ISLAMIC (MICRO)FINANCE AND THE POSSIBILITY OF SOCIAL JUSTICE

by

Bridget Suzanne Kustin

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Abstract

The global, $3 trillion Islamic finance industry adheres to Islamic economic principles promoting social justice aims through risk-sharing, asset-backed transactions, and the absence of *riba* (interest) and excessive uncertainty. Over 18 months of ethnographic field research reflecting the transnational nature of money, influence, authority, and Islamic jurisprudential interpretation, it emerged that despite the widely cited social justice potential of Islamic finance, the poor do not have an easy home in the global Islamic finance industry. The central question of this dissertation explores what an Islamically-informed social justice means in the present era of wealth inequality, poverty, financialization, and exposure of poor individuals and countries to global flows of capital.

Through ethnographic fieldwork conducted primarily among a collective of Islami Bank Bangladesh microfinance clients and at the bank’s headquarters, supplemented by fieldwork in Pakistan, the UK, and at the Islamic Development Bank in Saudi Arabia, the dissertation makes the novel move of contrasting the Islamic finance industry’s idealized and historical imaginings of its goals with realities of the financial habits of its poorest clients—here, in peri-rural, borderlands Bangladesh.

Consumer financial activities of poor Islamic microfinance clients are largely invisible to those shaping the most public and influential conversations concerning modern Islamic finance, with certain labors undertaken to produce and reproduce this invisibility. Invisibility is endemic to the nature of the poverty among Islamic microfinance clients in Bangladesh, based on the extant ways that poverty is assessed, measured, and rendered known through the tools and technologies of finance. However, these clients fashion engagement with Islamic microfinance
on their own terms, approaching contracts and repayment encounters as sites for resistance and counter claim-making grounded in their religious and financial subject positions. Slippages between bank versus client understandings of Islam, financial management, and corporate demands of “Shari’a compliance” become sites for theorizing the social justice potential of Islamic (micro)finance.

**Dissertation Committee**

M. Ali Khan (Chair), Abram Hutzler Professor of Political Economy, Department of Economics

Jane Guyer, Professor Emerita, Department of Anthropology

Naveeda Khan, Associate Professor, Department of Anthropology

Juan Obarrio, Associate Professor, Department of Anthropology

Erica Schoenberger, Professor, Department of Geography and Environmental Engineering
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Table of Contents

Abstract ii
Acknowledgments iv
Introduction 1

The authenticity problematic ..................................................... 6
Poverty and inequality .............................................................. 9
Encountering the occlusion of the poor ....................................... 13
The field: industry ideologies and a procedural apparatus .............. 19
Chapter summaries ...................................................................... 25

Chapter 1: From Islamic Economics to Islamic Finance: Conceptual Fields and Historical Backgrounds 29

Radical beginnings of Islamic economics ........................................ 31
Depoliticization and capitalism articulations ................................... 36
Consolidating Islamic economics as a discipline and field of practice . 44
Conclusion: locating the poor ....................................................... 53

Chapter 2: The Making of Certainty in Islamic Finance 55

Introduction: uncertainty and the corporation ................................. 55
How Islamic is Islamic finance? Anxieties of hypocrisy and dissimulation .... 57
Compliance and the corporate form ............................................... 67
Procedure, practicality, and “a book of action” ............................... 74
Conclusion: from high finance to microfinance ............................... 80

Chapter 3: Intention and the Legibility of the Poor 83

Introduction: realigning relationships toward resource allocation ........ 83
The Islami Bank Bangladesh Limited .............................................. 87
Intention and the contract ............................................................. 93
Zinukpara and the necessity of *riba* ............................................. 97
Documenting assets ..................................................................... 107
Conclusion: Sharia compliance as the practice of everyday ethics ......... 116

Chapter 4: Accounting for the Client and Field Officer Encounter 118

Repayment encounters and public accounting ............................... 121
Accounting, calculation, and feedback loops ................................... 137
Passbooks, ledgers, and computer printouts ................................... 145
Conclusion: recognition ............................................................... 151
### Chapter 5: Reaching Across Inequality  
154

- Economic modes of relating ........................................ 157
- Precarity ........................................................................ 163
- “Khoda boro, tono doro” .................................................. 169
- The possibility of convergence ........................................ 179
- Conclusion: beyond textualism and jurisprudence ............ 181

### Chapter 6: The Politics of an Islamic Economic Social Justice  
183

- Introduction ...................................................................... 186
- Politicizing Islam: *Muktijuddho* and aftermath ............... 193
- The melancholy of Jamaat-i-Islami & “Jamaati types”: grammars and calculations of loss ........................................ 198
- A political economy of social justice ................................. 209
- Conclusion: the accidental ethics of RDS ......................... 219

### Conclusion  
221

### Appendix 1: Abbreviations  
227

### Appendix 2: Glossary of Arabic, Bangla, and Chatgayah  
228

### Appendix 3: Islamic Finance Terms and Concepts  
231

### Bibliography  
238

### Curriculum Vitae  
251
Introduction

Bangladesh, a nation of nearly 160 million with the world’s fourth-largest Muslim population, has a robust Islamic finance industry whose expansion has been anchored by the popularity of the Islami Bank Bangladesh Limited (the Islami Bank) with the *shadaron manush*, the common people: migrant workers and the urban, rural, and small-town poor and middle-income classes. In its mission statement, the Islami Bank links “welfare oriented” banking with its regular operations. This linkage is exceptional within the global Islamic finance industry, which generally confines explicitly community development-oriented activities to corporate social responsibility, *zakat* (mandatory tithing to defined categories of recipients), or corporate philanthropy. The Islami Bank, by contrast, proposes to:

“…establish Islamic Banking through the introduction of a welfare oriented banking system and also ensure equity and justice in all economic activities, achieve balanced growth and equitable development through diversified investment operations particularly in the priority sectors and less developed areas of the country. *To encourage the socio-economic development and financial services to the low-income community particularly in the rural areas*” (emphasis added, Islami Bank 2014: 7).

The cornerstone of the Islami Bank’s mission is its Islamic microfinance program, the Rural Development Scheme (RDS). From its establishment in 1995, RDS has become the world’s flagship Islamic microfinance program, and a point of entry into the Islami Bank for millions of Bangladesh’s rural poor – even as RDS is a predictable drain on bank resources, given its extremely high cost of administration.

In 2014, an Islami Bank official pointed out to me that 25% of the world’s Islamic finance customers belong to the Islami Bank. This claim is borne out by empirical evidence: of approximately 38 million Islamic commercial banking clients globally in 2013-2014 (Ernst & Young 2014), over 8.5 million of those customers belonged to the Islami Bank (Islami Bank...
2014: 39). However, during that same year the overwhelming majority of worldwide Islamic finance assets (approximately $3 trillion) were held in Saudi Arabia, followed by other Gulf Cooperation Council countries,¹ Malaysia, and Turkey. The highest capitalized² individual Islamic banks were also located in these countries (Ernst & Young 2014). Later on in this Introduction, I elaborate upon how these wealthy countries (with Malaysia a notable middle-income country exception) and their institutions, lucrative deals, and dynamic markets overwhelmingly dominate the industry’s attention – even though about a quarter of global Islamic finance clients are lower-income and Bangladeshi.

This prompts the central question of this dissertation: what is Islamically-informed social justice in the present era of wealth inequality, poverty, financialization, and exposure of poor individuals and countries to global flows of capital? Through ethnographic engagement with transnational scales of Islamic financial activity, it becomes evident that despite the widely cited social justice potential of Islamic finance, the poor do not have an easy home in the Islamic finance industry. What does it mean for the consumer financial activities of poor Islamic microfinance clients to be rendered largely invisible to those shaping the most public and influential conversations concerning modern Islamic finance? What labors are undertaken to produce and reproduce this invisibility?

I will suggest that questions about (in)visibility are endemic to the nature of the poverty I encountered among RDS clients, based on the extant ways that poverty is assessed, measured, and rendered known through the tools and technologies of finance. By virtue of the longitudinal nature of my engagement with a collective of RDS clients from 2010 to 2014, I became aware of

¹ Gulf Cooperation Council is an economic and political union formally known as the Cooperation Council for the Arab States of the Gulf, and comprising the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait.
² This refers to the net worth of a bank, or the difference between its assets and liabilities; or the value of the bank to its investors. What counts as bank “capital” is regulated by individual central banks and differs across countries.
their poverty as precarious, with precarity as a temporal category. In positing precarity as something different from legal or administrative categories of poverty by virtue of its volatility across time, the durational management of relationships and value in economic contracts became a particular concern.

In making the Islami Bank (and specifically its Islamic microfinance program, RDS) an object of ethnographic inquiry, I access a vantage point onto my main question from within an undercapitalized market and among the global Islamic finance industry’s poorest clients—domains and figures underrepresented in the industry’s sites of knowledge production. This vantage point also opens up additional questions: what are sites of resistance from such exclusion or marginalization that is taking place even as the poor are purported subjects of the emerging global trend of “financial inclusion”? What are the ways in which poor clients and institutions might fashion engagement with Islamic (micro)finance on their own terms? In chapters to come, I examine valences of these questions from Zinukpara, a small-town slum on the Bay of Bengal and home to an Islami Bank RDS client collective.

As I will discuss shortly, an experience at a Harvard conference of Islamic finance professionals was my starting point in charting the discursive, technical, material, and affective ways in which poor or lower-income clients are elided from participation or even meaningful presence in normative claim-making about Islamic finance and its future prospects, despite the orientation of Islamic finance—and Islamic economics—towards social justice imperatives. Transnational spaces of knowledge-production span trade publications, online forums, conferences, and other in-person gatherings. In these professional domains, industry experts help

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3 Pseudonyms are used and identifying details of places and individuals are changed to comply with Institutional Review Board guidelines regarding confidentiality and protection of research subjects.
shape the industry’s understanding of itself, including who presumptive consumers, innovators, and producers are expected to be. By conducting fieldwork in these spaces, I was able to glimpse how extant structural inequality can be reproduced even within the transformative and ethical possibilities of Islamic finance.

That the figure of the poor Islamic microfinance client and poor or undercapitalized markets remain marginalized in professional spaces of collective knowledge production, reflection, and agenda-setting is particularly evident given the prominence afforded in these spaces to another concept: the social justice potential of Islamic finance. The concept of social justice often arises via references made in these spaces to an enduring, well-recognized conundrum within the Islamic finance industry, that the pressure for growth conflicts with an underlying theological spirit of Islam. A common framing of this conundrum is that fidelity to the “letter of the law” (a satisfaction of procedural or textual requirements in contract forms and operations and often referred to “Sharia compliance”) is followed at the expense of the “spirit of the law,” or a broader ethical and social justice-oriented essence.

These phrases (“letter of the law,” “spirit of the law,” “social justice,” “Islamic values,” and so on) are ubiquitous although vaguely defined in in the influential and widely-circulated writings of the Islamic finance industry’s intellectual elite (El-Gamal 2006, Irfan 2014, Khan 1986, Lewis and Algaoud 2001, Vogel and Hayes 1998). These writings and concepts speak to the difficulty of building theoretical and technical bridges between precepts from the Qur’an, hadith (collected actions or words attributed to the Prophet Mohammed), and fiqh (Islamic jurisprudence) concerning fairness, economic transactions, and social justice, and demands on

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4 Anthropologists have noted the utility of approaches to industry conferences and meetings as sites for accessing how knowledge “is produced in particular social, political, economic and cultural contexts” that “influence research questions, the methods used to answer those questions and the transmission of the resulting knowledge” (Barnes et al 2013: 542).
the modern Islamic finance industry since its emergence over the past 40 years as it competes with conventional finance.

One result of attempts to discern where institutions are thought to fall on the gradient between the letter of the law and the spirit of the law is creation of a perceived hierarchy of Islamic authenticity within the industry, widely acknowledged in these expert narratives and analyses. In a newspaper interview I quote later in this Introduction, one industry professional refers to such authenticity as being “pure.” Another result of the conundrum between the letter versus the spirit of the law are anxieties about the industry’s persistent inability to realize its ethical or social justice potential. These anxieties constitute what I refer to as the “authenticity problematic” throughout the dissertation.

The authenticity problematic peppers expository books on Islamic finance for conventional finance audiences, conference themes, reports, and strikingly earnest, reflective LinkedIn and Facebook posts and commentary. The authenticity problematic endures because there is no urgent need to resolve it: for institutions operating within wealthy, well-resourced markets and competing with conventional institutions for access to the capital circulating in those markets, too-strict devotion to Islamic authenticity or purity can be harmful, by reducing competitiveness. This holds true for individual institutions as well as the global Islamic finance industry.\(^5\) Conditions that allow the authenticity problematic to endure within the Islamic finance industry constitute the terrain upon which I stage my main question regarding the social justice potential of Islamic finance in light of inequality and precarious poverty.

\(^5\) While growing steadily from the 1970s, the global sector is still quite niche, managing a small amount of global assets. A ‘rising tide lifts all boats’ sentiment is commonplace in the spaces that also acknowledging the validity of the authenticity problematic. This sentiment speaks to the idea that the growth of individual institutions is imbricated with the overall growth and health of the industry.
The authenticity problematic

An article from Gulf News, a publication with frequent reporting on the Islamic finance industry, captures the quotidian manner in which the authenticity problematic weaves its way into industry commentary. Here, as Islamic finance insiders describe upcoming industry trends, they focus on phenomena most relevant to wealthy, well-resourced markets. The concerns of poor consumers or markets are irrelevant or at least invisible.

“ ‘Technology is the next stage,’ he said. Al Murished also said the emerging trend was a growing sukuk [bond] market, but the framework needed to be worked on. It has to be practical and flexible and not ‘too pure.’ ‘Islamic financing, at the end of the day, has to be competitive, to position itself as a viable alternative [to conventional banking],’ Al Murished said” (Saleem 2010).

Al Murished’s comments on sukuk [bonds] reference ongoing debates concerning its permissibility. When he is saying that sukuk should not be “too pure,” he is referencing those who would impose the most stringent barriers against gharar, or excessive uncertainty prohibited in Islamic economics (I discuss foundational principles of Islamic economics in Chapter 1). This purity, al Murshid suggests, diminishes the competitiveness of the sukuk product, which then hurts Islamic finance industry growth prospects more broadly. In saying that sukuk should be “practical and flexible and not ‘too pure,’” this industry commentator suggests that a purer interpretation of the textual guidance underpinning Islamic economics (the “authenticity” I reference above) is impractical, inflexible, and a liability.

The implied conclusion is that the growth of the Islamic finance industry provides a way to attain the broader, social justice-oriented goals of Islamic economics. In order to achieve the greater good of industry growth, the fidelity of individual products, contracts, deals, or offerings to social justice considerations becomes less important. This tension between the “purity” (to use
the words of the commentator above) of an individual product versus industry growth requires acknowledging how exactly growth occurs, and how the structure of products can inhibit it.

Growth requires capital. The most efficient routes for accessing and generating capital are the same routes that are lucrative for conventional finance: debt and speculation. As debt and speculation are generally impermissible in Islamic economics, some of the greatest innovations in the Islamic finance industry over the past few years have arguably been dedicated to opening up avenues to access capital. This includes changes to tax codes and the work of tax attorneys who creatively structure deals to avoid punishing Islamic finance and create what Mohammed Amin, a longtime tax advisor at leading global accountancy firms PriceWaterhouseCoopers, calls a “completely level playing field” for Islamic finance (2009: Section 5.0). Islamic finance is often subject to higher tax burdens based on the ways in which profits are differently accounted for, and due to the multiple steps of buying and selling required for a customer to receive financing for an asset (Amin, Gueydi, and Choudhury 2013). Significant regulatory and legal work has also been undertaken to bring sukuk [bond] offerings to market, and to expand takaful [insurance] and ijara [lease] offerings—these products represent the most theologically contentious and dynamic areas for profit and market growth products and so have commanded significant attention from the two main transnational regulatory bodies of Islamic finance in recent years. Growth is not inherently redolent of capitalist profit-motivation, self-interest or accumulation: without growth, a financial institution can wither and potentially cease to exist.

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6 The UK, for example, has become a global Islamic financial hub by being one of the only countries to restructure its tax codes in the Finance Acts of 2005 and 2007 to specify “provisions for the tax treatment of products conforming to Sharia law” (ICAEW 2017), and to avoid the punitive and dual taxation issues that arise in cross-border Islamic finance deals. Dar and Moghul (2009) and Carnochan and Mazen (2012) are chartered accountants and economists providing detailed overviews of UK approaches to Islamic financial taxation.

7 These include the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI, established in 1991 in Bahrain), and the Islamic Financial Services Board (IFSB), established in 2003 in Kuala Lumpur. See the Conclusion and Appendices for further explanations of their roles.
And through efforts to ensure growth, such as through tax reform, Islamic finance can force changes to legal and regulatory scaffolding, as happened in the UK.

However, the *Gulf News* quotation above gestures toward the common acknowledgement of the authenticity problematic as a tension between fidelity to the spirit of Islam, or purity in Al Murshid’s framing, and the demands of competitiveness, which are instead oriented toward minimal satisfaction of the letter of the law. Even in the midst of drafting this chapter, an advertisement landed in my email inbox for a *takaful* (insurance) conference centered on the question of takaful’s authenticity.

Here, challenges to authenticity are located in demarcated sites of conflict: “Shariah compliance” versus the demands of “short term profit maximization,” and “commercial objectives,” according to the advertisement. The advertisement suggests a Qur’anic basis to understanding “authenticity” and “true authenticity,” but no other clarification for these terms is offered. The lack of a clear definition is not an oversight; the advert’s presumed specialist audience does not need “authenticity” clarified; the audience is

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8 The advert’s reference to a “full realization of the underlying principles of mutuality” in takaful is an invocation of the Qur’anic chapter and verse 42:38, concerning the importance of conducting economic affairs in “mutual consultation.”
already familiar with the problematic it indexes.

In taking up my central question concerning an Islamically-informed social justice in the present era of wealth inequality, poverty, financialization, and exposure of poor individuals and countries to global flows of capital, I am arguing against normative, predetermined, or ahistorical understandings of the “goals” or “values” of Islamic finance. In Sarah Tobin’s ethnography of Islamic finance in Jordan, for example, the essence or aims of Islamic finance and Islamic economics are presented as fixed, static entities that the vagaries and messiness of human activity either adhere to or not, to varying degrees. Tobin approaches the authenticity problematic by acknowledging consumer “diversity in….understandings of a moral and Islamic economic life,” and that a “diverse set of cultural players…construct a public perception of Islamicness in Islamic economics and banking and finance (2006: 181).

In taking this approach, Tobin replicates the industry’s “authenticity” problematic, that ahistorical ideas about social justice are in tension with business imperatives and local ideas about social justice or Islam, instead of taking this problematic itself as a site for anthropological inquiry. Acknowledging such diversity as an answer or endpoint to the problematic as Tobin does—while likely motivated by a desire to recuperate the richness of local or dissenting views, itself a critical project—does not allow for consideration of the interesting and timely questions that the authenticity problematic raises. This in turn closes off avenues for acknowledging the work that the authenticity problematic performs for the Islamic finance industry.

**Poverty and inequality**

The authenticity problematic is mobilized in particular ways, effacing certain considerations while elevating others. Here, the (in)visibility of the poor becomes salient. Ubiquitous mentions of the social justice potential of Islamic finance in professional spaces
(literature, trade publications, news reporting, conferences, my interviews with Islamic financiers, and so on) suggest that the slipperiness of social justice is graspable perhaps less in its presence than in its absence. In other words, an understanding of social justice seems to become available when it is not being achieved, or not being achieved to a sufficient degree (this latter point is the premise of the authenticity problematic). The persistence of poverty, the widening of wealth inequality, and the expansion of precarity reflects the negative constitution of social justice. While there is disagreement and diverse opinions about what an Islamic economic social justice might be, rooted in part in rich regional or cultural perspectives, there does seem to be consensus around the broad lack of it. This lack and the anxiety over it becomes a point of entry to ask how microfinance struggles with the question of social justice more concretely than other domains of Islamic finance. After all, even as the content of social justice is not clearly articulated, it remains a centerpiece of Islamic microfinance projects, in theory and practice.

Exploring questions regarding the contemporary social justice potential of Islamic finance in light of the poverty and wealth inequality that Islamic microfinance ideally seeks to address contributes to Islamic economics and finance as domains of knowledge and practice. These professional fields constitute an audience for this dissertation as I seek to challenge and contribute to the ways in which social justice, ethics, and the poor are and are not discussed. In asking these questions, I am attempting to access the contemporary social justice potential of Islamic finance outside expert, wealthy, or authoritative domains that are not acknowledging the extant participation of the poor and of poor markets—apart from their monetary potential as “untapped markets,” or, to use C.K. Prahalad’s much-cited formulation, as “the fortune at the bottom of the pyramid” (2004).
I suggest that examining authenticity or the fidelity of Islamic finance to the “letter” versus the “spirit” of the law are not the sites in which the social justice prospects of Islamic finance can be assessed. Rather, I suggest that the existence of this divide is the outcome of broader processes of modernity, and specifically a corporate hermeneutics that privileges certainty. This is because uncertainty, by contrast, introduces friction that inhibits the flow of business. A paradox emerges: even as the complexity of Islamic finance’s confrontation with capitalism is inherent to modern Islamic finance as a function of its modernity, the ongoing framing of this complexity as a problem—which then suggests that it can be solved—works to obscure labors involved in rendering the poor invisible and maintaining this invisibility.

Thus, I suggest that the site for understanding the social justice potential of Islamic finance lies not in how it confronts capitalism and modernity, but how it confronts poverty and wealth inequality. This is because capitalism itself is unmapped at the moment; it cannot provide a fixed, reliable set of tenets against which to assess the present state and future potential of Islamic finance. The present capitalist moment is baffling not for its incongruity or contradictions (e.g. between neoliberal emphases on self-help alongside widening inequality that impoverishes conditions in which self-help can occur), but for what Connolly (2008) has described as the havoc-wreaking potential of true creativity or emergence within modern capitalism. System theories of self-regulating markets, from Alan Greenspan’s famous belief that markets are self-correcting, to Hayek’s market theology (1944, 1952) whereby the animating “spirit” of markets is faith in their self-regulation, are now understood as untenable.9 The 2008 financial crisis and resulting global depression revealed the inadequacy of such faith in markets as well as the shortcomings of a literature theorizing how ethics and ethical orientations are

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intrinsic to the market functioning, the “free hand” notwithstanding (Smith 1759, Knight 1922). Not only did these ideas not prevent the 2008 catastrophe, they set in motion the longer trends of egregious inequality, recently mapped to much acclaim by Piketty (2014). Post-2008, broad analytic categories that once made sense (such as markets, money, and rationality) have now been thrown into disarray. Meanwhile, discontent regarding the marginalization, invisibility, or shrinking spheres of possibility for the poor, precarious, or _shadaron manush_—the ‘common people’ who constitute the majority of Islami Bank clientele—continues to percolate through diverse mass mobilizations (e.g. the Arab Spring, Occupy Wall Street, the UK’s exit from the European Union), all united on at least one register: the aim of the poor or precarious to be seen and recognized in some formal way.

Confronting capitalism cannot happen by positing Islamic finance as an alternative to it. What is needed, I suggest, is engagement with the occlusions that capitalism produces within conventional finance and now by extension within Islamic finance, as it has moved away from its politicized and revolutionary origins responding directly to shortcomings of capitalism. The occlusion I track here is inequality, which I access through the figure of the poor and their experience of poverty, in light of preexisting claims of the poor upon those who are better off through religious modes of redistribution (such as zakat, _sadaqat_ or charity, and _waqf_ or immovable property placed in an immovable trust). Islamic microfinance is a space for accessing experimentation and wrangling with the challenges and pitfalls in addressing economic alterity.

Through an accounting for the ways in which clients understand and constitute their religious and financial subjectivities, I am attending to what Leach (1968) referred to as the dimensions of “practical religion,” and contributing to an anthropology of Islam that approaches religious selfhood, belief, and knowledge through the embodied practices across communities,
individuals, locations, and of scales of difference (Mahmood 2005, Hirschkind 2006, Pandolfo 2007, Khan 2012, Bowen 2010). Attentiveness to the everyday lives of poor allows the question of an Islamic ethics—particularly with respect to economic and business affairs—to be understood not just as a textual or jurisprudential matters, but also as matters of everyday, lived practice (Lambek 2011). My intervention in these literatures is to examine the interface of practical Islam and everyday ethics with the corporate proceduralism that defines the conduct of contemporary global finance.

**Encountering the occlusion of the poor**

The value of worldwide Islamic financial assets has leapt from half a million dollars in the 1970s to over one trillion dollars today, with these assets widely expected to quadruple within the next few years. This steady growth is remarkable in light of the newness of the industry, dating back to the mid-1970s. Before the 1970s, the vast majority of the world’s oil was traded in long-term agreements with multi-national corporations, with contractually agreed-upon prices. In the mid-1970 when these contracts (and thus monopolies) ended, Persian Gulf countries gained control over their oil resources and new markets for oil emerged—along with a comparably infinite expandability of price and circulation possibilities. Oil-producing countries began channeling the immense liquidity (“petrodollars”) generated by the ceiling-less prices of this brand-new oil market toward new ventures, including Islamic financial institutions (Mitchell 2011). This liquidity eventually enabled small, successful local experiments in Islamic finance in Egypt, Pakistan, and Malaysia to develop into multi-national banks and investment houses, a history that Charles Tripp parses in *Islam and the Moral Economy* (2006).

By 1975, the multilateral Islamic Development Bank in Saudi Arabia and the first major commercial bank, Dubai Islamic Bank were established. In 1977, Sudan established its first
Islamic Bank with the help of Saudi funders, eventually transitioning its entire finance and banking infrastructure into Shari’a compliance by 1989. In 1983, a Saudi diplomat to Bangladesh helped establish the Islami Bank Bangladesh Limited, the first Islamic bank in South and Southeast Asia outside Pakistan. By 1985, Pakistan’s entire banking and finance sector, including commercial and specialized banks, had become mostly interest-free. Today, numerous conventional banking and financial institutions offer parallel Islamic services through dedicated “windows” or divisions, particularly in countries with large Muslim populations. The list includes JPMorgan Chase, Standard Chartered (Saadiq), Citibank (Citi Islamic Investment Bank), and BNP Paribas (Najmah).

My initial research into Islamic banking and finance sought to juxtapose the religious and financial knowledge, practices, and expectations of poor clients with those of a financial institution and its employees, to understand how ideas of Islamic finance are constituted in the interstices of the client-institution interface. How do poor clients and bank officers understand their participation in Islamic finance? Are there divergences in their financial and religious knowledge, practices, and commitments, and what might this mean? How are the religious aims to be understood against financial motivations? Is the rise of Islamic finance part of a shift toward greater expressions of public religiosity?

After two summers researching these questions in Dhaka bank headquarters as well as among Islamic microfinance clients in a poor, rural-adjacent slum community in the Cox’s Bazar district, I encountered something unanticipated at a professional Islamic financial conference that I attended in the US in March 2012. My exposure to Islamic finance had thus far been exclusively set within Bangladesh, but this conference, the Forum on Islamic Finance at Harvard Law School, was global in scope. Many of the world’s most consequential living Islamic finance
theorists and practitioners were presenting or attending. The largest and most influential Islamic financial institutions and regulatory bodies had sent representatives. Hundreds were in attendance, mostly practitioners or from other professional fields such as business and law schools. 31 papers were presented, including mine: “Ethnographic Approaches to Understanding Client versus Institutional Priorities for Islamic Microfinance in Bangladesh.”

I was surprised to find myself received as an anthropologist narrating the existence of an unknown ‘other’: the poorest clientele (Islamic microfinance clients) of a commercial banking institution (the Islami Bank Bangladesh) in a poorly country (Bangladesh). A speaker from the prominent Pakistani Islamic microfinance charity Akhuwat also spoke on my panel, but Akhuwat is a charity and not an incorporated financial institution accountable to central banking regulations. As a charity, Akhuwat naturally engages with the poor and has a clear ethical motivation grounded in religion, and religious duty.

By contrast, the Islamic microfinance program and its poor rural clients I discussed seemed to introduce category confusion. Why should they be discussed when they are neither typical nor desirable clients of consumer banking? The small amounts they transact are a drain on bank finances and resources; microfinance is usually excluded from regular consumer banking because it is all but guaranteed to exact costs, rather than bring profits. But in the case I was discussing at the Islami Bank, neither were the poor slotted into the other available category as recipients of generosity or goodwill, whether through charity, corporate philanthropy, or CSR (corporate social responsibility, a commonly mandated corporate expense).

10 “Microfinance” is not reducible to microcredit alone, but references savings accounts, insurance, hire-purchase schemes, and the provision of fixed assets or money earmarked for assets rather than fungible credit—the latter a mainstay of Islamic microfinance per generally accepted rules of Shari’a compliance (I take up the subject of Shari’a compliance in Chapter 1).
I was surprised that my focus on the poor clients of Islamic microfinance in Bangladesh was seen as irrelevant to the concerns of a conference of mainstream Islamic financiers given commonplace commentary on the degree to which Islamic finance attends to social justice. Social justice ostensibly allows Islamic finance to be a superior alternative to conventional finance and to capitalism—these systems have wrought social discord, and sharpened entrenched wealth inequality. Imperatives of social justice are also traced to the clear guidance in the Qur’an and hadith on the conduct of economic affairs. If anything, attentiveness to the poor could be a quick means to attending to social justice and authenticity. The rise of a set of discourses, practices, and innovation grouped under the cause of “financial inclusion” also suggests that the poor should indeed be considered bankable financial assets. This is not the case. The elision of the poor, or their marginalization to beneficiaries of benevolence, is a gap worth exploring.

The theme of the conference that year was “Islamic Finance and Development.” The “development” under consideration was overwhelmingly the development of the Islamic finance industry: the need for better regulation, more education and training programs, challenges and strategies for structuring and selling sukuk [bonds], Islamic derivatives, and takaful [insurance]; the creation of Islamic stock exchanges and tax codes suitable for Shari’a compliant products. The socioeconomic development of poor individuals, markets, or countries was mentioned in passing or in a general, theoretic register, but not with the level of detail or rigor imparted toward the industry challenges above. Since Islamic finance brings certain benefits over conventional finance by prohibiting debt-backed transactions and limiting risk and gambling,¹¹ the logic

¹¹ The broad benefit of Islamic over conventional finance is often represented (i.e. at Islamic Relief Worldwide, who employed me as a consultant to their Islamic microfinance program in 2013), through its emphasis on “productive” over “speculative” transactions. Productive transactions involve material assets that can be put toward income-generating use and contribute toward what is often referred to as the “real” economy. Speculative transactions refer to
seemed to be that increasing the growth and visibility of the Islamic finance industry would yield net economic, financial, and social benefit.

In the months and years following I came understand my experience of surprise as a provocation both to the norms and discourses of the global industry, and to myself as I moved from the specificity of studying Islamic finance in Bangladesh into a more global register of inquiry. The frequency with which the ethical potential of Islamic finance is mentioned does not, paradoxically, index a robust engagement with these concerns. Most luminaries and institutions in attendance were based in the wealthiest markets in the Islamic banking and finance world. Conference discussions were largely aligned toward the urgent needs and interests of these markets and individuals. While consideration of the figure of the poor client is critical for Bangladesh, it added little to the discussions for the conference milieu. During my panel’s Q&A session and conversations throughout the conference, my paper seemed to generate interest and dismissal as irrelevant because “development” was construed in ways that focused attention upon the financial health of the broader industry, although to the apparent exclusion of poor clients and “developing” or “emerging” markets. This dual meaning of development (developing the industry versus developing the poor) is a rich site for inquiry precisely because the development of the industry is not simply a case of corporate greed or capitalist gain. As I explain in coming chapters, benefits of Islamic finance are arguably best accrued at a macroeconomic level, by ridding an economy of injustices associated with riba, transacting in debt, excessive uncertainty, and requiring one party to potentially absorb all losses. Ridding an economy of these injustices will not eliminate poverty, the thinking goes, but would ameliorate systematic imbalances that exacerbate it.
To be clear, the exclusion of poor clients and poor markets was not because of lack of interest or care for the poorest Muslims. Their needs could, for example, be addressed through charity. However, industry growth and development was positioned as the most important channel through which broad social benefit could be realized. The industry’s goodness and importance was taken for granted and didn’t need to be discussed. This is because it is largely taken for granted that the central tenets of the industry encode social benefit. This includes the prohibition of *riba* or an unjustified increase commonly understood as usury; equity rather than debt-based transactions; avoidance of *haram* or forbidden industries; risk-sharing; avoidance of excessive *gharar* or uncertainty, risk, or speculation; and avoidance of *maisir* or gambling.\(^\text{12}\) By contrast, the figure of the poor and marginalized predominated my discussions at the Islami Bank—and not just during conversations concerning Islamic microfinance. Bangladesh has a rapidly growing Islamic finance industry, anchored by the Islami Bank, the nation’s largest and old Islamic financial institution. As mentioned, in 2013-2014, excluding Islamic microfinance, there were an estimated 38 million Islamic banking customers in the world (Ernst & Young 2014: 8). In 2013, over 8.5 million of those customers belonged to the Islami Bank (Islami Bank 2014: 39). As Islami Bank clients constitute about a quarter of all Islamic finance clients in the world, what sustains their occlusion from industry discussions concerning innovation, success, and future directions? What allows still-emergent Islamic finance, propelled at its start by ethical considerations rather than capitalist profitmaking, to overlook the category of the poor? What does such an elision suggest about the inability of finance to incorporate the transactional capacity of the poor into a vision of its future? How do the poor continue to attempt to make the emerging industry institution incorporate them into it? Approaching these questions from

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\(^{12}\) These are discussed later on the Introduction; see also Appendices 1 and 2 for definitions and further explanations.
different sites in Bangladesh, including at the person-to-person level of client and bank officer interactions, decentralizes imaginations of what the industry can be.

