment of Malaysia's IBF and conventional banking institutions. UNRIBA gatherings soon became regular staples of my fieldwork efforts, and I started to spend more time on weekday evenings and on weekends at the university campus, which is also where specific *halaqas* led by Dr. Iskandar met. As these events grew in number and in popularity, especially those supported by speakers such as Dr. Iskandar, a new sensibility began to emerge among the attendees – we have now identified the problem with *riba*-infused financial systems, they said, so how do we create our own alternative systems? Dr. Iskandar himself spearheaded this charge, arguing in our regular gatherings that the solution to

IBF's shortcomings needed to generate an independent, rather than parallel financial system. "This is the Titanic here. The ship is sinking. You have to create your own systems," he said during one particularly impassioned discussion. "We can't expect others to be responsible for us. We have to be responsible for ourselves as individuals and communities."

Figure 16: A presentation during an UNRIBA seminar on Islamic banking and finance. Note that the figures appearing "behind the façade" of IBF resemble caricatures of Jewish bankers. Photo by author.

Alternative Currencies

At UNRIBA meetings, members and special guests invited to make presentations to the group debated the practicalities of how they could create such separate systems. One of the most popular proposals was to use gold and silver currency, rather than the fiat currency of IBF and conventional financial institutions. The idea gathered significant support, so much so that Dr. Iskandar tracked down an expert in the implementation of putting modern gold and silver currency into circulation and invited him to recount his experience to the eager UNRIBA members. One Saturday afternoon at the university, Ali, an Indonesian man in his mid-40s with a trim goatee and an energetic public speaking voice punctuated with the telltale Indonesian rolling pronunciation of “r” sounds, stood in the front of our meeting space, pointing toward his professional-looking slides projected on a large screen to his left. Ali first explained to the audience the benefits of the gold *dinar* and silver *dirham*, which are precious metal coins that trace their usage to pre-Islamic and, later, to Islamic societies under Caliphate rule – they have a value that he described as intrinsic and therefore transparent. By contrast, fiat money such as the Malaysian *ringgit* is debt-based and *riba*-derivative, with no intrinsic value of its own, and therefore remains susceptible to a depletion of its value and purchasing power. He called upon powerful imagery of the currency crisis throughout Asia in 1997, describing how many of the cooperative’s founding members in Indonesia first became concerned about retaining the value of their assets when they realized that “paper money” was so volatile compared to gold.

“Some of us, our whole life savings, what little we had, was completely gone after that,” he said. The state of financial emergency that Indonesians such as Ali had found themselves in was due, as Ali explained it, to two main factors – the free-fall in value of the Indonesian *rupiah,* which, like the Malaysian *ringgit*, was a floated currency that was not pegged to other currencies around the globe, and to the weakness of Indonesian banks, which rushed to purchase U.S. dollars with Indonesian *rupiah* that rapidly diminished in value. Structural adjustment plans from the IMF, which offered Indonesia a $43 billion bailout package, mandated the closure of 16 privately-owned banks, which triggered a run on the remaining banks as account holders rushed to pull out their deposits. Having the value of money itself fall so quickly, and then lacking cash on hand to stabilize the panicked banks, was devastating to the Indonesian financial system. "This is why we need to use gold instead," Ali said. "Its value is incredibly stable, and if you commit to trading and buying only in gold, you can only spend what you have." Unlike in a traditional bank, Ali explained, gold cooperative members do not make loans or generate credit – or debt – for funds that they do not have.

The gold *dinar* had what Ali called "time-tested value retention," and was what he characterized as "*sunnah* money." This phrasing was interesting, for Ali referenced a specific set of qualities about gold and silver currency as he advocated for its adoption. First, its use stretches back to Islamic antiquity – around the 7th century A.D. – and even earlier, in pre-Islamic Byzantine and Persian empires. It was in use during the time of the Prophet Muhammad, hence its characterization as "*sunnah*," which translates to "tradition" or "the way," and refers to practices and customs that stem from those of the Prophet and his companions, which are generally understood by Muslims as the best examples of how one should carry themselves in the world, for the Prophet and the people with whom he was surrounded were of the utmost moral character. Furthermore, the use of gold and silver coins was also imbued with particularly Islamic ethical qualities in terms of its operation as a form of currency that facilitated fair and just relationships of exchange between people. The very definition of gold and silver currency as *sunnah*, as Ali explained it, was that it contained within it an intrinsic value that is not based on debt – unlike, for instance, conventional money, which is created by banks in the form of loans that are generated by deposits. Gold and silver coinage was *sunnah* because it was resistant to inflation, due to its material, rather than fiat nature, which could not be debased. Thus, as "real" or "sound" money, *sunnah* money in the form of gold *dinar* and silver *dirham* enables its bearers to avoid engaging in activities defined by debt and value manipulation – in this case, *riba*.

However, as Ali clicked through his slides and explained to the audience, gold coinage faces a problem – it has limited acceptance as an actual form of currency. Moreover, investing in gold as an asset can be difficult because its value does actually fluctuate slightly, and the pricing of gold is determined by derivatives of gold, which are based on the value of stocks and shares. "Dumping" gold shares and futures into and out of circulation can impact and even manipulate the price of gold, so it is a real problem, Ali said, if you want to attach value to physical gold when that value can actually be manipulated. The challenge for Ali was how to encourage people holding onto gold (often in the form of bars) to actually circulate it, rather than hoard it. Not only is hoarding gold prohibited in Islam, as Ali told us, but if it eventually floods the market all at once in a "dump," then it can severely diminish its own value. The key is to release it into circulation, little by little, so that the value remains steady.

To assist in the circulation of gold currency, Ali helped form the Indonesian cooperative, Koperasi Az-Zahabi, about three years prior, which was regulated independently by a community commission. The cooperative had also recently opened a branch in Malaysia, and would soon be fully operational to receive and disburse gold deposits for circulation. Ali described the cooperative as an embodiment of "socially responsible investment," for it used gold and silver currency to fund and finance business activities among members using a platform that allows them to take out amounts in gold currency. This model differs from traditional investment funds that only accept deposits and do not disburse funds to investors unless the terms of the investment has expired. Moreover, while cooperatives in Malaysia are typically used to simply disburse loans from conventional banks and are therefore used as "arms" of a larger bank, Ali's vision for Koperasi Az-Zahabi was to be an alternative *to* a banking system altogether. "Our cooperative is based on mutual consent. This is real *musharakah* [Islamic venture financing]," he said, coming to the end of his PowerPoint presentation. "A cooperative is nothing without its community base. We can't forget that."

The linkage that Ali made between the cooperative, community, and gold currency was attractive to the UNRIBA audience, and many nodded their heads in enthusiastic agreement throughout his presentation. Ali also pitched a concept that I would frequently hear among entrepreneurs and activists who were heavily invested in the notion that a more ethical form of finance and investment was through direct means, rather than through intermediaries. In other words, the attributes of gold that made it an ethical form of currency was not just that it had been in use among Muslim communities for hundreds of years, but rather that it had an intrinsic, directly manifest value. Gold, like the cooperative, was transparent – it could not hide *riba* in its very foundations as fiat money and as banks could. But Ali and other supporters of the alternative currency movement within UNRIBA felt that the only way to unlock gold's "true value" and to take it out of the realm of speculation was to circulate it, directly among the hands of Muslim community members, in trade and exchange. Gold and silver currency, even as *sunnah* money, was of little value if it was not actively being used and mobilized to connect the Muslims who relied on one another to accept it as a form of valid money.

Moreover, many *halaqah* members I spoke with had also developed affective, almost personal relationships with the use of gold and silver currency. Although the Malaysian *ringgit* is the country's only legal tender, the state of Kelantan (with a mostly rural and strongly Reformist Muslim population) began minting its own gold currency, called the Kelantanese *dinar*, in 2006. However, once the central government specifically declared the Kelantanese gold coins to not have legal tender status in the same year, its use diminished. In 2010, the World Islamic Mint in Abu Dhabi was commissioned by the state government of Kelantan to mint gold and silver coins, and the currency is sold in the state but is not accepted as legal tender. Samir, one of the UNRIBA leaders who, along with his wife, Hannah, became close friends of mine, lamented that the state of Selangor (adjacent to which the Federal Territory of Kuala Lumpur, a designation similar to the District of Columbia in the U.S.) did not use or accept gold and silver coinage. "It's just that I trust gold more, you know?" Hannah said one day as the three of us chatted after the *halaqah* meeting in which Ali presented his story of the gold cooperative in Indonesia. "It feels more true to me, and it feels more…*Islamic*. Not this paper stuff," she said, rustling a five-*ringgit* note between her fingers that bore a bright green background with an orange hibiscus flower in full bloom, next to a portrait of Tunku Abdul Rahman, Malaysia's first Prime Minister after independence.

