

## 1 Corporate Islam: An Introduction

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This book, focusing on Muslims in Malaysia, tells a story that is often overlooked in the study of Islam: the trajectory and emplacement of *sharia*,<sup>1</sup> or Islamic law, in the modern corporate workplace. Malaysia is a multiethnic and multireligious nation<sup>2</sup> that, since independence in 1957, has been ruled by a coalition government dominated by Malay Muslims. Its Constitution guarantees to all citizens freedom of religion but positions Islam as the “religion of the Federation.” Malaysia is perhaps the only nation in the world in which discriminatory ethnic and racial premises – and privileges – are written into the Constitution<sup>3</sup>; Malays, all of whom are Muslims, are granted “a special position” that provides them with rights and privileges that are denied the Malaysian Chinese, Indians, and “others”<sup>4</sup> who populate the country. Along with rapid economic development financed largely by petrodollars, rent, and multinational investment, and the rise of a substantial new middle and professional class in the later decades of the twentieth century, Malaysia has also been the site of what is generally called “Islamization.” It is a complex term, often ill-defined, which I use here to describe the Malaysian emergence of an increasingly conservative, singular, and regulatory form of Islam and of “political Islam” or Islamism, the belief that Islam can and should govern states and people by *sharia*. A substantial number of Malay Muslims today assert, as have several successive prime ministers, that as Islam is the “national religion,” Malaysia is an Islamic state<sup>5</sup>; a widening segment of Malay Muslims claims that its secular and civil laws are unconstitutional. But in the Malaysian version of the Islamic state, Islamic supremacy often converges with and is indistinguishable from ethnic and racial nationalism, as its advocates seek “to build the world’s only Islamic state where Islam and one particular ethnic group are one and the same” (Chin 2015).

Islamization is frequently viewed by scholars through the macro-lens of politics, “political Islam,” or Islamism, a fractious struggle engaging state-makers and state-seekers. Others, often anthropologists like myself, examine Islamization writ small, an individual process of pious self-augmentation and belonging to a larger whole (see, e.g., Saba Mahmood 2005; also Deeb 2006). The story of Malaysian Islamization can be told both ways.

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But between regimes and persons, and between the politics of the state and the private states of believers, is a long and daily stretch of space and time that entails individuals in modern institutional structures such as those of corporate life. My primary ethnographic goal in this book is to trace Malay-Muslim social and economic transformations and understandings of Islam and *sharia* through corporate settings into the cubicles, conference rooms, and managerial offices of workaday experience, where citizens of capitalism's corporate regimes spend the bulk of their waking hours.

Corporations in Malaysia, as elsewhere in the modern capitalist world, are structures of various scales and forms that share what in business law is called “juridical personhood” – that is, they are legally separate entities from their owners and directors who control and manage the business. They have, in their various incarnations, structure and form: such things as boards of directors, CEOs, managers, owners, shareholders either public or private, and employees. But they are also *social* forms, engaging and embedding the actors within them in complex human relations and systems of control. While capitalist corporations go about the business of producing profits, they also, for the people who work there, produce cultural narratives in pursuit of meaning, order, and belonging. This book is an ethnography of “corporate Islam.” It explores modern corporations as sites of Islamic expression, expansion, and uniformity in Muslim Malaysia where power, relationships, individual identities, and practices – and often financial resources – are mobilized on behalf of Islam.

### Islam and Modern Capitalism

Questions about the generative relationship between religion and economic life have long been a concern of social scientists since Max Weber (1930) explored the Protestant Ethic and the “spirit of capitalism.” The proclivities of Muslims toward or counter to capitalist advancement have been part of that debate. Cultural factors, such as Islamic “fatalism” and “individualism,” once regarded as inhibitors of capitalism, have been rejected (Gomez, Hunt, and Roxborough 2015; Hefner 2010). Recently, Timur Kuran (2011) has theorized that Islamic legal institutions had a limiting effect on the development of corporate structures and sustainable credit practices in the medieval period. Yet this past has little relevance in contemporary economic life; the effect that globalization and neoliberal capitalism now play in generating Muslim economic orientations has become a key area of analysis for scholars who study Islamic modernity (Tobin 2016, Atia 2012; Blank 2001; Lawrence 1998; Schulz 2006; Utvik 2006). These explorations take many forms. Daromir Rudnykyj (2010) has examined the narratives of global development that connect Islam to the labor routines of profit-making and the technocratic approach of the Indonesian state. Other scholars, myself included, have identified ways in