**The Field: industry ideologies and a procedural apparatus**

Bangladesh is a poor country (“emerging,” in industry parlance). Its financial markets are under-resourced, and growth rates are promising but uneven, subject to the shocks of natural disasters, political unrest, and labor disturbances. The Islami Bank has become a leading financial institution in Bangladesh among both conventional and Islamic providers. It has been wildly successful in overcoming its lack of capital resources by leveraging what it can reliably access: scale. Namely, a national population of nearly 160 million—the world’s fourth-largest Muslim population. Small individual financial transactions can become profitable by virtue of the sheer scale on which they are performed: in 2015-16, remittances accounted for 6.7% of Bangladesh’s GDP (*Daily Star* 2017). The Islami Bank’s leading role in the remittance sector has anchored its place in the Bangladeshi economy. By the end of my fieldwork in 2014, the Islami Bank was the third largest processor of remittances behind two government-run banks, and held about 26.7% of total remittance market share (Islami Bank 2014: 17-20). By May 2017, the Islami Bank had become the largest processor of remittances with about 30% market share (Rahman and Alo 2017), processing nearly double the amount of remittances of its next-closest competitor, the state-owned Agrani Bank (*Daily Star* 2017). Beyond remittances, the Islami Bank is woven into the fabric of the country’s largest contributor to GDP, garment production: nearly 25% of the country’s garment factories are financed by the Islami Bank (Rahman and Alo 2017).

Globally, the Islami Bank is remarkably unique among conventional and even Islamic institutions for its vocal commitment to prioritizing poverty alleviation alongside institutional
growth and shareholder returns. Since its inception in 1983, the Islami Bank has described itself as a religious as well as financial institution dedicated to poverty alleviation—an identification often invoked by employees during our conversations. This pro-poor commitment is borne out in numerous ways. Of the Islami Bank’s 286 branches in 2016, two-thirds are located outside the urban centers of Dhaka and Chittagong, making the Islami Bank available to rural and small town customers. The bank enjoys a popular reputation as having a respectful environment hospitable to poor clients. This includes the mundane gift of air conditioning in the local branch near where I conducted rural fieldwork, a boon for clients waiting in long queues during oppressively hot and humid summer and monsoon months. More importantly, the Islami Bank has minimal paperwork and simple procedures for clients compared to peer institutions, an important accommodation for those with limited reading abilities. The Islami Bank is, in the words of a Vice President at a competing Islamic bank, a “lunghi-sandal” institution; the traditional sarong (lunghi) and cheap sandals often worn by poor men often in public are synecdoche for the Islami Bank’s core poor demographic.

The cornerstone of the Islami Bank’s pro-poor commitment is its Islamic microfinancing, established in 1995 and referred to as the Rural Development Scheme (RDS). RDS is part of the Islami Bank’s regular commercial banking operations; its Islamic microfinance products are disaggregated in accounting statements, rather than being represented collectively as “Islamic microfinancing” or “RDS.” What is highly unusual is that the Islami Bank does not fund RDS through its philanthropic arm or CSR programs—RDS is kept self-funded, and so operates usually at a loss. Even though small transactions of the poor can become profitable at scale, the intensive field officer labor, lack of digitization, and extensive bookkeeping around RDS cannot be recouped. The decision to keep RDS as part of regular banking operations instead of locating
it within bank operations as a charitable endeavor denotes its significance to the bank. Financial institutions would generally shy away from keeping a unprofitable program on their books, as it endangers the strength of shareholder returns. The Islami Bank, notably, does not take this approach.

In addition to the regulatory, staffing and monitoring structures to ensure the Shari’a compliance of Islami Bank’s operations, the semiotics of its branding and marketing reinforce the Islami Bank’s status in Bangladesh as an Islamic institution. This overt self-identification with Islam and its mobilization for poverty alleviation is noteworthy given a prominent strand of public wariness toward displays of Islamicness, arising out of the 1971 Liberation War, which has long been cast as a victory for secularism. In the past few years, the complex postwar relationship of the Islami Bank to Bangladesh’s Jamaat-i-Islaami political party has grown more invisible through a war crimes tribunal and contemporary political rivalries and debates.

It is taken for granted that well-financed, wealthy institutions directly shape flows of transnational capital, regulations, and authority. But the Islami Bank Bangladesh is caught up in these flows as well. On a very basic level, the Islami Bank closely attends to credit ratings assigned by the “Big Three” international ratings agencies (Standard & Poor’s, Fitch, and Moody’s) that are not parsed according to an institution’s standing as Islamic or not. More specifically, much of the Islami Bank’s profit leaves the country to benefit its foreign shareholders, who own 63.09% of company shares. And as I have mentioned and will discuss further in later chapters, the bank’s largest source of revenue comes from processing remittances sent from migrant Bangladeshis working overseas. While Bangladesh and the poor might have been marginalized in conversations occurring on aspirational and ideological registers at the Harvard conference, attending to the technical and procedural scaffolding of global Islamic
finance offers a means of accounting for the presence of Bangladesh through the presence and movement of the money. Reducing fieldwork to Bangladesh alone would have risked effacing its embeddedness within a global system, and the fact that poor customers and poor countries also constitute transnational finance.

The global circulation of capital and its attendant assemblages has been well documented in literature theorizing the entwinement of early economies (Wolf 1982), the rise of financialization (LiPuma and Lee 2004, Lee and Martin 2016), and globalization (Brenner, Peck, and Theodore 2010, Ong 2006, Tsing 2005, Ong and Collier 2004, Appadurai 1996). In acknowledging the co-existence of the ideological dimension of Islamic finance and the procedural apparatus that makes it materially and technically able to function—regulations, laws, tax policy, accounting practices, computer software, the SWIFT network—\(^{13}\) I suggest that the procedural apparatus is not value neutral. In the coming chapters, attentiveness to elements of this apparatus through the concept of corporate compliance, the contract, and accounting technologies allows these elements to be understood as imbued with ideological dimensions that can be brought to bear upon the ethical scope of Islamic finance.

Approaching the Islami Bank as an institution rooted in Bangladesh but entwined with and shaped by this procedural apparatus and the money, influence, and authority (i.e. regarding interpretation of topics such as Shari’a compliance) that flows through it determined the contours of my field sites. While George Marcus’ (2005) “multi-sited” fieldwork implies a flatness to the imbrication of territorialized research sites, I encountered instead a need to account for the nested, hierarchical, and deterritorialized relationships that shape the Islamic microfinancing as

\(^{13}\) The Belgium-based Society for Worldwide Interbank Financial Telecommunication is a member-owned cooperative that provides the network through which 11,000 entities (banks, corporations, securities organizations, and so on) in over 200 jurisdictions securely ‘communicate’ with each other (i.e. transfer and receive money). As a platform, SWIFT does not hold or manage funds itself.
clients in Zinukpara receive it in its final form. For example, while Saudi Arabia’s Islamic Development Bank has been a major shareholder of the Islami Bank since its inception, the Islami Bank is adamant in the Islamic Development Bank’s non-activism on the board, because of the political stakes within contemporary Bangladesh. I explore these dynamics in Chapter 6.

Sites are entwined, and stories were told about this entwinement in ways that allowed power and influence hierarchies to be glimpsed.

The entwinement of field sites unfolded across different scales and locations over 18 months from 2010 to 2015, starting from the dining table of Chacha, or Uncle, a co-founder and former Board Chairman of the Islami Bank. Chacha introduced me to influential individuals and institutions in the Bangladeshi Islamic finance and economics sector, particularly across multiple divisions of the Islami Bank’s Dhaka headquarters. The success of the bank, particularly among the shadaron manush as noted above, and its profile as an Islamic institution has drawn the scrutiny of the self-described “secular” government. In order to study these fields of popularity and criticism, my scope expanded to participants in the bank’s Islamic microfinance program, the Rural Development Scheme (RDS). I focused on clients in a small-town slum in the Bangladesh-Burma borderlands of the Cox’s Bazar for the ways it could both illuminate and challenge governmental and popular narratives (i.e. journalism, television talk show commentary, Facebook commentary) in Bangladesh concerning the Islami Bank’s reputation and the demographics of its clientele. Cox’s Bazar is well-known both for the local popularity of the Jamaat-i-Islamic Islamic political party and for its multireligiosity, meaning that local Islami Bank branch offices serve significant numbers of Buddhist and Hindu clients.

Attentive to where RDS clients did find visibility beyond the Islami Bank led me to the Islamic Development Bank (IDB) in Jeddah, Saudi Arabia, a longtime supporter of the Islami
Bank and proponent of RDS and Islamic microfinance globally. The IDB frequently came up in conversations with interlocutors at the Islami Bank: IDB staffers were frequent visitors to the Islami Bank, Islami Bank staffers often travelled to IDB-sponsored conferences or events to discuss RDS, and several IDB-sponsored delegations had travelled to Dhaka to learn more about RDS. With over $150 billion in authorized capital but a communications staff that can be counted upon one hand, the IDB is influential but uniquely opaque, even in the notoriously opaque realm of finance. Unlike its peer institutions, public information about its funded projects, long and short-term strategy, and goals was largely inaccessible or perfunctory. While this has started changing in late 2015 with a major institutional reorganization (this first since its founding, I was told) that has led to some website updates and a nascent social media presence, a public archive of the institution’s works is not available, nor is Jeddah an accessible research site due to difficulty in securing visas, particularly for women.

Finally, these different geographic sites are threaded together by professional spaces of Islamic finance whose knowledge production facilitates a discursive, ideological, technical, and material realm in which disparate Islamic financial institutions can be collectively understood as an “industry”: trade publications (reports, edited volumes, white papers, briefings); LinkedIn groups; trade journalism and news aggregators of Thomson Reuters, Zawya, Reuters, Salaam Gateway; and the UK conferences, workshops, and offices of barristers, accountants, and financiers providing the preferred English Common Law scaffolding for the conduct of transnational Islamic finance affairs, including those of the IDB. Attending to the news and professional digital archive provides access to commentary on mundane daily accounts of

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15 During interviews in 2014, interlocutors at the IDB explained that this level of stasis in the corporate and banking sphere is highly unusual. Major corporations and institutions usually undergo reviews and reorganizations at regular intervals.
institutional, market, and index performances, as well as major deals, issuances, legal battles. Conferences, meanwhile, are dedicated spaces for reflection, speculative thinking, and reflexive assessments—a broader type of thought and discussion than available through the daily churn of financial reporting.

**Chapter summaries**

In Chapter 1, I contextualize this Introduction’s claim about the elision of the poor in contemporary Islamic finance by charting how Islamic economics moved away from its revolutionary origins in the mid-20th century to facilitate the articulation of Islamic finance with conventional global high finance. I focus upon a depoliticization that became evident from the late 1980s onwards, coterminous with the rise of financialization that was changing the nature of global financial activity. I discuss the relationship between Islamic textual guidance and the interpretative labors necessary to make this guidance commensurate with these new, emergent concepts—namely, the risk management that had become central to the modern globalized economy. Charting the evolution from Islamic economics to Islamic finance allows me to return to the primary question of the dissertation concerning the possibility of an Islamic economic social justice in light of present-day inequality and poverty.

In Chapter 2, I examine the destabilizing role of uncertainty for the Islamic financial institution, efforts to contain it, and the outcomes of these efforts. This requires taking up the corporation (specifically, the Islami Bank) as an object of ethnographic inquiry. I examine limits to the scope and possibility of social justice in the legal-regulatory framework of “Shari’a compliance,” a corporate technology for assessing fidelity to Islamic requirements.

In Chapter 3, I examine the possibility of social justice in one of the most commonly used Islamic microfinance contracts by the Islami Bank, the *bai muajjal* contract used to acquire
goods for small-scale income generation. In an landmark judgment in Pakistan’s highest Shari’a court, the deeply influential Islamic finance theorist and *alim* (Islamic scholar) Sheikh Muhammad Taqi Usmani stated that a Shari’a-compliant contract is inherently just (2000). The decision of the field officer to extend any additional benefit to the client is not required per Shari’a compliance guidelines. While there is institutional awareness and acceptance of this, contract terms are rarely followed. I focus on contractually-required processes around securing (or not) assets for financing—a classic requirement of Islamic finance. I suggest that the Islamic financial contract should be understood less as a legal document and instead an expansive field of relations. Economic ‘social justice’ emerges less from the Shari’a compliance of Islamic microfinance, and more from embodied negotiations of individual Islamic identities in tension with institutional requirements based in Shari’a. The Islamic financial contract can be understood in light of the Islamic religious-juridical question of *niyya* (intention), and the pragmatism and social justice commitments of the Islami Bank and its field officers who engage with Islamic microfinance clients. In this chapter, achievement of social justice requires moving beyond a contract and beyond Shari’a compliance.

In Chapter 4, I explore how poverty and Islam are presumed sufficient to engender a market for Islamic microfinance. This presumes the legibility of poor clients and flattens the complexity of their religious subjectivities and financial management strategies. I take the everyday religious and financial practices of the poor as a starting point for inquiry, rather than as transparent or predetermined. I consider the presumptions and categories regarding the subjectivity of poor clients that come to frame the goals of RDS. The weekly microfinance repayment meeting between RDS clients and field officers is a site for accessing clients’ financial vocabularies, accounting practices in space and time, the gendered structure of the
household-as-economic-unit, and slippages between institutional versus client understandings of the ‘Islam’ of Islamic microfinance can be accessed. In drawing upon “accounting” as both a methodology and object of inquiry, I track the ways that clients conceive of and manage a host of monetary relations and obligations, and how these are (in)commensurate with bank practices. Through this, the repayment encounter can be understood as an event, a site for the performance and undoing of predetermined client subjectivities, and the constitution of other subject positions by clients through a multitude of labors.

Chapter 5 considers the internal logics that allow an idea of an Islamic economic social justice to cohere when the Islamic financial corporation as theoretical object and Islamic finance as an analytical category are both marked by stark wealth inequalities. What are the logics of internal contradiction that allow the possibility of economic social justice to coexist with the accommodation of inequality? Might there be a shared logic—as opposed to shared realities, beliefs, or practices—that provides a way to conceptualize coexistence in a providential universe? To explore this, I examine different ways in which the wealthy and the poor can be brought into financial relationships in an Islamic cosmos, and explain how the poverty of Zinukpara’s clients can be understood as precarious, and why precarity is different from legal or administrative categories of poverty by virtue of its volatility. I then offer thick ethnographic description of how questions of casualty in Zinukpara become acute in understanding origins of harm and methods for treatment within liminal zones of malady, magic, and healing. Lastly, a conversation suggests the possibility of convergence in a way that can recognize inequality, while moving beyond it.

In Chapter 6, I attend to the specific dimensions of how the political and historical context of Bangladesh creates its own field of ethical and technical possibilities for the work that
the bank can do. Bangladesh’s demographics suggest that a vision of Islamic economic social justice should have an easy home. The country is 90% Muslim and overwhelmingly Sunni with a robust Islamic finance sector, and the world’s largest and oldest Islamic microfinance program. Instead, rather the opposite holds true. The Islami Bank is deeply contentious, scrutinized by the national government for supposed links to political, terrorist, and extremist Islamic organizations. Is an Islamic economic social justice a “local” concept? I extend the analytical lens beyond individual Islamic microfinance clients or the Islamic financial institution to examine the possibility of an Islamic economic social justice in light of a national macroeconomic imagination.
Chapter 1: From Islamic Economics to Islamic Finance: Conceptual Fields and Historical Backgrounds

From its 1970s origins to the present, the structures, instruments, and underlying rules of modern Islamic finance have their theological origins in the field of “Islamic economics,” commonly referred to as a system, philosophy, or discipline. Rules (e.g. the prohibition of riba, maisir/gambling, and gharar/risk) and normative claims (e.g. Islamic finance promotes risk-sharing and asset-backed rather than debt-backed transactions) are the basis for developing and justifying Islamic contracts, partnerships, products, and transactions. What I wish to distinguish between are textual sources in Islam (Qur’an, hadith, Sunnah, fiqh) that engage myriad facets of economic life, commerce, and money, and the 20th century interpretative work that became the field of Islamic economics, drawing on textual sources but evolving into its own specialist discourse.

In this chapter, I contextualize the Introduction’s claim about the elision of the poor in contemporary Islamic finance by charting how Islamic economics moved away from its revolutionary origins in the mid-20th century in order to facilitate what the Secretary-General of the Organization of Islamic Cooperation described in 2009 as Islamic finance becoming a “complementary service” to conventional global high finance. The rise of modern Islamic finance is not simply a case in which a field of practice has arisen from a field of theory. Textual traditions in many cases do not straightforwardly translate to the needs of Islamic financial products, and so the depoliticization of Islamic economics was necessary for ideas in Islamic economics to find articulation with the corporate forms of a global economy. Historicizing the field of Islamic economics allows for this depoliticization to be tracked.
As I described in the Introduction, concerns over whether Islamic finance has evolved too far from textual traditions—what I describe as the authenticity problematic—are a regular feature of industry discussion and introspection, from conferences to white papers to my interviews with industry interlocutors. The Islamic finance industry is not, however, concerned with the question of whether it has remained true to the origins of Islamic economics, which imagined a true alternative to capitalist systems. In other words, while self-reflexivity is readily observable within the industry given the prominence of the authenticity problematic, this self-reflexivity has narrowed in scope. As risk management and profit-making imperatives of global high finance have become paramount, questions concerning authenticity replace questions concerning the creation of a new and more just world.

I explore this evolution by first charting the emergence of the discipline of Islamic economics, from the early years to the present-day, providing an overview of significant writers and national movements, and the emergence of important institutions. I then focus upon a depoliticization that became evident from the late 1980s onwards, coterminous with the rise of financialization that was changing the nature of global financial activity. I next discuss the relationship between Islamic textual guidance and the interpretative labors necessary to make this guidance commensurate with these new, emergent concepts—namely, the risk management that had become central to the modern globalized economy.16 Charting the evolution from Islamic economics to Islamic finance allows me to return to the primary question of the dissertation concerning the possibility of an Islamic economic social justice in light of present-day inequality and poverty. The practice of contemporary Islamic finance grapples with the paradox of an Islamic economics tradition that centers a revolutionary replacement of

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16 This discussion prefigures my examination of the centrality of the corporate technology of compliance, which I discuss in Chapter 2.
exploitative systems, while pressures of a modern, financialized global economy decenters the needs of the poor.

**Radical beginnings of Islamic economics**

Interpretative intellectual labors conducted in the 1930s through 1960s that established the discipline of “Islamic economics” were not just seeking to gather Islamic textual guidance on transactions, economy, and business into an alternative corpus to conventional economics, itself a field that underwent profound changes from a humanistic field to a mathematized science from the 1920s onwards. As economist Frank Knight explained in 1924, since “from a rational or scientific point of view, all practically real problems are problems in economics,” the “general theory of economics is therefore simply the rationale of life” (1). This all-encompassing approach to economics was echoed by economics Nobel Laureate Gary Becker in 1976: “the economic approach is a comprehensive one that is applicable to all human behavior, be it behavior involving money prices…emotional or mechanical ends…rich or poor persons” (in Sandel 2012: 49).

The mathematization of conventional economics gradually enabled economic and financial uncertainty to be rendered knowable, and risk to be managed. The transition of economics into a science of risk and return was funded by banks, who then deployed the fruits of these new labors for the growth of the banking and finance industry (MacKenzie 2006, Poovey 2008 and 1998, Krippner 2012, and LiPuma and Lee 2004).

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17 MacKenzie’s (2006) ethnography of derivatives (contracts that allow quantities of financial risk to be bought and sold) and the Black-Scholes pricing formula explores how mathematics and models were used to naturalize and therefore contain risk—all in service of the applied goal of profit-making, as opposed to the previous intellectual and humanistic ends of economic inquiry that defined the discipline of economics prior to the 1920s. Models and forecasting removed risk as a free-floating systemic possibility, and instead contained it. Once the risk was no longer unknowable, it became what LiPuma and Lee (2004) describe as an “ahistorical species of knowledge.” Once risk was knowable, it became at asset itself, available for buying and selling—and in so doing became the lifeblood of the speculative, financialized economy of the present day.
As conventional economics was turning away from modes of humanistic inquiry and recasting conclusions as facts, Islamic economics may have been influenced by this tenor as it sought to establish its own technical authority. The above foray into conventional economics history from the 1920s onwards has a clearer implication for this chapter. The establishment of the discipline of Islamic economics did not involve merely gathering together a corpus of Islamic textual sources on economics and commerce. Instead, the labors of Maududi, Sadr, Tabatabai, Jinnah and others involved the imagination of a different economy, itself a route to imagining a different world (Tripp 2006). Accordingly, Islamic economics was entwined with an array of complementary labors: revolutionary and political resistance, critiques of secular capitalism, postcolonial nation building, and identity formation. Threaded through these commitments are questions of economy, from control of resources, to exploitation, to inequality. In sketching the broad outlines of a political history of Islamic economics (acknowledged also by Warde 2004, Tripp 2006, Kuran 2004, and Maurer 2005), I am also sketching a modern genealogy of the social justice potential of Islamic finance as situated in time, place, and political conditions.

Treatises from the 1930s through 1960s argued for the existence of Islamic economics as a discipline as robust as the discipline of conventional economics, or what Khurshid describes as a “philosophy” or “methodology” in his foreword to Maududi’s collected writings on Islamic economics (2011: xxvi). These treatises and their intellectual labors were in service to 20th century Islamic revivalist movements, particularly the Jamaat-i-Islami and movement for an independent Pakistan within British South Asia and the _al-Ikhwan al-Muslimun_, or Muslim Brotherhood in Egypt. Writers and texts for this new Islamic economics discipline include Anwar Iqbal Qureshi, writing in English from colonial India and later Pakistan (_Islam and the
Theory of Interest, 1946); Sayyid Abul Ala Maududi, writing in Urdu from colonial India and later Pakistan (First Principles of Islamic Economics, a collection of his lectures and essays prepared from the 1930s through the 1960s); Sayyid Qutb, writing in Arabic from Egypt (al-Adala al-Ijtima iyya fi’l-Islam [Social Justice in Islam], 1949); and Muhammed Baqir Al-Sadr, writing in Arabic from Iraq (Iqtisaduna [Our Economics], Volumes One and Two, 1961).

In these texts, concepts of social justice are used to distinguish Islam from the rapaciousness and moral corruptness of the West. This includes Western colonial and imperial political manipulations, control over natural resources and means of the production, the alienation of colonial subjects and other workers from their labor, and concentrations of capital in Western coffers. The preface to Yusuf’s 1971 volume, Economic Justice in Islam, succinctly describes the impetus for articulating an Islamic economics as “the capitalist system of economy” which “plagued the Muslim countries as part of the Western civilization which engulfed them in the wake of their political subjugation” (iv).

Yusuf, Maududi, Qutb, al Sadr, and others wrote from political economic environments of extraction, political manipulation, and exploitation by colonial and imperial powers. These environments then became sites for ambitions of resistance that took the form of nation-building and new identity formations (Nasr 1996, Musallam 1983 and 1993). Explications of an economic social justice thus approach the economic and commercial guidance of the revealed texts in light of movements defined by their entwined political, religious, ideological, and economic dimensions. Islamic economics became a site of overt political resistance against capitalism as the means through which Western hegemony was created and continues to be sustained. It was

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18 See Mutahhari, translated by Campbell (1985), for an Islamic recuperation of the European Enlightenment concept of “ideology.”
not an apolitical “alternative” to secular or conventional capitalism. This is a crucial point, and one I will return to when discussing the depoliticization of contemporary Islamic finance.

The cases of Pakistan and Iran illustrate how Islamic economics was mobilized in service of revolution and resistance in very different ways. Maududi was writing from within the exploitative political economy of British India and articulated a vision in which Pakistan’s economy could embody Islamic principles central to the identity of the new nation. For Maududi, “social justice” was a dangerous phrase, used strategically by the West to mask its abuses. He delivered an indictment of “social justice” in a 1962 speech in Makkah, Saudi Arabia:

“The biggest deception of our modern times, to which humanity is being subjected today, is that being inflicted in the name of ‘social justice.’ The Devil has earlier deceived humanity for a very long time under the names of ‘liberty’ and ‘liberalism.’ On that basis, he succeeded in raising the systems of capitalism and secular democracy during the eighteenth century. These were then the dominant trends and regarded as the last word in the socio-political advancement of mankind […] if there was any panacea for the ills facing humanity anywhere in the world, it was to be found in the systems of capitalism and secular democracy as they flourished in the West. However, things soon took a different turn and the people started realizing that Western capitalism, as it was enshrined in its model of secular democracy, was actually responsible for inundating the earth with so much imbalance, tyranny, and oppression” (2011: 230-31).

Later on in his speech, Maududi notes the flexibility of Western deployments of “social justice,” pointing out the newest incarnation of the discourse in the form of communism, or, as he describes it, “yet another system of tyranny and exploitation” (2011: 231). Maududi’s contemporaries, Al Sadr in Iraq and Allameh Seyyid Muhammad Hussein Tabatabai in Iran were similarly engaged in their own projects of articulating an Islamic economic social justice as a response to Marxism and communism. These writings presage later efforts by a subsequent generation of Islamic financial thinkers in the wake of the disintegrating Soviet Union.

Maududi’s economic ideas and recuperation of an Islamic social justice would prove central to the idea of Pakistan in its earliest days, as a way to posit a radical form of community
identity and well-being. On July 1, 1948, nearly 11 months after Pakistan’s independence, Mohammad Ali Jinnah inaugurated the State Bank of Pakistan and proclaimed the centrality of socially just banking to his idea of Pakistan. “I shall watch with keenness the work of your Research Organization in evolving banking practices compatible with Islamic ideas of social and economic life,” Jinnah told the assembled bank leadership. “The adoption of Western economic theory and practice will not help us in achieving our goal of creating a happy and contented people. We must work our destiny in our own way and present to the world an economic system based on true Islamic concept of equality of manhood and social justice [sic]” (Jinnah: 1948).

In this speech, the establishment of a more Islamic society striving for compliance with Shari’a does not emerge as a national goal, but as a mechanism for attaining that which Western capitalism has not been able to achieve: the establishment of “social justice” and a population of “happy and contented people.” Jinnah attributes catastrophic international discord to Western capitalism in the strongest terms, and identifies an Islamic economic system as a way for Pakistan to be a global leader in social justice. By establishing Islamic banking, Jinnah explained, Pakistanis will “be fulfilling our mission as Muslims and giving to humanity the message of peace which alone can save it and secure the welfare, happiness and prosperity of mankind.”

Just a few years after Jinnah’s endorsement of a fully Islamic economic system for a new Pakistan, a different route to the articulation of an Islamic economics was underway in Iran. Youth-oriented affinity toward Marxist outlooks found accommodation under the secular, liberal leadership of Mohammad Mossadegh, who served as Prime Minister from 1951 to 1953 before

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19 As Jinnah explained in his speech, Western capitalism has “created almost insoluble problems for humanity and to many of us it appears that only a miracle can save it from disaster that is not facing the world. It has failed to do justice between man and man and to eradicate friction from the international field. On the contrary, it was largely responsible for the two world wars in the last half century.”
being overthrown in the 1953 coup orchestrated by the United States and British intelligence services. Under Mossadegh’s regime, Tabatabai, along with his student Morteza Mutahhari, sought to recuperate and revive Islam as a philosophical or ideological system capable of countering Marx’s totalizing theories (Noorozi 1994). This commitment is a counterweight to the origins and trajectory of Islamic economics knowledge production under Maududi and Qutb, whose *Social Justice in Islam* was deeply informed by Maududi’s writings as he responded to economic and political interferences of British and French imperialists during World War II and its aftermath.

The authors I mentioned earlier who acknowledge the revolutionary history of the constitution of Islamic economics do not acknowledge critical differences in the political, economic, and social change that Islamic economic thinking sought to enact. Tabatabai and Mutahhari, for example, were not writing from the same position of national economic exploitation; Mossadegh’s signature accomplishment was in fact wresting control of Iran’s oil production away from the British and rendering it a fully nationalized enterprise. Meanwhile, the popularity of Iranian Marxism that served as an impetus for Tabatabai and Mutahhari’s work on Islamic economics can be understood in the context of a longer story of Russian versus British competition over Iran’s oilfields and strategic location.

**Depoliticization and capitalist articulations**

When long-term oil contracts and monopolies ended in the 1970s, Persian Gulf countries gained control over their oil resources. These countries began channeling the immense liquidity generated by the ceiling-less prices of this brand-new oil market toward new ventures, including Islamic financial institutions (Mitchell 2011). A new wave of particularly English-medium intellectual labors arose, seeking to define the goals, structures, and importance of the nascent,
burgeoning Islamic finance sector, whose flagship institutions sprang up in only five years: the Islamic Development Bank was founded in 1973 and remains the world’s largest multilateral, primarily Arab-funded financial institution, providing Shari’a compliant investment funds and developing Islamic financial products for its 56 member countries. Dubai Islamic Bank, launched in 1975, is the flagship institution of the modern Islamic finance industry, and is the world’s third largest Islamic bank with assets of about $33.7 billion. Kuwait Finance House, established in 1977, now ranks as the second largest Islamic financial institution in the world, with assets over $45 billion. The following year in 1978, Al-Rajhi Bank was established as the Al-Rajhi Trading and Exchange Corporation today. Today, it is the world’s largest Islamic bank controlling over $49.2 billion in assets, with the Al-Rajhi family as the wealthiest non-royals in Saudi Arabia.

Intellectual labors were necessary to make sense of this industry that appeared so suddenly. Of particular consequence were the writings of M. Umer Chapra, starting with the Objectives of the Islamic Economic Order in 1979, and then Toward a Just Monetary System in 1985. By the late 1980s and early 1990s, the fall of the Berlin Wall and the disintegrating Soviet Union further bolstered the viability and visibility of the growing industry. During this era, writers positioned the nascent Islamic finance industry as an alternative to communism as well as capitalism (Kustin 2017a). In 1992, Chapra, by then arguably the world’s most prominent Islamic economic theorist, released the momentous Islam and the Economic Challenge. The first lines of Ahmad’s foreword embed the significance and future prospects of Islamic finance in the events of 1989 and their aftermath:

“The collapse of socialism and the centrally-planned economies in the former Soviet Union and Eastern Europe has raised a host of critical questions for all concerned with the ideological future of mankind. Does this represent the final demise of the social system and unequivocal victory of the Western doctrine of economic and political liberalism…” (xiii)
The volume goes on to argue for the modern necessity of Qur’anic guidance for economic activity as a solution to failed Western attempts to prevent economic crises through experiments with “capitalism, socialism, nationalist-fascism, and the welfare state.” These systems, Ahmad argues in an echo of the volume’s central thesis, are based on “the fundamentally and characteristically Western premise that religion and morality are not relevant to the solution of man’s economic problems, that economic affairs are better settled by reference to the laws of economic behavior and not in respect of any social code of moral conduct” (xiii-xiv). The fall of socialist and communist regimes and the visible economic failure of states still clinging to these ideologies after 1989 signals that, “The search for appropriate answers need not be confined to the Western experience…it can profitably widened to other religio-cultural horizons…More satisfying and befitting answers to the economic questions of our time can be found in the Islamic approach to them” (xiii).  

Emphasizing social justice as a site for understanding the difference between conventional and Islamic finance shifts Islamic economics away from the deeply political posture of Maududi, Qutb, and Tabatabai, who argued for Islamic economics in the context of nation-building, revolutionary, and political-ideological projects. Rather than these projects, which were specific to local and national conditions, the scope was now shifting to the viability of global systems. This tracks with the newly financialized global economy, wrought by a series of legislative and corporate organizational changes and the rapid acceleration of the global circulation of capital as borders opened. These processes, as well as the velocity and reach of capital’s circulation engendered new forms of risk, and Islamic finance would soon be consumed

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20 The preceding two paragraphs are taken from Kustin 2017a.
with adapting the rules of Islamic economics to address the emergence of multiple forms of risk, from systemic to operational risk.21

Iran’s effacement from the literature produced during and immediately after these changes (and continuing into the present) presents an especially vivid example of this depoliticizing orientation. Iran’s economy was rendered fully Islamic through the Islamic Consultative Assembly’s [Parliament] passage of the Riba (Interest)-Free Banking Act in August 1983 (Naqvi 1985). This makes Iran the world’s longest-running fully Islamic economy. And yet, Iran is normally and unreflexively excluded from contemporary overviews of Islamic banking and finance because of the idiosyncratic trajectory of its political upheaval-driven evolution, and the particular isolation of its economy under economic sanctions which has allowed the practice of Islamic banking and finance to evolve in idiosyncratic ways. In reviewing industry literature, the frequency with which Iran is reduced to a perfunctory sentence, a footnote, or is altogether absent is striking. The absence of Iran in the professional literature of the past three decades can and should be parsed as a political omission, although I have yet to encounter any writing in English (the lingua franca of dozens of Islamic finance-focused academic journals, trade publications, and innumerable professional texts published across the globe) that addresses this subject.

21 As I explain in Kustin (2017a), after 1989, the rise of post-Cold War globalization, neoliberalism, and structural adjustment policies enabled the technologies and processes of “financialization” initiated in the 1970s to rapidly mature, heralding massive spatial and temporal reorganizations of financial and economic activity, including exponentially increasing risk and novel strategies for risk management (Martin 2002, MacKenzie 2006, Harvey 2007, Amato and Fantacci 2011, Appadurai 2013). Through financialization, what political scientist Connolly (2011) describes as true emergence, creativity, and randomness became subject to capture and neutralization into the scientific, stable category of “risk” through stochastic models. Not that this diminished the danger of these new, expanding forms of risk. Indeed, theorizations of financialization suggest that risk and new forms of risk-bearing subjectivities are sites through which the present economic and capitalist condition can be understood (Dore 2000, Krippner 2012).
Instead, with minimal exceptions, discussion of Iran is simply omitted in spaces of professional knowledge production. Hostility toward Tabatabai’s robust defense of Shiism and robust responses to the insurgent affinity for Marxism in the 1950s would make Iran’s Tabatabai-influenced intellectual thought on Islamic economics an awkward literature for the dominant Sunni Persian Gulf-based powers of Islam financing to reference, much less elevate. The issue is less Iran’s Shiism than the roots of Iran’s Islamic finance in Marxism. While Iran and Shiism never came up during my fieldwork conversations and literature reviews, theological divisions that were often mentioned, from Bangladesh to Pakistan to Saudi Arabia, involved the reach and influence of different madhahib, or schools of Islamic jurisprudential (fiqh) thought.

The effacement of Iranian anti-Marxist scholarship in the reviews of modern Islamic finance is noteworthy considering that these writings can easily be considered antecedents to the “second generation” of scholarship from the late 1980s and 1990s (following on the “first generation” nomenclature of Maurer 2005 in describing Maududi, al Sadr, et al). The political stakes of Chapra’s project appears limited to a rebuke of the West by pointing out that its economic systems are failed or failing—these economic systems could not live up to their promises. These stakes suggest that the problem is one of (in)efficiency. Capitalism has not failed because it is inherently exploitative and engenders or inequality—but because it could not deliver (e.g. regarding the wisdom of the ‘free hand’ of the market) and through this failure, could not contain the risk of social breakdown. Islamic finance offers an alternative through a “social code of moral conduct” premised on the existence of a future known only to a divine

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22 See Tabatabai’s *The Principles of Philosophy and the Realistic Method* [*Osul-e Falsafeh va Ravesh-e Realism*]. This work was published in five volumes from 1953 to 1971; co-authorship is commonly attributed to Motahhari due to his extensive annotations and Introduction.