The trust, truth, and "Islamic-ness" of the gold and silver currency that Samir and Hannah hoped to be able to use in Malaysia one day represented a deeply held investment in the ethical qualities of the *dinar* and *dirham*. By desiring to limit or cease their use of paper currency, and instead engage in a more direct means of circulating value, UNRIBA members envisioned themselves as building a set of alternative financial practices that, in their *sunnah* nature, could help extricate them from *riba* as it was entrenched in currency. This commitment held so much importance that, on one of the last occasions that I saw him, Samir held out a small, shining silver coin encased in a round plastic protective covering. "It's a half-*dirham*," he said with a grin. "Take it, and take our message about *riba* and fiat currency with you back home, to the U.S. Maybe you'll spread the word there and start a new UNRIBA movement in America." Samir's words indicated to me that, beyond spreading word of gold and silver currency, emancipation from *riba* also involved creating communities in which this currency – or the values and qualities that it held – would circulate. Developing such communities was therefore at the forefront of UNRIBA plans to make living outside of *riba* possible.

Riba-Free Communities

As the alternative currency movement gathered support among UNRIBA members and economic activists, another discussion began to dominate debates about potential solutions to the problem of *riba* and its omnipresence. This discussion centered around activists' desires to live a life holistically free of *riba*, meaning that it was not just in financial terms that they wanted to extricate themselves from *riba*, but also in social terms. Proposing such a solution was a tricky affair – creating a separate, alternative financial system (and, as Dr. Iskandar often extrapolated, an entirely separate and alternative social system in which this financial life operated) seemed to echo the utopian ideals articulated by religious communes, the most notorious example of which was found in a group called Darul Arqam. The group, which was established in Malaysia in 1968 by an *ustaz* (religious teacher) named Ashaari Muhammad and initially focused on the study of Islamic texts, quickly expanded over the years and in 1973 began establishing settlements within Malaysia that were meant to be "model Islamic villages" of communal living (Fauzi 2005: 88). A major tenet of Darul Arqam's philosophy was to use such settlements or compounds as social spaces in which to pursue Islamic studies, organize *dakwah* activities, build independent Muslim schools for children, publish scholarly texts, provide on-site medical care, and establish businesses that produced, among other commodities, homemade brands of *halal* soy sauce and condiments – some of the first locally produced *halal*-certified goods in Malaysia.

In other words, members of Darul Arqam sought to live separately from the rest of mainstream society in order to create these model villages founded on Islamic ethical and theological principles. But these separatist features of the group also became part of its downfall, for as it gained popularity and established more settlements, its growing influence was perceived as a threat to national security by the Malaysian state.[105] In 1994, the Malaysian National Fatwa Committee issued a judgment against Daurl Arqam, decreeing it a "deviant sect," which under Malaysian law requires the group to disband and cease all operations. Today, there are still

[105] According to Ahmad Fauzi Abdul Hamid (2005), bogus reasons were given for the shutting down of Darul Arqam operations and for the imprisonment of its leaders and members (89). The group was viewed as a threat by Malaysian state authorities within religious organizations (such as JAKIM, charged with essentially monitoring and policing the individual and group Islamic practices of Malaysian citizens) because it practiced so-called deviant teachings of Islam. The broader history and significance of this relationship between the state and Islamic practice in Malaysia is addressed in chapter 1.

murmurings among Muslim communities that the so-called Darul Arqam "cult" intends to revive itself, and some of the people I knew remained wary of calls such as Dr. Iskandar's to create separate, self-sustaining economic and social systems. Even those who spoke positively about the idea of living separately in what they called "*riba*-free communities," such as Samir, who as a co-organizer of UNRIBA was vocally supportive of such an endeavor, were quick to clarify what living in such a community would entail. "It wouldn't be a cult or anything," Samir explained as he elaborated on his idea to form, as he called it, a *riba*-free Muslim eco-village within the rural countryside of the Malaysian state of Perak. "We're not hermits, hidden away from society. We *are* society. It is a fundamentally social thing to live within a group of like-minded people who all share the same vision."

As a pupil of Dr. Iskandar, Samir had been deeply inspired by his calls to action, and he used the organizing skills gained through his leadership role at UNRIBA to lay the groundwork for the eco-village. He described with excitement how he had planned with another UNRIBA member to create a place where they could live, as he put it, "an un-*riba* lifestyle," away from predatory financial institutions, global grocery store chains, and Kuala Lumpur's notorious urban gridlock. The "eco" prefix for this village reflected Samir's dream that the community could be a self-sustainable ecosystem, meaning that it would have less dependency on what he called the "outside economy" (and therefore *riba*), relying instead on inter-community trade, barter, and forms of communal labor such as the *gotong-royong*[106] found in traditional Malay villages. For Samir, the vision of community that would be built into the eco-village carried particular ethical implications that were manifest in the village's separation from the rest of the world's *riba*-infused social and economic life – but also in the community members' inter-reliance on one another to make their village function. In other words, this eco-village would be separate from the rest of society (and therefore free of *riba*-entrenched institutions and practices), but in order to remain self-sustaining, the community members themselves would need to rely heavily on one another. Furthermore, Samir proposed, separating from the rest of society would provide a similar change of perspective and bring to the forefront the path through which true freedom could be achieved: "Until you actually remove yourself from a life in which *riba* is in everything you do, you'll never really see it. You'll never be free of it," he said. The Muslim eco-village would therefore be an opportunity to see riba from the outside, and to avoid it by living in a separate social community and an alternative market economy.

Rather than face the financial and spiritual bondage of dependence on bank financing, loans, and state support, the dangers of which were outlined in numerous talks and seminars by scholars such as Sheikh Imran Hosein, UNRIBA members and affiliates sought a certain kind of financial freedom embodied in the concept of the

---

[106] Village-based communal labor, but with a moral ethos of mutual aid based on relationships of reciprocity. Clifford Geertz (1983) has written about *gotong-royong* in the context of Java, calling it a "cultural value" that has been lost as the rural economies of Indonesia became transformed under private capital and the Green Revolution.

riba-free community that was meant to be self-sustaining and independent. The understanding of community in this context is not abstract– it is a very concrete one that entailed the obligation for Muslims to take care of those who cannot take care of (or provide for) themselves, especially the poor. This ethos is embodied in the practice of giving *zakat* (alms), but not exclusively so. As one of Islam's central tenets, offering *zakat* is compulsory for those who can afford it, although in Malaysia, state-level Councils for Islamic Affairs, which are the administrative bodies in charge of collecting *zakat*, have been roundly criticized for using the money to fund administrative bloat, while only a small fraction of the funds actually reach those who qualify as recipients of *zakat* (Sloane-White 2017). However, among UNRIBA members, providing *zakat* was indeed a basic requirement of Muslims, but running an organization that was heavily financed by state *zakat* funds and dependent on wealthy patrons in order to operate, was not considered to be in line with the goal of living *riba*-free. Furthermore, members of UNRIBA argued that there were many needy Muslims who fell through the cracks of *zakat's* disbursement infrastructure, especially those living in urban areas who were employed, but who nevertheless could not afford to meet their family's basic needs. Part of UNRIBA's programming therefore focused on researching and modeling what a *riba*-free community could look like, particularly a community that did not depend on charity from state-disbursed *zakat* or rich donors.