which Islam is reconfigured as an ethical, “entrepreneurial religion,” wherein Muslim individuals’ wealth and worth are calibrated to business knowledge (Emin Baki Adas 2006; Osella and Osella 2009; Sloane 1999), and Muslims seek to remain true to the moral teachings of their faith in advanced market economies (Tripp 2006). Charismatic Muslims, in the style of televangelists with thousands of followers (and full coffers), are portrayed as spiritual salesmen for Western-style capitalist self-transformation (Hoesterey 2012; Tuğal 2009; Watson 2005). The inexorable force of the capitalist transformation – a striving for its material “goods” (Barkin 2014; Fischer 2008, 2011; Hoffstaedter 2011; Vali Nasr 2009) – has given rise to what Patrick Haenni calls the bourgeoisie of “Islam de marché” – market Islam. Muslims have therefore emerged as a social class seeking “self-realization” and “individual well-being” (Haenni 2005, quoted in Hefner 2010: 1038) but perhaps less concerned for the social balance that Islamic economic values are meant to generate. Finally, the global Islamic economy, playing a growing role in transnational financial and regulatory space, demonstrates ways in which a presumably more “ethical” mode of investing and the power of capital and its accumulation can be successfully combined (Aamir Rehman 2010).

Building on these and other studies addressing Muslim capitalist experience, my analysis highlights a somewhat different question, asking not only how the spread of global capitalism transforms the lives of Muslims and is transformed by them but how capitalism in this setting empowers the spread of Islam. To be sure, corporate capitalism – its markets, routines, products, and desires – has transformed the lives of many Malay Muslims. But so, too, I suggest, has it expanded into new spaces and in new ways the role of Islam in the lives of Muslims and non-Muslims alike. The principles in play, of corporate life and *sharia*, have produced subjectivities that are complex and intertwined as they articulate and confront national, Islamic, and global narratives of change and development.

The Malay-Muslim people in this book believe that Islam and *sharia* provide an ethical and moral template not only for participating in economic life and the human engagements that emerge from it but also for organizing and managing the very structures and social relations of corporations. In *sharia* they find business practices that manifest traditional Islamic values of social and economic justice, and define the meaning and purpose of work and wealth. In *sharia* they identify principles for organizing people and their interactions. *Sharia*, as they understand it, shapes structures and regimes. It grants authority to just leaders and carries with it notions of verticality and, perhaps reflecting traditional and cultural aspects of loyalty and status long present in Malay political life, “followership.”<sup>6</sup> It therefore sits easily alongside and blends with the cultural and managerial premises, practices, and power assumed in contemporary global corporate life.

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As such, this book tells a story of corporate Islam, comprised of people I call the corporate *sharia* elite – a term that includes not only the successful, high-achieving Malay Muslims who run, own, manage, and profit from businesses but also Malaysia’s globally recognized *sharia* scholars, institutional bodies, and Islamic financial experts who structure and officialize the accumulation and dispersal of Islamic wealth. It also tells of the more ordinary believing individuals and employees who people corporate Islamic enterprises and embrace their premises. And finally, it tells of the driving purpose and optimistic promise of profits and piety: that corporate Islam benefits all people, Muslims and non-Muslims alike, and even provides remedies for ethnic and racial disharmony in Malaysia.

I focus here on a group of variously placed Malay-Muslim actors and agents of contemporary Malaysian life – the professional, corporate, salaried, urbanized people whose lives have been markedly influenced by economic, religious, legal, and social change in a rapidly developing nation over several decades. Like employers and personnel in corporate life everywhere, the people in this book spend much of their everyday lives in offices and cubicles in high-rise buildings, coming to the city to conduct their business lives and leaving again on packed trains and superhighways to and from the suburbs and townships surrounding the urban frenzy of Kuala Lumpur. Very much a product of their own nation’s pursuit of economic and social development, they are eager participants in the possibilities of contemporary global capitalism, attuned to and willing producers of moneymaking and modernity, and subjects immersed in the market. They are also a product of decades of Islamization, pious, observant, and devout Muslims, deeply aware that all around them is impermanent and, if not directed toward God and His prescriptions, the mere reflection of human folly.