23 Shia-majority Bahrain is an influential country in global Islamic finance and hosts the Accounting and Auditing Organization for Islamic Financial Institutions, one of two main transnational regulatory authorities.
 authority—an authority who supersedes the various government structures collapsing amidst the publication of Chapra’s volume.

Divorcing the field of Islamic economics from its revolutionary heritage, as happens through the omission and even repudiation\(^{24}\) of Maududi, Al Sadr, and Tabatabai, and staging the new Islamic finance industry as one that can work within nations as they are suggests that work upon the world can be performed through the macroeconomic, cumulative effects of a robust Islamic finance industry, broadly conceived. While one can access the depoliticization through the absence of historical figures and ideas, the depoliticization can also be accessed by the emergent faith placed in proceduralism: in ensuring that Islamic and conventional finance can smoothly articulate with each other, then an economy writ large can be infused normative notions of Islamic good conduct. The broader goal appears to be a diffuse endorsement of macroeconomics rather than politics: if more actors embrace Islamic finance, Islamic finance can introduce ethicality into economies and through them, bring ethicality into the world.

An unfolding of this new, depoliticized orientation, which replaces political and ideological revolution with faith in macroeconomic change, can be seen in Pakistan. As Chapra was writing Islam and the Economic Challenge in the early 1990s, Pakistan was wrestling with the vagaries of transitioning its conventional economy to an Islamic one. By 1985, Pakistan’s entire banking and finance sector, including commercial and specialized banks, was mostly interest-free—a validation of the Jinnah’s economic vision as he presented it to the State Bank of Pakistan in 1948. The dominant lending and financing modes had become murabaha (a “mark-up” contract in which the projected interest is added to the initial cost or original purchase price of a good) and musharaka (a mark-up contract with provisions for profit and loss sharing and responsibility for initial capital). These remain standard contracts in modern Islamic finance. The

\(^{24}\) I.e. through criticisms of the Jamaat-i-Islami and Muslim Brotherhood.
musharaka contract even has a medieval antecedent; the protracted timeframe of long distance merchant trade in medieval Islam led to reliance upon a similar contract (Kuran 2010).

However, by 1991, Pakistan’s Federal Shariat Court declared these mark-up activities non-Shari’a compliant; they were seen as too-closely modeling secular banking by simply disguising *riba* as the mark-up—an unacceptable *hila*, or trick or stratagem. Jurists critiqued the mark-up as simply a cosmetic change,, placing interest at the *beginning* of the transaction as an expected cost, whereas *riba* would be assessed throughout or at the end of a transaction. However, while the mark-up-as-upfront charge might have been cosmetic, it was purposeful: it was meant to facilitate consumer transition into interest-free banking (Lewis and Algaoud 2001: 91). In other words, mass adoption of an Islamic economy was the goal. Banks structured their products to reduce consumer confusion, and make new Islamic financial contracts and instruments comprehensible to the public. The broad socio-economic priority of transitioning an entire economy into Islamic banking and finance overrode issues relating the structure of individual instruments or contracts.

Labors commencing in the 1990s to smooth away the radical potential of Islamic economics in order to reduce friction with capitalism and conventional finance have grown into maturity in the 21st century. Notions of social justice are no longer tied to forms of political resistance. By the time the CFA Institute, the authoritative global association of investment professionals, publishes its review in 2014 of Islamic finance, the revolutionary past is elided altogether in a strikingly neutral gloss on Islamic economics: “Early treatises in the field accorded a central role to Islamic morality, which is derived from classical Islamic sources and underpins the behavioral foundations of individual economic agents” (Hayat and Malik: 8).
The depoliticization of Islamic finance has also been confirmed at some of the highest levels of Islamic political authority. Ekmeleddin Ihsanoglu, Secretary General of the Organization of Islamic Countries (OIC), does not view Islamic finance as an “alternative,” to secular banking, but as a “complementary service, a way of doing service.” In its standards regarding *takaful* (insurance), one of the two main international Islamic finance regulatory bodies, the Islamic Financial Services Board (IFSB, see footnote 4), readily acknowledges that it takes “as a starting point” international best practices and regulatory codes. Its goal is to “adapt and reinforce” insurance standards into modes appropriate for Islamic finance to enable it to “stand on a level playing field” with conventional competitors (Brant 2009). Trends in emerging products and services in Islamic finance certainly gesture toward the conventional finance as the domain through which Islamic finance derives inspiration, taking conventional products and services an altering to make them “Islamic.” This includes, at the most obvious, LIBOR, takaful, and non-Islamic institutions (e.g. HSBC, Standard Chartered, Citi, Goldman Sachs) opening up Islamic finance “windows” or semi-autonomous operations, or selling a Shari’a-compliant product.

Ihsanoglu and the IFSB’s framings emphasize the reduction of friction: Islamic finance can adapt capitalist practice into Shari’a-approved modes and seamlessly articulate with the world’s conventional financial scaffolding. In taking this approach, Ihsanoglu and the IFSB argue that adopting Islamic finance will not endanger clients, institutions, markets, or countries—but simply provides another avenue for realizing growth.

Social scientists have also participated in this depoliticization by presenting Islamic finance as something that raises interesting questions about—but is ultimately absorbable by—
extant capitalism. Even if capitalist idioms are revised to accommodate Islamic finance, the capitalist idioms still remain the barometers against which Islamic approaches are assessed, i.e. as divergences or reifications. For example, instead of capitalism’s profit maximization, there is a willingness to forgo some profit. Instead of capitalism’s self-interest, there is accommodation of community or social interest. Instead of capitalism’s rationality, there is the non-rational or irrationality. Islamic finance is assessed according to its degree of departure from capitalism, it is not assessed according to a new economic vision. In other words, the depoliticization of Islamic economics has broader implications beyond a selective telling of history. To the extent that the discipline of Islamic economics arose out of a desire to imagine another sort of macroeconomic world, tied to the imagination of different national possibilities, the politicized origins of Islamic economics indicate a willingness to attempt to imagine something other than capitalism.

Consolidating Islamic economics as a discipline and field of practice

The history of early Islam is also an economic history: The Qur’an, Sunnah, hadith (collected sayings and acts of the Prophet Mohammed), and fiqh (juridical interpretations of Shari’a) offer guidance for trade and business, and produced the rich Islamic contract law tradition of fiqh ul ma’amlat, or commercial jurisprudence. Wealth is not inherently immoral; the Qur’an allows for the acquisition of wealth and acknowledges that wealth disparities will always exist (Kuran 2010, Lewis and Algaoud 2001, DeLorenzo and McMillan 2007, Meenai and Ansari 2001, Saeed 1996). Redistribution of wealth in the following forms helps mitigate the most egregious economic inequalities: Sadaqat is voluntary charity given without expectation of reciprocity or recognition. Waqf is immovable property established by an individual owner to be

25 For example, Hayat and Malik (2014: 23) and Rudnyckyj (2014) who parse the replacement of Homo economicus with a Homo Islamicus. Rudnyckyj (2014) also asks if Weber’s Protestant ethic can be retooled with a Muslim protagonist.
used in perpetuity for charitable or religious purposes, often mosques, orphanages, or religious
schools. *Zakat* is mandatory alms-giving. The Qur’an specifies an annual tax on all income after
expenses to be given to certain categories of recipients. Believers can use online calculators to
determine personal zakat contributions. State involvement in the collection and distribution of
zakat varies widely.\(^2\)\(^6\)

Variation in global Islamic finance institutions and transactions notwithstanding, general
agreement exists for certain foundational rules or principles.\(^2\)\(^7\) The examples of prohibitions on
*riba*, *gharar*, and *maisir* offer a way to understand how risk management and profitmaking are
abiding concerns for the industry as a matter of practicality, impacting its ability to exist and
grow. In reviewing the labors that render Islamic textual information into modern “rules” for
Islamic finance, it becomes evident that complexity and incongruity are *not* vexing problems to
be solved. Indeed, as any Islamic financier would acknowledge, some types of *riba* are
permissible, *gharar* is inescapable, and certainly any financial bet could be understood as a
gamble.

Instead, I suggest that the complexity is inherent to the translation of textual information
(from the Qur’an, Sunnah, hadith, and *fiqh*) into a rule. Although there is clear commentary on
contracts and transactions within Islamic textual traditions, the complexity of modern global
finance has created a need for new concepts to bridge these rules and present-day demands,
which the texts could not have anticipated. This is a consequential observation because of the
way in which the authenticity problematic of Islamic finance posits that a pure theology exists in

\(^2\)\(^6\) In deference to Malaysia’s religiously pluralistic population, citizens can pay income tax as either a secular tax or
as *zakat*. Saudi Arabia mandates *zakat* contributions. In Bangladesh, *zakat* is private and voluntary, although subject
to social pressure. One Bangladeshi NGO, the Center for *Zakat* Management, encourages corporate *zakat* and aims
to channel it toward strategic development goals. For more on the current state of these charitable and wealth
redistribution methods, including several country-wise breakdowns, see IRTI/Thomson Reuters (2014).

\(^2\)\(^7\) I summarize these in Appendix 2 for ease of reference.
tension with the impure demands of risk management and profitmaking. The presumed tension of the authenticity problematic obscures the fact that the seeming “purity” of an Islamic economic theology—the so-called “spirit of the law”—is itself a new invention, dating to the 1930s through 1960s.

*Riba*

Muhammad Asad’s Qur’anic translation and exegesis, *Message of the Qur’an* (2003) was referred to me numerous times by Islamic financiers and economists in Dhaka. Within the first two months of my fieldwork in 2010, I was gifted a copy by an Islamic economics think-tank. Over the ensuing four years, it became a reference point in my conversations with Chacha and others, and I use its Qur’anic translations in this dissertation, as well.

Asad notes that Qur’anic verses concerning riba (2:275-2:281) were the last revelation received by the Prophet before his death. This limited the ability of companions to ask for clarification on implications for the Shari’a.\(^{28}\) Uncertainty is inherent in what exactly constitutes the prohibited riba, and how potential prohibitions should be assessed. The clear prohibition on riba has always been a rule that requires particularly careful interpretation. Indeed, the Arabic root for “riba” is mentioned twenty times in the Qur’an, defined as “increase” (Maurer 2005), “increasing” (Khan 1987) or a “process of increasing” (Iqbal and Molyneux 2005). Depending on situational interpretations, riba can be assessed at a fixed point in time, or be a process with a more expansive temporality that can only be determined through the passage of time (Saeed 1996). *Riba* is also translated as “unjustified profit,” “illicit gain,” “usury,” and “unlawful gain by way of excess or determent” (Coulson 1984: 100, Saleh 1992:16).

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\(^{28}\) See also Asad’s commentary on 30:39 in footnote 35.
In a theological textual context, it is thus technically inaccurate to translate *riba* directly as interest or usury. Qur’anic interpretations do not support such a limited translation. Contemporary deliberations by scholars concerning the Shari’a compliance of financial products or services do not necessarily treat riba and interest as interchangeable concepts. However, care and specificity in translation undertaken by individual scholars or Shari’a advisory boards frequently erodes once the concept of riba travels outward into broader spaces, such as the communications of financial institutions, or the vernacular of bank officials and clients. On the opening pages of recent Annual Reports of the Islami Bank Bangladesh Limited, Qur’anic verses translate *riba* as usury. During fieldwork among clients in Bangladesh and Islamic financial institutions and other professional spaces (conferences, online groups, online comments upon trade publications), riba was often conversationally simply reduced to interest. In Bangla, *shudh* refers to interest, and is commonly used in place of riba. *Kudroriin*, literally micro-loan, is used as a general term for microfinance, including Islamic microfinance. During my work as an Islamic microfinance consultant in Pakistan, Islamic microfinance was referred to in Urdu as *sood se paak qarz*, literally, a loan purified of interest. These reductions of *riba* to interest might be traceable to expediency, ignorance, habit, or deliberate desire to limit and specify the nature of the *riba* under consideration; I cannot say without speculating. The point I wish to make is the

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29 These verses include:
- “Those who gorge themselves on usury behave but as he might behave whom Satan has confounded with his touch; for they say, "Buying and selling is but a kind of usury" - the while God has made buying and selling lawful and usury unlawful. Hence, whoever becomes aware of his Sustainer's admonition, and thereupon desists [from usury], may keep his past gains, and it will be for God to judge him; but as for those who return to it - they are destined for the fire, therein to abide!” (2:275)
- “God deprives usurious gains of all blessing, whereas He blesses charitable deeds with manifold increase. And God does not love anyone who is stubbornly ingrate and persists in sinful ways.” (2:276)
- “You who have attained to faith! Do not gorge yourselves on usury, doubling and re-doubling it - but remain conscious of God, so that you might attain to a happy state; and beware of the fire which awaits those who deny the truth!” (3:130-131)
- “And [remember:] whatever you may give out in usury so that it might increase through [other] people's possessions will bring [you] no increase in the sight of God - whereas all that you give out in charity, seeking God's countenance, (will be blessed by Him) for it is they, they (who thus seek His countenance) that shall have their recompense multiplied!” (30:39)
everyday, casual way in which the nuance and complexity of a central precept of Islamic economics (here, the prohibition of riba) is reduced and flattened through its application to contemporary finance.

This flattening is all the more striking given that two contrasting hadith concerning the precise meaning and application of riba have allowed that riba is not categorically unlawful, and is indeed permitted under certain conditions. As Hamoudi explains, the first hadith affirms that the “only riba is riba al-jahiliyya”; this refers to the definition of riba in 3:130 as an increase, through “doubling and redoubling” (2006: 22).

The second, broader hadith focuses upon riba not in the context of profits made on money that is loaned (i.e. interest), but in sales. As Vogel and Hayes (1998: 74) explain, this hadith specifies that a sales transaction should occur without a time delay (“hand to hand,”), and between equal amounts of the same commodity, with likeness in type and quality. According to the hadith, you may exchange “gold for gold, silver for silver, wheat for wheat, barley for barley, dates for dates, salt for salt, like for like, hand to hand and any excess is riba. If these types differ, then sell them as you wish, if it is hand to hand.” Here, the forbidden excess or increase in riba manifests in time (if the sale occurs in a time period that has not be contractually predetermined) or through type (if entities exchanged are not of equal value).

However, money still cannot be exchanged for money—a category of riba invoked against securitization, currency trading, or other debt-backed transactions. Additionally, jurists and schools of jurisprudential thought take different perspectives on what precisely is banned in the hadith above, whether the six specific commodities, the categories they represent (i.e. comestibles), weight, or volume. The salient point for this chapter is that while riba is
unequivocally prohibited in the Qur’an, discussions on how to technically implement even a straightforward rule such as this are dynamic and subject to ongoing debate.

_Gharar and maisir_

_Gharar_ is usually defined as excessive uncertainty or risk. Practically speaking, risk can never be categorically unlawful; it is an omnipresent possibility for all parties to any financial undertaking in a providential universe. It is unclear how much uncertainty can be borne before legitimate speculation (an investment in a business venture, for example), where inherent risks can be mitigated through information, devolves into mere chance—a gamble on a future outcome (Al-Zarqa, in El Gamal 2001: 5). Classic, oft-cited examples from hadith of unacceptable _gharar_ in economic transactions underscore the difficulty of understanding borders between acceptable and unacceptable risk: “the sale of the fruit of a tree; the sale of flowers before they appear on the plant; the sale of fish caught in one throw of the net; the sale of an unborn camel; the sale of a bird in the air.” This hadith circulates widely in primers on Islamic finance, from books to reports to journalism, to illustrate the idea of gharar.

Some jurists have specified that since no contract is completely free from uncertainty, ‘minor’ gharar is permitted, while ‘major’ gharar, or a fully gharar-based sale (_bay‘ al-gharar_), is prohibited. However, contracts with major gharar can be deemed permissible if a certain threshold of necessity is met. For example, if the avoidance of gharar would result in “excessive” costs being realized or some undue harm resulting (e.g. to the parties involved in the transaction, a financial market, or the broader society), then a transaction may be permitted. Juridical
determinations over whether the gharar of a contract meets the threshold of being substantial or not (in other words, classified as "major’ or ‘minor’) are subject to much debate.\textsuperscript{30}

*Makharij*, or legal exceptions can be invoked, i.e. by AAOIFI or a financial institution’s Shari’a advisory board charged with evaluating the permissibility of its products and operations, if models or forecasts map a threat to suitable risk management abilities. Were risk to not be appropriately contained, clients or the institution could experience the hardship of loss. Izhar (2010) explains that Islamic banking and finance institutions face greater operational risk than their conventional counterparts, in part because of their need to account for dual burdens of Shari’a compliance (I explore this in the next chapter) as well as conventional systems. Warde (2001) described these legal exceptions as “adaptive mechanisms” that can take in account extenuating circumstances or other considerations that must be weighed against the presumptive harm of gharar, such as *urf* (prevailing standards or customs), *maslaha* (public interest), and *darura* (necessity). As a result of the indeterminacy of the boundary between acceptable versus excessive uncertainty, determinations of excessive uncertainty remain contested. In other words, while gharar is meant to be avoided, there is no clear standard for assessing what actually constitutes gharar. *Fatawa* (juridical rulings) and guidelines from Shari’a advisory boards, Shari’a courts, and regulatory institutions regularly contradict and undercut each other with

\textsuperscript{30} El Gamal (2006: 59) offers an overview of these debates: Al Subki observed that “some scholars render a particular form of *ghurar* minor and inconsequential, while others render the same form substantial and consequential, and God knows best.” And yet, as Al-Baji Al-Andalusi pointed out, *minor gharar* is inherent in any economic transaction and can never been avoided. While this has led to a consensus that only major *gharar* is prohibited, it can still be deemed permissible if a certain threshold of necessity can be demonstrated. According to Al Subki, if *ghurar* “cannot be avoided without incurring an excessive cost, or if *ghurar* is trivial, the sale is deemed valid.” Ibn Taymiyy stressed that such pragmatism assessments do not diminish the harm of major *gharar*, but work instead to situate it into a constellation of overlapping concerns: “the corrupting factor in *ghurar* is the fact that it leads to dispute, hatred, and devouring others’ wealth wrongfully. However, it is known that this corrupting factor would be overruled if it is opposed by a greater benefit.”
exceptions and contradictions. Exceptions abound, such as the *salam* contract for purchase of non-material abstract entities, and the *istikhab* contract for purchase of goods before they are manufactured.

The question of what gharar itself means is unclear to theologians, Islamic financiers, and historians alike. According to Hamoudi (2006: 38), the Qur’anic prohibition of gharar “clearly refers to games of chance and divination as opposed to commercial activity.” The relevant verses, Hamoudi explains, address the risk in “standard gambling,” as a game of chance. However, Rosenthal’s study of gambling or games of chance—*maisir*—reveals a much broader set of meanings and understandings in classical Islam. According to Rosenthal, historic exegeses of the Arabic root of the verbal noun for gambling (*qimar*) demonstrate that what was considered “gambling” was indeed an interaction delicately positioned between elements of winning and defeat, property exchange, risk, and chance. However, the presence and function of these elements were not left to chance. Gambling was viewed as a contract: players knowingly entered into the risk, understood the degree of chance, and knowingly placed up property or collateral up for possible exchange (1975: 3).

Compounding the confusion over which sort of gambling is prohibited is the implication of gambling and gaming with play, often presented in classical Arabic literature as the opposite of seriousness. Play can be taken up not just as a bounded activity (e.g. the contract of a gamble),

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31 For example, in 1989 the Mufti of Egypt declared that depositors were a type of bank investor, and therefore entitled to receive returns on bank deposits (here understood as a type of investment) if the returns (interest) were pre-determined and fixed. This view was upheld in a 2002 fatwa from the Council of the Islamic Research Institute, but was rebuffed in 2003 by a fatwa from the Qatar-based Islamic Fiqh Institute that declared this practice as a form of the Qur’anically-forbidden riba, citing 1965 fatawa from the Islamic Research Institute of Cairo as proof of its position (Jackson-Moore 2009, Vogel and Hayes 1998).
32 *Bai salam* (or ‘salam’) is an investment vehicle that allows for the advance payment of goods. This is particularly useful for agricultural inputs, to ensure that a shortage of cash will not derail production later on. *Bai salam* is differentiated between *bai muajjal* and *murabaha* because the assets being purchased do not yet exist.
33 *Istisna* refers to a payment contract for a made-to-order asset with all materials/inputs provided by the manufacturer. A delivery date does not have to be set in advance, nor does full payment necessarily need to precede manufacture. This tends to be a longer-term contract suitable for infrastructure projects, power development, or other types of construction, whereby installment payments can be tied to construction progress.
but also potentially as playfulness in demeanor or as a playful orientation toward the world. The aimlessness and pleasure provision of such playfulness or playful orientation could be seen as a challenge to *muruwah* (maturity and masculinity), a status with legal implications, such as the ability to serve as a witness (*shahid*). However, interpretations focusing on gambling as play stand in distinction to the myriad other ways that the *qimar* root appears in the Qur’an and is taken up even more expansively in classical Arabic literature, where it references the vagaries of fate and nature (whereby fate and nature play with humans), sexual activity, the unbelievable, and even simulated fighting, e.g. of acrobatic swordplayers (Rosenthal 1975: 15-16).

Confusion and uncertainty for historians, theologians, and financiers surrounding gambling/the game of *maisir* is in part due to the fact that *maisir* received comparably little classical literary attention (Rosenthal 1975: 4). Nor do accounts of gambling feature prominently in legal scholarship, beyond a repetition of the known Qur’anic injunctions against it. In other words, while gambling might be prohibited, it is unclear what exactly counts as gambling. Contemporary efforts to understand what counts as *maisir*, gambling, gaming, and how risk and chance operate in these categories will require conjecture, rationalization, and interpretation.

According to Rosenthal, where guiding historic evidence exists about what *qimar/gambling* concretely entails, such historical evidence is generally highly contextual and so cannot necessarily be extrapolated to a broader truth-claim about the sort of gambling, risk, or chance that is prohibited in Islam. (1975: 6-7).

Ascribing normative claims to Islamic economics concerning the prohibition of *riba*, *gharar*, and *maisir* obscures the complexity, ambiguity, and incongruity available just below the surface of those prohibitions. These normative claims regarding the “rules” of Islamic economics

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34 Rosenthal cites ash-Shafi’i (150-204/767-820): “‘Play is not what Muslims do, and it does not go with true manliness [*muruwah*]’” (1975: 10).
are commonplace if not standard in books and articles on Islamic finance and in Islamic financial institutions’ own materials such as annual reports and websites (see Tobin 2016, Hefner 2006a and 2006b, Irfan 2014). The common thread here is the importance of attending to how naturalized notions have been mobilized to particular ends, and for the benefit of particular actors.

**Conclusion: locating the poor**

Framing Islamic economics as a discrete field of knowledge organized around normative claims obscures the interpretative labors involved in moving from guidance of original textual Islamic sources in the Qur’an and hadith to the consolidation of this information into a self-contained discipline. Social scientists of Islam have at times participated in the naturalization of Islamic economics claims and rules by reproducing these claims and rules as straightforward fact and instantiating Islamic economics as a domain in which these facts are available (Hefner 2006a, 2006b, 2000). My point, by contrast, is to argue that historically-situated human interpretative labors should be considered as distinct from acknowledgement of Islamic textual source material.

The depoliticization of the Islamic finance industry that took hold in the 1990s and was consolidated through the 2000s can be represented in broad strokes as postcolonial nation-building and identity formation giving way to Cold War era-opposition to both communist and Western capitalist projects, to a modern-day need to attend to demands of proceduralism in the conduct of international finance. The goal now is seamless articulation with conventional financial systems, so that the global Islamic finance industry might thrive.

The authenticity problematic, I suggest, is an artifact of this depoliticization. This willingness to accommodate capitalism—to “work within the system” and accept extant political
structures infused with inequities and concentrations of power—has constrained the scope of social justice. Islamic economics claims can be deployed to justify a broad spectrum of activities—some of which come in direct conflict with the political, revolutionary, and revivalist history of 20\textsuperscript{th} century Islamic economics in Pakistan, Egypt, Iraq, and Iran. This is particularly true of market and corporate approaches to developing poor Muslim-majority countries or communities as sites for the realization of profit and financial growth (e.g. “social business,” “philanthrocapitalism,” “financial inclusion,” and “corporate social responsibility”), to programs forgoing profit in favor of redistribution aimed at poverty alleviation. In coming chapters, I explore how Islamic microfinance fits within this basket of approaches to the poor, and how social justice possibilities do re-emerge in strategic subversion of rules of Islamic economics that have been transfigured into corporate “Shari’a compliance.”
Chapter 2: The Making of Certainty in Islamic Finance

*Introduction: uncertainty and the corporation*

As I note in the Introduction, this dissertation focuses upon the Islami Bank Bangladesh as it offers a vantage point onto the field of Islamic Finance from a domain underrepresented in the industry’s sites of knowledge production. In this chapter, I attend to how Islami Bank is simultaneously produced by currents in the discipline of Islamic economics and the practice of Islamic finance—even as its unique, pro-poor orientation renders it marginal to this applied field. In turning to the Islami Bank as an object of ethnographic inquiry, corporate structure becomes a way to understand the management of uncertainty as an impediment and risk to the conduct of business and the life of the corporation—but also uncertainty about what it means for a financial institution to be Islamic. The marginality of the Islami Bank allows for a critical perspective from the margins, particularly as it pertains to the ability of the corporate form to accommodate pragmatism as a form of Islamic ethical practice.

Both the mid-20th century efforts to constitute Islamic economics as a field of knowledge in service to Islamic revivalism and revolutionary projects and later labors commencing in the 1980s and 1990s to depoliticize Islamic finance and reduce its friction with capitalism and conventional finance share a commonality: they accompany a broader tendency since the mid-19th century to privilege a hermeneutics of certainty (*yaqin*) in spite of a much longer history of the accommodation of ambiguity in Islam—a point Shahab Ahmed explores in *What is Islam? The Importance of Being Islamic* (2016). Uncertainty occupies a destabilizing role for finance institutions, posing danger to business affairs as a source of friction and a site for generation of information asymmetries.
Speculative knowledge and uncertainty bubble up nonetheless—perhaps unavoidably as a function of modernity, as Hussein Ali Agrama (2012) suggests. Naveeda Khan’s (2012) study of Pakistan’s project of self-becoming in the wake of Maududi and Iqbal’s legacies, for example, carefully draws out zones of uncertainty in the form of aspiration and skepticism at multiple scales of public and private life. I take Khan and Agrama’s discussion of uncertainty as the product of secular modes of governance as a provocation to think through uncertainty as the product of secular modes of corporate governance, namely, technologies of compliance. The transnational nature of finance transactions means that financial institutions are simultaneously held to transnational norms of governance not reducible individual national practices. For capital to flow seamlessly across institutions and borders, institutions must be legible to each other and so must adhere to corporate norms organizing everything from accounting practices, internal organization, cybersecurity, what is considered optimal financial stability, and auditing and compliance regimes ensuring the validity and trustworthiness of all these processes. Friction or breakdown in these processes commands its own field of study, referred to as organizational risk. I suggest that processes ensuring technical articulation to allow for the frictionless flow of capital and smooth institutional operations shape processes of being Islamic. In framing the industry’s tension as between the demands of capitalism versus the demands of Islam (the essence of the industry’s widespread authenticity problematic), the impact of the corporate form and regimes of corporate governance go unexamined.

To work through these concerns, I examine the dual registers of uncertainty for the Islamic financial institution. This entails first exploring what is required for a financial institution to be deemed Islamic. Establishing Islamic credentials and being acknowledged as Islamic are complicated processes; uncertainty and criticism arising from this uncertainty are both internal
and external. I present broad outlines of common criticisms and particularly charges of hypocrisy and dissimulation in order to explore them as commentary on strictures imposed by the corporate form.

I then examine how the modern corporate form and its technologies of compliance are the means through which the Islamic financial corporation and its instruments are brought into articulation with conventional finance, in an effort to reduce the second register of uncertainty that can reduce corporate efficacy—even though, as Schoenberger (2000) indicates, corporations do not always act in their own self-interest, and that the messiness of culture in the corporate assemblage defies a mechanistic view of the corporate. Within the corporate form—itself subject to internal uncertainties as Schoenberger explains, the uncertainty of Islamic status or credentials is not resolved through the corporate form so much as contained and neutralized through technologies of compliance and auditing. Through this process, “Shari’a compliance” has come to be the dominant mode indicating Islamic credentials.

Lastly, consider the place of figure of the poor client in the thicket of uncertainties I have introduced in the chapter. An interlocutor cites a poem referring to the Qur’an not as a “book of prayer,” but as “a book of action,” suggesting that commitment to practicality and to action, modeled upon the Prophet’s own life can be undertaken as Islamic ethical practice. This suggests the possibility of a corrective to the limitations of the corporate form; action and practicality can be configured as a field of ethical possibility.

**How Islamic is Islamic finance? Anxieties of hypocrisy and dissimulation**

The relationship between capitalism and Islamic finance is uncertain. Some economists and financiers both within and outside of Islamic financial institutions describe Islamic finance
as ontologically distinct from capitalism; it posits a “moral economy” or constitutes alternative system of exchange based on ethics (Tripp 2006, Hallaq 2013:146, Choudhury 1997). Similarly, my interlocutors at the Islami Bank and other Islamic institutions in Bangladesh consistently described Islamic finance as either an ethical or a spiritual alternative to capitalism. Framings such as these that focus on differentiating Islamic finance from capitalism can give rise to charges of hypocrisy, however, as Islamic finance generally works through capitalist idioms by adapting conventional banking products and services.

There is also the question of capitalism’s own elasticity and expansiveness. Mintz (1985) and Wolf (1982) demonstrated that capitalism has historically accommodated contradictions, incongruities, and the way people wish to be in the world. When considering Islamic finance from within capitalist logics, there is no problem in its accommodation; it is a niche business with its own particular internal needs and logics, which do not affect the broader capitalist logics involving free markets, profits, and self-interest. But from within Islamic finance logics, the possibility that capitalism can and does comfortably accommodate Islamic finance is a disturbing fact and a direct challenge to the radical scope of the intellectual origins of Islamic economics.

As the Qur’an and hadith-derived tenets of modern Islamic banking and finance are subjected to the demands of the extant conventional global financial system that Islamic textual sources and Islamic economics could not have anticipated, accommodations and creative adaptations are inevitable. Questions regarding the ensuing complexity in journalistic and popular accounts of Islamic finance—and posed to me innumerable times throughout my research in every manner of academic, professional, or acquaintance conversation—tend to be distillable into one, broad, question: is Islamic finance ‘truly’ Islamic, sufficiently different from conventional finance or capitalism?
Major Islamic banking and finance institutions possess obligations to successfully compete with conventional institutions benefitting from interest income, aggressive risk-taking, and unrestricted investments. Interrelated labors of corporate compliance, maintenance of the audit cultures of the corporate form, and the application of the Shari’a to economic affairs all facilitate the business success of Islamic financial institutions against Islamic and non-Islamic competitors by reducing barriers to doing business and ensuring the smooth progression of business functions. However, the playing field remains skewed towards conventional finance, as the global financial machinery is engineered to suit the needs of conventional and not Islamic finance. This vast machinery spans tax codes, international agreements, information technology infrastructure such as accounting software, legal precedents to guide deal-making, and adequate degree programs and internship and training schemes.

Islamic financial institutions are doubly bound: firstly by a regulatory, accounting, and legal infrastructure developed in conventional finance, and secondly by a thicket of non-standardized, contingent, and at times conflicting theological and technical regulations of Islamic finance. For example, in the regulatory sphere, Islamic financial institutions can clash with central banks on questions concerning risk, stability, client rights, markets, and government policy. For example, even if a customer should agree to lose his money through the terms of a

35 The high-profile, widely-publicized example of Goldman Sachs’ failed sukuk (bond) offering in 2011 illuminates how noncompliance and insufficient auditing can impede business. Investors rejected the offering because its Shari’a compliance was perceived as neither robust nor reliable. It was only after enlisting the help of prominent barristers and Shari’a scholars and restructuring the offering on their advice that Goldman was able to sell 500 million USD of sukuk in September 2014, even receiving three times the anticipated bids (Sharif and Solovieva 2014).

36 An international regulatory infrastructure providing standardized procedures and oversight mechanisms was absent in the Persian Gulf oil-funded Islamic finance boom decade of the late 1970s and 1980s. The Islamic Financial Services Board (IFSB, established in 2003 in Kuala Lumpur), and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI, established in 1991 in Bahrain) were created to fill this void. Today, they have carved out different spheres of geographic influential, corresponding roughly different schools of jurisprudential thought. Still Shari’a compliance standards are set by each institution’s own Shari’a advisory board and can conflict with what is considered permissible by other institutions, national Shari’a regulatory councils, or AAOIFI or IFSB.
profit-loss sharing contract, central banks might require banks to serve as guarantors of client funds to comply with national policies meant to increase security for depositors.

The effort to reduce create commensurability between Islamic finance and the conventional system in which it operates creates conditions for one common popular criticism, that Islamic financial institutions mirror the products, services, marketing, or ethos of conventional finance too closely. A “service charge” or “fee,” for example, is simply the prohibited *riba* by another name. To critics, these institutions or their offerings pay lip service to the Shari’a without transmitting the grace and benevolence of *ihsan*, the obligation to manifest virtuousness.

A 2016 survey conducted by the General Council for Islamic Banks and Institutions of 86 Islamic financial institutions in 29 countries grants credence to the notion that Islamic and conventional finance are not so measurably different. According to respondents, the top two constraints “for implementing responsible business initiatives, Corporate Social Responsibility (CSR), or a sustainability strategy”—initiatives well-suited to Islamic finance as an ethical alternative to conventional finance—are a lack of business or commercial (i.e. profit-making) justification, and a lack of interest among customers in such initiatives (Figure 1, CIBAFI 2016: 92). In other words, impediments to “responsible business practices”\(^\text{37}\) are the fact that such practices are not profitable or would impede business, and that customers do not want them.