As a part of UNRIBA's partnership with a local Islamic community organization[107], Qaiser Darussalam, the two groups co-sponsored a field trip to visit a nearby orphanage and home for underprivileged children called Rumah Hati.[108] I visited the orphanage on a hot, hazy day in March 2014, intrigued to attend the event that was advertised among UNRIBA members as "an inspiring visit to a real *riba*-free community." Situated on a large plot of land in a quiet Malay *kampung* (village)-like neighborhood on the outskirts of Kajang, about 15 miles outside of Kuala Lumpur, Rumah Hati was home to over 100 children who were cared for by volunteers and employees of the orphanage. It was a beautiful place, peaceful and serene, dotted with lovingly maintained pretty wooden houses built in the Malay architectural style. During the visit and tour of Rumah Hati's sprawling collection of mostly open-air buildings and dormitories, I spoke with the director of Qaiser Darussalam, a woman whom the children called "*Ibu* [mother] Norah." Norah spent a significant amount of time at Rumah Hati when she was not otherwise occupied with the duties of running her own organization – she often spent time advising the orphanage's leaders and helped the children with their lessons in Qur'anic studies. She explained that not all of the children were orphans – some had families that were simply too poor to take care of them, and so every week, Rumah Hati hosted a large group of children,

[107] This group termed itself a *dakwah* organization due to its emphasis on performing charitable deeds within the Muslim community and providing Islamic education for members. However, I differentiate its *dakwah* activities from those of groups like UNRIBA, for UNRIBA's educational and inspirational efforts were honed singularly on the topic of *riba*, while Qaiser Darussalam focused on improving religious knowledge and offering social services to members of Muslim communities in Kuala Lumpur.

[108] *Rumah* means "house" or "home" in Malay, while *hati* in this context translates loosely to "care."

parents, and other community members for free Friday night dinners and entertainment in the form of the children performing Qur’an recitations.

As a part of a demonstration to the group of visitors, the children were scheduled to perform Qur’an recitations before the tour of Rumah Hati’s facilities. The recitations took place on a large stage that was set up inside the compound, which was surrounded by precarious piles of audio-visual equipment in various states of functionality. During our visit, two of the older children gave a short presentation using the sophisticated (albeit spotty) wireless microphone system, acting as emcees and showing off their recitation skills as they battled for space on the stage with a wayward kitten that stood, frozen, at one boy’s feet, bewildered by the bright stage lights. Adjacent to the stage area was a large open-air kitchen and dining hall, where most of the other children were gathered to watch the performances. Many of the older ones entertained toddlers sitting in their laps and minded the half-dozen or so infants and babies who slept through the performances, bouncing them in traditional upright cloth cradles known as a *sarung buaian*. Other children in the audience mouthed the words along with the performers onstage, and there was surprisingly little squabbling and crying among them, considering the length of the presentation and the young age of most of the children present.

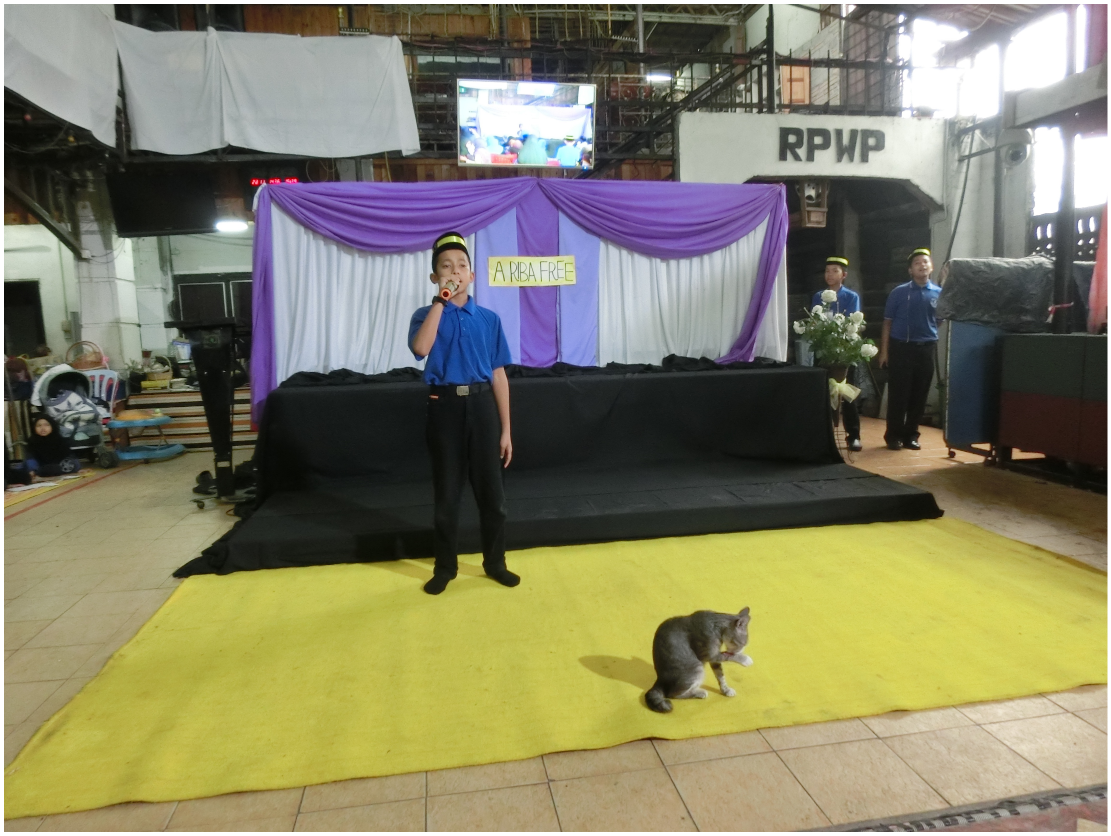

Figure 17: One of the children at Rumah Hati performing Qur'anic recitations before a group of visitors. Note the sign on the backdrop of the stage that reads, "A RIBA FREE" – the word "community," underneath, has fallen down. Photo by author.

Next was our tour of Rumah Hati's classrooms, dormitories, and vocational workshops, and Norah was particularly impressed by what she saw: "We visit a lot of orphanages and group homes as a *dakwah* organization. This one, it's very clean." She gestured toward the floor as we walked through the narrow corridors lined with sturdy plastic mats. "See? You can tell by the shoes. They're very neat and tidy." In one classroom, comfortable woven mats lay on the floor and colorful posters lined the walls at child-height, depicting smiling children in traditional Malay clothing (and the girls wearing *hijab* head coverings) about to eat a meal. Text bubbles above the children's heads spelled out in Arabic the brief prayers that one utters before eating food. Next door, a room that looked more like a makeshift computer engineer's lab held enormous stacks of old computer keyboards, monitors, and central processing units. Our tour guide, a young woman named Nuriah who volunteered at the orphanage, explained that many of the older children who were studying engineering had created prototypes for computers and robots simply by tinkering with the discarded parts. "The best way to learn how something works is to take it apart for yourself and put it back together again," she said with a note of pride in her voice. "You don't learn that from a textbook." We followed our guide outside as she walked us gingerly through an enormous outdoor workshop where a half-disassembled lawnmower and several car engines lay strewn on wooden pallets under a corrugated zinc awning. "This is a real-world education, you see? A *sekolah alam* [natural-world school]," Nuriah said, gesturing towards a large pen where chickens wandered and roosted. "It's sad to me that urban kids nowadays don't know what a real banana leaf looks like, or what a real live chicken looks like." The education that the students at Rumah Hati received, Nuriah explained as she led us back inside the main building, was based on the principle that children should be taught how to think, not just what to remember.

Self-Sustainability

After the tour of Rumah Hati's facilities was over, we returned to our seats in the auditorium area, where the Rumah Hati's founder and director, a Malay man in his 40s named Brother Shafiz, finally made an appearance. He addressed the visitors as children served cups of sweet, neon pink *sirap bandung*, a drink made with rose syrup and condensed milk, and homemade *bubur kacang,* or sweet bean porridge. He stepped onstage and uttered a brief prayer into the microphone before welcoming us to Rumah Hati and explaining the orphanage's mission. "One of the main duties of Islam is to take care of the *asnaf*, or under-privileged people," Brother Shafiz said. "And taking care of them is the responsibility of everyone, not just a few." His organization, founded 10 years ago, was not just a place for children whose families did not have their own means to get by, but it was an entire community, with all members, including orphanage employees, volunteers, and families of children who did not reside on-site, fully integrated into the orphanage's operation. In the Rumah Hati community, one of the strongest commitments that its members had made was the avoidance of *riba*.