### Corporate Islam and the “Islamic Economy”

For many scholars, connecting *sharia* to capitalism suggests not workplaces where Muslims are employed and the corporate lives and subjectivities produced there, but a financial-industry market sector – that is, Islamic banking and finance, or the “Islamic economy.” Over several decades, Malaysia has emerged as a global leader in the creation of *riba*-free, that is, interest-free (or more accurately, non-usurious) investments and financial products; its Islamic banking and finance industry is today one of the most successful worldwide. A growing group of international scholars focuses on the structuring of Islamic financial products and economic and social premises (Bassens, Engelen, Derudder, and Wilcox 2013; Kuran 2004; Mauer 2005; Tripp 2006). Others study what Timur Kuran (1995) calls the “Islamic sub-economy,” that is, the *halal* manufacturing and business sector that has emerged to service

Muslim consumption needs (Fischer 2011). But in this book I render more broadly the term “Islamic economy,” arguing that it goes beyond mere *riba*-avoidance and *sharia*-based rules for commercial transactions. My analysis therefore does not interrogate or concern itself with the technology of Islamic financial products, nor do I concern myself with their often-questioned claim to legitimacy, their presumed greater morality, or their transparency. My definition of corporate Islam circumvents the widely debated argument that an Islamic economy is no more than conventional banking behind a front of claimed virtue (El-Gamal 2006; Tripp 2006). Instead, I suggest that *sharia* principles at play in Malay-Muslim economic life do not merely produce Islamically regulated *things*, but produce and enplace Islamic norms, ethics, hierarchies, practices, and gendered identities enacted in corporate life. That is, they produce Islam.

At the same time, however, this ethnography reflects my considerable interest in the emergence and role of a particular group of *sharia* scholars in Malaysia, the state-sponsored elite makers (or perhaps more accurately, the “movers and shakers”) of the formal Islamic economy, who supervise the Islamic banks and financial companies in Malaysia and advance the Islamic market. They are called “*sharia* advisors,” a term that denotes them as highly trained in *sharia* and in global finance while distinguishing them from the more traditional authors and arbiters of Islam in Malaysia, the *ulama*.<sup>7</sup> Key figures in my analysis of corporate Islam, fashioned as “business consultants” and “management advisers,” they provide crucial *sharia* business knowledge and scholarship to Malay-Muslim corporate executives, owners, and managers, who in turn regulate personnel. Because they share interests and ideas in common about the purpose and pursuit of wealth in Islam as well as practices for obtaining it, I join the two elite groups together.

Thus to me, as to the men and women whose experiences and ideas are narrated in this book, “Islamic economics” means all the *sharia*-regulated norms and ethics that structure the relationships that connect money, business, and people to God and produce rewards and seek desirable social and economic outcomes for Muslims and non-Muslims alike.<sup>8</sup> The corporate Islamic workplace is not just a place where money is made in accordance to *sharia*. It is a site of moral production, where the experiences and subjectivities of Muslims are meant to meet and preserve *sharia*’s higher objectives (*maqasid al-sharia*) and serve the public good (*maslahah*), by and alongside pious others in organizational structures that, in the minds of their participants, are *sharia* inspired and *sharia* compliant.

*Sharia* in the minds of Muslims is, of course, divine law, but in contemporary Malaysia it is promulgated and practiced by religious scholars, advisors, institutional bodies, corporate executives, and wage-earners in an increasingly *corporate* thought-world. As we shall see, just as *sharia* and its scholar-actors and experts had become corporatized over several decades in Malaysia, so,

too, had some corporations and their personnel become *sharia*-ized. Malaysia thus represents a unique location for exploring the anthropological conjuncture of Islam, *sharia*, and capitalism, where we can examine and understand the progression of traditional Islamic theology and orthopraxis into the enterprises of corporate life. Although there are other Muslim nations with an elite engaged in and profiting from global business, Malaysia stands out as a Muslim-majority nation in which a significant portion of the urban Muslim population is also part of the professional and middle class. This small South-east Asian country, which rarely figures in the global map of Islamization, Islamism, or the emplacement of *sharia* over a citizenry, is, I argue, a key site for clarifying and defining the role of Islam and its laws in the everyday modernity of corporate life.