\(^{37}\) In business and finance, “responsible business practices” and “sustainability” have a clear meaning: they are non-standard, discretionary, and often quite niche orientations toward something other than pure, free market capitalist profit motive and so are taken to reflect a firm’s orientation to some greater good beyond the firm’s own profit enrichment. These initiatives can refer to anything from green office buildings with LED lights, to carbon credits, to a firm-wide volunteering day, to fair trade commitments along a supply chain. Sustainability or responsible business practices are often part of a long-term business strategy, perhaps necessary for reputation, the ability to attract top workers, attaining a leading role within a given market, and other such carefully mapped strategic moves to promote profitability and growth.
Another survey question asked financial institutions to name “which stakeholder groups would have the greatest impact on the way [the institutions] contribute to society, the economy and the environment over the next five years,” (CIBAFI 2016: 47-51). The greatest determinant of whether institutions pursue a socially-oriented agenda are the institution’s shareholders and investors (Fig. 2). In other words, only if shareholders and investors wish to pursue a socially oriented agenda will it be implemented, regardless of the institution’s professed social orientation. Islamic finance cannot avoid the concentration of power and influence in the modern corporate form that grants investors and shareholders (who expect to share in the corporate profits) the power to determine the priorities and orientation of the corporation.

38 As with the previous survey question in Figure 1, in business and finance, “contribute to society, the economy and the environment” is shorthand for a set of discretionary ethical-social orientations beyond straightforward profit motivation.
Fig. 2: Which stakeholder groups would have the greatest impact on the way they [the institutions] contribute to society, the economy and the environment over the next five years?

Another critique accuses those involved with Islamic finance as engaging in dissimulation, invoking Islam to mask a truer profit motivation. During a meeting in Dhaka at the world’s largest NGO, BRAC, for example, I was discussing a side project unrelated to Islamic finance. A director politely inquired about the topic of my dissertation. I started to tell him about my research questions involving the Islami Bank, but he interrupted to make a point with conviction if not anger: the service charge of *murabaha* is simply interest.

The murabaha sales contract is one of the most commonly used contracts in Islamic finance. The bank’s fee or profit is added to the purchase price of a good, and the client pays installments toward this single, non-disaggregated “mark-up” or “cost-plus” price. The BRAC director’s arguments were not baseless; an industry-wide overreliance on murabaha has been widely acknowledged across countries for years, fueling criticism of murabaha-reliant institutions as only nominally Islamic because the mark-up fee is seen as analogous to interest. Murabaha has been the subject of multiple conferences and competitions calling for innovation amidst provider concern in stagnation and minimal client benefit.³⁹ In November 2014, one of

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³⁹ In 2014 for example, the World Bank’s in-house poverty consultancy, the Consultative Group to Assist the Poor (CGAP) issued a competitive for proposals (funded by the Bill and Melinda Gates Foundation) for its third Islamic Microfinance Challenge contest, with the theme “Beyond Murabaha.”
the world’s two main Islamic regulatory authorities, the Bahrain-based Accounting and Auditing Organization for Islamic Financial Institutions, announced plans to revise standards concerning murabaha (Vizcaino 2014).

I started to respond to the director, but the topic had made him angry and he did not want to continue the conversation. “They want this to be the sixth pillar of Islam. Not only are they fooling people, they are fooling Allah! And Allah doesn’t forget. They will rot in hell.”

The director’s concern that consumer discretion in availing Islamic banking services might evolve into coercion through a social pressure to demonstrate religious devotion through the choice of an Islamic bank is not entirely speculative. Rudnyckyj (2014) describes how the modern necessity of consumer banking in Malaysia is transforming consumer decisions about availing Islamic banking services into a “moral choice” through social pressure to perform religious devotion through the choice of Islamic options.

As the CIBAFI survey makes clear, questions and criticisms are endemic to discussions of Islamic finance within and outside the industry. For the BRAC director, criticism was expressed as a deeply-felt question of theology, and how the industry as he understands it articulates with sense of Islamic duty and responsibility. In both instances, the uncertainties and critiques are not a function of the industry’s maturity. In other words, these uncertainties have not evolved out of the increasingly successful articulation of Islamic financial with conventional economic and financial systems.

Uncertainty has been a feature of the applied field of Islamic finance from the start, even for its earliest proponents. In 1986, global Islamic finance was still a young sector and the Islami Bank Bangladesh was only three years old. In an edited volume from the prestigious London trade publisher, Butterworths, financiers explained the still-new phenomenon of Islamic finance.
This volume, an early entrant into the English-medium Islamic finance literature heretofore dominated by Middle Eastern and South Asian publishers and authors, was marked by competing claims regarding the purpose, essential goals, or distinguishing features of Islamic finance, particularly in relation to capitalism and conventional financial systems. Dr. Volker Nienhaus, who remains a deeply influential Islamic finance theorist, provides an opening salvo in his introduction: Islamic economics is a field for “ideal” or “utopian worlds” with little direct relevance for the modern financial world:

“Islamic economics offers so far...no theories about the empirical world, but only models of ideal, sometimes even utopian worlds, which do not help us understand realities in Muslim countries and which also do not explain how a transformation from the present-day egoism and materialism to the altruistic and value-oriented behavior could be managed” (1986: 2-3).

In other words, Islamic economics is utterly incommensurate with conventional economic principles, particularly self-interest, or “egoism”; consumerism and competition for scarce goods (what Nienhaus refers to as “materialism”); and profit maximization, as a contrast to “altruistic and value-oriented behavior.” In shifting to Islamic finance and banking as the applied branch of the theoretic field of Islamic economics, Nienhaus notes “the purpose of Islamic banks is not maximization of profits but the transformation of an economy to an Islamic system” (16). Islamic finance cannot meaningful coexist with conventional finance, Nienhaus argues; it must overtake an economy as a transformative force—an argument that prefigures Maududi’s connection of Islamic economics to revolution and state-building (discussed in Chapter 1), and the political controversy surrounding the Islami Bank in Bangladesh (discussed in Chapter 5).

The volume goes on to present a series of incongruous viewpoints: Qasim’s take is diametrically opposed to Nienhaus; he argues that profit motivation, and not altruism or social
transformation, is the animating force of Islamic financial institutions. “Islamic banks are profit centers and not charity institutions although there are social duties,” he explains. “However, the main purpose is to do business and benefit from doing business” (1986: 18). Carlson establishes technical differences between Islamic finance and conventional finance as important and worth parsing: “the idea that wealth is to be shared by putting money to productive use and assuming risks” (1986: 69). But a few pages earlier, Ingram argues that any such differences are minor and ultimately irrelevant: “we are talking about systems that are somewhat similar and certainly we are talking about a means to an identical end” (1986: 54).

To some extent, these multiple possibilities now find expression in how institutions are identified. As I explain in the Introduction, the hierarchy of authenticity implicated in the authenticity problematic draws attention to variations in the topography of the Islamic banking and finance landscape, populated by multiple self-imaginations and descriptions. The designation “Islamic finance” does circulate, but tends to invite scrutiny about Islamic credentials precisely because the criteria involved are undefined. “Shari’a compliant finance” is particularly widespread. Conventional institutions can provide some services certified as Shari’a compliant, by internal and/or external Shari’a advisory boards without being Islamic. For example, Standard Chartered and Citibank offer Shari’a -compliant services through an “Islamic window,” and Goldman Sachs recently offered the world’s largest sukuk (Islamic bond). Another example would be a socially responsible investment fund that advertises its Shari’a compliance, but avoids an “Islamic” label for marketing purposes, in order to appeal to a broader client base.

Religion might be removed from designations as a political concern. In Nigeria, a country whose politics are highly sensitive to the delicate power balance between Muslims and Christians, Islamic financial institutions are referred to as “non-interest banks” or “participation
finance.” Or, religion might be removed altogether in a bid to increase global market share. In its well-regarded surveys of the global Islamic financial industry, Ernst & Young (one of the “big four” global accounting firms) refers only to “participation finance,” in an indirect invocation of the risk-sharing ethos of Islamic finance.

Relating to these designations and their strategic promotion or effacement of Islam is the issue of “branding,” which is central to business marketing strategy. Islamic finance is critiqued is a kind of hypocrisy when Islamic ethics and devotion are seemingly exploited (or at the very least, mobilized) for their monetary potential: As one headline in Bangladesh’s Daily Star newspaper asked in 2010, “Islamic branding: Is Bangladesh ready to cash in?” (Rahman 2010). A March 2014 event I attended and audio recorded at Dhaka’s National Press Club suggested this question remains unresolved. At the event, “National Seminar: Expanding Financial Inclusion through Islamic Microfinance: Opportunities in Bangladesh,” the Q&A of a session titled “Brand Islam” engendered conflicting opinions:

“I’m not interested in using Islam as a brand for marketing,” said one commentator. Chacha was a panelist and offered a practical rejoinder: “Branding lage [branding is needed]—how to distinguish Islamic finance? Inclusive definition lage [an inclusive definition is needed]. Shudh [interest/riba in Bangla], poverty reduction—these are critical points,” he explained. The moderator intervened, offering yet a third perspective, again grounded in practicality: “as long as there is mixed banking, branding must be used.”

What is semiotically and materially indexed in the invocation of “Islam” is a site of contention, which leads to open questions: is the invocation of Islam a useful tool to let Muslim consumers know that some consumer good is theologically permissible in a way that competing products are not? Is ihsan, or virtuousness, tarnished when mobilized for profit acquisition?
These questions have not deterred the rapid and exuberant rise of services tailored for the “Muslim market.” Advertising and marketing giant Ogilvy established a branch to service this Muslim market, Ogilvy Noor,\textsuperscript{40} in 2010. Paul Temporal’s \textit{Islamic Branding and Marketing: Creating A Global Islamic Business} (2011) emphasizes Islam as a business opportunity. The current global Muslim population (23\% of the world) and its projected growth (26.4\% of the world by 2030) make the “Muslim market” more appealing than even China or India, the argument goes. Temporal, a professor at Oxford University’s business school, is careful to note that his book is not endorsing Islam—only the global Islamic population as an untapped market and profit-making opportunity. As he explains, “most of the brand managers I have met while conducting my research have emphasized that they are not selling a religion; they are giving a large market and services they have long wanted but which have never before been tailored to them.”\textsuperscript{41}

\textbf{Compliance and the corporate form}

Studying a financial corporation is a challenging proposition: much information is proprietary, confidential or otherwise legally inaccessible. Corporations expand out into a supply-chain assemblage of contractors, subcontractors, on-site labors, and offsite labors, as part of corporate strategy (and often legal requirement) to increase efficiency and reduce costs (Dolan and Rajak 2016). However, these complications and inaccessibilities do not preclude anthropologic engagements with corporate forms. Instead, what Guyer (2011) describes as the simultaneously “evanescent” and opaque nature of the corporation can in fact be the terrain for

\textsuperscript{40} \textit{Noor} means “light” in Arabic, and is also a common unisex name.

\textsuperscript{41} Indeed, companies are rushing to cater to multibillion-dollar markets for halal-certified consumables and personal care items, and Islamic travel, recreational, media, and educational services. The rise of a “modest fashion” industry for a Muslim market estimated to spend $230 billion on clothing annually has even led storied couture houses to offer “Ramadan edits” and designer abayas (DinarStandard 2015, Chrisman-Campbell 2016, Mucci 2016).
inquiry.\textsuperscript{42} I undertake this study of uncertainty as hedged and contained by the regulatory framework of the corporation in my effort to spell out the institutionalization of the concerns of Islamic economics outlined in earlier chapters.

While “institution” and “corporation” are colloquially interchangeable, there are distinctions from regulatory perspectives. By financial “corporation” I mean an incorporated institution possessing legally-recognized status, and thus subject to attendant legal, accountancy, taxation, regulations. In flagging my specific interest in the corporate form, I am foregrounding the importance of regulatory regimes for modern finance – in contrast to unincorporated financial entities or assemblages (i.e. individual investors, hawala and hundi money transfer systems) operating outside of regulatory oversight specific to corporations.

With this in mind, I want to relate a conversation with a Shari’a board member of one of Islami Bank’s competitor banks. By late 2013, I was in Dhaka only intermittently, mostly to attend Shari’a board meetings and industry workshops and to check in with my regular interlocutors at the Islami Bank. During fieldwork in 2010, 2011, and at the start of 2013, these sorts of conversations worked to orient me to Bangladesh’s Islamic finance sector, the organization of Islami Bank, and relevant conceptual and technical vocabularies. But by this time, observations from my time with Islami Bank’s Islamic microfinance clients in Zinukpara inevitably found their way into my conversations with Dhaka’s Islamic financial elite, men whose possession of both technical financial expertise and theological training ensured their influential status and associations with financial institutions, corporations, government bodies, and Shari’a advisory boards.

\textsuperscript{42} See \textit{Current Anthropology}’s 2011 special issue, “Corporate Lives: New Perspectives on the Social Life of the Corporate Form”; contributors take up these challenges wonderfully.
I mentioned to this scholar a phenomenon I observed frequently in Zinukpara: female Islamic microfinance clients taking interest-bearing bonds from gold jewelers—a phenomenon I discuss in Chapter 3. The women appreciated the flexibility of these bonds and easily overlooked the fact that they were not halal [permissible]: their high interest rates constituted riba, the process of ‘increasing’ prohibited in the Qur’an for unfairly benefitting one party while disadvantaging the other (commonly reduced to the idea of usury or interest). I asked the scholar whether or not these gold bonds should be seen as competition for Islamic banks looking to increase their market share of poor or rural consumers. He took the conversation in an unexpected direction, instead reflecting on the opposition I had set up between Islamic versus non-Islamic financial service providers:

“What makes one bank more Islamic is a question of what rules you follow and how frequently. You can run any Islamic bank with Shari’a compliance, but there are still differences. EXIM is 80% Islamic, Islami Bank 90%, Shahjalal 75-70%.” The difference, he explained, is in approaches to the maqasid al Shari’a, or five-fold objectives, purposes, intents, or goals of the Shari’a, law derived primarily from the Qur’an and hadith and concerned with protection of life, wealth and property, progeny, religion and faith, and intellect.

The ubiquitous industry designation “Shari’a compliant” is used to designate a financial institution as Islamic, but the scholar’s commentary oriented me to the fact that Shari’a compliance should not be taken to be necessarily interchangeable with other industry descriptors such as Islamic finance, social finance, partnership finance, or ethical finance. Consequently, Shari’a compliance became the thread I followed in my examination of the work of institutions such as the Islami Bank in securing claims to Islamicness for itself, and for the field as a whole.

43 EXIM Bank, Islami Bank Bangladesh Limited, and Shahjalal Islami Bank are all Bangladeshi Islamic banks.
The response of the Shari’a scholar in Dhaka to my question regarding poor clients’ use of usurious and so technically haram [prohibited] gold bonds was notable for several reasons. The dismissiveness in his observation, “You can run any Islamic bank with Shari’a compliance,” implies that Shari’a compliance is not a particularly exacting standard. Any institution can assemble a list of necessary tick-boxes and then tick them, he seemed to suggest. “Shari’a compliant” is often used as a synonym for “Islamic” in the global Islamic banking and finance industry. “We are at the age of Shari’a compliance,” noted the Islamic finance division director at Thomson Reuters in 2010, speaking from the influential platform of one of the most prominent trade publications reporting on global Islamic finance (Saleem 2010). This Dhaka scholar, however, was implying that Shari’a compliance is not a meaningful metric for establishing Islamic credentials. The lack of a single set of internationally-agreed upon regulatory standards for Islamic financial institutions—something akin to the function of the Basel Accords for conventional finance—means each institution follows a bespoke menu of rules. This particularity and variation results in different institutional structures and product offerings across institutions.44

Shari’a compliance, as the scholar understood the mobilization of the phrase within the industry, was simply another requirement filtered through a corporate audit culture prioritizing efficiency. While this was perhaps inevitable given the constraints and needs of the corporate form—did this also suggest that the needs of the Shari’a and of fiqh (human interpretation and understanding of the Shari’a) were opposed to the constraints and needs of the corporate form?

44 For example, student loans are difficult products for Islamic banks to structure because there is no physical asset underlying the transaction; this is, generally speaking, a requirement over which the bank assumes ownership and “sells” back to the client. Commercial banks may structure student loans as the sale contract of bai inah (Bank Rakyat, Malaysia), the insurance takaful model (approved in 2016 for use in the United Kingdom), or the fee-free quaz-e-hassna (Ihsan Trust, Pakistan).
Was Shari’a compliance too distant from the textual traditions to authenticate a corporate form as Islamic?

What seems to go unnoticed in debates over the veracity or legitimacy of Islamic finance are the requirements and limitations of the contemporary corporate form. The phrase “Shari’a compliance” bears a distinctly corporate fingerprint. Compliance is typically its own division in a financial institution; compliance is a one-word metonym for monitoring and reporting labors ensuring risk management and adherence to legal and regulatory requirements.

Bundling the Shari’a, risk management, and reporting and regulatory strictures into the singular category of compliance allows the Islami Bank, for example, to claim compliance as a simultaneously legal, technical and ethical value. This wording is echoed in the language of the Islami Bank’s 2015 Annual Report. In the “Strategic Objectives” section, there is the directive to “Ensure zero tolerance on negligence in compliance with both Shari’ah and regulatory guidelines” (2015: 8). The “Towards Global Standard Compliance Culture” section is particularly explicit:

“[the] corporate governance system is designed to ensure transparency and accountability at all levels. Good governance, risk management practices, compliance and ethical values have always been among our corporate goals. We are sincerely committed to comply with the guidelines, instructions, and policies of all regulatory authorities including Bangladesh Bank, concerned ministries, BSEC, DSE, and CSE. All banking transactions are also well recorded, verified, and audited by internal and statutory auditors including Bangladesh Bank and Shari’ah Supervisory Committee. Strict adherence to Shari’ah principles is the core strategy of our banking which, Insha Allah, will continue” (2015: 15).

The enfoldment of the Shari’a into the financial “compliance” category produces the striking result of putting the divine Shari’a on equal footing with the central bank, Bangladesh Bank; “concerned ministries”; the Bangladesh Securities and Exchange Commission; Dhaka Stock Exchange; and Chittagong Stock Exchange. All are a means to achieving “good
governance, risk management practices, compliance and ethical values,” according to the *Annual Report*. The Shari’a is not singled out as the way for the bank to achieve ethics; it is bundled into a non-disaggregated pool of requirements. In this way, compliance itself becomes an ethical imperative.

Equally striking is the corporate language applied to the Shari’a: “zero tolerance on negligence,” and “strict adherence,” leaves little room for the inherently interpretative and thus subjective element in the understanding and application of the Shari’a to business affairs. Compliance, as both a value and a set of requirements, is either demonstrably achieved or not. The box is either ticked or not, as per the determinations of appointed auditors. “Strict adherence to Shari’ah principles,” here understood as compliance, is not achieved through labors of interpretation, or application of Shari’a principles to the institution’s offerings—a critical departure from the place of Shari’a in legal systems. Here, “strict adherence to Shari’ah principles” occurs via the *achievement* of compliance as determined by auditors and auditing processes.

In this light, the Shari’a board member’s dismissiveness of Shari’a compliance as a standard against which institutions claim their Islamic credentials suggests a discomfort with the corporate bundling of the divine scope of the Shari’a into the compliance category. Subjecting the Shari’a to corporate auditing, with only two possible outcomes (“strict adherence” or “negligence,” to use the language of the *Annual Report*) requires erasure of the complexity of the Shari’a and processes of interpretation and application—as a condition of the use of the Shari’a within the corporate form. The erasure of the complexity of textual and procedural interpretation is then reproduced continually through ongoing auditing processes.
Strathern (2006) cites Luhmann (1990) when describing audits, a mode of accounting, as “axiomatic self-referential,” documenting “practices of good practice.” The audited system constitutes its identity by creating a boundary around an object, securing it from the broader environment, a process that “simplifies or ‘rationalizes’ phenomena otherwise perceived to lie outside it” (2006: 190-91). The boundaries between the corporate audit system (as a set of rules and technologies for assessing how well they are followed) and the broader environment (the divine scope of the Shari’a) are in motion, constantly requiring the audit system to negotiate disturbances to its borders. In Strathern’s formulation, these disturbances “require [the system] to make sense of an external and indeterminate world through its (miniaturizing) representations of it” (2006: 190). In other words, audit processes allow systems to become self-referential through technologies that filter out or produce particular responses to disturbances from the external environment. Audit processes accomplish this by explaining what should exist inside the system, and organizing material processes to check for diversions from this desired goal. The corporate form’s reliance upon audit processes as a means of producing forms of knowledge produces an audit culture that is separate from the scope of fiqh—the interpretative work that the Shari’a demands.

The question then, is how to reconcile this constrained corporatized Shari’a with the claim of financial institutions that they are Islamic, based on fidelity to the Qur’an—as opposed to the more accurate reality of fidelity to compliance, achieved through audit processes. Might this suggest that other financial formations may be potentially Islamic in their application, if not in their explicit aim and structure? After all, a constrained version of the Shari’a is not necessarily less ethical. The audit itself can possess what Strathern describes as an “ethical orientation” enacted through its ability to order, monitor, and ensure reproduction, processes
meant to “purify the principles of (good) organization” (2006: 192). In other words, it is not the Islamic corporation that is ethical—it is its compliance made possible by the legal and regulatory strictures to which the corporation is held accountable, by virtue of being incorporated.

To return to the example I presented to the Shari’a board member in our conversation: interest-bearing gold jewelry bonds are technically haram due to their interest rates, but female Islamic microfinance clients appreciate the convenience, flexible repayment, and dignity afforded by these gold bonds. A gold bond that eases the hardship of impoverished rural arguably achieves greater good than an esoteric financial product, approved as Shari’a compliant, that will further expand and entrench the wealth of the already wealthy. Perhaps this “greater good” speaks to the inability of compliance, as a technical feature of audit culture upon which the contemporary corporation rests, to capture the ethos of the textual sources from which the edicts of Shari’a compliance (e.g. the absence of riba) are derived. In other words, while “compliance culture” requires expedient and reproducible assessments of the presence of riba or not (as a non-negotiable condition of Islamic banking), compliance culture cannot manage assessments of fairness – the principle at the heart of the prohibition of riba. In this way, compliance culture (via the technology of auditing) reduces the “Islam” of Islamic finance to auditable rules while effacing the (non-auditable) principles behind those rules.

**Procedure, practicality, and “a book of action”**

Interlocutors in Bangladesh suggested a direction through charges of hypocrisy and invocation of *ihsan* as a profit-bolstering marketing strategy; this direction acknowledges the importance of proceduralism without deferring to the constraints of Shari’a compliance. Twice during fieldwork, although in entirely different settings, a particular example was referenced to explain how Islamic cosmology authorizes the difference between Islamic versus conventional
finance, rather than comparisons rooted in the logic of capitalism. Once, after a day of shadowing a Shari’a compliance audit of an Islamic bank branch in Chittagong, Bangladesh, myself and the auditor, visiting from the Dhaka head office, sat with the branch manager around his desk. My presence as a cultural and religious outsider prompted reflections on the industry, and the manager and inspector traded observations: “Islamic banking concept: *Allah r bhoi thakte hobe* [there must be fear of Allah]. From fear of Allah, obedience to Allah, Islamic finance happens,” said the manager. “The beauty of Islamic finance is it’s a partnership business,” added the inspector. The manager nodded, and gave a final observation: “*Ekta murgi: Christian khai Muslim o khai. Ekta difference: amar bishesh*” [let’s say there’s one chicken: a Christian eats it, and a Muslim also eats it. There’s only one difference: my belief].

His invocation of belief refers halal status as indeed securing difference, as the halal status is grounded in proceduralism, of following the appropriate steps under appropriate conditions. This was the not the first time I heard the halal chicken invoked to authorize the legitimacy of Islamic finance as procedural.45 In another instance several years earlier, in 2010, a Bangladesh Bank official was lecturing on Islamic finance for a junior officers’ training course in 2010 which I attended. He covered the basics: Islamic finance prohibits *riba* [a process of increasing, usury], which he translated into the Bangla *shudh; gharar* [uncertainty, risk, dubiousness]; and *maisir* [gambling]. As he reviewed the main Islamic financial instruments, students began to interrupt with questions. One student started questioning the service charge added to the consumer’s purchase price of a commodity bought by the bank on behalf of the customer, via murabaha, or mark-up financing:

“*We’re just calling [interest] by different names,*” the student protested.

45 This suggests a repertoire of explanations and examples that circulate in the industry, although I do not specifically take up the question of origins of such canons or repertoires, and where and how they circulate.
“No,” Zakir responded swiftly, vehemently. “There is a difference between a halal and a haram chicken. Both are chicken, they look and taste the same, but Muslims can only eat one. You do not ask why. If you are Muslim, you follow the rules for Muslims.”

The students grew agitated, shifting in their seats, shaking their heads; Zakir resumed his lecture. Murmurs of dissent coalesced into interruptions.

Another student spoke up, confused. “Kintu shomosha acche—” [But there’s a problem—]

“Shomosha nai tho!” [There’s no problem at all!] Zakir responded, agitated.

Unconvinced, the student persisted. “The difference is basically spiritual.” [in English]

“The difference is functional! [in English],” Zakir shouted with finality.

For Zakir, the question of whether the service fee of murabaha is different from interest—the prohibited riba—is explicitly procedural; he emphasizes “functional” difference. Questioning the procedure undercuts the authority that establishes the procedures, a rebuke of textual Islam and potentially even of God. The anger and frustration expressed in the interaction was not resolved; Zakir drew on his own authority in that setting as lecturer and senior professional to declare his answer and refuse further discussion. The enduring tension at the end of the classroom interaction parallels an enduring tension about the pragmatism of the proceduralism of the contemporary Islamic financial institution. Proceduralism is a necessity of the corporate form, thus it must be accommodated as a pragmatic consideration in service to profitmaking. Without profitability, a corporation cannot exist.

But pragmatism itself can be recognized as praiseworthy in Islam, embodying a spirit of accommodation and flexibility that has allowed the religion to endure in time and changing conditions. It is pragmatism, then, that becomes vexing, deployable both in the service of
profitmaking for profitmaking’s safe, and in service of a flexibility that can allow Islamic financial institutions to grow and enact some benefits greater than those available from conventional counterparts. To the extent this tension is unresolvable, charges of hypocrisy or dissimulation will endure as a condition of Islamic finance institutions’ existence.

Is there a way to chart a path forward through this additional conundrum posed by pragmatism, as an enduring site of tension? A conversation with Chacha, a former founder and chairman of the Islami Bank and a main interlocutor, acknowledges pragmatism as a form of reasoning or a philosophy of action, but then locates the ethical possibility of Islam in practicality, as the functional course of action of how to proceed.

During a discussion in the summer of 2011 over a lunch of rice, vegetable curries, and eggs, I asked Chacha about whether the practical compromises of Islamic financiers to operate within a conventional finance world diminishes or compromises the ‘Islam’ of Islamic finance. Doesn’t this just demonstrate, in the end, the ability of conventional capitalism to remain the singular frame, malleable enough to absorb any challenges to it, I asked. Chacha paused to formulate his careful reply. “Ammu, Islam offers to everyone to take what’s convenient to him or her. No one should force people to adopt certain things. This applies to banks. But if you say Islamic economics has an object, that it believes in equity, that it wants better distribution of wealth, then musharaka, mudaraba give the best distribution of profits. With bai muajjal, one party gets less. So from the…Islamic economics point of view, musharaka is more productive.”

Among the array of Islamic financial products and services, Chacha noted that musharaka and mudaraba are commonly regarded as the most Islamic due to the risk-sharing principles at their core. Mudaraba is an equity investment between a mudarib (financier) or “sleeping partner”
responsible for raising capital, and an entrepreneur responsible for the actual labor who share profits according to a predetermined ratio and timeframe. Losses are borne by the financier who supplied the capital; the entrepreneur bears the loss of his or her time and labor. The timeframe of the merchant expedition for long distance trade in medieval Islam gave rise to the mudaraba contract; today’s mudaraba has well-documented antecedents from the medieval era.

Musharaka is an equity investment similar to mudaraba except for differences in the sharing of profits and losses and responsibility for the initial capital. Musharaka is difficult to implement at the microfinance and even ‘small-medium enterprise’ (SME) level because the transparent and standardized client accounting practices necessary to monitor profits and losses are often rare or unevenly developed skill sets. For regular consumer and commercial financing, the risk of corruption, deliberate overstating of losses and/or underreporting of profits dissuades widespread use of musharaka. What economists and financiers refer to as information asymmetries and the amount of monitoring and evaluation needed is too expensive and labor intensive for many institutions. As a result, despite the risk-sharing ethos of musharaka embodying central ideas of Islamic economics, this contract remains particularly underdeveloped and underused globally.

Chacha paused before continuing. “But feasibility is an issue, practicality is an issue. The Prophet made an agreement in Hudaibiya. He wanted to visit Makkah and in the Arabian custom, no one could be stopped from going to the Kaaba. But people were stopped at Hudaibiyah, about 20 miles from Makkah. A battle became inevitable, but the Prophet came to an agreement with so many compromises: we won’t do Umrah this year, we’ll come back. This was insulting to those who had made the long journey. […] So many things show the great political wisdom. He wanted to build peace and overcome political issues.”
Perhaps capitalism is not the singular frame, malleable enough to absorb any challenges to it, I thought. Perhaps that thinking reveals my own presuppositions, the inheritance of my own lived Western capitalist life-world. To Chacha, the frame of Islam absorbs challenges to it through a core of pragmatism and the practicality of adjustments—not as compromise, but as evidence of durability. Proceduralism is less important than the capacity of Islam to endure despite challenges to it. Rather than dwelling on pragmatism as a form of reasoning, Chacha’s point of view suggests that practicality as a lived consideration ensures the durability of Islam.

Chacha continued. “So while deciding musharaka, mudaraba, etcetera, practicality is also an issue that cannot be ignored. And if the economic or political situation cannot be ignored, this has to be accepted…But most of the Muslim scholars insist that we should go to musharaka, mudaraba. I think the West can really accept Islamic banking if they change the name. They do not have to accept la ilaha illa llah—that there is no god but God. They can accept something apart from the evil of capitalism. They do not have to be Muslim. We should not be foolish—we know capitalism has its limitations, market systems have their limitations.”

Chacha called me over to his old, boxy desktop computer and pulled up a poem in Urdu. He translated it aloud:

It was a book of action
You made it a book of prayer
It was a book for understanding, realizing
You made it a book for only reading
It was a constitution for the living
You have made it a program for the dead
It was a book of knowledge
You have handed it over to the ignorant.
It came to give introduction, knowledge, and effort to know the universe
But you have made it only a curriculum for madrassas.
It came for making living the dead nations
But you have made it a book for praying for the dead.
O Muslims, what have you done?
Just think!
Chacha’s story about the Prophet delaying Umrah to Mecca and the poem he recites concerns the applicability of Islam to everyday life, not just demarcated acts of compassion or aspirational pursuits. Both his story and the poem gesture toward the idea that the urgent and unresolved question about the present and future potential of Islamic finance does not concern the diversity, divisions, and hierarchies of the Islamic finance sector. The next two chapters offer a close ethnographic examination of the everyday possibilities of practicality and action, in ways that exceed and disturb corporate presumptions and structure. This practicality and action is accessed through individual contracts and individual relationships between Islamic microfinance clients and their Islami Bank field officers.

**Conclusion: from high finance to microfinance**

In the Introduction and Chapters 1 and 2, the historicization of the discipline of Islamic economics concludes in the present day, in which depoliticizing tendencies have aimed to reduces friction between Islamic and conventional finance in order to promote growth of national and international Islamic finance markets. The ethical presumption and justification here, I suggest, is that systemic growth can speak to macroeconomic concerns (i.e. poverty, increasing inequality, and systemic risks of financialization) – even if the corporatized technology of Shari’a compliance constrains the ethical expansiveness of individual instruments or corporate operations.

Some incongruities and concerns over hypocrisy are particularly pronounced in the wealthy markets and highly capitalized financial institutions of the Gulf Cooperation Council
(GCC) countries. In Dubai, a required fatwa can simply go to the highest bidder (Foster 2009)—a point also echoed in numerous conversations I held with those currently or formerly participating the GCC’s Islamic finance sector. The fatwa is an authoritative ruling from an Islamic scholar that, while usually legally nonbinding, constitutes the procedural foundation for what is and is not considered Shari’a compliant. While independent scholars can and do issue finance-related fatwas, the largest institutions retain their own, in-house Shari’a advisory boards. Ryan Calder has noted that only about 20 scholars serve on the majority of Shari’a boards worldwide (2016), producing a cacophony of competing opinions. Commenting on the variety of opinions issued by Shari’a boards in Saudi Arabia’s financial institutions, one finance Vice President noted, “If one board says a product is Islamic, the other will say it isn’t” (Saleem 2010). The issuance of fatwas and labors of this small number of high-profile scholars (“rockstars,” quips Calder) is unavoidably beset with conflicts of interest, as scholars issue opinions on the operations and offerings of institutions in direct competition with each other.

The world’s most prestigious Islamic financial institutions, concentrated in the GCC, prefer applicants with experience in conventional finance and with conventional business and economics degrees over Islamic finance certifications. Over the course of fieldwork, I was struck by the frequency with which interlocutors at multiple institutions and in multiple countries commented, with no small amount of irony, that Saudi Arabia’s Al Rajhi Bank, one of the wealthiest and influential Islamic financial institutions in the world, is heavily staffed at top levels by non-Muslim expatriates with conventional banking and finance backgrounds. “It’s an open secret,” one Islamic bank executive said during our meeting in Jeddah.

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46 Member countries include Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman.
Where does this leave the figure of the poor and the Islami Bank Bangladesh, marginalized from these high finance realms? In drawing attention to the apparatus of corporate finance here, and specifically the notion of “compliance,” I am prefiguring the concern of upcoming chapters regarding how the mundane architecture of financial relationships can shape and constrain the expansive possibilities of an Islamic economic ethics. In these coming chapters, the nature of a financing contract, the loan repayment transaction, technologies of accounting, and the relationship with a central bank and national government empowered to alter the composition of senior bank leadership come under consideration. In Zinukpara, a community of poor clients of the Islami Bank’s microfinancing program, practicality assumes center stage as an ethical consideration in the ways clients and Islami Bank field officers relate to Islam.
Chapter 3: Intention and the Legibility of the Poor

Introduction: realigning relationships toward resource allocation

In Islam, believers are recognized to struggle against tendencies toward self-interest and greed. In conventional neoclassical economics, self-interest is not a tendency to struggle against—it is foundational to the principle of scarcity, in which limited supply interacts with demand.\(^4\) In these conditions of scarcity, individuals are presumed to maximize self-interest, ostensibly engaging in ethical behavior only when it is in their self-interest to do so. Islam, by contrast, posits a sufficient amount of God-given resources for all human needs. The strain on the supply or the “perceived scarcity” of goods results from the “lack of effort and insatiable needs on the part of man,” due in part to haram indulgences or activities counter to Islamic social justice (Jackson-Moore 2009: 3).