As an Islamic orphanage, Brother Shafiz explained, Rumah Hati could have simply gone the route of other Islamic charities, and accepted *zakat* funding from the state in exchange for running a basic *sekolah agama* (religious school) for the orphanage children a few hours a day. Instead, Brother Shafiz and the other founders of Rumah Hati had decided to remain financially independent, thereby giving them the opportunity to create a holistically Islamic community. "We choose to practice Islam entirely, not selectively," he said. "That is why we consider ourselves to be a real-life *riba*-free community." Not only did the children at Rumah Hati engage in a fully-integrated "Islamic life lesson curriculum," as we heard on our tour of the orphanage's facilities, with an eclectic mix of Qur'anic and vocational studies, but the organization itself practiced its religious commitments where it truly mattered – in its finances. Brother Shafiz also explained in his speech that the orphanage's funding came not from donations, but in the form of a *waqf*, or a religious endowment made in perpetuity[109]. *Waqf*, in Arabic, means to contain or preserve. It defines an asset providing ongoing benefit (either monetary or social) that has been gifted by a benefactor and, once given to the recipient, can never be sold, and is thus considered permanent and immovable. The income of Rumah Hati's *waqf* was generated through a business investment, where returns generated from the businesses owned under the *waqf* were used, in part, to fund Rumah Hati and are also re-applied back into the businesses to generate further returns. Brother Shafiz proudly outlined how the *waqf* used to fund Rumah Hati was self-sustaining and generated its own income through a holding company representing a number of enterprises in a nearby shopping center in the neighboring town of Bandar Baru Bangi. Rumah Hati's founders had established the company there, which managed and gleaned income from a private Qur'anic school and other businesses where many of the older children from the orphanage learned trade skills.

[109] From what I could tell, if the businesses providing income to the *waqf* were to no longer become sustainable, then they would simply stagnate or close down – although it is not clear how any debts incurred by the business would be paid, or from what funds.

“We support ourselves,” Brother Shafiz said, “and we teach our children to gain skills and real life training in our workshops here. Then they can go to one of our businesses in Bangi, and work for a real wage and start to build up more skills so they can support themselves. We are teaching independence here. We do not look for handouts,” he said. “No loans, no grants, and no donations. We are self-sustaining, and we teach the children to do the same.” I found Brother Shafiz’s emphasis on his organization’s unwillingness to pursue funding in the form of charitable giving to be intriguing – after all, Rumah Hati performed charitable work, so why would receiving charity from donors and supporters be considered undesirable? Later, I reached out to a woman I knew who was a former manager of an educational *waqf* and asked if she would decipher this discourse of self-sustenance for me. She explained that, for individuals and organizations alike, being perceived as “looking for handouts” amounted to a grave sin in Islam – undue beggary. To beg money from others when one has the ability to rightfully earn the means to self-support, she said, was tantamount to stealing charity from those who truly needed it. By funding Rumah Hati through the self-supporting endowment of the *waqf*, Brother Shafiz and his team at the orphanage had spared the organization from becoming a charity case, dependent on others for its own financial stability. However, the poor families and children who Rumah Hati helped – its dependents – had every right to seek assistance and rely upon providers of charity like Rumah Hati, for they had no other means to get by. In fact, Brother Shafiz saw it as the Muslim community’s duty to help those who lived in hardship. But Brother Shafiz did not feel that the orphanage’s own dependence on others for funding and support would be justified, for if the organization was run properly (that is, in a sustainable manner), then it would not need donations and state *zakat* funds to meet its operational costs.

Furthermore, in his speech, Brother Shafiz situated such handouts in terms of indebtedness and a lack of independence to make decisions about what was best for the organization. Being indebted to banks, or to individual largesse and politically-motivated government handouts, Brother Shafiz said, was, at its heart, a form of *riba*. "To fight *riba*, it doesn't cost money, it costs discipline. We have to be disciplined in the mind and the body, and financially also. Because if we are in debt and owe the banks, we are not free. We have an owner. The bank owns us. It owns our life. It owns our energy. It owns our effort." This fear of being owned by a bank echoed what I had heard from Sheikh Imran Hosen about the potential for *riba* to enslave those who remained in debt because of their behaviors in consuming material objects that they could not afford. Such ownership by a financial institution through debt was all the more horrifying because it defied the Islamic notion that only God owned the earth, its inhabitants, and those inhabitants' lives and efforts. In a similar vein to the way in which banks claimed a form of ownership over their debtors, charity groups were often also beholden to the whims of patrons who offered financial support and favor. Wealthy donors and powerful politicians, Brother Shafiz said, held a similar sway over orphanages such as Rumah Hati. "During Ramadan, everyone wants to give charity to us. They want to give us money and they want to be involved in our day-to-day. I used to think, great, more help is better for us. Now, I know better," he said with a small sigh. "People who give you charity think that they have the right to tell you how to spend it. Then, when Ramadan is over, the donors are nowhere to be found. These children need care for *all* of the months of the year, not just during the month of Ramadan."

Members of the audience murmured in agreement, and one older woman beside me whispered to her companion as she nodded her head toward the infants being bounced to sleep, "*Tsk,* pity these children." For Brother Shafiz, the ability to determine his organization's own financial practices, and the steady management of income through the *waqf* were key qualities in Rumah Hati's self-sufficiency. Relying on the largesse of others was no way to run an orphanage, especially when the ability to look after helpless (and dependent) children was at stake. Forms of assistance from supporters, such as donations and volunteering, were certainly welcome at Rumah Hati – but Brother Shafiz emphasized that that they were merely a bonus, and could not be relied upon and built into the orphanage's operational budget. Donations could help, but not forever. As a provider of care for those who could not care for themselves, it was imperative that Rumah Hati remained independently financed and operated, so that it could effectively and sustainably fulfill its mission to help others. The sustainability of this operation only worked, however, if the orphanage's dependents (i.e., the children and, if they had them, their parents) were only *temporarily* dependent on the help from Rumah Hati. With the education and vocational skills that the children received, Brother Shafiz hoped that they would learn to become independent adults when they came of age and no longer were cared for by the orphanage. It was Rumah Hati's job to ensure that their dependence had an end to it, and that the terms of such dependence contained within it the means to gain skills and knowledge to eventually become independent from the organization that sponsored them.

In his closing remarks, Brother Shafiz explained to the audience that Rumah Hati was a *riba*-free community because it was a "salvage" community. As he spoke, he pointed to the piles of audio-visual equipment, the wood and metalworking equipment, and the auto shop behind the main auditorium building. "There's junk everywhere, I know. But we see this junk as a learning opportunity. It's a chance for our kids to work with it, to understand how something works. But *we* are also salvaged. We are pulled from the junk pile and re-purposed by being here." The "we" he referred to was the administrators, volunteers, and employees at the orphanage. Brother Shafiz made the point that, while it was Rumah Hati's mission to transform dependent children into independent (and inter-dependent) young adults within the riba-free community, he and the others who worked there were also transformed. Socially and spiritually, said Brother Shafiz, Rumah Hati's community – its children, parents, volunteers, and administrators alike – found renewed purpose together, in this space of gutted microwaves and homemade short-wave radios. The significance of living without *riba* for this community was therefore enmeshed in a deeply felt independence from having to rely on donations and *zakat* funding managed by the state. By creating an independent and self-sustaining community that was nevertheless comprised of inter-dependent people, Brother Shafiz envisioned something different for the broken objects and cast-off young people who the rest of society wanted to treat as charity cases. His imagination of Rumah Hati as a *riba*-free community served as an alternative to a mode of operating the orphanage that would, in its reliance on unreliable funding, surely entrench *riba* into the organization's very foundations.

In a way that is reminiscent of economic development efforts to transform the world's poor into middle-class entrepreneurs, Brother Shafiz's articulations of the dignity of self-sufficiency and the problematic nature of remaining dependent on others seem to echo the language of Western-style non-governmental organizations used by Islamic charities. This language contains within it what Mona Atia characterizes as a "development ideology" that reflects global financial institutions' and international aid agencies' mission to implement the neoliberal policies of the Washington Consensus (2013: xxi), which Atia argues was subsequently circulated and taken up by Islamic charities operating as neoliberal entities in Egypt. The language that problematizes dependency also casts judgments about the meaning and value of independence, and it similarly conveys a sense of the need to avoid dependence on others under certain conditions – for instance, if the dependent party does not actually need the help, or if the dependence has no end in sight. However, I am less interested in framing Brother Shafiz's notions of dependence as evidence for his (and his organization's) thorough inculcation into the language and ideas of neoliberalism. Rather, I am invested in understanding how these articulations demonstrate the extent to which specific forms of reliance and debt, such as the negative characterization of *bumiputera* in business as seeking handouts, as well as Malaysia's past currency crisis and current 1MDB scandal, have been experienced under neoliberal economic conditions. Moreover, this understanding must also account for the ways in which Brother Shafiz describes the imperative to address the needs of those who are dependent on others for help in the present. His vision for Rumah Hati therefore is not only comprised of teaching skills to be used in the future, such as the vocational training that the children received to help them become independent when they left the orphanage, but it is also comprised of meeting the immediate daily needs of those children by providing food, shelter, safety, and education on an ongoing basis. This recognition of the importance of aid that provides access to the present needs of survival drives home the idea that charity is not limited to providing people with the means to self-sustain in the future – or "teaching a man to fish" – but that it also involves providing sustenance in the present (Ferguson 2015). Rumah Hati's ability to care for today's dependents and create future independents therefore complicates the picture of an Islamic charity that might otherwise be mistaken for a thoroughly neoliberal organization.