### From Malay Entrepreneurs to Corporate Enterprises

I first came to Malaysia as a young anthropologist in the early 1990s, eager to study the businesses of a then-newly emergent group, Malay-Muslim entrepreneurs. Pro-Malay government policy classified Malay Muslims as *bumiputera*, the self-declared legitimate owners of the nation's wealth, in contrast to the "immigrant" population of ethnic Malaysian Chinese who had, Malays and their leaders believed, long monopolized it. Under the terms of NEP, or the New Economic Policy,<sup>9</sup> a program in place from 1970 to 1990 but extended "indefinitely,"<sup>10</sup> a generation of young *bumiputera* had been taught and socialized to adopt modern capitalist means and ends. The concern of NEP was to provide rural and poor Malays with access to quality education and create income equity between Malays and the other ethnic groups. But it also gave *bumiputera* preferential treatment in all spheres of public life, such as reserving senior positions in civil service, building schools and universities, funding educations, and providing discounts on houses and cars to them alone. By the 1980s, however, its greater focus shifted to creating a class of Malay private entrepreneurs, providing them with capital and preferential government contracts and transferring to them ownership of formerly state-owned enterprises. Although NEP's stated purpose was to produce a generation of entrepreneurial Malay-Muslim capitalists, it primarily took the form of redistributing capital to *bumiputera* through such corporate mechanisms as the creation of holding companies, mergers and acquisitions, stock buybacks, nationalization, and privatization (Gomez, Saravanamuttu, and Maznah Mohamad 2013).

The *bumiputera* entrepreneurs I studied in the 1990s were entailed in such businesses. I called them, and the Malay Muslims who aspired to be like them, "the NEP generation" (Sloane 1999). Modern men and women in their late thirties to late forties, they were moderate in their practice of Islam and eager in their pursuit of capitalist opportunity. They viewed themselves

as dutiful entrepreneurial soldiers bringing themselves, and the Malay ethnic group, into economic modernity. To them, the future was an ever-unfolding dream and vision of Malay-Muslim economic success and the vaunted role they would play in it. It had even been given a fixed date: the year 2020, when, according to then-Prime Minister Mahathir Mohamad (in office from 1981 to 2003) and his developmental-state model (Gomez, Saravanamuttu, and Maznah Mohamad 2013: 9), Malaysia would be a world-class, first-world, fully industrialized, technology-driven, wealthy nation and Malay-Muslim capitalists its worthy agents.

By most accounts, however, NEP fell significantly short of its business goals (and thus Mahathir's "Vision 2020" was unlikely to reach its imagined ones). Its most successful generation of "entrepreneurs" was a small group of NEP "high flyers," educated in the West, who were immersed in a nexus of entailments, favoritism, and patronage, an entrenched "oligopoly" of *bumiputera* linked to powerful politicians and the state (Gomez, Saravanamuttu, and Maznah Mohamad 2013: 19; Sloane 1999). Because NEP's achievements were measured in Malay capital ownership, much of which was held on behalf of Malays by the government, statistics could nonetheless demonstrate that NEP was effective. But *bumiputera*-ism and the consolidation of Malay interests produced a coterie of state-based political elites and corporate allies and few self-sustaining enterprises. Despite enormous state support for the Malay business sector, by 2009, not one of the top ten public-listed companies in Malaysia nor any industrial firm in the top twenty companies was *bumiputera*-owned (Gomez, Saravanamuttu, and Maznah Mohamad 2013: 12). Seven of the top ten firms in Malaysia were government-linked corporations (GLCs) or government-linked investment corporations (GLICs) – that is, formerly public-sector enterprises, now privatized, in which the government maintained significant ownership and control. Made up of forty-odd firms, GLCs represent more than one-third of the total market capitalization of the Malaysian stock market (*Economist*, August 20, 2005). Their growth is dependent not on entrepreneurial capacity or technological advancement, but on infusions of government money and an endless cycle of "mergers, acquisitions, and takeovers" (Gomez, Saravanamuttu, and Maznah Mohamad 2013: 13). They often are conglomerations of *bumiputera* and NEP-era private companies, especially those that struggled after the Asian financial crisis in 1997. Many of these corporate consolidations and bailouts used public funds; many generated (and continued to generate) financial scandals. The showpiece of the Malaysian economy, Petronas, the vast Malaysian oil-and-gas company, remains wholly owned by the government and continues to provide substantial revenue to the government budget.