The Qur’an offers extensive guidance on commerce and trade and acknowledging the existence of wealth; removal of class distinctions is not a goal. This explicit pro-business orientation helps guide fallible humans on how to correct their tendencies and direct them toward the proper course of business action. Moving to realm of contemporary Islamic finance, however, the distinction between profit motivation as Qur’anically-approved business pragmatism versus profit motivation as un-Islamic greed is unclear. As discussed in previous chapters, institutions and products must remain competitive in mixed Islamic-conventional markets and satisfy the needs of clients and shareholders alike.

\(^4\) Within this framework, as economist Michael Sandel explains, “ethical behavior is a commodity that needs to be economized” (2012: 26). In other words, ethics are not a renewable resource; expending ethics in one instance limits their availability to expended later on.
I mention this to foreground the surprise I referenced in the Introduction, when I encountered in professional Islamic finance spaces a pronounced lack of interest in the poor, the marginal status of Islamic microfinance, and the novelty of the Islami Bank Bangladesh designating its Islamic microfinance program as an asset rather than a liability or a corporate social responsibility or charitable initiative. The claims on social justice among the Islami Bank’s Islamic microfinance clients that I explore in this chapter and in Chapters 4 and 5 posit a different orientation to the world and its resources than is available in conventional finance. In other words, even as a depoliticized Islamic economics and contemporary Islamic finance industry might occlude the poor, original revolutionary claims on economic justice can still be encountered. This requires turning to the ways that the poor asset claims upon unequally-allocated resources.

I undertake this by focusing on some of the most commonly used intake contracts linking the Islami Bank to the precarious poor clientele of its Islamic microfinance program. Through an ethnographic exploration of these contracts and the way their expectations reach into the lives of Islamic microfinance clients, I extend Chapter 2’s discussion concerning what it means for a bank to be Islamic, and how institutions manage uncertainty of their Islamic status through the strictures of the corporate form, and particularly technologies of “Shari’a compliance” But my focus is on how the contract becomes a staging ground for considering what it means to attempt to “do” or “enact” social justice through the choices of clients and bank officials alike, and how the documents themselves affect the conditions of possibility for these choices? In other words what is the capacity for social justice within a single institution within a national setting in the shadow of its neglect within the largest global reaches of Islamic finance?
Contractual documents are ultimately sites of performance, hope, failure, and negotiation—excesses beyond a straightforward legal bond between a client and the financial institution. However, the language, demands and expectations of these documents can mediate the lack of mutual intelligibility between the bank and the poor, particularly with respect to how the poor understand and discuss their poverty, wealth, and assets. This chapter begins work that I will continue in Chapters 4 and 5, excavating presumptions and predetermining categories constituting the financial subjectivity of the poor as within the field of Islamic microfinance. Nevertheless, contracts are filled out at the end, allowing them to be understood not simply as legal bonds or artifacts of transactions, but as fields of inter-relating the bank to the poor. In tracking the dissemination, usage, and life of the Islami Bank’s Islamic microfinancing contractual documents in Zinukpara, the site in Cox’s Bazaar, Bangladesh, where I conducted extensive fieldwork, Shari’a non-compliance is encountered as an everyday practice—including as an everyday practice of searching for justice in its constant deferral (Obarrio 2010).

This chapter works through the problematic of the Islamic microfinancing contract as a mode of relationality between poor clients and the Islami Bank. I examine this by first introducing the Islami Bank’s position on its Islamic commitments, including pro-poor credentials encapsulated most pointedly in its Islamic microfinance program, the Rural Development Scheme (RDS). Discussing how the Islami Bank anticipates and works to contain the risk of “doubtful income” (non-Shari’a compliant income that must be expunged from profits) as a recognized and managed breach of Shari’a compliance leads me to a more ambiguous danger to institutional Shari’a compliance that implicates the poor: appropriate niyya (intent), an enduring and thorny concern in fiqh ul muamalat (business jurisprudence). While Islamic finance clients are presumed to have varied internal life-worlds that make their intent
difficult to ascertain when they avail Islamic financing, poor clients of Islamic microfinance, by contrast, have intent attributed to them. The RDS’ contractual terms of engagement encode assumptions of shared intent between the institution and the poor client, whereby both are posited as committed to Shari’a compliance. By contrast, the unknowable intent of regular (non-micro) Islamic finance clients is formally recognized and managed by not extending certain contracts (such as the profit-loss sharing musharaka contract). And while the Shari’a noncompliance of RDS was acknowledged in multiple conversations with RDS and Islami Bank officials, this is not officially recognized or accommodated within bank operations, much less in the structure of the contract itself. This is in contrast to doubtful income, which as I mentioned earlier, is accounted for as a predictable expense on annual balance sheets, and excised from profits.

I explore everyday contractual noncompliance (and thus Shari’a noncompliance) in my field site of Zinukpara, a multi-religious slum community adjacent to vast expanses of rural, riverine lands used for agriculture and pisciculture. In Zinukpara, the status of riba [interest, usury] as Islamically prohibited was easily outweighed by the more urgent need for access to liquidity from all possible sources—I focus on the frequent practice of RDS clients of placing their gold jewelry into bond at usurious rates. When my Islami Bank interlocutors explain this as permissible because it is an act of survival, the demands of Shari’a compliance come into tension with questions of necessity (darura) and social interest or public well-being (maslaha)—and how these can differ from the vantage points of the Islami Bank versus its RDS clients.

In the final section, I focus on the documentary and contractual requirements associated with the most common RDS financing, bai muajjal. By tracking how these requirements—necessary for the contract to be Shari’a compliant—are discarded, overlooked, or managed in
creative ways by clients and RDS field officers alike, the contract no longer reflects a standardized, Shari’a compliant bond between the Islami Bank and its clients. Instead, the contract becomes an expansive field of relations and mode of relating, in which the poor continually exceed categorizations and representations superimposed upon them. The RDS contract, which ultimately becomes an artifact of Shari’a noncompliance, can be understood as fulfilling ethical imperatives of Islam by allowing the Islami Bank to recognize the poverty of its RDS clients.

Ethnography allows me to access slippages between institutional versus client understandings of the ethical imperatives of Islamic microfinance without falling back into the anxieties that inform Islamic finance at the global reaches concerned with the contradiction between its representation as too close to conventional finance and thus not Islamic enough, or too close to Islam and thus not suitably competitive in financial markets. The possibility of a social justice orientation, I suggest, emerges less from Shari’a compliance and instead from negotiations of individual Islamic identities that are in tension with institutional requirements based in Shari’a. Taking this point even further, I suggest that consideration of intention gestures toward the limits of strict Shari’a compliance in facilitating economic social justice for the poor—and in some cases its outright obstruction.

*The Islami Bank Bangladesh Limited*

The Islami Bank occupies a particular space in the landscape of self-imaginations and self-descriptions within the Islamic finance industry that I discussed in the Introduction, including “ethical finance,” “social finance,” “Islamic finance,” “Shari’a compliant finance.” The Islami Bank describes itself as “banking business based on Islamic Shari’ah” [emphasis added].
This is not interchangeable with or an amalgamation of different categories above,\textsuperscript{48} but is, I suggest, something different. Basing operations upon Shari’a rather than asserting the fact of Shari’a compliance is a lower bar for an institution to clear. It allows the Islami Bank to claim many of its activities (which may not be explicitly Islamic) as Islamic in so far as they are done with Islamic dictates in mind, particularly regarding duties toward the poor.

For example, the Islami Bank commits in its mission statement to “establish Islamic Banking through the introduction of a welfare oriented banking system” by focusing on the “loss-income community particularly in the rural areas.” While it shares these goals with other financial institutions committed to socially responsible development, the Islami Bank marks provision of services to the poor and banking oriented toward welfare (rather than shareholder value or profit) as the means through which Islamic banking happens. In other words, services for the poor and welfare-oriented banking are a guiding framework alongside guidance from Shari’a.

The Islami Bank even takes the step of critiquing other institutions in the global Islamic finance space for an overreliance on Shari’a compliance as the only means through which “Islam” happens. As the Islami Bank notes in its 2015 Annual Report, “Most of the Islamic Banks focus merely on Shari’ah compliance issues ignoring the Maqasid of Shari’ah. IBBL, being an exception, not only ensures Shari’ah compliance but also focuses on ‘Maqasid-al-Shari’ah’ in all of its operational portfolios” (Islami Bank 2015: 60). The maqasid al Shari’a refers to the five-fold aims, purposes, or goals of the Shari’a, concerned with protection of life, wealth and property, progeny, religion and faith, and intellect.

It is unsurprising to see a profit-making body in a competitive sector mobilize whatever uniqueness it might possess to differentiate itself from peer institutions, as the Islami Bank does

\textsuperscript{48} See Chapter 1 for a fuller description of these categories.
Whether or not the Islami Bank is “better” in some capacity than its competitors is beside the point, however. What is interesting about the self-designation of only basing operations on Shari’a and avoiding a strict Shari’a compliance standard is that the Islami Bank can then be forthcoming about its inability to be fully Shari’a compliant. Shari’a compliance officers conduct ongoing branch audits to assess operational Shari’a compliance. My self-appointed Chacha (Uncle), a founder and former chairman of the Islami Bank and one of my main institutional interlocutors, explained to me that this is necessary because “local staff do not fulfill all interest-free operations […] Lapses happen.”

Profits that come in contact with non-Shari’a compliant (e.g. riba/interest-generating) processes are called “doubtful income” (in English). At the Islami Bank, doubtful income is a regular, predictable line item in the profit and loss statement of its annual report. Once doubtful income is identified, it is not disbursed to investors as Shari’a-compliant income. Instead, it is diverted to the Islami Bank Foundation, the Islami Bank’s philanthropic arm.49

There are two main sources of doubtful income. First, penalty charges. Islamic banks are compelled to follow Bangladesh Bank guidelines to impose penalty charges, but they’re not entitled to the money these penalties yield. An Islami Bank expert on doubtful income explained the technicalities to me: “it is prohibited by Shari’a to charge more price over fixed price. Instead of ‘penalty’ charges, Islami Bank charges ‘compensation’ charges. Major portion of doubtful income is from compensation charge on defaulter borrowers who have fixed debt contracts.” In other words, as a penalty charge is an increase in money for the bank not is linked to the transfer of an underlying asset, it constitutes a form of the prohibited riba, or unjustified increase.

The second main source of doubtful income, this same official explained, is “income derived due to systemic reasons. If Islami Bank deposits currency with the central bank and gets

49 The Islami Bank Foundation is deeply politically contentious in Bangladesh; I explore this in Chapter 5.
interest on it, the interest is doubtful. The system gives interest and the Islami Bank must participate in the system.” While the previous chapters are concerned with the theological and theoretical implications of the ways in which Islamic and conventional finance articulate and converge with each other, this official’s assessment is rather more blunt: convergences exact costs. When a sum of money circulating through Islamic channels becomes tainted with interest-bearing funds, the sum is contaminated.

The important point here is that doubtful income—or profits that cannot be considered Shari’a compliant—is anticipated in the bank’s annual report as a forecasted expense for the coming year, reported on for the current year and removed from profit. Any destabilizing effect or uncertainty it might bring to an institution’s Shari’a compliance is contained and quite literally expunged from profit accounts.

Another source of these lapses—which I explore in this chapter—is the Islami Bank’s Islamic microfinance program, the Rural Development Scheme (RDS). During interviews from 2013 to 2014, my interlocutors at the Islami Bank explained that RDS provides the bank with about 4% of its income but consumes 21% of its human resources. RDS’ endurance and expansion over the past 21 years despite its unprofitability indicates, I was often told, the depth of the bank’s commitment to Islam and social justice over profit.

Each microfinance collective is comprised of 10 to 40 clients (including one appointed as an informal leader), further subdivided into two to eight groups of five members each. Group members bear liability for each other’s repayments, a model borrowed from the Grameen Bank, the co-winner of the Nobel Peace Prize along with its founder, Dr. Mohammed Yunus. The weekly repayments are made to field officers at group meetings in a member’s home.
Each microfinance collective is comprised of 10-40 clients subdivided into two to eight groups of five members each, a model borrowed from the Grameen Bank, whereby group members bear liability for each other’s weekly repayments. Unlike Grameen, however, the Islami Bank bases its group liability model on a “Group Approach.” As program materials explain, “Allah loves those ‘who conduct their affairs by mutual consultation’ (Al- Qur’an 42:38)” (Islami Bank 2006: 8-9). Field officers assign the groups, which can be a source of tension due to a lack of privacy or placement with someone disliked or distrusted. Collectives must be located within 10 kilometers of an Islami Bank branch to keep the branch reachable for clients and minimize field officers’ travel times to the collectives. RDS clients are taught to sign their names if they cannot read or write, and are required to occasionally visit the branch office, helping familiarize them with mainstream banking. The bank collects a 10% flat annual rate of return from clients, although this can be reduced by 2.5% for long-term clients who consistently pay on time—a more attractive rate than the 11% flat interest rate on income-generating loans charged by the Grameen Bank.

Unlike Grameen, RDS does not provide access to microfinance to the poorest Bangladeshis. A steady stream of income or land ownership up to 0.5 acres is a baseline requirement for membership, a point I explore further in Chapter 4. The decision to limit RDS clientele to a more financially solvent poor demographic supports a key goal of the program: client transition into a robust Small Medium Enterprise (SME) investment program (although the number of RDS clients who do transition into SME financing is quite small). That 25 percent of total Islami Bank investment is in SME scheme (IBBL) is as significant as its robust support for

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50 The Grameen Bank offers several categories of microloans for a broad array of client demographics. The figure cited here is for the loan offering that most closely mirrors the RDS offerings.
Islamic microfinance: SME investment is a critical, but long underutilized and underfunded tool to strengthen developing economies (Durrani and Boocock 2006).

As a complement to RDS, the Urban Poor Development Scheme (UPDS) was launched in 2012, offering the same RDS financing and savings facilities to a poor urban clientele. Both RDS and UPDS require members to open *mudaraba* savings accounts (savings are invested by the bank and profits are shared according to a predetermined ratio). Both schemes most commonly offer small business investment through *bai-muajjal* (credit sale), hire purchase under *shirkatul melk*, a lease-to-own partnership), and less frequently through *musharaka* (profit-loss sharing partnership) and *bai-salam* (advance purchase, usually for agricultural inputs). *Quard-e-hasana* (a fee-free loan) is offered on an ad hoc basis for constructing latrines or tube wells for underground water access.

The growth of RDS and the smaller UPDS has been stunning in recent years, despite caps enforced by Bangladesh Bank (the country’s central bank) on the number of new branch programs that can open to serve clients. For several years, I was told, these regulations constrain RDS from expanding fast enough to meet high customer demand. In 2011, RDS served 608,703 clients. By 2015, RDS was serving 947,305 clients. In 2015, out of the Islami Bank’s 304 branches, 227 operate RDS; another 24 urban branches offer UPDS services to the urban poor. A total of 947,305 members receive services in 18,615 villages. The ratio of male to female members is 21:79. Total disbursement during 2015 stood at 29,924,040,000 BDT,\(^{51}\) or approximately 371,104,777 USD.

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\(^{51}\) Bangladeshi taka; approximately 77 BDT to 1 USD.
Intention and the contract

As mentioned in my conversation with Chacha at the end of Chapter 2, musharaka and mudaraba are commonly regarded as the most “Islamic” contracts due to the risk-sharing principles at their core. Mudaraba is an equity investment between a financier (mudarib) or “sleeping partner” responsible for raising capital, and an entrepreneur responsible for the actual labor. Together, they share profits according to a predetermined ratio and timeframe. Losses are borne by the financier who supplied the capital; the entrepreneur bears the loss of his or her time and labor. Musharaka is similar except for differences in the sharing of profits and losses and responsibility for the initial capital.

In these contracts, the lack of repercussions for defaulting borrowers can incentivize risky behavior—what economists call a “moral hazard” for clients to report lower profits and exaggerate losses at the expense of the bank—particularly in countries with high corruption and weak monitoring and enforcement mechanisms. As Volker Nienhaus, a decades-long observer of the Islamic banking and finance industry, explains, profit-loss sharing partnerships “are dangerous financing techniques from the bank’s point of view because the minimum profit ratio for entrepreneurs is only attractive to those who do not expect their projects to succeed” (1986: 9). In Bangladesh, the danger is acute in notoriously non-transparent sectors like real estate and construction.

As a result, these equity investments remain underdeveloped and underused globally. The risks of musharaka were mentioned to me from Dhaka to Jeddah. During my final presentation to the Islami Bank shortly before I finished fieldwork, an official remarked rather ruefully, “amra musharaka kortei chai [we want to do musharaka]. Corruption is so difficult: people keep three books: one for IBBL, one for taxes, one for themselves.” A year later at the Islamic Development
Bank in Jeddah, Saudi Arabia, the topic of underused musharaka again came up. “Two clients use it,” he explained. “One, 100% honest. And some, not that much honest. Honest clients say, ‘it’s risky to us.’ They prefer mark-up basis [mudaraba financing]. Dishonest clients insist on musharaka. Another problem: income tax. If you declare high profit, people get taxed on full profit, not just their share…Total society is not honest, so then it is difficult for a person to live honestly. Difficult also to run the bank Islamically.”

I first learned of the moral hazards of profit-loss sharing contracts from Chacha in Dhaka in 2010. “It hurts my heart,” he said. “Clientele just does banking—they are not always committed. The big industrialists who receive money—they are not doing it because they love Islam, but because Islami Bank gives them less hassle,” he continued. “Mudaraba and musharaka […] the objective of Islamic banking cannot be fulfilled without these. Islamic banking requires justice and the distribution of money.” Without mudaraba and musharaka, he said, “there is a concentration of wealth. The main shareholders of Islami Bank and all banks are profit-minded—they come from conventional finance, so they don’t want to develop mudaraba and musharaka. It’s like offering salat [prayer], but doing nonsense.”

Threaded throughout this reflection is intention. *Niyya* (intention, Arabic) is the subject of the first hadith narrated by Sahih Al-Bukhari, and explains that actions are according to the intentions. Niyya as “subjective interiority” has long been a subject of interest with respect to ritual worship (*ibadat*) and mysticism (*tasawwuf*) (Asad 2003: 225). Without the appropriate niyya, prayer is nonsense, as Chacha says. A rich jurisprudential literature also exists that parses the intricacies of intention as it relates to contract law. Niyya, Powers explains, is a “formal, taxonomic matter” when it comes to *fiqh ul muamalat*, or business jurisprudence (2004, see also 2006).
Clients possessing adequately “Islamic” intent and institutional strategies for the assessment of client intent are extremely important in Islamic banking and finance. The institutional problem of crafting contracts to accommodate information asymmetries (another term from economics) related to the inaccessibility of client intent captures an industry tension of aspiring toward social justice, while planning for the contingencies of human fallibility. The contingencies of evaluating intent in different durational contexts (e.g. short versus long-term financing contracts) are central to this. So is the implicitness in trust that contract provisions will be observed—concerns central to conventional as well as Islamic economics (Khan 2002).

The challenges relating to the risk-sharing contracts of Islamic finance such as musharaka make clear the fact that individuals behind high-value commercial financing are presumed to have inaccessible intent. Institutions, including the Islami Bank, often avoid profit-loss sharing as a result. By contrast, the poor and precarious subjects of Islamic microfinance are presumed to be legible: the Islami Bank and global development organizations supporting Islamic microfinance maintain that Islamic microfinance is attractive to poor clients because, quite simply, the poor prefer the Islamic option when given the choice, because it is Islamic. Surveys and reports by academics, NGOs, and financial institutions consistently argue that poor Muslims “[show] significant rates of rejection of traditional microloans” (El Gamal et al 2012: 2), and that Shari’a-compliant financing can promote the financial inclusion of populations who are self-excluding from conventional financing options (TechNavio 2014; El Gamal et al 2012; Khan and Phillips 2010). Perhaps the most frequently cited statistics in development and economics literature regarding demand-side market potential for Islamic microfinance comes from a 2008 World Bank paper suggesting that up to 40% of potential microfinance clients reject non-Shari’a compliant loans for their Shari’a non-compliance (Karim et al 2008).
This narrative is also standard for Islamic microfinance providers, such as Islamic Relief Worldwide (Kroessin 2012: 44-46). I attended a March 2014 national seminar at the Bangladesh Press Club organized by a consortium of Islamic microfinancing operators in Bangladesh. In the opening remarks, the speaker noted that Islamic microfinance “emerged as a failure of conventional finance: it was not inclusive enough to reach the religious sentiments” of Muslim Bangladeshis. “One-third of Bangladeshis,” he said, “will never access conventional microfinance.” Here again, stating that poor Muslims without microfinance chose to avoid it because of its non-Islamic status presumes to know the contours of the “religious sentiments” of the poor. After all, conventional microfinance has managed to enjoy runaway success in Bangladesh, a country whose population is 89% Muslim, suggesting a more complex portrait of the religious lives and economic preferences of the Muslim poor. When a commentator suggests that Islam is not the driving factor behind uptake of Islamic finance or not among the poor, it is a rare and significant enough intervention to warrant its own publication, such as a June 2017 blog posting from two World Bank economists (Klapper and Ansar 2017).

Equally important, the presumption of consumer demand (here, tied to the consumer’s religion and poverty) cannot be taken as a commentary on the inherent worth, usefulness, or potential for “success” of Islamic microfinance. After all, microcredit and microfinance remain incredibly popular, generally not lacking for clients. And yet, numerous critiques of conventional microfinance over the past decade have demonstrated that microcredit and microfinance can draw clients into deeper debt, subject them to harsh repayment tactics, imperil their social relations, and expose them to vagaries of broader market forces—all of which exacerbate rather than ameliorate their financial precarity.
At the microfinance and small-medium enterprise (SME) financing level, musharaka is acknowledged as difficult to implement because standardized accounting practices necessary to monitor profits and losses are rare or unevenly developed among clients. But the intent of the poor is not questioned. It seems then, that clients of Islamic finance are presumed to have varied internal life-worlds that make their intent difficult to ascertain, but the poor clients of Islamic microfinance are presumed to possess whatever intent the institution requires of them. Assuming shared intent between the institution and the poor client, where both are primarily committed to the “Islam” of Islamic microfinance, is reflected in RDS’ terms of engagement: RDS clients are usually referred to by staff and in IBBL documents as shodesso/shodessa (member, masculine and feminine), or upokritolok (beneficiaries). “Member” indexes a sense of belongingness and participation at least in relationship to one’s local RDS kendro (center) of 30-40 recipients, if not also in relation to the bank. The project of the Islami Bank’s “welfare-oriented banking” is a shared one, a mutual imbrication of the wealthy and the poor. This is in contrast to how bank officials described people using their mainstream, non-micro services: “clients,” “customers,” “depositors.” Even as Shari’a compliance in Islamic microfinancing is known to be compromised—a point I explore both in this chapter and in Chapter 4—the intent of clients is presumed knowable; their internal life-worlds rendered flat.

**Zinukpara and the necessity of riba**

Zinukpara, a mixed Muslim, Hindu, and Rakhaing52 community, is adjacent to both a small town and vast expanses of rural, riverine lands used for agriculture and pisciculture.

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52 Ethnic Arakanese Buddhists and Bangladesh citizens; this English spelling is largely preferred by the community. “Rakhine,” by contrast, refers to Burmese citizens of Arakan State. My use of “ethnic” or “indigenous” is not an endorsement of the political and historical weight of ascribing hereditary belonging to certain groups. It is instead an imperfect way to capture how these groups represent themselves and their belonging to certain cultural and
Residents referred to Zinukpara with the English word *colony*; friends of residents living outside it called the community a *bosti* (slum). Residents were proximate to a government hospital and schools, although several preferred to send their children to a local *madrassa*. Local NGO resources and government services focused largely on coastal cyclone victim relief and service provision in the two UN-run Rohingya refugee camps nearby.

Zinukpara was largely a colony of women and their children. Most husbands worked outside the community on fishing boats, or as migrant laborers abroad in the Gulf, or they had abandoned their families and remarried. Over the course of my fieldwork, one husband was killed during a robbery aboard his fishing boat; another husband died suddenly in the night, a likely heart attack.

Among the hardships that might affect a rural Bangladeshi village or slum—arsenic-tainted or salinized groundwater, the lack of a decent hospital or school, remoteness and lack of connective infrastructure—Zinukpara suffered from *bonna*, monsoonal flooding. Food wrappers, empty orange foil packets of 2-taka rehydration solution, bits of plastic, spent cigarettes, and the occasional dead rodent float by in floodwaters that overtake the main, narrow lane for several months each year. The knee-deep water is septic; outdoor and indoor latrines empty into ponds behind the two rows of homes divided by the main lane. When swelled with monsoonal rain, these pondwaters flood with the daily waxing (*juara*) and retreat with the waning (*bhata*) of the tides, connected to the Bay of Bengal through channels and rivulets. I once asked about the possibility of *beriban* (sandbags), which have even been used to line the new and pristine Cox’s Bazar-Teknaf highway where it sits at sea level, not more than 10 meters away from the waves in some places. My question was waved away. Where would the money come from?

*linguistic groups that shape a variety of everyday practices, from endogamous marriage to the consumption of different staple foods to different forms of dress and adornment.*
The main narrow lane leads to the colony-slum’s gated entrance and another narrow lane that eventually winds its way to a side street, which eventually meets a main road. Near the entrance gate, the concrete-and-corrugated-metal-roof homes of the siblings who own their homes are slightly raised on poured foundations, and are only flooded with the septic water once or twice a season. Further away from the gate, where the bulk of the rental properties are located, the thatch and plastic-walled, mud-floor homes sit level with the ground. Here, the homes remain flooded or perpetually damp with groundwater seepage. These residents—the poorest in the village who generally do not qualify for RDS—suffer from constant skin rashes, respiratory infections, diarrhea, fevers, and wounds that won’t heal.

Landholdings and social prestige were concentrated among seven siblings, most of whom are RDS clients. The youngest, Ameena, has been an RDS client since a collective was formed 10 years ago, and has served as the collective’s leader for the past four years. Married at age 15 and abandoned by her husband one month into her pregnancy at age 16, Ameena lived alone with her now-15 year old son. She invited me to move into her home and I eventually did so. She also lived with a jinn, an Islamic spirit, and an immaterial hujur, an Islamic scholar, who exerted a strong presence on her daily routines; she prayed and observed periods of silence on a schedule they communicated to her. In 2012, they also gave her the ability to serve as a boiddo, or traditional healer, of local renown. Ameena earned 5,000 BDT, or about 65 USD each month from two adjoining mud, brick, and corrugated tin-roof rental rooms. These rental properties and her own brick-and-plaster home were the legacy of an inheritance from her father, a local wealthy businessman.

The second-to-the-youngest sister, Tabassum, lived across the narrow lane with her 16-year old son and 8-year old daughter, and was the RDS collective’s assistant leader. Her husband
abandoned the family in 2011, taking a second wife from a wealthier family offering a generous dowry and an apartment in town. Asthma, depression, and the loss of a kidney seven years ago due to infection often keep Tabassum in bed. Her suffering is acute in the monsoon season, when adjacent ponds swell with rain and septic latrine water, flooding Zinukpara’s homes with the daily waxing of tides. Tabassum receives rental income from a small concrete room adjoining her home, and occasionally uses her sewing machine for basic tailoring when her health permits.

As discussed in previous chapters, the Qur’an unequivocally prohibits *riba*, or processes of increasing. While *riba* is usually translated as interest or usury, it is not reducible to these terms. If money becomes an earning asset in and of itself, if money begets money—this constitutes the sort of unjustified increase that numerous Qur’anic verses forbid as harmful and unfair. RDS clients in Zinukpara generally knew that *shudh* (literally, interest, and often used colloquially as interchangeable with *riba*) was haram. Managing household expenses, emergencies, and longer-term planning requires engagement with the markets for these assets and avenues for liquidity acquisition, even as such markets and avenues are generally interest-bearing. The status of *shudh/riba* as haram was easily outweighed by the more urgent need for access to liquidity from all possible sources.

Tabassum described to me the gold jewelry she keeps in bond at a high interest rate:

“From one [shop], I took 13,500. And from another I took 8,000. I run my family with this money. I have slips, should I bring the slips? Will you see them?” she asks.

“Sure,” I say.

“If I don’t, you won’t understand,” she responds, retrieving the slips. “This is how it goes,” she says, showing me her receipts, with entries totaling 80,000 taka: “*Koshto kore kore,*
bhat khete hoi [I have so many difficulties in my life, but I have to eat]. And I have to do these,” she says, gesturing to the slips. “From here, I’m eating money. I’m giving school fees. Running my family.”

Whenever Tabassum had any spare money, she made installments toward a gold jewelry set for her ten-year-old daughter. Since Tabassum’s husband’s abandonment and her own near-death asthmatic episode in 2013 that sent her to hospitals in Cox Bazar Town and even the city of Chittagong, her daughter’s fate weighed heavily upon her. “If something happens to me, what will happen to her? Who will take her in? She will need to be married,” she told me once. The jewelry set is insurance for her daughter’s marriageability, itself insurance against penury—a fate whose likelihood inches closer as Tabassum’s health appears to decline alongside her ability to afford health care.

Reliance upon gold was widespread among Zinukpara’s RDS clients—that is to say, a precarious poor wealthy enough to possess gold, but poor enough to have to liquidate its value by placing it into bond. Clients in Zinukpara generally knew that shudh (interest/riba) was haram. But this was easily outweighed by the more urgent need for access to liquidity from all possible sources—here, via gold jewelry. A woman’s financial status was usually easily discernible by the amount of gold she wore – not because she necessarily owned more than others, but because she could afford to wear it instead of keeping it as bonduk (bond) with a local jeweler.

The jewelry shops charge high interest rates, but offer flexibility. Clients explained that choosing between shudh or non-shudh options was a luxury, and not a true choice for the poor. Women could drop their off gold at any time in a private transaction, make payments when they had spare cash, and repeat the process an unlimited number of times without a waiting period,

101
home evaluation visits, or potentially shameful public repayment—all downsides to RDS Islamic microfinancing. Receiving money from the gold jewelry bonds in cash was another advantage. In theory, RDS financing is disbursed for the purchase of specified assets and is not fungible, available for discretionary spending. The jewelry, typically received by women upon marriage, became a renewable liquidity source. For at least one jeweler patronized by some of the women in Zinukpara, clients could choose between paying interest or putting that money toward the purchase of more gold jewelry. Placing the gold jewelry at a shop was also safer than keeping it at home or in a local bank locker, with the latter incurring additional cost. “Safety” refers not only to the possibility of theft, but to the protection of a store of cash from a gradual and unplanned usage, e.g. for the management of quotidian but urgent expenses, inhibiting accumulation of a sum large enough to address a high debt, afford an expensive asset, or acquire a business input, for example. Banerjee and Duflo (2011: 193) explain that one of the most critical services for the poor is safekeeping money to enable accumulation of a usefully large sum.  

53 Additionally, Islamic microfinance does not replace other conventional microfinance sources, such as BRAC or Grameen Bank or ASA. Clients often hold multiple microfinance accounts, limited only by the fact that more programs do not operate in their area. There were also several women eligible for RDS who chose not to avail it—such as Mehusena, whose husband works in Saudi Arabia but remits money irregularly—due to the terms of service. The weekly repayment was seen as too demanding, and the requirement to pay extra into a savings account an indulgence that could not be accommodated.
During a visit to Dhaka, I posed the issue of these usurious bonds commonly taken up by Zinukpara’s RDS clients to Chacha. He replied unhesitatingly:

“Islam says if need justifies something, prohibitions become permissible in the case of utter necessity. For them, it is forgiven. The price of gold has reached a stage where it doesn’t change. Ten years back it did start rising… Islami Bank is flooded with deposits, it cannot invest the money that it has. So, this competition [with gold shops] is not harming Islamic banking—it will harm Islam.”

Chacha was weighing a series of competing needs and actors: the Islami Bank, a solvent institution with a surfeit of deposits; women in financial precarity; a broader providential universe where Muslims are supposed to abide by certain rules; and macroeconomic realities, here, the relatively stable price of gold that makes it a secure investment. He acknowledged that gold bonds are against Islam—riba is haram, after all. But the fact that the gold bonds bring a benefit to Zinukpara’s women outweighs the other concerns. This calculus could shift however, if the entity experiencing “utter necessity” was also to shift, Chacha seemed to suggest. If the Islami Bank did not have enough depositors and needed the women’s money, the women’s engagement with usurious transactions would be harming the bank, whose prominence in the Islamic financial landscape in Bangladesh make it an institution worth protecting. If the price of gold was volatile, then the gold bond would be fiscally and religiously irresponsible; the women might be harming Islam and themselves through an unwise investment.

Chacha’s comments gesture toward an excess beyond the legal, documentary contract between the Islami Bank and its poor, precarious clientele. Repayment of RDS financing is not the only obligation that RDS clientele possess toward the bank. Nor does the unremarkably pervasive, widely acknowledged Shari’a non-compliance of RDS operations seem to be of particular concern to the bank. While contract law is a rich archive for consideration of intention
in multiple ecumenical traditions, a purely legalistic view of the contract cannot contain Chacha’s dual emphasis upon practicality and ethical obligation. If, as Chacha explains, prohibitions become permissible if need justifies something, then the enforceability and legitimacy of a contract becomes mutable. Chacha’s expansive view of the obligations entailed in the contract, I suggest, accommodates the interplay of intention, *darura* (necessity), and *maslaha* (public interest, social well-being)—principles of great importance to *fiqh*, or Islamic jurisprudence. Questions of necessity and social interest can easily be different and conflicting from the vantage point of the Islami Bank versus its RDS clients. This potential for conflict is captured in the frequently antagonistic or at least fraught relationship between RDS clients and their field officer, who assumes the role of human proxy for bank when he speaks *as* the bank and through the wide latitude he possesses in making client-related decisions with minimal-to-no oversight (in Chapter 4, I explore this dynamic as it manifests during weekly repayment meetings).