Conclusions

These narratives and accounts of people's experiences with debt as a form of *riba* frame debt as a moral issue, made significant, in part, by both Islamic notions of self-responsibility and community obligations of care. Through their activities and discussions in *halaqahs*, pious Muslims encountered the duality of this responsibility that lies in the self and in the greater Muslim community, acknowledging that it is not only individuals who were accountable for seeking knowledge of and avoiding *riba* in all forms. Rather, as their efforts to learn about gold and silver currency and create alternative *riba*-free communities show, they also felt that it was up to Muslim communities to collectively develop better alternatives to debt-laden consumer patterns, fiat currency, and social forms that rely on the *riba*-infused financial infrastructure of banks and the state. In this sense, these experiences with debt as *riba* are just as much about the need to change one's own heart and mind with regard to debt as they are about the need to collectively change the social and economic landscape in which debt is made necessary – and oppressive.

It may be tempting to characterize this focus on self-emancipation from *riba* as proof of the extent to which ideas associated with hegemonic forms of contemporary capitalism about the need to remain un-indebted have taken hold, but I find such a conclusion to be incomplete. Moreover, it disregards the very vocal ways in which UNRIBA and Seeker's Circle members articulated stringent critiques about the particularly damaging relationship between such contemporary forms of capitalism and currency, global financial institutions, and charitable giving. In order to reconcile these strains of thought and better make sense of the narratives that articulate them, I find it helpful to consider the argument that these forms of hegemonic capitalism are not what the Muslims within these *halaqahs* perform, but it instead represents the economic and social conditions that make it possible to imagine and enact a struggle *against* the institutions and practices through which capitalism operates. Ideas about emancipation from *riba* and the need to build alternative communities by practicing *riba*-free forms of inter-dependence therefore take shape from within hegemonic ideas about dependency and self-responsibility that have been repurposed to criticize capitalism itself.

Conclusion: A New Hope

This dissertation has explored how younger-generation Malay Muslims in Malaysia enact Islamic piety through ethical practices of economic action in entrepreneurial business and finance. I argued that their understanding of economic action *as* ethical – and therefore as political – emerged from their participation in social spaces such as Islamic study circles, where they were encouraged by scholars (and by one another) to reflect upon, evaluate, and make changes to the way that they engage with dominant forms of contemporary capitalism that can be termed neoliberalism. Put into practice, these understandings and explorations of ethics in economic action have developed into projects of critique, reform, and intervention into the normative and taken-for-granted ways that capitalism is assumed to operate in their daily lives as entrepreneurs and financiers – as profit maximization, calculative logic, and interest. By dis-embedding the assumption in theories of economy that individuals maximize toward their own interests, these interventions make possible another economics grounded in Islamic ethics. Furthermore, I argued that the ability of today's younger-generation pious Muslims to critique and re-imagine the operations of capitalism in this manner – through articulations of its limitations, injustice, and oppression – is enabled by their familiarity with its normative forms, having come of age in a "financialized" Malaysia characterized by the primacy of investment logics and entrepreneurial merit. Thus, although these critiques are expressed using the language and ideas of a hegemonic capitalism that some call neoliberalism, I theorize that neoliberalism itself has provisioned the tools for the widening of its own fissures and the imagination of its end.

While much of my dissertation is dedicated to laying out the particularities and historical contingencies of finance and capitalism that unfolded in Malaysia, I also find that there are broadly applicable lessons to be learned from this study. At any number of historical moments in which we might find ourselves – whether it be Trump's America, or Putin's Russia, or in any other time and place where people are torn from their families or murdered for being black or transgender – we might also be in a similar position of working through our ethical commitments, politics, and modes of survival. Although economic language is often assumed to be grounded in "neutral" market logic and is appropriated as such, this dissertation has shown that the type of action that this language elicits, such as self-reflection, evaluation, and reform, can be thoroughly shot through with a different kind of ethics that actively un-assumes these market norms. Malaysia is therefore just one example in which the fire and the hope of these ethics, and the critiques and calls to action that are driven forward by them, can make a powerful difference.

There are also further explorations to be done in this project, some of which come from within the hanging threads of the research itself. For instance, after recently following up with many of the people that I last saw in Malaysia three years ago, I learned that several of the Malay Muslims I knew who worked as entrepreneurs or in the finance field have changed professions. Farah sold her curry puff business to her helper, Kak Adi, and now works as a music teacher in the Islamic private school that her daughter attends. Mat, her husband, who was an indie fashion designer, now works as a consultant within a large public bank, helping to advise the bank on its investment strategies for developing creative entrepreneurs. Rahim and Aziz no longer have the Islamic calligraphy artwork startup, but they own and manage a popular restaurant in a working-class neighborhood in Kuala Lumpur that sits on a Malay land reserve, Kampung Sungei Penchala. Zain, whose Islamic venture finance firm was bought by a larger Swiss venture capital firm, remains the head of the company's operations in Malaysia and continues to be active in venture finance circles, although it is not clear if his new firm applies the principles of Islamic *mudarabah* partnerships. Jamil, the ex-Islamic banking student, continues to work at the intersections of the legal field and the music industry, and he also teaches classes on intellectual property on a part-time basis at a local university. Samir, a co-director of UNRIBA with Jamil, has since scaled back his involvement with the group and teaches communications courses part-time at another university. He has also taken an interest in developing an urban farm in Kuala Lumpur that is based on the sustainable agricultural approach known as permaculture.

On a recent return trip to Malaysia, I visited this farm and spent some time with Samir and his wife, Hannah. I asked them what they thought of their friends' shifts from entrepreneurs to salaried workers. Hannah remarked that it seemed to be a part of salaried work in general – that people will cycle in and out of it, and that their supplementary entrepreneurial work, or "side hustles," as she put it, would change and cycle accordingly. Perhaps this constant motion is endemic to the work of entrepreneurship and finance, as Hannah suggested, or perhaps some of these departures indicate that the conditions that once sustained this work have changed, making it less tenable than before. For instance, Dr. Iskandar, who was in many ways the heart and soul of the *halaqahs* and discussion groups in which he led the call to action for pursuing a life outside of *riba*, moved away from Kuala Lumpur about a year ago and relocated to the rural state of Kelantan, where he runs a permaculture homestead and commercial farm with his family. He told me that he had "taken his own advice," and left behind the consumption-driven urban life in KL that he had implored others to forsake.

While Dr. Iskandar is by no means a skeptic of the very ethical investments that had propelled him to critique and seek better alternatives to *riba*-infused finance, the method of his project of reform appears to have changed. For him, it seemed no longer worthwhile to stay "in the trenches," as he put it, fighting against *riba* while constantly barraged by its normative forms in the capital city. Dr. Iskandar described his life in KL, living in a small apartment with his wife and five children near the university where he taught, as hectic and stressful. Kelantan, by contrast, is quiet and peaceful. When I visited Dr. Iskandar's home and farm there earlier this year, he walked me around his semi-rural neighborhood while his children rode ahead on their bicycles, kicking up dust on the dirt path. He pointed out the houses of his neighbors, who had helped him make major repairs to his own home and garden while he prepared to move into it, many of them not accepting any money for their efforts. "Just like a real *kampung* [village] should be," he said proudly.