While NEP's goal of creating a population of exemplary Malay entrepreneur-owners who would transform the economy into a Malay-Muslim-dominated one



failed, NEP succeeded in educating and credentialing a portion of its Malay-Muslim population. Many tens of thousands of these new college and university graduates in the 1980s and 1990s found work in government offices, in the vast corporations linked to or owned by the government – the GLCs and Petronas, and in smaller, privately owned enterprises that served them. These employment trends, in which Malay-Muslim graduates found jobs in Malay-Muslim and government-affiliated companies, continue right up to the present. One of NEP’s most notable “afterlives,” according to Daromir Rudnyckyj (2014), is the Malaysian Islamic finance industry and its proliferating institutions; many young Malay Muslims today find work in Islamic finance (Mohammad Haji Alias, Zurina Kefeli Zulkefli, and Nursilah Ahmad 2007). Educational policies in the mold of NEP continue to fund and churn out young Malay-Muslim graduates from local public and private colleges and universities; many of these institutions are now directly connected to Malay-run corporations and GLCs, providing a pipeline of employment to students (Lee Hock Guan 2013).

Returning to Malaysia in 2007, a decade after I studied and wrote about *bumiputera* entrepreneurial businesses, I turned to the study of contemporary transformations in Islam and corporate life. I saw young Malay Muslims with corporate ID cards on lanyards hung around their necks, checking smart phones, traveling on public transportation, and entering and exiting the skyscrapers that now filled the streets of Kuala Lumpur and its massive surrounding conurbation. Many I knew still dreamt, as did their parents in the NEP generation, of “striking it rich” and “going out on their own” as entrepreneurs, but few people I met had the capital or connections to put those plans in action. Many of the enterprises that had been created by the entrepreneurial successes of the NEP generation had been acquired by GLCs when they faltered, a result of economic downturns and financial mismanagement. It was clear that there had been a structural shift from a government that schemed to foster new Malay-Muslim “entrepreneurs” to one that now peopled and invested in corporate “enterprises.” There was little evidence of the much-vaunted Malay-Muslim “entrepreneurial capitalism” of the 1990s; instead, what I found was, in effect, Malay-Muslim managerial capitalism and its many white-collar workers. There had been a social shift as well. For so, too, did I find a much greater concern to practice what some called *Islamic* capitalism and, moreover, to follow *sharia* in their work lives.

### The Rise of the *Sharia* Generation

In the years between 2007 and 2014, the period of time in which I conducted ethnographic research for this book, I came to know, among the present generation of Malay Muslims, men and women whose self-descriptions, claims of identity, and demonstrations of piety vis-à-vis the prior NEP generation were



strikingly different from those of their predecessors. The contemporary Malay-Muslim corporate executives and owners I met, today's people in their late thirties to late forties, did not disdain wealth and indeed sometimes eagerly sought it. But they insisted they did so in Islamically prescribed ways, practicing and managing business in ways that the Prophet Muhammad, himself a businessman, had approved. To accumulate personal wealth and capital without social concern and the application of *sharia* was a characteristic of the NEP era, they said. Within their enterprises and guiding their business knowledge, Islam had become part of everyday conversation and its practices and pieties part of daily experience. Business leaders, owners, executives, and managers, in comparison to those I studied in the 1990s whose Islam was largely interiorized and personal, now used the Quran and teachings and deeds from the life of the Prophet Muhammad, the *sunnah* and *hadith*, as management texts. They studied Islam in consultation with corporate-minded *sharia* advisors, who, as we shall see, often had successful business enterprises of their own. From them they sought business knowledge and ethical understandings as well as advice on *sharia*-compliant financing and investments. Corporate lectures, human-resource manuals, training programs, and weekend retreats with a focus on Islam were in place at many companies large and small; there was much concern among managers for advancing employees' Islamic understanding and *sharia* compliance. Men and women now followed *sharia*-based strict rules of comportment; women, who had tried, as did many I once knew, to stake their claims as powerful figures in entrepreneurial ventures during the 1990s, were now much less present in leadership positions in the corporations I studied.