Certainly also multiple relationships, including those with consumer clients, are brought to life through contracts. The consumer client-institution interface is understudied in recent ethnographies of finance, which have tended to focus on finance professionals, their workspaces, and technologies as the preferred subjects for comprehending finance. This tendency can

54 Medieval Catholics dispensed with intention in favor of “just price” to determine the legitimacy of sales contracts, whose legality rested on whether or not one party intended to earn a profit by possessing unequal knowledge about of future uncertainty. As intent was “an affair between the soul and God,” (Baldwin 1959: 50), it became an impossible standard for determining the legal validity of contracts. Excessively low or excessively high price became a stand-in for cupidity in intent. A “just price” was not simply as a fair or equitable market price, but a sign of proper intentions before God. Centuries later, Adam Smith attends to the ethical subjectivity appropriate for a market system in *A Theory of Moral Sentiments* (1759). This subjectivity is rooted in contract law: commitment from one party stands irrespective of dishonorable actions by a second party. Keeping one’s word is non-negotiable. Observance of honorable contracts must be strictly enforced. His position is rooted in his own Scottish Protestantism and is a response to Catholic casuistry.

55 As opposed to non-consumer clients, e.g. corporate, governmental, or commercial clients.

56 E.g. Zaloom (2006), Ho (2009), Poon (2008), Miyazaki (2013), Riles (2011), Holmes (2009). (This is distinct from economic anthropology that occurred prior to the “financialization” of global economies, and was primarily
facilitate “an implicit assumption arises that finance is created, inhabited, and animated by the individuals paid to work within it” (Kustin 2017a). In taking the perceptions and actions of clients seriously as they engage with the Islamic financial institutions through contracts, I implicitly question zones of financial and religious authority in the broader Islamic finance industry. Clients operate creatively in financial spaces carved out by international and national regulatory and legal scaffolding as well as the fatwas, audits, and reports of Shari’a board members that determine what is and not permissible and what constitutes the contractually obligated behavior of clients and of the bank.

Chacha’s calculus of “utter necessity” justifying permissibility is not an idiosyncratic cost-benefit analysis unique to him. This calculus has a referent in Islamic finance with respect to thresholds for unacceptable versus acceptable gharar (uncertainty) and maisir (gambling)—both of which are avoided in Islamic finance to eliminate the potential for a party to unfairly lose or double an investment simply due to unforeseeable market fluctuations or other random circumstances. This potential, unfair increasing would constitute a form of the unequivocally-prohibited riba.

Of course, as financial risk or speculation cannot be categorically unlawful, it remains unclear how much uncertainty can be borne before legitimate speculation, where inherent risks can be mitigated through information, devolves into mere chance—a gamble on a future outcome (Al-Zarqa, in El Gamal 2001: 5). Some jurists have specified that since no contract is completely free from uncertainty, “minor” gharar is permitted (Al-Baji Al-Andalusi, in El Gamal 2006: 59, Hamoudi 2006: 25). Consensus generally exists that “major” gharar, or a fully gharar-based sale (bay’ al-gharar), is prohibited.

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concerned with relatively stable systems and objects of study, e.g. exchange in ‘formal’ and ‘informal’ economies, Marxist questions of capitalism and production, and consumption and value.)
However, contracts with major gharar can be deemed permissible if a certain threshold of necessity is met: if “excessive” costs would result from avoiding gharar, a transaction may be permitted (El Gamal 2006: 59). Legal exceptions can be mobilized to prevent detrimental or haram activity, attuned to ‘urf (prevailing standards or customs), maslaha, and darura (Warde 2001). Unsurprisingly, determinations of excessive uncertainty remain contested, and exceptions abound, indicating the dynamism of the calculations justifying permissibility and impermissibility.

Attentive to the specificity of contestations over what exactly determines thresholds for need, uncertainty, and public interest, I took the question of the gold jewelry bonds to a Shari’a advisory board member of a different prominent Islamic bank. I was struck by how closely his response echoed Chacha’s:

“When your proyjon [need] is standing before you as vital, then you won’t think about shudh [interest] and ashol [capital]. […] It won’t be right that we should think all the time about buying and selling. And Islam doesn’t support this. Now you need cash taka, you have been given cash taka. But many people say that Islam doesn’t give permission to give cash taka, but Islam gives permission….if I give you cash taka, I cannot take profit, mark-up or spread. I cannot take the cost of [giving those] funds. Islam has basic conflicts with the cost of funds…. What we can do, we can give you 5,000 taka, and give a service charge to you for this.”

This Shari’a board member’s emphasis on cash denotes his awareness of a well-documented need of the poor: money must be fungible, so that it can be used toward any number of shifting priorities. When jewelry is placed in bond, money is received in cash, another advantage. The Shari’a board member’s insistence that “cash taka” with only a service fee is permissible for Islamic microfinance (and not as type of charity) is rather heterodox because

57 In finance, “spread” refers to the difference between two prices; typically the “bid price” (the highest amount a bidder is willing to pay) and the “ask price” (the minimum price the seller is willing to receive).
58 In their multi-country, multi-year study, Collins et al (2009), for example, demonstrate that the poor often “[show] creativity in devising arrangements to fit their circumstances, taking a standard product….but bending it to make it work for other ends” (59).
another foundational principle of Islamic economics is that transactions must involve a material asset; debt-backed transactions are not permitted. The dispensation for those in need to receive cash taka outside the constraints of a sale or investment contract, with only a service fee covering costs and with the institution forgoing an profit does exist—this vehicle is called *guard-e-hassna*. The Islami Bank, however, offers it only on an ad hoc basis, and for collective rather than individual benefit: group microfinance collectives can use guard-e-hasana to build a community latrine or tube-well for groundwater access.

**Documenting assets**

The Islami Bank’s RDS Islamic microfinancing is disbursed for the purchase of specified assets and is not fungible, available for discretionary spending. To return to the general rules of Islamic economics, this is because “money cannot beget money”; the ephemeral nature of the fiat value of money poses a danger to a “real” economy and creates avenues for exploitation (e.g. the widespread securitization of mortgages and resulting valuation bubble that led to the 2008 financial crisis). A tangible increase or decrease in assets generates materiality for transactions, forcing an endpoint to transactions. Keeping monetary transactions pegged to assets protects against the possibility of *riba* – processes of unjustified increasing (money begetting money) that allow for an unfair advantage to one party in a transaction. Transactions backed by assets or equity, rather than debt, prevents money becoming an earning asset in and of itself, avoiding the worst excesses of exploitation and inequality. Material assets ensure the existence of a real economy and prevent the stockpiling of cash, whose circulation is vital for a healthy economy.

The vast majority of RDS funds are disbursed to the poor through *bai muajjal* and *murabaha*, sales contracts that require assets to be acquired by the bank and technically sold to clients. Clients then make repayments to the bank against the cost of the good combined with an
administrative overhead into a single, non-disaggregated price. Accounting labors and letters are thus not populated solely with numbers, but with evidence of the existence of material goods and the multiple valuations assigned to them by the bank, the party that owns the good before ownership is transferred to the bank, and eventually the client. Accounting does not simply require the notation of sums disbursed and then repaid in time. Rather, there is a need to account for the item itself, and for the physical handoff of the item, hand to hand.

An additional layer of documentation enables the bank to appoint a “buying agent” for bai muajjal or murabaha contracts, in which the client or third party is deputized to make a purchase on behalf of the institution, due to limitations in the institution’s capacity or specific knowledge of good or market. This agency agreement is included in the packet of contracts for new RDS members. The duties of the buying agent are specified in the body of the contract, translated below:

1. If you want to buy any products, examine the value, amount, structure, and quality. All must be ensured.
2. You must hand over the cash memo/bill to the bank officers who are on duty.
3. If you have a lack of awareness about the products, you obliged to make good.
4. Issue the pay order and bank draft. Return all documents to the bank.

In this arrangement, transport costs and liabilities are borne by the institution. Only after the institution is presented with an invoice or other proof of purchase does ownership of the purchased item officially transfer to the client.
Another form in the packet for new RDS members enables documentation of the qualities of the purchased good, translated in the chart below:

<table>
<thead>
<tr>
<th>Investment Clearance Certificate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Part</strong></td>
</tr>
<tr>
<td>I am promising that, as a member of: [center number] [group number], Mr./Mrs. [___], [member number], I have taken investment for the following described items, according to Islamic Shari’a.</td>
</tr>
<tr>
<td>Investment for: ___</td>
</tr>
<tr>
<td>Investment amount: ___</td>
</tr>
<tr>
<td>Field Officer signature: ___</td>
</tr>
<tr>
<td>Signature of the Member who accepted investment: ___</td>
</tr>
<tr>
<td>Project Officer signature: ___</td>
</tr>
<tr>
<td>Branch Manager signature: ___</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Second Part</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Supervision</td>
</tr>
<tr>
<td>Field Officer</td>
</tr>
</tbody>
</table>

Note: You have to fill out the first part of the form on the day you collect the investment. You have to fill in the second part before you start repayments, and physically visit the assets for which investment will be received.

Predictably, this latter RDS client intake form collects members’ identifying information and establishes a repayment schedule. Cash is not the primary entity under contractual consideration between the Islami Bank and the member. Rather, it is the material good in which the bank is investing—*biniyog ponno* or *shamogri* in the form above, literally “commodity” or “thing.” Cash is merely the medium of exchange. Again, Shari’a compliance emerges through attention to the goods to be acquired. For the bai muajjal and murabaha contracts, the bank purchases an item on behalf of a member, transfers ownership of that item to the member, and then the member pays the bank back in installments. The contractual obligations of poor clients toward their Islamic microfinancing is thus twofold: to meet their repayment obligations and to follow through on the material business venture for which they received financing.
These contractual obligations are rarely met. Need is too great, and too urgent. On paper, Ameena has invested approximately $390 of RDS financing into a family friend’s fish hatchery south of Zinukpara in Teknaf. This investment brought certain advantages to Ameena, but monthly income enabling RDS repayments was not one of them. The friend never gave her information about business profits and losses, or sent her money of his own accord. She never asked questions about the business accounts because, as she explained to me, she wouldn’t understand anyway. She managed her RDS repayments through deferrals and renegotiations with the field officer. When she needed money to pay down a bill that had become too high, she would call her friend on her mobile and ask him to dispatch some money, which he often did after delays. She never received any profits despite bearing significant liability.

On paper, Tabassum used her $416 RDS microfinancing to fund a small business topping up pay-as-you-go mobile phone accounts. In practice, this was non-existent. Her money was used for her medical bills and daily living expenses. Tabassum’s eldest sister also received 30,000 in RDS financing, the entirety of which she gave to Tabassum to use at her discretion.

To be sure, conventional (non-Islamic) microfinance also contractually requires clients to meet repayment obligations and use their financing for the purposes for which it was approved. The significance of these contractual obligations for Islamic microfinance is that if RDS is predictably and reliably not Shari’a compliant, then what is the threshold for the Islami Bank to continue describing its operations as based upon Shari’a?

To restate, Shari’a noncompliance in Islamic microfinance is standard although not officially sanctioned, and, as earlier mentioned, “doubtful income” borne of Shari’a noncompliance in standard (non-micro) Islami Bank operations is a regular, predictable line item in accounting statements in the annual report. It must be expunged from profit income. Doubtful
income—or profits that are not Shari’a compliant—is anticipated, separated, and any destabilizing effect or uncertainty it might bring to an institution’s Shari’a compliance is contained. The Shari’a noncompliance of Islamic microfinance, by contrast, is not acknowledged officially, and is assimilated into the institution in a way that could undermine institutional Shari’a compliance at least in part by the sheer number of RDS clients served—if one were to look close. But, institutional officials do not. It’s certainly not for lack of not seeing the issue—it was readily acknowledged by all officials with whom I spoke, when the topic arose. What then to make of this not-seeing, this noncompliance, and this acceptance of this noncompliance?

To return to this chapter’s central question regarding the excess beyond the documentary contract between the Islami Bank and its poor, precarious clientele: as institutions, their professionals, and the precarious poor occupy different life-worlds, so might the perceived maslaha and darura of Islamic microfinancing be subject to contention. In this sense, the contract can be understood less as a legal relationship (which brings the question of Shari’a compliance or non-compliance to the foreground), and more as a complex field of relating. Within this field of relating, an enactment of social justice becomes visible not through an affirmative set of actions, but through a willingness to overlook and to not-see, and implicitly concede the limitations afforded by Shari’a compliance.

The materiality of the forms themselves is also implicated. Many sorts of financial products and technologies have been studied for the ways they mediate and create financial realities.\(^{59}\) Creativity in conceptions and applications or uses of financial products and

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\(^{59}\) See Callon, Millo, and Muniesa’s volume on “market devices” (2007); Coombs’ work on high-frequency trading algorithms (2016); MacKenzie’s sociology of the Black-Scholes formula and derivatives (2006); anthropological inquiries into derivatives in Lee and Martin (2016); and Bill Maurer’s study of the Islamic mortgage (2005).
technologies is similarly well studied, and I build on both these literatures here. I suggest that these contracts also perform work upon the world in ways determined by their material properties (Bennett 2009). Two paragraphs ago, I noted that the Shari’a noncompliance of Islamic microfinance is not acknowledged officially and seems positioned to undermine institutional Shari’a compliance—*if one were to look closer*. What allows the not-seeing to endure? While I was told occasionally that there were plans at some point to start digitizing elements of RDS, the 371,104,777 USD disbursed to clients annually is administered at the client level with paper. Specifically, paper packets with type in small fonts, boxes easily left blank, penmanship of habitually rushed and overworked field officers that is perhaps difficult to decipher. The materiality of these contracts and the sheer number of fields meant to be filled as a condition of establishing, for example, the proper hand-to-hand transfer of an asset come up against the fact that RDS is the most labor intensive element of the Islami Bank portfolio. Significant expenditure of human labor (unstacking, deciphering, flipping through, cross-checking, stacking) underpins the work of compliance. Meanwhile, according to the Islami Bank’s 2015 Annual Report, staffers assigned to RDS have decreased significantly even as client enrollment continues to rise, thereby increasing each field officer’s workload.

To the extent that a contract can be understood as the formalization of relations and obligations, some spirit of social justice can be realized through an insistence upon fair treatment—a point that has been made by jurists and that I take up in Chapter 5. However, the regular non-compliance of contracts make them an imperfect mechanism for the expansion of

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60 For example, with reference to his explication of the “just price theory” in medieval Catholicism, historian John Baldwin explains that “techniques formerly thought to be characteristic of the capitalistic age, such as partnerships, joint liability, deposit and exchange banking, letters of credit, bills of exchange, bookkeeping, and insurance are now found to have their origin or revival in the Middle Ages” (1959: 7).
social justice. And the flattening out the life-worlds of the poor and imposing intentions upon them, as I have earlier explained, diminishes the contract as a field of relating. Two conversations help chart a way forward, in their suggestion of recognition of the human as the salient ethical practice in light of the impossibility of fair treatment given resource inequalities.

During one weekly repayment meeting, Ameena interceded on behalf of a member who was skipping that week’s repayment. The field officer was upset; this member was often missing payments. “You have to understand,” Ameena said to the field officer. “If you do business, every day cannot be the same. But we have to give the [RDS] installment from the labh [profit from their microfinanced venture].”

Precarity creeps into her speech. The demands of this formal financial arrangement require participation on fixed contract terms, but these terms are incompatible with the vagaries of the small-scale income generation of clients. Ameena continued. “You are also a human being, you have to understand: if you have a stomach, *pet’e to diaya foribo, onera o diya foribo* [you have to give to the stomach, we also have to give to the stomach]. And you have to give to someone else as well.” Her appeal to their shared humanity—that hunger is a more urgent and insistent than any debt obligation—suggests a connective force between parties stronger than that of a financial contract, premised on the need to sustain the body, one of most basic functions of life.

The presence and role of such a connective force was echoed in a conversation I had nearly a later with a Shari’a advisory board member in Dhaka, who approached vast differences in their learning and livelihoods through the lens of precarity, and the unknowability of the future:

“Islam says if I have money, and I have the ability to serve in your need, then I should give it. I also have to if I have the capacity, and if you have honest intention behind it.
What would happen if I give money, thinking of all circumstances? Today, you have come here to me. *Din’to ghurtayee pare* [a proverb: days can change]. One day I can go to you.”

Here, the speaker acknowledges the need for humans to help others who are less fortunate out of a dual impulse: first, shared participation in an ethical and compassionate stance (“I also have to [give] if I have the capacity, and if you have honest intention behind it”). And second, because the lesser fortune at hand is situational: a self-preservation instinct suggests the need to recognize the arbitrary nature of fortune, and the fact that reciprocal relationships will hold one in good stead when fortunes shift.

These invocations of the shared humanity of contract participants—the shared experience of the need to eat, the shared participation in ethics, and the shared recognition of the arbitrary and shifting fortunes—speak directly to the ethical promise of Islamic finance that the well-being of society is of primary importance. An Islamic financial subjectivity posits the inherent relationality of the individual to his community, as a function of his humanity, starting even from birth as the socialization of a new human into a family unit (Asad 2003). Several *ayat* (verses) of the Qur’an discourage the hoarding of personal wealth, for example, as it reduces liquidity and monetary circulation necessary for the benefit of the community and diminishes relationships, including with friends, relatives, and God.61

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61 For example:
- O you who have believed, spend from that which We have provided for you before there comes a Day in which there is no exchange and no friendship and no intercession. And the disbelievers - they are the wrongdoers. (Ayah No. 254, Surah Al-Baqarah)
- And they ask you what they ought to spend. Say: That which is beyond your needs. Thus Allah makes clear to you his laws in order that you may give thought. (Ayah No. 219, Surah Al-Baqarah)
- The likeness of those who spend their wealth in the Way of Allah is as the likeness of a grain; it grows seven ears, each ear has hundred grains. Allah gives manifold increase to whom He wills. And Allah is All-Sufficient for His creatures’ needs, All-Knower. (Ayah No. 261, Surah Al-Baqarah)
- Say: If your fathers (i.e. parents), your sons (i.e. kids), your brothers (i.e. siblings), your wives (i.e. spouses), your kindred, the wealth that you have gained, the commerce (business) in which you fear a decline and the dwellings in which you delight are dearer to you more than Allah, His Messenger and Striving hard & fighting in His Cause, then wait until Allah brings about His Decision. And Allah guides not the people who are *Al-Fasiqun*. (Ayah No. 24, Surah Al-Taubah)
This is in contrast to the underlying principle of self-interest and efficiency maximization of conventional neoclassical macroeconomics. The thickness of relationships within capitalist systems has certainly been an abiding source of interest, but filtered through these neoclassical economic principles. The Nobel Prizewinning intervention of microfinance, first developed by Dr. Muhammad Yunus and his Grameen Bank, was to turn a social group into a financial unit. Individual loans would be guaranteed by a group, bound together through the ties of “social capital.” Dense community networks of credits and debts that predated microfinance could be transformed into social capital and monetized as collateral, offsetting the lack of monetary resources of the poor.

In my final meeting with Chacha in Dhaka in 2014 before I departed Bangladesh, he lamented the present state of the world and his ability to effect change in the world.

“I feel I have failed, that I have not changed the world, that the environment in the world has become worse. The religious establishment has also failed. They have not propagated enough, have not convinced enough…The education has also failed. It has prepared people for jobs and business, rather than creating good human beings. And then they become robot-like. There are a few exceptions among the religious leaders. But overall…If you consider it in terms of roads, technologies—the world has progressed. But if you think in terms of selflessness, charity, moral standards, then the world has declined, in my understanding. Big buildings…these do not make people happy. What makes people happy is good family life. Closeness between children and parents, husband and wife. These things bring a happy life. Also fellow-feeling, duty to neighbors.”

Directing wealth toward the enrichment of infrastructure and technology cannot replace the familial relationships, “fellow-feeling,” and a “duty to neighbors,” Chacha explains. This

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62 In 1981, for example, economist and Nobel Laureate Gary Becker posited the “efficient household” model of financial management, whereby family members are not in economic competition with each other, but seek to maximize collective financial gains and are tied together for the long term. Ferguson’s ethnographic account of household financial management compellingly outlined more complex intimate relations than suggested by the model.

63 Recent research on the financial habits of poor Bangladeshis demonstrates that small, readily available interest-free loans are often sought from relatives or neighbors to temporarily fill gaps in income flow for critical needs, such as food for the day. These loans are meant to be repaid quickly, and account for about 88-92% of all borrowing activity in Bangladesh (Collins et al, 46-49).
suggests that in the contemporary moment, Islamic finance might find its foil not so much in conventional finance and the theories of capitalism underpinning it (which have had their own long engagement with ethics and theologies), as in the neoliberal emphasis upon the individual and accompanying ethical valorization of self-help and self-reliance (Smart and Smart 2005, Dolan et al 2012, Roy 2012 and 2010). A mandate of Islamic economics that can be brought to bear upon the present is a repudiation of this particular dimension to neoliberal capitalism. Even the space of the individual contract can be a site for acknowledging the entwinement of ethical obligations.

**Conclusion: Shari’a noncompliance as the practice of everyday ethics**

The dominant framing of user “demand” for Islamic microfinance I discuss at the start of this chapter, in which being poor and being Muslim is presumed sufficient to engender a preference for Islamic microfinance appears to be less about carefully understanding the needs of a demographic, and more of a benevolent rephrasing of certain tropes (the simple poor, the deserving poor, the God-fearing poor) that suggests the interiority of the poor is not as complex and unknowable as that of the non-poor. The poor are presumed legible. However, the actual inability of Islamic microfinance products on offer to meet demand suggest even quite basic misreadings of what is needed: as the economic lives of the poor are defined by the nonavailability of liquid funds, it is unlikely that repayments can be made on a schedule that is not fixed. There will be some weeks or months where the repayment simply cannot be made. A lack of liquidity also introduces the need to gain access to usefully large sums of money—but not necessarily tie them up in some kind of material asset as part of an income generation scheme. As presently structured, the RDS products struggle to meet these needs without creative
adaptations by clients, and without parallel use of *haram*, riba-bearing sources of liquidity, such as gold jewelry bonds.

The precarious poor clientele of the Islami Bank’s RDS Islamic microfinancing in Zinukpara are not intending to harm the Shari’a, but to survive. In considering intention, the Islami Bank can accept their actions—even as such actions are institutionally impossible to condone due to the institutional Shari’a non-compliance that predictably results. This doesn’t necessarily diminish the importance of “banking based on Shari’ah,” to use the Islami Bank’s formulation. After all, institutions must possess some formal framework to ensure operational functioning, the ability to broaden operations (“scale up”), and legibility to a broader world of financial institutions, regulations, laws, software, and technologies.

But this chapter suggests that consideration of intention does gesture toward the limits of strict Shari’a compliance in facilitating economic social justice for the poor—and in some cases its outright obstruction. An Islamic commitment to socioeconomic justice requires consideration of context against contractual obligations—a constant performance of the sort of cost-benefit analysis between necessity and Islamic requirement that was undertaken by Chacha in his consideration of the usurious gold jewelry bonds used by Zinukpara’s RDS clients. In this framework, the ethical potential of Islamic microfinance is achieved when everyday behavior in financial encounters can be understood as committed to broader Islamic principles of socioeconomic justice and fairness (e.g. in the interaction between the field officer and the client), even if the terms of a Shari’a-compliant financing contract are violated. In tracking the dissemination, usage, and life of RDS contractual documents in Zinukpara, Shari’a non-compliance is encountered as daily practice—and, paradoxically, as an everyday practice of Islamic ethics.
Chapter 4: Accounting for the Client and Field Officer Encounter

In the previous two chapters, I here track how an everyday, pro-poor Islamic ethical orientation leads to a willingness to sacrifice Shari’a compliance, and how this the utility of “Shari’a compliance” as a technical metric for assessing the Islamic-ness of financial operations, and as a way to achieve the social justice principles of Islamic economics. In this chapter, I extend and deepen these lines of analysis with respect to a recurring tension in RDS embodied in weekly repayment sessions, encounters between the field officers, clients, and those deputized to speak on behalf of clients who strategically choose to skip meetings. Client relationships with field officers during these repayment meetings constitute a critical field for understanding the ethical potential of Islamic microfinance, as officers come to embody (or not) values of compassion and respect through these weekly meetings. The standardized, accounting needs and expectations of formal finance are at odds with an Islamically-informed willingness to accommodate the needs of the poor and so allow for perennially late repayments (khelafee). This tension requires ongoing negotiations, flexibility, and a willingness to accept khelafee—although none of these ‘resolutions’ are formally accepted by the bank or enshrined in program materials.

I first explain how and why I draw upon “accounting” as both an anthropological methodology and as an object of ethnographic inquiry in the chapter. Through this, the repayment encounter can be understood not simply a forum for transfer of required quantities of cash from clients to field officers, or as straightforward accounting exercises whereby figures corresponding to cash repayments are entered into columns, and accounts are reconciled. Instead, something more than numbers is ‘being done.’\footnote{Verran (1999, 2001) introduces ways of “doing numbers” that enacts more than relativism, and Asdal (2008, 2011, 2014) focuses on how calculative processes can enact certain realities.} These meetings are sites for the performance...
and undoing of predetermined client subjectivities, and the constitution of other subject positions by clients through a multitude of labors. Clients negotiate late payments, attempt to secure new financing terms, task third parties to deliver repayments or request extensions, and argue and engage in public laments while appealing to the field officer’s compassion. Clients publicly parse the shifting and relational nature of their poverty, and adapt the idioms and requirements of RDS as a “formal” financial offering into local, everyday financial management, calculative processes, and numeric conventions reflecting the ways they relate to concepts of debt.

Contrary to the dominant narrative of global Islamic microfinance proponents, Islamic microfinance clients constitute their subject positions in a manner that demonstrates their agency: Clients (overwhelmingly women) constitute themselves as participants in RDS, rather than simply existing as predetermined subjects on the basis of poverty and Islamic-ness. Through these negotiations, the women were neither trapped nor “empowered” by their debt. Through ethnographic readings of these meetings, negotiations come into relief as sites of performance, hope, failure, and negotiation—correctives to flattened or predetermined notions of client subjectivity.

These negotiations also reveal that the social capital of the collective is unstable, marked by grudges, resentments, and alliances—and so takes active management and unremunerated labors by the collective’s leader to manage and sustain in a form that ensures the smooth functioning of RDS collectives. An array of material and care labors undertaken by the

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65 Women have historically been the primary subjects of microcredit and microfinance (Armendariz and Morduch 2010: 220, Banerjee and Duflo 2011: 124). Microfinance is a classic women’s empowerment strategy largely because it has sought to correct an imbalance where men generally have access to physical capital (and thus collateral for financing), but women do not (Schuster 2015). Access to liquidity for income generation is thought to ‘empower’ women within their households and communities in ways that impact a wide array of social concerns, from domestic violence to child marriage to reproductive decision-making.

66 The classic microfinance group lending model (modeled on the Grameen Bank, where borrowers bear each other’s liability) attaches a monetary value to a client’s dense networks of friends, relatives, and neighbors relied upon for financial, emotional, and material support—transfiguring these relations into collateral.
collective’s leader and field officer, emotional expenditures in taxing environmental and interpersonal conditions undertaken by clients and field officers, and assumption of personal financial or livelihood risk by the field officer are required to secure this designation—even as all these labors and undertakings remain invisible to the institution. The invisibility of these labors to the bank is significant: in banking terms, RDS microfinancing is categorized as “secured” rather than “unsecured” financing because of institutional certainty that the funds extended to clients can be recouped. In other words, this designation denotes that, from the perspective of the bank, the financing is guaranteed to be repaid. Through my ethnography of the RDS repayment encounter, I explain how the repayment is far from a foregone conclusion. The “secured financing” distinction is an artifact of how the bank chooses to characterize its clients, rather than a representation that takes into account the contingent circumstances of the poor.

Second, I explore how the flattening of client subject positions and life-worlds is both a process and final result conjoined in a feedback loop, occurring as the Islami Bank conducts its business with the poor, and with the resultant knowledge-forms then shaping the bank’s ideas about the poor, and how the bank should conduct business with them. RDS program language, goals, and product offerings are, broadly speaking, framed by ways in which the institution posits the shared commitments to Islam of themselves and their clients. The presumption of ‘knowing’ the clients includes assumptions and possibilities contained in clients’ financial vocabularies, accounting practices in space and time, and gendered structure of the household-as-economic-unit, and slippages between institutional versus client understandings of the ‘Islam’ of Islamic microfinance. When institutions might not know their clients and their life-worlds, how does this complicates the promise of Islamic microfinance as a more ethical and thus desirable
financing option better suited to achieve goals of “financial inclusion,” as opposed to conventional microfinance?

Third and finally, I explore how RDS accounting practices and technologies are fields of knowledge production that mediate relationships and are differently comprehensible or visible across the scales of RDS, from the client-field officer interaction, to the field officer-branch interface, to the head office in Dhaka. As accounting processes of field officers and clients are forced together during repayment meetings, frustration, anger, and resentment are mutually experienced. And yet, the pain in these interactions must end in resolution: numbers, timeframes, and plans of action are agreed upon, entered into passbooks, and committed to individual or collective memory. RDS instruments (the client passbook, original contract, field officer’s weekly ledger, etc.) are differently comprehensible or visible to the multiple actors in the RDS constellation. Ideas, idioms, or strategies of clients might be un-seeable or dismissed as irrelevant or incorrect as information is captured by these multiple accounting-forms. The knowledge produced in repayment encounters and documented in these accounting forms has a consequential afterlife: this knowledge circulates beyond the reach of clients as it creates knowledge about clients through its transformation into new forms, such as statistical summaries and aggregated data.

**Repayment encounters and public accounting**

*Jogra korte chai’le, taka dhar din (Bangla)*  
*Hoijya goito shailay teea dar don (Chatgayah)*  
*If you want to fight, loan someone money*

The repayment meeting requires a public presentation and reckoning with accounting: In theory, RDS field officers open up ledgers that dictate the pre-determined amounts each client must pay, expect to receive cash totaling each client’s noted amount, and will then deduct
amount from the remaining debt. Accounting is a rich site for anthropological inquiry; accounting as a field of knowledge production has been taken up as “evidence of a wider ‘cultural logic’” that comes to be expressed in documentary form (Miller 1984: 125, in Riles 2006: 12, Boland 1989). Double entry bookkeeping, for example, involves every transaction being recorded twice, as both a credit and a debit. Distinguishing between debit and credit necessitates a series of performative utterances determining the differences between the two. In other words, ledgers encode work undertaken to produce their objects (e.g. financial transactions) as “real.”

Questions of value and pricing are also implicated in double-entry bookkeeping. The movement of numbers from the raw data of the daily transactions to the double-entry ledger as credit and debit involves a “process of abstraction”, through which commerce was divorced from context and reduced to abstracted numbers relating to a business’ bottom line (Gleeson White 118). Further abstraction occurs when accounts are read to tell a story of a business’s ways to manage business costs—cost accounting. Determining valuation, income, and profit is a mathematical and aesthetic labor, which involves reading the numbers and creating a narrative from them.

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67 15th century mathematician Luca Pacioli was one important originator of this system. He proposed the movement of numbers across three books: a memorandum (or waste book, recording daily transactions), journal (a cleaner distillation of daily figures), and ledger, where the daily amounts are entered twice into two columns. As the joint stock company emerged after the industrial revolution (to be followed by the emergence of the corporation), this was replaced by the balance sheet. Within capitalism, accounting became a way of ordering knowledge about the natural world, the body, and science. Sombart writes in 1928 in Der modern Kapitalismus that, “one might already glimpse in double-entry bookkeeping the ideas of gravitation, the circulation of blood and energy conservation” (in Gleeson-White 167). For Schumpeter, the rational calculations of double-entry bookkeeping that examine costs against profits transcend mere documentation of transactions. Instead, double-entry bookkeeping constitutes a “type of logic or attitude or method” that subjugates and rationalizes “man’s tools and philosophies, his medical practice, his picture of the cosmos, his outlook on life, everything in fact including his concepts of beauty and justice and spiritual ambitions” (1942: 123-124).

68 The 2008 financial crash, for example, was overwhelmingly unanticipated because accounting and auditing documents effaced the reality of mushrooming systemic risk and valuation bubbles produced by esoteric instruments and the velocity of capital flows. The implosion of Enron is a similarly stark example of a gulf between accounting ledgers and ‘reality.’
The “ledger” as both object and analytic has been taken up technology for narration, storytelling, and knowledge production. In *Ayya’s Accounts: A Ledger of Hope in Modern India* (2014), Pandian accesses vast currents of 21st century geopolitical evolutions not through “exemplary” claims, personages, or macro trends, but through “a more intimate mode of inquiry”—specifically, his grandfather’s shopkeeping trade unfolding from Rangoon, Burma to Madurai, India (4). As the aperture of Pandian’s ethnographic lens widens, shop ledgers of credits, debits, and debts become records of relationships, capturing textures of family, community, country, and a transnational world. Mary Poovey’s *A History of the Modern Fact* (1998) takes up accounting-as-methodology on a more literal register: her text traces the advent of knowledge, and its constitutive unit of the fact to 16th century double-entry bookkeeping developed by Benedictine monks. Accounting is the means of creating and organizing information that, Poovey explains, produces the knowledge-form central to the emergence the liberal industrial governmental in the 19th century. These literatures provide a foundation for approaching accounting as both an object of inquiry and as a methodology.

In Zinukpara, where the Islami Bank operates a branch of its Rural Development Scheme (RDS), landholdings and social prestige were concentrated among six siblings, four of whom were RDS clients. Their father, a businessman and landlord of local prestige and wealth, died a few months before I visited Zinukpara for the first time in 2010, leaving a substantial inheritance for the siblings. As a result, they owned their own homes and most rented out other homes to both longstanding and transient tenants.

The youngest sibling, Ameena (introduced in Chapter 2), has been an RDS Islamic microfinance client since the Zinukpara’s collective was formed in 2005, and has served as her collective’s leader for the past four years. Tabassum, the next-youngest sibling, served as the
RDS collective’s Assistant Leader alongside Ameena. Like Ameena, Tabassum also received rental income from a small concrete room next to her home. In 2011, Tabassum’s husband abandoned her and their two children to take a second wife from a wealthier family prepared to give a generous dowry and allow him to move into their apartment in town. Boro Bhai was the eldest of the two male siblings, and by the far the wealthiest of the siblings, having inherited most of the father’s money and rolled it into lucrative investments, mostly rental properties. He divided his time between his wife Boro Bhabi\(^69\) and their four children in Zinukpara, and a second wife and three children in a colony-slum several kilometers away. The younger brother used his inheritance to pay his passage to Saudi Arabia five years ago. His wife Mehusena, a woman who was often cracking dirty jokes and shouting sexual profanities against offending parties, lived alone with their two daughters.