These methods of reform might continue to undergo further changes among the people that I know in Malaysia. In May of this year, something completely unprecedented happened. The UMNO political party that had been virtually handed control in 1957 by the British after the period of their colonization ended was ousted in a general election. This party had formerly been headed by Mahathir Mohamad and was most recently led by Najib Razak, of 1MDB notoriety, and as the only parliamentary party to govern Malaysia since independence, had enacted the NEP and played a major role in sustaining the conditions of uneven prosperity that had been put into motion by the British. However, UMNO and its governing coalition in parliament, Barisan Nasional, lost its majority seats in parliament by a slim but important margin in the May 2018 election. This margin was represented by a coalition of mostly urban, younger-generation, and politically left-leaning Muslims (such as many, if not all of the people I worked with), a large and diverse constituency of Malaysians fed up with the government's habits of cronyism and financial scandal, and ethnic minorities such as Chinese and Indian Malaysians who had long been agitating for a change in the status quo. The coalition, which formed an opposition party to the historically dominant Barisan Nasional coalition and called itself Pakatan Harapan ("Alliance of Hope"), is chaired by none other than the former (and now current) Prime Minister Mahathir Mohamad. Dr. M., as he is referred to in Malaysia, has already called for significant reforms to state operations, particularly in the realm of the economy – he lifted the goods and services value-added tax in Malaysia, winning hearts but losing revenue, and he has pledged to rein in debt-backed spending on national infrastructural projects (many of which were termed the "pride projects" of his rival and predecessor, Najib). Furthermore, Dr. M. also declared that he would clean up the aftermath of the 1MDB scandal, conducting a full investigation and potentially prosecuting both Najib and any associates of his (including his wife, Rosmah), should there be concrete proof of wrongdoing.

The questions to pursue in these potentially altered landscapes are whether and how piety has the ability to draw out a new kind of politics. Not the politics of pursuing one's own interests, or even a communal agenda construed in opposition to the wealth and power that other groups of people are perceived to have, but a kind of politics that engages with the differences between self and other *differently*. It is hard not to get swept up in the buoyant hope of the pious Muslims I met in Malaysia, and in the feeling that the return of Dr. M. and the departure of a political group that had long enabled injustice and oppression to operate within the workings of finance and business in the country marks a new turn for Malaysia. But the facts still remain that Dr. M. is the same leader who sought to financialize and entrepreneurialize Malaysia and its *Melayu baru*, and the normative modes of capitalism that Dr. M. worked so hard to develop are still operating in full swing. Malaysia, as it has often been, sits on the brink of change. Whether these changes bring it closer to bumping up against the limits of neoliberal capitalism, and realizing the transformative power of Islamic ethical projects of reform in economic action, remain yet to be seen.

References

Ackerman, Susan E. 1991. "Dakwah and Minah Karan: Class Formation and Ideological Conflict in Malay Society." *Bijdragen tot de Taal-, Land- en Volkenkunde*. 147(2/3): 193-215.

Ahmed, Irfan. 2017. *Religion as Critique: Islamic Critical Thinking from Mecca to the Marketplace*. Chapel Hill, NC: University of North Carolina Press.

Al-Attas, Syed Muhammad Naqib. 2014 (1978). *Islam and Secularism*. Kuala Lumpur, Malaysia: IBFIM (Islamic Banking and Finance Institute Malaysia).

Alatas, Syed Hussein. 1977[2006]. *The Myth of the Lazy Native: A study of the image of the Malays, Filipinos and Javanese from the 16th to the 20th century and its function in the ideology of Colonial Capitalism*. New York: Frank Cass.

Ananthalakshmi, A. 2017. "Malaysia's First Lady Linked to $30 Mln Worth of Jewelry Bought with 1MDB Funds." June 16. https://www.reuters.com/article/us-malaysia-scandal rosmah/malaysias-first-lady-linked-to-30-mln-worth-of-jewelry-bought-with-1mdb-funds-idUSKBN1970YK. Accessed December 21, 2017.

Andaya, Barbara Watson, and Leonard Y. Andaya. (1982) 2001. *A History of Malaysia*. Honolulu: University of Hawaii Press.

Anderson, Benedict. 1998. *The Spectre of Comparisons: Nationalism, Southeast Asia and the World*. London and New York: Verso.

Asad, Talal. 1986. "The Idea of an Anthropology of Islam." In *Occasional Paper Series.* Washington, DC: Center for Contemporary Arab Studies.

Asohan, A. 2012. "Malaysia's Racial Policy Rears Its Head in ICT Sector." December 3. Digital News Asia. https://www.digitalnewsasia.com/digital-economy/malaysias-racial-policies-rears-its-head-in-ict-sector. Accessed August 20, 2018.

Atia, Mona. 2013. *Building a House in Heaven: Islamic Charity in Neoliberal Egypt.* Minneapolis: University of Minnesota Press.

Barnard, Timothy P., ed. 2004. *Contesting Malayness: Malay Identity across Boundaries*. Singapore: National University of Singapore Press.

Bello, Walden. 1999. "The Asian financial crisis: Causes, dynamics, prospects." *Journal of the Asia Pacific Economy*. 4(1): 33-55.

Beng, Ooi Kee. 2006. "Mahathir as Muslim Leader." *Southeast Asian Affairs*. 172-180.

Birla, Ritu. 2008. *Stages of Capital: Law, Culture, and Market Governance in Late Colonial India*. Durham, NC: Duke University Press.

Bowen, John. 2011. *Can Islam be French? Pluralism and Pragmatism in a Secularist State*. Princeton, NJ: Princeton University Press.

Butler, Judith. 2009. "Critique, Dissent, Disciplinarity." *Critical Inquiry*. 35: 773-797.

Callon, Michel. 1998. "Introduction: The embeddedness of economic markets in economics," from *The Laws of the Markets* (Callon, ed.). Oxford and Malden, MA: Blackwell Publishers.

Cannell, Fenella. 2010. "The Anthropology of Secularism." *Annual Review of Anthropology*. 39: 85-100.

Chin, James. 2009. "The Malaysian Chinese Dilemma: The Never Ending Policy (NEP)." *Chinese Southern Diaspora Studies*. 3: 167-182.

Deeb, Lara. 2015. "Thinking piety and the everyday together: A response to Fadil and Fernando." *HAU: Journal of Ethnographic Theory*. 5(2): 93-96.

Department of Statistics, Malaysia. https://www.dosm.gov.my/v1/index.php?r=column/pdfPrev&id=YzI2NWE2U0tXS1VEd nFsWHpqM1Fudz09. Accessed August 10, 2018.

Elder, Laura. 2012. "The Sinkholes of Global Finance: Racialization and Cosmopolitanism among Financial Elites in Malaysia." *Journal of International and Global Studies*. 3(2): 47-65.

Elyachar, Julia. 2005. *Markets of Dispossession: NGOs, Economic Development, and the State in Cairo*. Durham, NC: Duke University Press.

Feld, Brad. 2012. *Startup Communities: Building an Entrepreneurial Ecosystem in Your City.* Hoboken, NJ: John Wiley.

Ferguson, James. 2015. *Give a Man a Fish: Reflections on the New Politics of*

Distribution. Durham, NC: Duke University Press.

Fadil, Nadia and Mayanthi Fernando. 2015. “Rediscovering the ‘everyday’ Muslim: Notes on an anthropological divide.” *HAU: Journal of Ethnographic Theory*. 5(2): 58-88.

Fernando, Mayanthi. 2014. *The Republic Unsettled: Muslim French and the Contradictions of Secularism*. Durham, N.C.: Duke University Press.

Fischer, Johan. 2011. *The Halal Frontier: Muslim Consumers in a Globalized Market*. New York: Palgrave McMillan.

Geertz, Clifford. 1983. *Local Knowledge: Further Essays in Interpretative Anthropology.* New York: Basic Books.

Goh, Gabey. 2014. “Of Helicopter Parenting And Startups.” The Star Online, August 21. http://www.thestar.com.my/Business/SME/2014/08/21/Of-helicopter-parenting-and-startups-Can-too-much-of-a-good-thing-hamper-new-tech-companies/?style=biz. Accessed May 26, 2015.

Gokariksel, Banu and Anna J. Secor. 2008. “New transnational geographies of Islamism, capitalism and subjectivity: the veiling-fashion industry in Turkey.” *Area*. 41(1): 6-18.

Gomez, Edmund Terence and Jomo K.S. 1997. *Malaysia’s Political Economy: Politics, Patronage and Profits*. Cambridge, U.K.: Cambridge University Press.

Graeber, David. 2011. *Debt: The First 5,000 Years*. New York: Melville House Publishing.

Halim, Sophia, and Chua Sue-Ann. 2015. “Reaching Out to All Malaysians.” April 28. edGY. https://mymagic.my/news/reaching-out-to-all-malaysians. Accessed August 30, 2018.