In a post-NEP era, middle-class affluence and white-collar employment had grown markedly; but so, too, had middle-class concerns. People spoke of new and escalating dangers that they said came with rapid urban growth: eroded family values, crime, violence, homelessness, drug abuse, and a particularly Malay-Muslim trope of social and moral dislocation to which I will return, "baby dumping."<sup>11</sup> Many people told me that economic development had changed Malaysia too rapidly and too much; many Malay Muslims, they believed, had become intoxicated by consumption and entrapped by credit card-funded lifestyles, and that most *haram* (prohibited by Islam) of all social ills: usury. (Dozens of people told me that the Prophet Muhammad had declared *riba* more *haram* than even incest.) A few longed for the days of their grandparents, when, as they said, Malays lived in villages and knew little of the larger world, but that past, they understood, was gone. The vision of the capitalist future that NEP had foretold had delivered in the new millennium something they felt was often shallow, overly "Western," secular, indebted, and even corrupt. It no longer provided the compelling, suasive resonance it once did. In its place were different narratives, global, national, and personal; new self-definitions and stricter pieties were forging the central definitions and

identities of a meaningful, modern, and moral but still capitalist Malay-Muslim life. The NEP generation seemed to have given rise to a new generation, the *sharia* generation. What had changed in the years of my absence?

### What Is *Sharia*?

As elsewhere in the Muslim world, in Malaysia, the very term “*sharia*” has become a “keyword of Islamic revival” (Karčić 2001: 216), a keyword of Islamic expansion into the private and public lives of its Muslim citizens. The Malay Muslims described in this book see no boundary in their daily lives, public or private, that *sharia* should not cross. But what is *sharia* and what role does it play in their understanding of modern Muslim life?

Most people, in Malaysia and elsewhere, speak of *sharia*, Islamic law, as a singular entity, but that misrepresents the complexity and nature of its focus. There are, in fact, four distinct dimensions or categories of *sharia*: *ibadat* (rituals and practices of worship and beliefs), *muamalat* (commercial transactions involving sureties and sales), *munakahat* (marriage, family, and inheritance laws), and *jinayat* (rules which state penalties for crimes and offences including *hudud* punishments for illicit sexual intercourse, apostasy, and theft). *Sharia* is God’s law and divine revelation; it covers all of human existence. The elaboration of its details, however, the debates in interpretation that might ensue, and the justification of its norms, as well as books, treatises, scholarship, and any theories of governance based on it, are called *fiqh* (Calder 1995: 450).

Often the terms *sharia* and *fiqh* are used interchangeably, which further confuses crucial issues concerning their application. *Sharia* literally means the path the believer has to tread to obtain guidance in this world and deliverance in the next. *Fiqh*, on the other hand, consists largely of the juristic interpretations of scholars and their understanding of the general guidance provided by *sharia*. *Fiqh*, therefore, is based on independent reasoning, a human endeavor, or what is known as *ijtihad*, and its understandings may be changed in response to particular issues or circumstances. Finally, *sharia* and *fiqh* often “correspond and coincide, but the possibility remains open for fresh interpretations and new development of *fiqh*” (Nik Noriani Nik Badli Shah 2012: 161), while *sharia* is understood to be eternal, unchanging, and universal. Most people met in the pages of this book make little distinction between *sharia* and *fiqh* in everyday discourse; as such, I follow their lead, often using the term *sharia* as broadly as they do.

### What Is *Sharia* in Malaysia?

Although this ethnography often explores the wish of many people that *sharia* govern all aspects of life in Malaysia as in an Islamic state, its legal scope there