During one repayment meeting, Ameena (the collective’s leader) and RDS field officer Abu Nazim discuss Boro Bhabi’s bothersome insistence on not paying the amount she owes. Boro Bhabi has taken *khelafee* [late repayment] before, but in a manner displeasing to Abu Nizam: too frequently, in too great amounts, and with a frustratingly demanding demeanor. And now, she has neither come to the meeting nor given to her intermediary the full installment due—all without explanation to Ameena, the collective’s leader.

Boro Bhabi’s daughter-in-law enters Ameena’s home where Abu Nizam sits with his ledger next to a stack of *taka* in small denominations; repayments from other clients. She pleads Boro Bhabi’s case to Abu Nizam, telling him that Boro Bhabi is unable to manage the full amount: “she has only 400 *taka*, she gave you only 400 *taka*. She doesn’t have 25 more *taka*.”

\(^{69}\) Boro Bhabi [literally, eldest sister-in-law] is the wife of Boro Bhai [literally, eldest brother], the wealthiest man in Zinukpara and Ameena’s eldest brother.
Abu Nizam disagrees, his voice steady and even. “No, it’s not possible. 425 should be given. It’s 15 days late….She knows about the money. Why isn’t she giving the money?”

“She doesn’t have money. That’s why she gives less,” answers her daughter-in-law.

Abu Nizam picks up his ledger and shows it to the daughter-in-law. “How much did we recommend for her? I’ve done many things for her. I know her problems. She has *ghor bhara* [rent/rental income]. She needs to take the [repayment] money from the *ghor bhara*. First she took a loan that was 20,000 taka. Later, now, she took 30,000. But for 20,000 her transactions were not good,” meaning, her repayments were too rarely on time and too rarely for the designated amounts. Abu Nizam continued, “So someone at the bank said not to increase [her loan amount]. I shouldn’t put more pressure,” he says, here invoking the spectre of the infamous *chap* [pressure] and *koshto* [difficulty] used as tactics by other microfinance providers in Bangladesh to collect loan repayments in arrears. These harsh repayment strategies include the forced collection and selling off household utensils and furniture, breaking down homes and selling off the building materials, and public shaming. The Islami Bank pointedly and vocally repudiates these tactics as a distinguishing factor between themselves and competing conventional microfinance institutions.

Abu Nizam continued. “How much money should I recommend for her [for future financing]? Allah knows better. And she is the *zamindar* [landlord]!” This final sentence, spoken by a now visibly frustrated and annoyed Abu Nizam is consequential: *zamindars* are not generally poor; control of land and rents in rural Bengal are historically correlated with wealth and power. This is a moment of incommensurabilities regarding who RDS clients should be, how they should behave, and the Islami Bank’s ethical and institutional position as it interacts with them: Boro Bhabi’s zamindar status does not mesh with regional historic understandings of who
constitute the needy or deserving poor; Abu Nizam does not understand why he should extend generosity to someone likely extracting high rents from others in this same microfinance collective. Critically, this sort of differentiations in the types of poor microfinance subjects cannot travel beyond this field-level interaction into other spheres. Extant tools for capturing and creating knowledge regarding microfinance subjects (i.e. the demographic data on intake forms, the numbers in accounting passbooks and ledgers) do not accommodate it.

Abu Nizam’s statement that he “shouldn’t give more pressure” to Boro Bhabi is an implicit reminder of the compassion and respect of the Islami Bank’s approach to microfinance and their repudiation of the notorious, harsh collection tactics of their competitors—with the subtext that he himself has directly suffered taking on personal risk through accommodating Boro Bhabi’s late and uneven repayments, compounded by annoyance and frustration that a zamindar/landlord should make such demands of him. After all, RDS is unsustainable without field officers’ acceptance of khelafee (late weekly repayments). Field officer visits (as opposed to mandatory mobile money transfers, for example) allow for negotiations over late or incomplete payments that are specific to client’s past record, the total amount that the field officer is temporarily forgiving from other clients in the collective, and the viability of the new repayment timeframe proposed by the client. Acceptance of khelafee as official RDS policy would be impossible, but RDS could not exist without its tacit acceptance.

Pressures and stresses faced by the field officers notwithstanding, the most oft-invoked challenge by field officers in our conversations was the khelafee itself. Abu Nizam’s statement that he “shouldn’t give more pressure” to Boro Bhabi and his lamentation, “oh what I did for

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70 Abu Nizam often referenced his avoidance of chap/pressure tactics in other repayment sessions; this conversation is emblematic of this tendency. I do want to flag an additional possibility in this case, that Abu Nizam’s calculus in granting Boro Bhabi leniency is affected by his awareness of her status in the community: other microfinance members might rely on her own willingness to accept late rent payments, or to extend loans in cash or kind.
them [the clients]….“ relates to the fact that rather than clients facing pressure or harsh repayment tactics, this pressure is transferred to field officers. Field officers negotiate weekly acceptable amounts of *khelafee* for individual clients, balanced against the total *khelafee* held by a collective. Meanwhile, field officer must guarantee their own satisfactory job performance by insuring that clients not go irretrievably into arrears, while protecting RDS’ reputation as flexible, so they can reach new member recruitment targets. During a different repayment meeting in which a client’s financing period had elapsed with several installments still in arrears, the field officer explained his position to the client with increasing frustration as the tearful client asked for more time: “If I’m not able to give the installment to the bank, then I need to borrow from home. From my pocket, I need to give. [...] I owe from the bank more than 3,600 taka.” The field officer frames the situation as one in which he owes the bank the money, rather than the client. Risk has been transferred from the client to the field officer.\(^71\)

The Islami Bank’s unofficial, contingent, but still generally reliable willingness to extend this flexibility embodies both this practical and ethical sensibility: Islam, clients often told me, requires that the comparatively wealthy should treat the poor with respect and compassion, and to spare them confrontation with the difficulty and shame over their poverty and circumstances. One woman in Zinukpara explained to me about her usual inability to repay debts and the social repercussions: “I feel shame. I myself feel shame. What will I do? If I want to get some money from someone else, and they don’t lend to me, what can I do? If you want to call someone…and

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\(^71\) For the field officers I encountered as they cycled through tenures in Zinukpara, frustrations regarding this risk were compounded by their lowly position in the Islami Bank’s prestige and compensation hierarchy. Hiring criteria for RDS officers is less stringent than for mainstream banking staff. This justifies a lower pay scale (necessitated by a constrained RDS budget, Islami Bank officials explained) and makes it difficult for RDS officers to “graduate” out of RDS into the mainstream workforce. As the RDS officers are subject to less stringent acceptance criteria and institutional investment in their progress, field officer turnover is high due to burnout. The work is physically taxing and they are more expendable to the institution. These factors render the stress of *khelafee* management acute.
they say ‘no sister, no sister’…I will take my daughter and leave this house [instead of being kicked out].”

Indeed, clients frequently do not liaise with the field officer directly, but will give their repayments to another woman or to an older child to deliver to the officer on their behalf. In this exchange, Boro Bhabi dispatched her daughter-in-law to handle the situation. This allows for a more neutral third party negotiation if the payment is late or incomplete, which Ameena takes up in this interaction. As some women in Zinukpara told me, feelings of shame over their constant khelafee and weekly pleas and negotiations or their anticipation of constant khelafee shaped their decision to reject repeat financing or not sign up at all.

Islami Bank’s religious status allows women to carve out malleable approaches to the Islami Bank (whether through themselves, a proxy, and/or a third party negotiator as in the case above), and regarding their payment terms on an ongoing basis. This occurs even as the flexibility for field officers to accept khelafee could never be part of RDS’s official Islamic microfinance business model—much less a model for others interested in Islamic microfinance to adopt. I often raised this point with senior figures at the Islami Bank at the Islamic Development Bank; this point was met with a knowing acceptance, with shoulder shrugs and nods supplanting any official policy. Formal finance cannot operate without adherence to fixed deadlines and client accounting relationships that allow the institution to square its ledgers for the conclusion of each fiscal year in order to meet international and domestic accounting, reporting, and regulatory standards. This exists in contrast with the flexibility required for the poor. In Zinukpara, clients achieved this through the distinct but interrelated labors of the collective leader, mediator, and fellow client Ameena, and of the field officers, although these
labors take place outside the legal-technical domain of the field officer’s ledger or official bank policy.

This unofficial acceptance of *khelafee* helps the Islami Bank to occupy a top position among the formal financial institutions with which clients interact. I was frequently told by Islami Bank clients in Zinukpara and elsewhere in Chittagong Division that they appreciate the fact they are not made to feel poor or like beggars—as opposed to their interactions with other sources of liquidity, whether competing microfinance institutions, friends, family, or shopkeepers. In Chapter 2, I argue that demonstrating respect and flexibility toward the poor can be understood as practical Islam. This everyday manifestation of religious ideals represents a critical difference in institutional versus client priorities and understanding of the enterprise of Islamic (micro)finance more broadly. For the institution, the Islamic-ness of their products, services, and operations is located in adherence to Shari’a compliance—regulations approved and monitored by the institution’s own Shari’a advisory board.

Of course, the unofficial and contingent nature of field officers’ willingness to accept *khelafee*/late repayments renders client relationships with field officers uniquely central to the client experience. Officers come to embody (or not) values of compassion and respect through their weekly client interaction. This makes the bank’s reputation regarding compassion and respect for the rather precarious, dependent on the time, temperament, and whims of the field officer. Meanwhile, field officers endure their own punishing stresses: the field visit schedule consisting of 300-350 clients in four days (the fifth day is reserved for in-branch paperwork) is physically taxing. Field officers motorbike between rural and peri-rural communities, often on challenging poorly-paved or packed-earth country paths for an average of 90 client repayments daily, regardless of the weight of summer heat or inconvenience of monsoonal flooding, the drag
of illness (particularly common during the monsoon, given flooded outdoor latrines), the financial stresses of holidays, and the predictable unpredictability of the ways that clients manage daily financial life through constant deferrals, transfers, and acquisitions of debt.

Repayment sessions are thus rarely a matter of simply collecting and recording repayments, but usually involve negotiations over *khelafee*, with the field officer assessing each client’s individual circumstances, making the work of the meetings themselves often contentious and rarely straightforward undertakings—all mediated through the vagaries of field officers’ different personalities. For example, one of the first field officers I encountered in Zinukpara, the avuncular Mizan, was much loved. He remembered small details about each woman’s situation, was particularly respectful, and treated everyone with equal seriousness and dignity. Several years after his tenure in Zinukpara ended, Mizan’s former clients gravely discussed his wife’s miscarriage, and then later on celebrated the birth of his baby daughter. The field officer in this chapter, Abu Nazim, is a new employee of the Islami Bank. He has good intentions, is rather malleable, speaks the local Chatgayah dialect fluently, and has a penchant for discussing local politics. His meetings often stretched to 90 minutes. This was often appreciated: for some women with limited access to external opinions from trusted sources, Abu Nizam was approached for advice on investment opportunities, local schools, wayward teenage sons, and employment options for children.

After Abu Nizam’s Zinukpara tenure ended and he was placed in a new district, he was replaced by field officer Azad. The women soon learned to accommodate his preference for efficiency and speed: he managed the feat of 25-minute meetings. Like Abu Nizam, he was also on his first RDS rotation, but his newness manifested as stress, fidelity to rules, and annoyed surprise when challenged by the women for *khelafee*. He insisted on his authority.
To return to the encounter between Abu Nizam and Boro Bhabi via her daughter-in-law proxy, Abu Nizam’s mounting, visible frustration and annoyance was posing risks to Boro Bhabi’s ability to make late repayments and secure future financing in desired amounts, and to other clients still waiting to undertake their own deliberations with Abu Nizam at the meeting. “How much money should I recommend for her [for future financing]? Allah knows better. And she is the zamindar [landlord]!” Abu Nizam had last exclaimed.

Ameena intervenes, managing his frustration and anger through commiseration. “Some people can help us to be good and some bezal [false] people can help us to be kalar,” she says, using the English loan word “color,” meaning bad, or tarnishing. “It depends on what they do. You understand this?” she asks.

Abu Nizam does not look up from his ledger. “Hmm.”

Ameena continues. “Sir, for some people we can be gorbo [proud], for some people we can’t. For some people, we become mean. I am proud of myself—I don’t wait for others to feel proud for me. For example, today my Bhabi does gathering with you [English loan word, makes trouble with you], which comes to me as well, as you and I are connected [as field officer and negotiator/microfinance collective leader]. Bala gojay day ee-en, ala oi zygoy [you do a good thing, but you become shala—a common, mild profanity].

Ameena’s intervention appears to produce the desired effect. “We [the Islami Bank] like if they [clients] confess or admit what they do,” Abu Nizam responds in a conciliatory tone.

Ameena again commiserates. “If you help me for one taka, if I am a good girl, I cannot betray you. I cannot betray you until death.”
“Ah, what I did for them…” Abu Nizam responds, speaking to himself with self pity as he makes notations in his ledger, referring to all he does for his clients. The conversation proceeds to the next client.

Ameena’s invocation of the Chatgayah proverb *ghat fari fie lay gaita ala oizaigoy*, meaning literally, “when you cross the river by boat, the boatman will become your *shala,*” is strikingly effective commiseration, defusing Abu Nizam’s mounting anger and allowing him to move on to the needs of the next client. *Shala,* or *ala* in the Chatgayah dialect, is a common, mild profanity (although literally meaning brother-in-law). The proverb suggests that a relationship involving the assistance of one party to another inevitably sours the relationship, to the detriment of the helper.

Ameena expresses her own frustration through this saying, and places herself and Abu Nazim on the same plane—they are connected in the microfinance enterprise as field officer and as the collective’s leader and are thus both negatively affected by Boro Bhabi’s behavior. Ameena’s solidarity in this moment is with the field officer, not with her fellow client—a complication of the “social capital” premise of the group-liability microfinance model. Ameena and Abu Nizam are attacked as *shala,* as profane, by virtue of their attempts to assist Boro Bhabi. The onus for a better outcome in the now-aggrieved situation is placed squarely on Boro Bhabi: if she behaves well with Abu Nazim, Abu Nazim would also behave well with her.

Ameena’s intervention prompts Abu Nizam towards a more conciliatory response: “We [the Islami Bank] like if they confess or admit what they do,” he says, indicating his basic wish that Boro Bhabi was more straightforward and honest about her ability to pay. As she is a landlord [*zamindar*] and less poor compared to other Zinukpara residents and RDS clients who must rent their homes, Abu Nizam’s words gesture toward his suspicion of what is Boro Bhabi’s
mismanagement of her money (ostensibly greater than that of her peers in the microfinance collection) or willful intransigence of the RDS program requirements.

In this particular case, Ameena’s management of Abu Nizam’s frustrations and efforts to calm him down and subdue the burgeoning fight is consequential care labor\(^{72}\): his mood and disposition toward one woman can threaten the ability of others to secure khelafee (late payments, or payments of lesser amounts) for this meeting or future meetings. While compassion may be unofficially embedded into the operations of RDS, Ameena’s care labor in the instance appears necessary to ease this compassion out of Abu Nizam and help ensure the steadiness of its supply for other clients. A positive field officer relationship is not simply contingent on the temperament and personality of the field officer; it requires active maintenance on the part of the clients. This affects whether clients experience repayment as stressful, shameful, impossible or manageable—and affects the ability of clients to receive further financing in their desired sums.

The importance of Ameena’s care labor—her unremunerated role as mediator between clients and field officers—became even clearer on another occasion. Shortly after Ramadan and soon after field officer Azad arrived in Zinukpara to replace Abu Nizam, Ameena and her sister Tabassum travelled to Abu Nizam’s family home with myself tagging along. I didn’t think anything of the visit; social visits are common in the Eid period. After a 45-minute autorickshaw ride (an unusually long journey; Zinukpara’s residents commonly refer to anyplace outside walking vicinity as bidesh—a different country), and the customary welcome tea, Ameena and

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\(^{72}\) Care labor here refers to unwaged and often expected or demanded emotional work or expenditures. Carla Freeman describes this as “affective labor,” or a skilled “emotional energy, care, and contemplation” (2014: 135). In presenting the care labor of women as a product of their natural, maternal caretaking impulse, the material economic benefits wrought by such unwaged work remain obscured, contributing to the devaluation of women’s unwaged domestic labors more generally (Roy 2010, Chant and Brickell 2010).
Tabassum tell Abu Nizam that new field officer Azad wants to change the collection day to accommodate a new microfinance group nearby. “He doesn’t listen to us,” Ameena complains.

Indeed, at a repayment meeting two weeks earlier when it was still Ramadan, Ameena had been arguing with Azad only a few people could pay that week due to heavy rain and pressing expenses for then-upcoming Eid holiday, she had explained. Ameena informed Azad that several RDS clients earn incomes by renting out small homes in Zinukpara, but the rain prevented work and so tenants were late paying rent. He wasn’t convinced. Other centers are experiencing more hardship, more flooding, and a greater lack of work, he countered. Azad dropped the argument without acquiescing; he prefers efficiency. He mentions the distance he’ll need to travel the rest of the day, making the women understand that their troubles are a small fraction of the issues he will face across Cox’s Bazaar. By meeting’s end, his ledger is filled with notations signaling unpaid repayments.

Back at the Eid tea with Abu Nizam, Ameena and Tabassum share what microfinance amounts are being dispensed under Azad. The sisters ask for Abu Nizam’s help in ensuring that Azad will facilitate the dispensing of generous microfinancing amounts (clients can request a certain amount but the Islami Bank may approve a lower amount at its discretion), and will allow late repayments.

On our return journey, Tabassum mentions that the round trip travel cost to visit Abu Nizam was 300 taka—a significant monetary investment in the possibility that Abu Nizam might be able and willing to intercede, should Azad’s behavior remain problematic. The forward-thinking, strategic nature of the investment and the appeal made to Abu Nizam link maintenance of personal relationships, expenditures of emotional labor, time, and monetary investment to future community and individual financial goals. Ameena’s (and less frequently Tabassum’s)
unwaged labor is central to the operation of RDS in Zinkupara. She ensures clients pay on time, help with negotiations if they cannot, and keeps track of each individual’s situation, RDS installment, and *khelafee*. Keeping track of weekly repayments and mandatory savings account contributions (often in fractions of 25 or 50 taka, about $0.30 to $0.60) is done through memory; Ammeena cannot read or write beyond signing her name.

*Khelafee*, or late payments, are a predictable albeit unofficial feature of RDS. Public discussions regarding the situations of other members is a process of reconciling accounts and ensuring that no one is slipping into arrears, with a build-up of intractable debt. When concessions are made and when they are not are closely managed affairs, with Ameena often at the helm, providing Zinkupara’s institutional memory, refereeing disputes, attaining compromises, and remaining attentive to both residents’ hardships and financial situations and the Islami Bank’s needs. Microfinance models involving borrower groups with degrees of mutual guarantee (whether conventional or Islamic) assumes a model of social capital that’s stable enough to be monetized and rendered a suitable substitute for conventional forms of collateral (Rhyne and Otero 1992, Yaron 1991, Rankin 2001). Communal management of individual debt is to some extent a contractual obligation: members of each 3-5 person subdivided group within the broader 30-40 person ‘center’ are responsible for each other’s debt.

Women are historically preferred microfinance clients, and microfinance has also long been considered a female empowerment strategy (Schuster 2015). These orientations are derived from research on gendered divisions of labor and agrarian household financial

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73 Microfinance is seen as a corrective to the imbalance of men able to access physical capital (and thus collateral for financing), compared to the comparable inability of women to do so. Access to liquidity for income generation is thought to “empower” women in their household and communities, impacting social concerns from domestic violence to child marriage to reproductive decision-making.
management (Rankin 2001, Kabeer 2001). Even as the goals and claims of microfinance have shifted in recent years to acknowledge criticism and debate, presumptions around social capital and social ties underpinning group collectives and group repayment have been considerably more static. While a fuller discussion of social capital in Zinukpara is outside the scope of this chapter, I do want to make the point that as clients are brought into each other’s financial affairs, this engagement conflates intimacy and social bonds on a spectrum from the willing to the unwilling. Relationships fraught with secrecy, gossip, tension, and dislike, and the physical proximity of co-habitation introduce friction. The point here is that social ties and social capital require active management by Ameena (as the collective’s leader) and the field officer. These labors, both remunerated and unremunerated, are necessary for the smooth functioning of RDS.

The invisibility of these labors to the bank is significant—the RDS microfinancing is categorized as “secured” rather than “unsecured” financing because of institutional certainty that

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74 For example, women are based at home can attend repayment meetings more easily than men working outside the home; women might already be managing household finances; women are viewed as superior managers of money over men, directing funds toward food, medicine, and schooling for children. The vast majority of microfinance clients in Bangladesh continue to be women.

75 Over the past decade, critics have cited microfinance for failing to promote durable poverty alleviation and empower women in these different registers, as promised (Maclean 2013, Faraizi et al 2011, Fernando 2006, Gardner 2012, Roy 2010). Critical accounts have also questioned women’s ostensible access to and control over the money they receive from microfinance (Burra et al 2005, Karim 2011, Khandker 1998, Rahman 1999, Faraizai et al 2011). The risks of microfinance can expose women to new forms of vulnerability (Armendáriz and Roome 2008). Women don’t necessarily retain control over the money they borrow, and might be left managing an additional weekly repayment expense for a loan functionally taken up by their husbands. Other emerging vulnerabilities or risk exposures have not been adequately examined as potentially gendered (Karim 2011, Rahman 1999, Roy 2010), leaving women vulnerable. Additionally, self-reported perpetually high repayment statistics cited by leading institutions as evidence of microcredit’s success in stimulating income gain have been debunked. Quantitative evaluations of repayment statistics allow institutions to claim successes while effacing complex and varied processes between loan receipt and repayment (Fernando 2006, Roodman 2012: 9). In other cases, microfinance and particularly microcredit have exacerbated the financial insecurity of the poor. Unrelenting repayment schedules, harsh collection tactics (e.g. housebreaking, public shaming, and the seizure and selling off of assets), and high interest rates have frayed social networks and left some clients in exponentially increasing debt. Borrowers are forced to take out other loans (often with usurious interest rates) to pay down their initial loans, leading to debilitating debt cycles.

76 During my fieldwork, the group guarantee of the repayment collectives could be a source of tension due to familial or personal conflicts, or distrust or disdain of religious minorities. For example, one collective included the second wife and daughter of a deceased man. Their relationship was bitter: the second wife was exerting a claim on a property inheritance that the daughter believed was owed to her.

77 In Chapter 4, I examine how the density of Zinukpara’s impoverished living spaces and the thickness of the relationships woven into and through these spaces create conditions for discord and metaphysical entanglement.
the funds extended to clients can be recouped. In other words, the institution categorizes this financing as guaranteed. While “secured” financing may be an accounting designation, repayment is in fact anything but a foregone conclusion. An array of material and care labors undertaken by the collective’s leader and field officer, emotional expenditures in taxing environmental and interpersonal conditions undertaken by clients and field officers, and assumption of personal financial or livelihood risk by the field officer are required to secure this designation—even as all these labors and undertakings may be invisible to the institution.

**Accounting, calculation, and feedback loops**

In the previous section, processes of public or group financial accounting managed by key intermediaries, and the emotional, affective, and the technical labors involved with managing multiple temporalities of financial accounting combine to force fixed repayment schedules into flexibility, accommodating webs of local relations, temporal needs, and predictive expectations. This, of course, exceeds the accounting practices of formal finance.

In this section, relying on accounting as a methodology for accessing life-worlds and subject-positioning foregrounds processes of abstraction that take place between numbers, their referents, and their meanings. Here I acknowledge my debt to Jane Guyer’s *Marginal Gains: Monetary Transactions in Atlantic Africa* (2004): attentiveness to numbers enables tracking these processes of abstraction through which varied calculative processes of the Islamic microfinance clients and the field officer can meet and arrive at some sort of resolution in passbooks and ledgers. These figures in these documents are ultimately bundled together and sent to the head office in Dhaka, where they are reshuffled and neutralized into the “data” of program statistics and measures. This data is then naturalized into narratives: numeric representations of the microfinance program’s achievements or shortcomings.
In this section, I take up the tools and technologies of accounting processes, as material artifacts that help people understand and order financial knowledge. I explore how the field officer’s ledger serves as material boundary separating the coherence of the world within the ledger from the entropy and incoherence of the world external to it—the tensions, conflicts, labors, and resolutions of the repayment sessions. Luhmann (1990) and Strathern (2006) have argued that accounting produces coherence between numbers as miniaturized representations of the outside world and the delimited frame in which those numbers exist. Indeed, numbers and documents that arrive at the relevant Islami Bank branch and the head office will have undergone whatever work is necessary in the client-field officer interaction and by the field officer as he interacts with his accounting tools to ensure that number are coherent with their logic-frame.

What becomes consequential in the accounting tendency toward coherence is the possibility, as in the preceding chapter, for a flattening that over time can reduce the possibility of what information can be received, seen, or understood. But in this case, RDS notions about the poor and the flattened life-worlds of the poor come to inform the structure and management of RDS in a feedback loop. There are moments when the impenetrability of this feedback loop becomes clear, such as a strict breakdown in client comprehension regarding money that belongs to her. In one such case, client Muni approaches her field officer Abu Nizam with a request at the conclusion of a repayment session. Ramadan has just commenced, and everyone in Zinukpara is pressed for money for the social obligations of hosting guests for the daily iftar fast-breaking meals, and over several days during Ramadan’s concluding Eid ul Fitr holiday. Friends, family, and shopkeepers to whom she owes money are pressing for repayment, as they must meet their own Ramadan and Eid obligations.
Muni asks Abu Nizam to examine her passbook to tell her exactly when she started RDS, and how long until she can collect the sum from her 10-year mudaraba savings account, that is, a savings account the client’s funds are invested by the bank into Shari’a compliant vehicles. Clients are required to open these accounts when they receive their RDS microfinancing. Their weekly repayments to the field officer are a lump sum that can be disaggregated into their loan repayment and savings deposit. The weekly murabaha contributions can be modest—a minimum of five taka or about 0.06 USD. Like all murabaha accounts, these micro-murabaha accounts do not accrue interest; interest or riba are forbidden in Islamic banking. Returns are assessed annually however, based on the performance of the investments.78

Muni: Oh Sir, please look at my passbook. What about my savings account? How many years do I have now?
Abu Nizam: It’s all on the computer [at the branch], you can see it on the computer…
Muni: Oh Sir, please… [She opens the passbook and shows it to him.]
Abu Nizam: It is important to see it on the computer.
Muni: But who will ever actually see it on the computer?
Abu Nizam [relenting, takes the passbook]: It was a long time ago [that you started].
Muni: Check how many years have passed.
Abu Nizam: You started in 2005. It has been 8 years, 8 months.
Muni: 8 years, 8 months.
Abu Nizam: If this month is omitted.
Muni: If this month is omitted. So how many months are needed to fulfill 10 years?
Abu Nizam: 16 months are remaining to fulfill 10 years.
Muni: For the remaining 16 months I will have to continue on in hardship.
Abu Nizam: 16 months will go quickly.
Muni: So if it is every month, 300 taka [3.75 USD], then after 10 years, how much will I get [from the savings account?]

Abu Nizam did not answer but handed Muni back her passbook and again mentioned the fact that the information is on the computer. Muni could not bypass the RDS electronic record-

78 Mudaraba is an equity investment between a financier (mudarib) and an entrepreneur who share profits according to a predetermined ratio. Losses are borne by the financier who supplied the capital; the entrepreneur bears the loss of his or her time and labor. The Islami Bank explains its mudaraba savings account thusly: “On behalf of depositors, the Bank invests their deposited money and distributes minimum 65% of investment-income earned through deployment of Mudaraba funds among Mudaraba depositors after the closing of the year” (Islami Bank 2017).
keeping system that stored digital files in the local branch office and was unavailable to Muni when she decided she needed information contained within her files. She did not know how much money existed in her savings account, and how long until she could access it. Her field officer could check her passbook to understand how much time remained after she continued to insist, but even he did not know how much money she would be due without accessing a computer back at the bank branch. Muni was constrained by her inability to access calculative mathematics; she could not calculate the number of months left to reach 10 years, after 8 years and 8 months had elapsed.

This exchange between Muni and Abu Nizam was not a contestation over how Muni should manage a debt relationship with a bank, but instead captures the gulf of Muni’s ability to see, comprehend, or have access to money held in her name at the Islami Bank as a murabaha savings account. The requirement that RDS clients open these accounts and contribute to them weekly tracks with a growing, “financial inclusion”-oriented belief that microfinance should engage in provision of complementary financial services beyond just microcredit. This is in part a reaction to the quantitative and qualitatively-demonstrated limitations of the original microcredit model in enabling durable poverty alleviation. Paradoxically however, this financial inclusion-oriented overture in the form of a murabaha account here requires greater calculative mathematic ability of the client, in order for her to have a clear and accurate picture of her obligations, assets, and financial status in time. Muni’s reliance upon her field officer suggests that the mere existence of a microfinance product (here, savings account contributions rolled in with microfinance repayments) is not synonymous with a client’s agentive use of the product—or even full comprehension of it, rendering the inclusion here chimerical.
Part of what allows Islami Bank notions about the poor to inform the structure and management of RDS is an inability of clients’ own accounting and calculative practices to find commensurability with those of the Islami Bank. Client practices might escape being seen or understood, or are outright resisted. A confrontation between a field officer and a client, with Ameena working in her role as intermediary, help to make this point clear. In this case, client Wadami was working outside the home and had deputized her sister to manage this repayment session. Unfortunately, Wadami had missed many repayments and as deep in arrears. When Wadami’s sister walked sheepishly into the halfway-finished meeting, the field officer insisted the entire outstanding amount must be paid off; he could wait any longer. Negotiations grew pitched, the sister started to cry, and Ameena intervened.

**Ameena** [to Wadami’s sister]: Please listen, you should manage. You are suffering, and Sir [the field officer] is also suffering.  
**Field Officer:** Give 3,050 taka.  
**Ameena:** 3,000.  
**Field Officer** [to Ameena]: Why 50 taka less?  
**Ameena:** It will be good for her if it a round figure, like 3,000.  
**Field Officer:** No, 3,050.  
**Ameena:** It will be good for her if it’s 50 taka less, because it’s a round figure. You can start actually collecting the money if it’s a round figure [laughs], then later you’ll manage to get the 50 taka from her.  
**Ameena** [to Wadami’s sister]: Sister, on the 9th, if you are not able to pay, give at least 1,500.  
**Wadami’s sister:** Ok, I will.  
**Ameena:** Sir, you understand? On the 9th, she will give 1,500 taka. And on the 16th she will give another 1,500 taka.  
[...]
**Field Officer** [calls out while leaving]: O, Wadami! By the 15th! You’ll give 3,050 taka!  
**Ameena** [interrupting]: On the 9th, there will be one installment.  
**Field Officer:** Ok, on the 9th, at least you will give half, and the remaining you give on the 15th. All good, right? Please remember.  
**Ameena** [to Wadami’s sister]: You will give it happily.

Client accounting practices exceed the conventional accounting strategies embedded into the structure and expectations of the RDS client-institution relationship. Part of what adds time and extensive labor to client-field officer encounters is the inaccessibility of calculative
mathematics for clients, at times compounded by the scarcity of written financial records regarding business or other income-generating ventures. During repayment sessions, clients with limited ability to read or knowledge of calculative mathematics have other ways of counting, managing sums, and tracking time against financial obligations.

Here, the preference for round numbers expressed by Ameena in her negotiations with the field officer regarding Wadami’s debt simplifies mathematic calculation. This was a common way of managing the general inaccessibility of calculative mathematics for the women – especially when other strategies for performing sums were not readily available. During the morning repayment meetings, sons and daughters who might otherwise be able to help with sums were typically at school or working. Clients rarely used the calculators on their basic mobile phones, as keypads generally featured arabic numerals, not numerals in Bengali script.79

Sums and counting are performed verbally and often collectively, and the cardinal and ordinal numbering of time frames (whether weeks, months, or years) are situated against other measurements of the passage of time. When clients discussed with me the timeframes of their RDS memberships and collecting or repaying loans to friends, family, shopkeepers, or even me, days, weeks, months, or years were rarely used. Instead, financial obligations were set against the six Bengali seasons; events on the Islamic calendar, namely, Eid ul Fitr, Eid ul Adha, Shab-e-Barat, and Ramadan; and life events affecting someone in Zinkupara, such as a hospital stay, a marriage or child’s birth, or the departure or arrival of a family member working overseas.

This also speaks to a phenomenon I frequently observed, although not necessarily during repayment encounters: when the women discussed their debts, three figures were usually cited

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79 For women unable to read or unfamiliar with arabic numerals, phone calls were made through a series of strategic adaptations: when children were not present and able to help, women tended to rely on their memorized visual appearance of saved contacts’ phone numbers; or tiny picture-icons their basic mobiles allow them to assign to individual contacts as unique identifiers; or the memorization of a contact’s ordinal position in a list of contacts.
with regard to the money owed: first, the original, principal amount owed. Second, the lender’s
labh (profit), typically the interest amount. Finally, the lowest possible total amount that could be
paid while still achieving closure of the debt. One rhetorical formulation I often heard
encapsulates this latter notion: “if I owe 1,000 and pay 900, I still won’t get it.” Financial
services offered by formal institutions are not set up to account for these processes. Conventional
notions of household financial accounting that set debts and expenses against inflows are
similarly not applicable.

Clients would discuss the labh (literally ‘profit’ or ‘benefit) of an investment, debt, loan,
or purchase in numerical or in social, religious, or emotional terms, again preventing the full
scope of certain transactions from fitting neatly onto a household profit-loss statement. Loans
from shopkeepers, friends, a gold jeweler’s bond, or RDS exist as imminently repackage-able
into different sets of obligations: an enticement to a gold seller to bring one’s relatives to the
shop, assurance to a shopkeeper than your business will stay with his store, appeals to an RDS
field officer’s sense of Islamic piety and compassion for the poor.

These processes gesture toward a household ‘account’ as a shifting, multi-plane ledger
where debt amounts (subdivided into principal and interest) are set against the lowest possible
amount one can anticipate, strategize, or hope to pay, by leveraging time, external shocks (for
either the borrower or lender), religious compassion, or other social or familial factors. The
marginal gains from such reductions become part of broader financial management strategies in
time.

Additionally, a common expression of money-usage in the context of debts and
expenditures involves taka (money) or shudh (interest) being “eaten” (khaowa, to eat), indicating
usage with a connotation of wastage. Invocations of “eaten money” peppered off-hand
conversation snippets catching my ear, RDS repayment sessions that I transcribed as they occurred, and during long conversations with informants regarding their household finances that I recorded and transcribed later on. In one such conversation, I asked an RDS client to explain to me her understanding of how RDS works. “We take [their] money for a year,” the client told me. “We don’t eat their money. Of course we all make payments. It not good to create hardship [for the bank], that’s what everyone says.”