Hamid, Ahmad Fauzi Abdul. 2005. “The Banning of Darul Arqam in Malaysia. *Review of Indonesian and Malaysian Affairs*. 39(1): 87-128.

Hamid, Ahmad Fauzi Abdul. 2010. *Islamic Education in Malaysia*. Singapore: S. Rajaratnam School of International Studies, Nanyang Technological University.

Harvey, David. 2005. *A Brief History of Neoliberalism*. Oxford: Oxford University Press.

Harvey, David. 2011. "The Future of the Commons." *Radical History Review*. 109: 101-107.

Heck, Paul. 2006. "Mysticism as Morality: The Case of Sufism." *The Journal of Religious Ethics*. 34(2): 253-286.

Hefner, Robert. 1998. *Market Cultures: Society and Morality in the New Asian Capitalisms*. Boulder, CO: Westview Press.

Hirschkind, Charles. 2006. *The Ethical Soundscape: Cassette Sermons and Islamic Counterpublics*. New York: Columbia University Press.

Ho, Engseng. 2006. *The Graves of Tarim: Genealogy and Mobility across the Indian Ocean*. Berkeley, Los Angeles, and London: University of California Press.

Huda, Qamar-ul. 2004. "The Light beyond the Shore in the Theology of Proper Sufi Moral Conduct (*Adab*)." *Journal of the American Academy of Religion*. 72(2): 461-484.

Idris, A. Azim. 2014. "Magic to Produce More Bumiputera Entrepreneurs." December 15. NST Online. http://www.nst.com.my/node/62780. Accessed August 30, 2018.

Isik, Damla. 2010. "Personal and Global Economies: Male Carpet Manufacturers as Entrepreneurs in the Weaving Neighborhoods of Konya, Turkey." *American Ethnologist*. 37(1): 53-68.

Kaur, Minderjeet. 2016. "Majority of Family Debts Result from House, Car Purchases." July 20. http://www.freemalaysiatoday.com/category/nation/2016/07/20/majority-of-family-debts-result-from-house-car-purchases-2. Accessed August 20, 2016.

Kessler, Clive.1978. *Islam and Politics in a Malay State: Kelantan 1838-1969*. Ithaca and London: Cornell University Press.

Khan, M. H., and K. S. Jomo, eds. 2000. *Rents, Rent-Seeking and Economic Development: Theory and Evidence in Asia*. Cambridge, U.K.: Cambridge University Press.

Kok, Cecilia. 2016. "Many Malaysian Households at Risk of Shocks." September 3. The Star Online. http://www.thestar.com.my/business/business-news/2016/09/03/many-malaysian-households-at-risk-of-shocks. Accessed September 5, 2016.

Kratoska, Paul. 1975. *The Chettiar and the Yeoman: British Cultural Categories and Rural Indebtedness in Malaya*. Singapore: Institute of Southeast Asian Studies.

Lamar, Mia. 2016. "Malaysia's 1MDB Defaults on Series of Bonds." April 26. https://www.wsj.com/articles/malaysias-1mdb-defaults-on-series-of-bonds-1461687253. Accessed December 21, 2017.

Liau, Y-Sing. 2016. "Malaysia's Global Sukuk Seen Paying Premium Over Existing Debt." April 19. https://www.bloomberg.com/news/articles/2016-04-20/malaysia-s-global- sukuk-seen-paying-premium-over-existing-debt. Accessed February 10, 2017.

Ling, Sieh Lee Mei. "The Transformation of Malaysian Business Groups." In *Southeast Asian Capitalists*. 103-126. McVey, Ruth, ed. Ithaca, NY: Cornell University Southeast Asia Program.

Liow, Joseph Chinyong. 2009. *Piety and Politics: Islamism in Contemporary Malaysia*. New York: Oxford University Press.

Loimeier, Roman. 2005. "Is There Something like 'Protestant Islam'?" *Die Welt des Islams*. 45(2): 216-254.

Mahmood, Saba. 2005. *Politics of Piety: The Islamic Revival and the Feminist Subject*. Princeton and Oxford: Princeton University Press.

Marx, Karl. 1990-1991. *Capital: A critique of political economy.* London and New York: Penguin Books.

Mat Zin, Aizan Ali, Tarek Ladjal, Faisal Ahmad Faisal Abdul Hamid, Nurulwahidah Fauzi, and Fadila Grine. 2013. "Al-Attas's Works and Contributions to the Islamic Architecture in Malaysia." *Middle-East Journal of Scientific Research*. 14(12): 1685-1690.

Maurer, Bill. 2001. "Engineering an Islamic Future: Speculations on Islamic Financial Alternatives." *Anthropology Today*. 17(1): 8-11.

Maurer, Bill. 2005. *Mutual Life, Limited: Islamic Banking, Alternative Currencies, Lateral Reason.* Princeton, NJ: Princeton University Press.

Miller, Daniel. 2011. "Turning Callon the right way up." *Economy and Society*. 31(2): 218-233.

Milner, Anthony. 2004. "A History of Malay Ethnicity." In *Contesting Malayness: Malay Identity across Boundaries*, edited by Timothy P. Barnard, 241–57. Singapore: Singapore University Press.

Ministry of Finance, Malaysia. 2014. "Economic Report 2014–2015." Kuala Lumpur, Malaysia: Percetakan Nasional Malaysia Berhad.

Mohamad, Mahathir. 2008 (1970). *The Malay Dilemma*. Singapore: Marshall Cavendish.

Moodie, Megan and Lisa Rofel. "Rethinking the Public/Private under Capitalism in China and India." Unpublished.

Muehlebach, Andrea. 2012. *The Moral Neoliberal: Welfare and Citizenship in Italy*. Chicago: University of Chicago Press.

Muzaffar, Chandra. 1986. "Malaysia: Islamic Resurgence and the Question of Development." *Sojourn: Journal of Social Issues in Southeast Asia* 1(1): 57-75.

Nagata, Judith. 1984. *The Reflowering of Malaysian Islam: Modern Religious Radicals and their Roots*. Vancouver: University of British Columbia Press.

Nevins, Joseph and Nancy Lee Peluso, eds. 2008. *Taking Southeast Asia to Market: Commodities, Nature, and People in the Neoliberal Age*. Ithaca and London: Cornell University Press.

Newell, Sasha. 2007. "Pentecostal Witchcraft: Neoliberal Possession and Demonic Discourse in Ivoirian Pentecostal Churches." *Journal of Religion in Africa*. 37(4): 461-490.

Ngui, Nadya. 2016. "Malaysians are Borrowing Too Much, Not Saving Enough." August 30. http://www.thestar.com.my/business/business-news/2016/08/30/khazanah-malaysians-borrowing-too-much. Accessed September 5, 2016.

Nobel, Carmen. 2011. "Why Companies Fail – and How Their Founders Can Bounce Back." *Harvard Business School, Working Knowledge: Business Research for Business Leaders*. https://hbswk.hbs.edu/item/why-companies-failand-how-their-founders-can-bounce-back. Accessed August 27, 2018.

Noor, Farish A. 2010. *What Your Teacher Didn't Tell You (The Annexe Lectures, Vol.1)*. 4th ed. Kuala Lumpur, Malaysia: Matahari Books.

Noor, Farish A. 2004. *Islam Embedded: The Historical Development of the Pan-Malaysian Islamic Party PAS (1951-2003), Volume 1.* Kuala Lumpur: Malaysian Sociological Research Institute.

Noor, Farish A. 2004. *Islam Embedded: The Historical Development of the Pan-Malaysian Islamic Party PAS (1951-2003), Volume 2.* Kuala Lumpur: Malaysian Sociological Research Institute.

Nor, Eliza. 2015. "Venture Capitalists in Malaysia: Challenges and Future Directions." *Journal of Business and Management Sciences*. 3(4): 124-129.

"Official Portal: Malaysia Department of Insolvency." Accessed December 21, 2017. http://www.mdi.gov.my/index.php.

Ong, Aihwa. 1999. *Flexible Citizenship: The Cultural Logics of Transnationality*. Durham, NC: Duke University Press.

Ong, Aihwa. 2006. *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty.* Durham, NC: Duke University Press.

Osella, Filippo and Caroline Osella. 2009. "Muslim Entrepreneurs in Public Life Between India and the Gulf: Making Good and Doing Good," *Journal of the Royal Anthropological Institute (N.S.)*, S202-S221.

Oxfeld, Ellen. 1992. "Individualism, Holism, and the Market Mentality: Notes on the Recollections of a Chinese Entrepreneur." *Cultural Anthropology*. 7(3): 267-300.

Palansamy, Yiswaree. 2016. "MoF Says Malaysia's Debt Still Manageable." March 17. http://www.themalaymailonline.com/malaysia/article/at-rm630b-malaysias-debt-nearly-hitting-ceiling. Accessed February 10, 2017.

Peletz, Michael. 2002. *Islamic Modern: Religious Courts and Cultural Politics in Malaysia*. Princeton, NJ: Princeton University Press.

Pesek, William. 2015. "Malaysia suffers today because it didn't in 1997." August 12. http://www.straitstimes.com/opinion/malaysia-suffers-today-because-it-didnt-in-1997. Accessed March 16, 2017.

Povera, Adib. 2014. "Bumiputera Economic Agenda Is Not Rhetorical: Najib." August 18. NST Online. http://www.nst.com.my/node/24269. Accessed

February 11, 2015.

Ramasamy, B., A. Chakrabarty, and M. Cheah. 2004. “Malaysia’s Leap into the Future: An Evaluation of the Multimedia Super Corridor.” *Technovation* 24: 871–83.

Ramesh, Randeep. 2016. “1MDB: The Inside Story of the World's Biggest Financial Scandal.” July 28. The Guardian. https://www.theguardian.com/world/2016/jul/28/1mdb-inside-story-worlds-biggest-financial-scandal-malaysia. Accessed December 21, 2017.

Ramli, Ruslena. 2016. “The State of Malaysia’s Sukuk Market: Resilience Driving Expectations.” December 16. Islamic Finance News. http://islamicfinancenews.com/news/state-malaysia%E2%80%99s-sukuk-market-resilience-driving-expectations. Accessed February 10, 2017.

Rani, H. Osman. 2007. *The Encyclopedia of Malaysia: The Economy*. Singapore: Archipelago Press.

Rofel, Lisa. 2007. *Desiring China: Experiments in Neoliberalism, Sexuality, and Public Culture*. Durham, NC: Duke University Press.

Rofel, Lisa. 2015. “Capitalism and the Private/Public Division.” Cultural Anthropology. https://culanth.org/fieldsights/653-capitalism-and-the-private-public-division. Accessed August 25, 2018.

Rofel, Lisa, and Sylvia Yanagisako. Forthcoming. *Made in Translation: A Collaborative Ethnography of Italian–Chinese Global Fashion*. Durham, NC: Duke University Press.

Rosli, Jamny. 2018. “Malaysia’s halal exports hit RM 43.4b in 2017.” March 16. MalayMail. https://www.malaymail.com/s/1599895/malaysias-halal-exports-hit-rm43.4b-in-2017. Accessed August 24, 2018.

Rudnyckyj, Daromir. 2010. *Spiritual Economies: Islam, Globalization, and the Afterlife of Development*. Ithaca and London: Cornell University Press.

Rudnyckyj, Daromir. 2013a. “Engineering Entrepreneurial Ethics: Islam after Development in Indonesia.” *Moussons*. 21:5-17.

Rudnyckyj, Daromir. 2013b. “From Wall Street to *Halal* Street: Malaysia and the Globalization of Islamic Finance.” *The Journal of Asian Studies.* 72:831-848.

Rudnyckyj, Daromir. 2014. “Islamic Finance and the Afterlives of Development in Malaysia.” *PoLAR: Political and Legal Anthropology Review*. 37(1): 69-88.

Rudnyckyj, Daromir. 2016. “Islamizing Finance: From magical capitalism to spiritual economy.” *Anthropology Today*. 32(6): 8-12.

Rudnyckyj, Daromir. 2017. “Subjects of Debt: Financial Subjectification and Collaborative Risk in Malaysian Islamic Finance.” *American Anthropologist* 119, no. 2: 269–83.

Sadi, Muhammad Asad. 1999. “Responding to the Asian Financial Crisis: Malaysian Capital Controls and Their Implications for Tourism.” *Journal of Hospitality Financial Management.* 7(1): 87-98.

Schulz, Dorothea E. 2006. “Promises of (im)mediate salvation: Islam, broadcast media, and the remaking of religious experience in Mali.” *American Ethnologist*. 33(2) 210-229.

Scott, David. 2004. *Conscripts of Modernity: The Tragedy of Colonial Enlightenment*. Durham, NC: Duke University Press.

Shipley, Jesse Weaver. 2009. “Comedians, Pastors, and the Miraculous Agency of Charisma in Ghana.” *Cultural Anthropology*. 24(3): 523-552.

Shirazi, Faegeh. 2016. *Brand Islam: The Marketing and Commodification of Piety*. Austin, TX: The University of Texas Press.

Shukry, Anisah. 2014. “Affirmative Action Policies Created Dependency Culture.” November 16. The Edge Markets. http://www.theedgemarkets.com/article/%E2%80%98affirmative-action-policies-created-dependency-culture%E2%80%99. Accessed August 31, 2018.

Shukry, Anisah. 2018. “Hermes Bags, Diamonds Worth $273 Million Taken in 1MDB Raids.” June 26. Bloomberg. https://www.bloomberg.com/news/articles/2018-06-27/handbags-jewelry-worth-273-million-seized-in-1mdb-linked-raids. Accessed August 27, 2018.

Singh, Karamjit. 2012. “Push Comes to Shove, Push Will Fail.” December 10. Digital News Asia. http://www.digitalnewsasia.com/insights/push-comes-to-shove-push-will-fail. Accessed August 30, 2018.

Skellie, Walter James, trans. 2010. *The Marvels of the Heart (Kitab sharh aja’ib al-qalb) – Book 21 of the Revival of the Religious Sciences (Ihya ulum al-din).*

Louisville, KY: Fons Vitae.

Sloane, Patricia. 1999. *Islam, Modernity and Entrepreneurship among the Malays*. New York: St. Martin's Press.

Sloane-White, Patricia. 2011. "Working in the Islamic Economy: Sharia-ization and the Malaysian Workplace." *Sojourn: Journal of Social Issues in Southeast Asia*. 26(2): 304-334.

Sloane-White, Patricia. 2014. "Interrogating 'Malayness': Islamic Transformations among the Malay College Kuala Kangsar (MCKK) Cohort." *Journal of the Malaysian Branch of the Royal Asiatic Society*. 87(1/306): 21-36.

Sloane-White, Patricia. 2017. *Corporate Islam: At Work in the Malaysia Economy*. Cambridge, UK: Cambridge University Press.

Soares, Benjamin F. 2005. "Islam in Mali in the Neoliberal Era." *African Affairs.*105/418: 77-95.

Spillius, Alex. 2001. "Malaysia fetes 'father' Mahathir." July 17. The Telegraph. http://www.telegraph.co.uk/news/worldnews/asia/malaysia/1334349/Malaysia-fetes- Father-Mahathir.html. Accessed January 14, 2017.

Taussig, Michael. 1987. *Shamanism, Colonialism, and the Wild Man: A Study in Terror and Healing*. Chicago and London: University of Chicago Press.

Thomson Reuters. 2014. State Of The Global Islamic Economy: 2014-2015 Report.

Tobin, Sarah. 2016. *Everyday Piety: Islam and Economy in Jordan.* Ithaca and London: Cornell University Press.

Tsing, Anna. 1993. *In the Realm of the Diamond Queen: Marginality in an Out-of-the-Way Place*. Princeton, NJ: Princeton University Press.

Van der Zwan, Natascha. 2014. "Making sense of financialization." *Socio-Economic Review*. 12: 99-129.

Visser, Hans and Jan ter Wengel. 1999. "The Asian Crisis, the IMF and Dr Mahathir." *Intereconomics*. 34(4): 177-183.

Weber, Max. 2002 (1905). *The Protestant Ethic and the Spirit of Capitalism and Other Writings*. Translated by Peter Baehr and Gordon C. Wells. New York: Penguin Books.

Whah, Chin Yee. 2008. "The Evolution of Chinese Malaysian Entrepreneurship: From British Colonial Rule to Post-New Economic Policy. *Journal of Chinese Overseas*. 4(2): 203- 237.

Winkelmann, Mareike. "'Inside and Outside' in a Girls' Madrasa in New Delhi." In *The Madrasa in Asia: Political Activism and Transnational Linkages*. Noor, Farish A., Yoginder Sikand, and Martin van Bruinessen, eds. 105-122. Amsterdam: Amsterdam University Press.