The client specifically excludes RDS money from the category of eaten money: RDS funds are not wasted or used unproductively. However the money is used, it is used productively enough so that repayments can be made. The wastage stops short well before the money or interest is rendered noshto—completely wasted or ruined. But “eaten” money still implies a loss or a rebuke, as the full productive and useful money of the money is not realized. It is spent too quickly, or benefits of its use are too fleeting; meaningful or durable relief from whatever need the money is meant to address is not realized. During another repayment session, the field officer criticized the inability of a client to repay, asking why the microfinancing had not yielded money that would make repayment possible: “So you took the money, kept it at your house, and khi feladay [ate it]?” The implication here is that she didn’t use her money productively; she perhaps literally consumed it, using it for household expenses. The money was not put toward something that could guarantee the money’s regeneration.

While eaten money implies a loss as the full potential value of money is not realized, this does not mean that eaten money should be reconfigured into an outstanding debt that is simply written-off. Extant accounting categories are insufficient to express the idea eaten money, even as it has a clear expressive purpose. Eaten money gestures toward a category in between the mere presence or absence of money: rather wasted money, or money not able to be spent well. A
conventional approach to accounting that bifurcates money into incomes and expenses cannot contain this third, mutable category. This points to not simply the limitations of one system of accounting, but to a broader question about the movements and transformations necessary to create coherence as different systems jostle together.

Certain numbers morph into others via the logics of particular personal relationships. Following Guyer (2004), an ethnographic approach allows for the teasing-out of meanings that are present in the excesses and in the deficits between numbers (a system of counting and ordering) and their referents (quantities and amounts). Accounting “accuracy” results from coherence between numbers and the narrative frame, rather than because numbers possess any inherent or singular truth. Debts can also undergo a category conversion from the monetary to the social (whereby the debt can be ‘redeemed’ for future favors). In the exchange above, Ameena attempts to convince Abu Nizam that Wadami’s debts should not be counted as losses, and that Wadami’s debts can be numerically mitigated through a preference for whole numbers.

**Passbooks, ledgers, and computer printouts**

In both cases in this section (involving Wadami’s debt management and Muni’s attempt to understand how much money she has in her savings account and when she can access it), different accounting strategies of the client and the institution are not simply “reconciled” – a word that suggests that numbers transmitted by the field officer back to the branch office or to Dhaka headquarters are enmeshed with some element of the client’s accountancy. The ways in which accounting and calculative processes are recognized, not seen, or dismissed are shaped by RDS’ accounting tools and technologies. These material tools and technologies mediate knowledge production and relationships between the different actors in the Islamic microfinance constellation, from clients to field officers to the institution. After the RDS contract and
documentation required for new clients is settled (see Chapter 2 for a discussion of this), the client receives a paper passbook, which she retains in her home. Every repayment session constitutes a horizontal line in the passbook, indicating the amount owed, the amount repaid, administrative information about her RDS collective, and the signed initials of the field officer. The same passbook also records mudaraba savings account deposits. The passbook represents actual receipt of financing repayments and savings account deposits; boxes are kept blank until the field officer receives money.

The field officer brings to all repayment sessions a thick ledger containing handwritten notations for all of his 300-350 clients. The ledger represents individual clients as members of their 3-5 person collectives that mutually guarantee each other’s microfinancing. These collectives together comprise a *kendro* or center, of approximately 30-40 clients. One day per week, the field officer transfers information from his ledger to computer terminals at his base Islami Bank branch. These digital records produce an array of documents and data representations of which I caught only peripheral glances, when confidentiality was not at issue: statistical summations of RDS client demographics and financial holdings. The shift from passbook to ledger to computer program requires a number of labors on the part of the field
officer so that the numbers of each accounting device cohere with the purpose of the device, and so that the field officer can, quite simply, keep his job.

The passbook should be mutually intelligible to the client and the field officer and record in real time the financial relationship between the two. However, this breaks down in the interaction above: Muni hands her passbook to the field officer and asks him to tell her how long she has been an RDS member, for how many months and years she has been depositing money into her savings account, and when the account will mature and she can access the money. Whether due to a lack of reading comprehension or mathematical ability, the information in the passbook is not readily accessible to Muni without the field officer’s mediation. While the passbook might contain numeric data about whether a client has submitted khelafee/late repayments or extra advance payments, this numeric data does not capture the crucial contextual information about a client’s circumstances or demeanor that helps the field officer decide whether he should pressure women to make repayments or allow khelafee during a given meeting. Instead, this information is retained in his memory and comes from the interventions of each collective’s leader. Or, as I explain earlier, the passbook doesn’t capture the public accounting practices, mediating labors, disagreements, and assumptions of risk by Ameena as the collective leader, clients and their appointed proxies, and the field officer. Instead, as passbook, ledger, and computerized management information system delimit fields of entry and thus delimit the types of knowledge and information they can accept, rendering the mediating labors invisible to the institution. This delimitation functions as the feedback loop that then allows the institution and its officers to approach microfinance clients as predetermined, flattened subjects.

The field officer’s ledger in part translates the circumstances of the individual client into the language of collectivity: here, notations place the financial situation of each client alongside
other members of the client’s 3-5 person lending collective. Again, these numbers cannot capture the non-numeric risk tolerance of the field officer, as he assesses not just each individual’s circumstances, but those surrounding each collective – labors evident in field officer Abu Nizam’s confrontation with client Boro Bhabi over her late repayment.

The field officer’s process of entering information from his ledger into computer terminals, and the eventual production and circulation of digitized records were beyond my reach due to privacy protections. This stage of accounting and the production of institutional knowledge was not available to client Muni, either.

While working as a consultant to a different Islamic microfinance program in South Asia, however, I did have access to this level of confidential client data and to aggregated records and program statistics. I was required to evaluate the effectiveness of this stage of accounting and knowledge production, specifically, field officers’ entrance of field data into computer terminals and a bespoke computer program (a “management information system”).

PESO Standards (Portfolio Quality, Efficiency, Sustainability, and Outreach, see Almario et al 2006) are indicators commonly used globally to evaluate microfinance program health, as the uniform metrics enable comparisons with other national and international microfinance programs over time. One standard is the “Portfolio at Risk (PAR) Ratio,” meant to demonstrate the riskiness of a total microfinance portfolio by measuring the proportion of the microfinance loan portfolio with X days of missed payments against the total microfinance loan portfolio outstanding at a given point of time. The formula used to calculate this is \( \text{PAR} = \frac{\text{Balance of Loans with X Days Missed Payment}}{\text{Total Loan Portfolio Outstanding}} \). The outcome of this calculation is one factor that donors, philanthropists, and overseeing regulatory authorities may use to understand the health of a program and decision whether to provide funding, for example.
Globally, microfinance institutions tend to rely on a “PAR>30 days” benchmark to assess the health of their programs; the percentage from the calculation above is assessed from 30 days onwards. In other words, the percentage of the portfolio at risk of non-payment is calculated after the 30-day mark.

What this means in terms of field officers inputting numbers and other data derived from client passbooks and field officer ledgers into computer programs is that what counts as relevant information, and what counts as accurate information likely shifts across the different accounting technologies (passbooks, field officer ledgers, computerized management information systems). Akin to RDS, the Islamic nature of the program provides an ethical impulse to work compassionately with clients whose repayments were a few days late. During our interviews, clients repeatedly cited this compassion as one of the reasons they appreciated the program: field officers did not harass clients who were late, but instead worked with them so that repayments could be made as soon as possible.

When I evaluated a randomly selected sample of clients within the data set I was working with, statistics regarding late payment suggested a high level of field officer management of the PAR>30 figure, although it’s unclear precisely how; my contract did not provide enough time for an ethnographic exploration of this. Many clients were late by a few days, but then delinquency disappeared until after the 30-day mark, after which delinquency was sporadic, until around exactly 4 months. Delinquency then disappeared until after almost exactly 9 months, after which delinquency was then once again sporadic. I hypothesized that field officers delayed entering late cases into the computer system until those cases were over 120 days late (a PAR>120), or perhaps until the cases become intractable based on the field officer’s dealings with the client.

But what exactly was happening in between a repayment occurring on time and being
120 days late, then between being 120 and 180 late? Field officer management of repayment lateness makes it impossible to know how frequently loans are delinquent and for how long in between 1-120 days and 120-180 days. It also becomes impossible to estimate what proportion of field officer time is spent resolving those late repayments.

In the computer accounts, these numbers and labors are not being rendered invisible, which presumes they exist but cannot be seen. These numbers and labors do not exist. This also highlights a critical element of microfinance that is absent in the wealth of research (including anthropological study) on it: real-time cash flow information is unlikely to exist. It did not for this Pakistan program, and it does not for RDS in Bangladesh. Differences in the materiality of accounting technologies (paper versus computer), of sites where accounting is performed (the field versus the office), and of differences in time when information is entered unavoidably produces consequentially long periods of time in which numbers cannot capture the precise location of money. Equally importantly, the computer’s “management information system” might not care. Global PESO standards have made PAR>30, PAR>60, and PAR >90 figures common metrics for measuring program health, assessing portfolio quality at 30, 60, and 90-day benchmarks.

My analysis of the computer accounting data suggested the possibility that field officers performed their own digital accounting to accommodate these 30, 60, and 90-day benchmarks. The accounts in the computer cohered with the intellectual frame of the computer program, but this “reality” was incoherent with the accounting reality of the client passbook. The nature of the accommodation performed at the moment of data entry requires its own ethnographic study: does it speak to a forcing-together of the complexity of field realities with a limited, institutional format of receiving and processing that field knowledge? Is the flattened institutional accounting
an act of self-preservation by officers who must protect their jobs, or done out of compassion toward clients who might face troublesome consequences if their late repayments are exposed at those benchmark dates? Regardless of however data comes to be entered into the computer at this final stage of knowledge collection and representation, a reality can be accessed from it that will then be brought to bear upon broader perceptions about clients, repayment habits, field officers, and the microfinance program.

Even when numbers are ostensibly replicated from one medium to another, differences can still arise. The “accuracy” of the “reality” represented in the management information system was deeply affected by data entry error. My manual crosscheck of 308 digital data field entries against the paper files from which the numbers were taken revealed 65 discrepancies, or an error rate of 21.1%.

**Conclusion: recognition**

The repayment meeting is not a straightforward accounting exercise; more transpires than clients handing stacks of banknotes in the exact amounts owed to field officers, who then enter corresponding notations in ledgers that are then seamlessly transformed into institutional statistics. Instead, clients negotiate late payments, unofficially revise repayment schedules, task third parties to deliver repayments or request extensions, engage in public laments and arguments with each other and with the field officer. Clients perform and enact subjectivities in ways that demonstrate their self-awareness of what counts as ideal microfinance subjects, and that assert their selfhood and the validity of their life-worlds.

While working as an Islamic microfinance consultant during and after fieldwork in Bangladesh, I discussed with institutions that hired me and other interlocutors the fact that Islamic microfinance providers “missed” or “didn’t understand” the realities and life-worlds of
their Islamic microfinance clients. One client restated this to me as a problem of “translation,” in which clients, field officers, and imbricated institutions (e.g. the microfinance institution, apex funds, central banks or regulatory authorities, international donors) might understand program instruments (e.g. the client’s passbook, the contract, the field officer’s ledger) differently. For this client, understanding how ideas, idioms, or strategies of clients might be un-seeable or dismissed as irrelevant or incorrect due to acts of translation across different scales was important, insofar as it could be an inefficiency impeding attainment of pre-defined metrics of “success.”

However, the anthropological intervention of chapter goes beyond the question of translation across scales and invisibilities as inefficiencies to be remedied. In Stanley Cavell’s discussion of King Lear in Must We Mean What We Say?: A Book of Essays (2015), he explains that literal visibility does not equate with the ability to be see; the ability of the eyes to see is distinct from the ability to perceive feeling. What is more crucial, Cavell explains, is “what makes it possible for [Lear’s children] to be received” by Lear—an issue of recognition, not just of seeing. In order to recognize others, “Lear must first recognize himself, and allow himself to be recognized.” Recognition requires an expenditure of effort not just toward the other, but inward, toward the self.

Within the negotiations of the weekly repayment sessions is arguably an actualization of social justice in the sense of Islamic economics—not as something passively ‘given’ to the disadvantaged, but as something that clients demand through the creative use, assertion, and subversion of their subject positions—perhaps understood as a demanding of the recognition labors Cavell references. The rather empty signifier of ‘social justice’ (used quite liberally with respect to Islamic (micro)finance) becomes specific: bespoke flexibility of financing terms, the
respect of the institution toward the client, an imbrication of the field officer into the lives of clients even if his own temperament veers away from this, and the ability of the client to leverage religious commitments toward treatment of the poor in a way that prioritizes benefit to the poor in that moment rather than, say, benefit to the wealthier party in the afterlife. Clients understand their poverty in a different way—it is about honor, respect, and what makes temporary earthly life bearable.

Approaching the Islamic microfinance repayment meeting as an event with social and relational excesses beyond its presumed purpose, is not just an exercise of literally “seeing” the encounter by documenting its technical processes, but can be perhaps be understood as a first step toward nudging the Islami Bank and broader industry toward self-recognition. Recasting the repayment encounter as a site for understanding how institutional categories of the program—“the poor,” “Islam,” “finance”—do not exist as predetermined or ahistorical, but in fact are brought into existence. The accounting processes inherent to the act of repayment provide a way to access the commensurabilities and incommensurabilities of the calculative processes of clients and the institution. Through attentiveness to how these contested processes find resolution in the form of numbers entered into a series of accounting forms, the labors of mediating actors become visible: field officers, proxies dispatched by clients to undertake repayment labors and negotiations with field officers on behalf of clients, and the microfinance collective’s leader.
Chapter 5: Reaching Across Inequality

In *What is Islam?: The Importance of Being Islamic*, Shahab Ahmed posits the “accommodation of *internal contradiction* as crucial to the constitution of the human and historical phenomenon of Islam” (2015: 302). In Ahmed’s words,

“We need to resist our conceptual predisposition to conceptualize and categorize by elimination of difference, and conceptualize and categorize, instead, *in terms of inclusion of difference*. As such, the goal and touchstone of a successful conceptualization of Islam as theoretical object and analytical category must be to *locate and explain*, to the fullest degree possible, the *logic of internal contradiction that allows contradictory statements and actions to cohere meaningfully to their putative object*—whether this coherence lies in idea, imagination, practice, substance or process” (2015: 302, original italics).

Rendering differences visible and allowing them to exist, Ahmed suggests, does not diminish the ability to conceive of broad analytic categories, but rather introduces a productive question regarding the internal logics and linkages that allow the analytic category to cohere, in spite of (or perhaps even because of) this difference. In alignment with Ahmed’s intervention, I have in preceding chapters recuperated difference that is structurally kept invisible. Such invisibility, Cavell suggests (2015), does not preclude recognition.

As I explain previous chapters, the field of Islamic economics notably does *not* base notions of economic social justice on wealth redistribution, or anything remotely approaching communist or socialist divisions of resources or capital. The Qur’an recognizes that the wealthy and the poor will always exist, and states unequivocally that amassing wealth is not inherently wrong. Guidance is even provided on amassing wealth in the correct way: assets should be obtained, and cash should not be stockpiled in order to maintain the circulation of cash and promote a productive economy.

This leads me to the questions I take up in this chapter: what are the internal logics that allow an idea of an Islamic economic social justice to cohere when the Islamic financial
corporation as theoretical object and Islamic finance as an analytical category are both marked by stark wealth inequalities? To paraphrase Ahmed, what are the logics of internal contradiction that allow a desire for economic social justice to coexist with the accommodation of inequality? Do the divergent subjectivities of the participants of Islamic microfinance (clients, institutions, professionals) foreclose the possibility of true shared participation in the project of Islamic (micro)finance? Does this constrain social justice possibilities? How do Islamic microfinance clients and the Islamic financial institution in its modern corporate form coexist in a providential universe, enjoined by their co-participation in a financial relationship? If orientations toward darura [necessity] and maslaha [well-being] are different depending on the positions people occupy on an economic spectrum, what sorts of labors or logics connect?

To address these questions, I first provide an overview of different transactional modes that can bring the poor and non-poor into financial relationships in an Islamic cosmos. Some of these relations are predetermined, as with the dispensation and receipt of sadaqat (charity) or zakat (mandatory annual reallocation of a percentage of wealth).

As this chapter is specifically concerned with the category of poverty, I next offer a reading of the nature of the poverty of Zinukpara’s Islamic microfinancing clients as precarious poverty. Precarity, I suggest, is a temporal category in which conditions are volatile across timeframes that exceed standard metrics available for understanding poverty in much more limited timeframes, such a day, a month, or a year. Thick descriptions of how precarity unfolds among interlocutors in Zinukpara bring its volatility into focus; vacillations in and out of deep poverty (such as food insecurity) or upwards into a lesser poverty (receiving an unanticipated large sum remitted from a husband working a migrant laborer overseas) exist alongside the adjacent and deeply-felt possibilities of intractable demise into penury or death.
The next section is devoted to the question of how justice can be possible in practice, given inequality and risks posed by the precarity of poverty, specifically the threat of grave harm. Are there nodes of connection across the economic spectrum beyond the range of relations I discuss in the first section and in previous chapters, from patronage to charity to Islamic microfinancing contracts? Might this line of questioning offer a way to imagine new social justice possibilities in the Islamic financial relation?

I address this by turning to the possibilities afforded by logics of reckoning with questions of causality in a providential universe. At first blush, the ethnographic material from Zinukpara I provide to explore this diverges from the ethnography of Islamic (micro)financing presented thus far. Here, I examine how causality in Zinukpara becomes acute in understanding the origins of harm and thus the most effective methods for treatment. The cosmos in the Cox’s Bazar zila (district) that houses Zinukpara includes Buddhist and Hindu referents, and liminal zones of malady, magic, and healing alongside more puritanical Islam. Jadu, or black magic (tono in Chatgayah dialect) is woven into daily life. Zones of jadu/tono are populated by material and immaterial kobiraj and boiddo (traditional healers), hujur (learned Islamic advisor or scholar), jinn (spirits), and bhut (ghosts). Some in Zinukpara do question whether these liminal spaces are real, superstitious, or even permissible in Islam. But the more urgent question involves identifying origins of problems: are they initiated by the actors in this liminal zone? Are they brought about by a vengeful relation or friend? Or are they acts of God, as either trial or punishment? Tracing causality is critical to determine the course of treatment or response. The fallout of non-engagement with jadu is high: spells, wishes, sickness, desires, and blockages left untreated can yield catastrophes such as an unmarriageable child, insanity, and death.
Lastly, I offer a close reading of a conversation with Chacha regarding the jadu of Zinukpara, which he identifies as forbidden shirk, or the presumption of knowing the outer boundaries of God’s reach, and attributing divinity to something or someone other than God. In spite of this, he discusses Zinukpara’s residents in a shared register of belonging, as an “us” and a “we.” Following Ahmed’s provocation, I suggest that these invocations of a shared belonging in the world suggest labors of striving toward an umma, an idealized possibility of a unity of global Muslims. These labors endure despite vast gulfs in subject positions and financial status.

**Economic modes of relating**

The modern Islamic finance industry is the latest incarnation of Islam’s long engagement with economic behaviors and relationships: the Qur’an links economic accounting with the spiritual accounting conducted upon death, before God, and these verses are often included in IBFs’ annual reports, websites, and other documents. The “remembrance of death” (Al Ghazali 1995) this yields during one’s earthly life keeps the promise of an eternal hereafter ever-present. Through this remembrance, and a view of existence as a continuum from the here to the hereafter, “self-interest and social interest are integrated.” (Tashkiri 2004, Chapra 1979) making social justice a “shared endeavor…between God and humankind” (DeLorenzo and McMillen 2007: 137). Engaging in Islamic finance can thus be understood as an ethical duty, emphasizing human accountability and “a fulfillment of this-worldly endeavors in the world to come” (Smith and Haddad 2002: 106).

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80 This includes, among other verses: “Woe unto those who give short measure: those who, when they are to receive their due from [other] people, demand that it be given in full—but when they have to measure or weigh whatever they owe to others, give less than what is due! Do they not know that they are bound to be raised from the dead [and called to account] on an awesome Day—the Day when all men shall stand before the Sustainer…” (83:1-4); “Behold, God has bought of the believers their lives and their possessions, promising them paradise in return” (9:111); “Hence, let them fight in God’s cause - all who are willing to barter the life of this world for the life to come…” (4:74); and “And be conscious of the Day on which you shall be brought back unto God, whereupon every human being shall be repaid in full for what he has earned, and none shall be wronged.” (2:281)
Modern Islamic microfinance, however, has a more contested relationship to these social justice and ethical attributes because of the premise of financial inclusion I reference in earlier chapters, in which the tools, products, and services of finance are made available to the poor through creative strategies and technologies. An abundance of entrepreneurs, “financial inclusion” practitioners, and finance journalists extol the capitalist opportunities for profit in poor, untapped markets, based in part upon the success of microfinance. These accounts tend to rely on vocabularies that normalize the foreignness of extreme poverty by stressing the inevitability of poor-as-financial subjects (“obvious target,” “natural market,” “finally plugging into the global market” (Banerjee and Duflo 2011: 147, Diamandis and Kotler 2012: 10, Kuper 2008, respectively). These accounts also highlight the additional market value in socially responsible investing, social business, ESG (environment, society, governance) investing, impact investing, or corporate social responsibility as a more “inclusive neoliberalism” that does not position profit and social well being as mutually exclusive (Langely 2008, Peck and Tickell 2002, Yunus 2010). Similarly, “philanthrocapitalism” embraces market solutions to poverty, casting philanthropy as a type of investment with sound metrics for evaluating returns, whereby “returns” are quantifiable reductions in some facet of poverty (Fisher 2012: 45; Diamandis and Kotler 2012; Economist 2006).

The growing visibility of financial inclusion and market-based ways in which the poor are being brought into formal relationships with financial institutions raises a question that this

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81 The Financial Services for the Poor division of the Bill and Melinda Gates Foundation is perhaps the most influential donor and this space; their priorities and funding dollars have profoundly shaped the contours of the financial inclusion industry. For an overview of the FSP program, see “Financial Services for the Poor Strategy Overview.” July 2012. Seattle: Bill & Melinda Gates Foundation.

82 What becomes insidious in the context of these emerging forms of financial “care” for the poor are the ways in which they can foreclose possibilities for opposition by foregrounding activities as socially responsible or philanthropic. Locals can be presented as ignorant enemies of their own development, an argument Gardner tracks in her ethnography of Chevron’s corporate social responsibility program for its Bibiyana gas fields in Bangladesh (2012).
section takes up: what is the transactional mode linking the participants in Islamic microfinance—clients, institutions, and professionals? Are differences in the subject positions of the poor in different transacting configurations being similarly elided as linguistic or conceptual vocabularies flatten out different configurations into, simply, “social justice”? The vagueness of “social justice” has allowed for an abstraction away from specific, differentiated forms in which the poor are encountered, allowing modern imperatives (i.e. neoliberalism) to assimilate the subject position of the poor into any number of modern analytic frames: development subjects, the deserving poor, the undeserving or rapacious poor, the entrepreneurial poor.

The poor occupy multiple positions in relationships of redistribution, per Islamic textual traditions: they can be the beneficiaries of *sadaqat* as charity, given per the discretion and free will of the giver. *Zakat*—“offerings given for the sake of God”—is, by contrast, only permissible for eight categories of recipients, as specified in the Qur’an. *Zakat* never belonged to the giver in the first place, and as such is not available to be given of free will; zakat always belonged to Allah and its dispensation is duty. *Qard hasan*, in contrast, is disbursed at the discretion of the giver. While charity is discretionary, zakat is the corrective redistribution of resources that are, and have always belonged to God. In these categories, there is power in invocations of poverty;

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83 See the dissertation’s Introduction for a fuller discussion of this.
84 My thinking on this point is informed by Jane Guyer’s introduction to her 2016 translation of *The Gift*, in which she posits that the failure of translations over the years to preserve Mauss’s original French linguistic choices has produced a flattening of ideological consequences related to different forms of giving. Similarly, Guyer notes, through Biblical translations (e.g. into French or German), the passage of time, and influence of authority (e.g. the King James Version) multiple Hebrew words denoting “sacrifices to God” have become simply “offerings,” “contributions” or “donations.” In tracking these changes, Guyer is able to suggest that “modern translations have inserted personal generosity and free will, while abstracting the gesture and the imperative implied by upward lift” of the sacrifice to God, “thus assimilating it more clearly to a philosophy of the voluntary, even individuated, gift” (2016: 13). The place of modernity in Guyer’s observation is critical: it provides a way of understanding how contemporary logics or philosophy can come to filter into or imbue spheres of knowledge. The idea of “voluntary” or “individuated” giving tracks with the neoliberal emphasis upon personal autonomy and entrepreneurialism, at the expense of collective or communal forms of thinking.
85 “The offerings given for the sake of God are [meant] only for the poor and the needy, and those who are in charge thereof, and those whose hearts are to be won over, and for the freeing of human beings from bondage, and [for] those who are over burdened with debts, and [for every struggle] in God's cause, and [for] the wayfarer: [this is] an ordinance from God - and God is all-knowing, wise” (9:60).
the poor are cast into the role of ethical subjects, and their existence allows the wealthy to fulfill certain religious duties.\textsuperscript{86}

In the Islami Bank’s annual report to shareholders, financial accounting statements make it clear that its Islamic microfinance program, RDS, does not cover its expenses, much less generate profit. The program is large and well reputed in Bangladesh and globally—but its value is not monetary. Instead, the Islami Bank appears to locate the monetary value of RDS in the ethical proposition of providing services “to poor, rural, and underserved populations.” In this rather passive positioning, the poor are ostensibly a means to end for the bank, a way for it to meet its ethical goals. This does not mean that RDS clients do not receive benefit. But in explicitly describing the poor as “underserved,” the IBBL presents itself as filling a lacunae in access to formal financial institutions. In this framing, the poor are presumed to benefit simply by the IBBL being present. For the Islami Bank, this is an ethical decision—not an explicitly profit-motivated one.\textsuperscript{87}

In Dhaka, Chacha possessed an extensive home library of Islamic economics texts. Sometimes during our discussions, he would select texts for me to read. One such volume was Justice Maulana Muhammad Taqi Usmani’s \textit{Judgment on Interest Delivered in the Supreme Court of Pakistan}. Sheikh Taqi Usmani is one the world’s most influential Shari’a scholars on issues pertaining to Islamic finance; the reach of his opinions cannot be overstated.\textsuperscript{88} The pages

\begin{itemize}
\item \textsuperscript{86} The perception and reception of the poor can also be situated within longer histories of idealized or romantic notions of the poor (and particularly the rural poor), or what Li (1996) describes as a “long tradition of enlightenment thought [counterposing] harmonious communities located elsewhere” to a “rapacious, unequal, modern, urban or capitalist present” (503).
\item \textsuperscript{87} To be sure, the cultivation of millions of new relationships with Islamic microfinance beneficiaries/clients can have economic value in diffuse and varied ways: brand preference can influence banking decisions of their social networks, claiming millions of clients (even if their individual worth is low) allows the bank to shore up power, prestige, and access to resources within Bangladesh. However, these sorts of angles are not present in IBBL materials discussing its Islamic microfinance program.
\item \textsuperscript{88} Taqi Usmani has sat on and chaired the Shari’a boards of the world’s most consequential and prestigious Islamic financial institutions (including banks, regulatory bodies, and fiqh academies, for decades, including the AAOIFI.
\end{itemize}
of this particular volume were a palimpsest of Chacha’s margin notes and underlinings superimposed upon Taqi Usmani’s judgment, offering traces of how Chacha received the judgment within his position in Bangladesh. Chacha marked up one section in which Taqi Usmani explains that in conventional capitalism, “loans are purely commercial transactions meant to yield a fixed income to the lenders.” According to Islamic economic principles, however, loans are not income-generating; “they are meant only for those lenders who do not intend to earn a worldly return through them. They, instead, lend their money either on humanitarian grounds to achieve a reward in the Hereafter, or merely to save their money through a safer hand” (98). In other words, loans may only be dispensed for humanitarian or “sympathetic” reasons, or as a way of saving money, as only the principle can be recouped. 89

In the realm of Islamic microfinance, these “humanitarian” or “sympathetic” loans take a specific form: *quard-e-hasana*. 90 Quard-e-hasana is an interest free loan, usually disbursed for welfare or charitable purposes, and is mentioned specifically in the Qur’an. 91 Suitable use of quard-e-hasana depends on the Islamic microfinance provider: some restrict it to education and heath care. In Bangladesh, the Islami Bank restricts it to collective over individual benefit; quard-e-hasana is provided to build community latrines or tubewells for groundwater access. Scholars are divided on whether quard-e-hasasa may include fees related strictly to the cost of its disbursement (excluding overhead costs), or whether it should remain fee-free.

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89 Any additional money received beyond the principle would mean that the principle has turned into an asset capable of earning money. This would constitute the forbidden *riba*. If the loan is being advanced so that the lender may receive profits at a later date, then the loan must be structured into a partnership contract.

90 Also qard hassan, quazar-e-hassna, quard e hasana, or quard; I use the Islami Bank’s spelling

91 “Who is he that will give Allah qard al hasan? For Allah will increase it manifold to his credit” (57:11); “If you give Allah qard al hasan. He will double it to your credit and he will grant you forgiveness” (64:17); “Establish regular prayer and give regular charity and give Allah qard al hasan” (73:20).
With quard-e-hasana, as “humanitarian” or “sympathetic” financing, the loaning-out of the principle signifies a gift of convenience and a sacrifice on the part of the giver, who is willingly parting with his capital—but the gift of this convenience is being disbursed for reward in the hereafter. As the Qur’an explains, quard-e-hasana is actually given to God, not the recipient.\textsuperscript{92} The significance of this is that quard-e-hasana straddles two types of relations on two different planes in an Islamic cosmos: for the beneficiary, it is a form of financing as it must be repaid. But a hadith suggests that to God, it is the highest form of charity possible, bringing even greater reward than charity (Khan, Kustin, and Khan 2017).\textsuperscript{93} Unlike with zakat, which is a redistribution of money that always belonged to God and never its earthly owner, quard-e-hasana is given to God because of the particularly robust reward in the afterlife it can bring.

Taqi Usmani also explains that transactions are held between equals in Islam—a point also underlined by Chacha in his handwritten notations upon the text. Taqi Usmani explains that “the validity of a financial or commercial transaction does never depend on the financial position of the parties. It rather depends on the intrinsic nature of the transaction itself. If a transaction is valid by its nature, it is valid irrespective of whether the parties are rich or poor.” Sale and lease contracts have no bearing on whether one party is poor. “The most one can say is that a poor

\textsuperscript{92} “Who is he that will give Allah qard al hasan? For Allah will increase it manifold to his credit” (57:11); “If you give Allah qard al hasan. He will double it to your credit and he will grant you forgiveness” (64:17); “Establish regular prayer and give regular charity and give Allah qard al hasan” (73:20).

\textsuperscript{93} The Prophet Muhammad said, “I saw on the gate of heaven written, ‘the reward for sadagat is ten times and reward for qard hasan is eighteen times.’ So, I asked the angel, how is it possible? The angel replied, ‘Because the beggar who asked had already had something but a borrower did not ask for a loan unless he was in need.’ ” Ibn Majah, Volume 3, Book 15, Hadith 2431. Interestingly, the status of the interest free loan as the highest form of charity holds across multiple ecumenical traditions. In the Old Testament, for example, it says: “If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury. If thou at all take thy neighbour’s raiment to pledge, thou shalt deliver it unto him by that the sun goeth down” Exodus (22: 25-26). In other words, not only is one not supposed to charge interest, but also if the collateral for a loan is in the form of a necessity like a coat, one must make sure that the borrower can still make use of it when it is needed. There are further references against interest in Leviticus (25:35-37) and Deuteronomy (23:20). Anti-interest sentiment in the West existed as far back as Aristotle and was reinforced by Augustine and Thomas Aquinas. The global network of Hebrew Free Loan Societies, offer what is essentially quard hasan, \textit{gemach}, usually from anonymous donors, and can be available for Jews or non-Jews.
purchaser or a poor lessee deserves concession on humanitarian grounds, but one cannot say that charging any amount of profit from him is totally haram or prohibited (46). Lawful transactions are required for the functioning of society; profits are required for sellers to support their own selves and families. Aside from the fact that poverty is a “relative term” and thus not a suitable standard against which economic rules can be established (48), the morality of a transaction is not traced to the position of the parties. Instead, it is derived from the “intrinsic nature” of a transaction (47), and the promise of equity in enforcement of contractual terms to be extending to all parties—a point whose complexities I discuss at the conclusion of the preceding chapter.

**Precarity**

The metric of “visibility” is threaded throughout the dissertation. Questions about visibility are endemic to the nature of the poverty of Zinukpara’s RDS clients—based on the extant ways that poverty is assessed, measured, and rendered known through the tools and technologies of finance. By virtue of the longitudinal nature of my engagement with Zinukpara and the seven-sibling family of RDS clients from 2010 to 2014, I became awareness of their poverty as precarious, with precarity as a temporal category. In observing the unfolding of the siblings’ divergent fates across this time period, the rapidity of Tabassum and Ameena’s falls from stability and even wealth (compared to others in their immediate community and extended families) was striking. The concomitant rise of Boro Bhai’s fortunes was equally striking.

In other words, the wealth and high status of Ameena, Tabassum, and Boro Bhai’s father (who passed away a few months before I visited Zinukpara for the first time) was not generational; five out of his seven children led precarious financial lives. On one hand, Mehusena (the wife of one of the sons working illegally in Saudi Arabia), Ameena, and Tabassum’s descent from familial wealth into food insecurity and a gradual selling-off of assets
is a gendered phenomenon. Islamic inheritance laws in Bangladesh provide higher allocations to sons rather than daughters on the presumption that the daughters will marry husbands who will provide for them. Spousal abandonment and overseas migration left the women bereft of meaningful monthly cash flow. They leverage their remaining assets to gain access to liquidity, and either sell off those assets when required or, in the case of Ameena, have them forcibly seized by her estranged husband. Without any assets in her name and without any stable remittance from her husband in Saudi Arabia, Mehusena relies exclusively on loans from family and shopkeepers. And even though the sisters received less inheritance, they still had to equally participate in community obligations befitting their father’s high status, along with their better-off brothers (joint sponsorship of a mosque, joint purchase of a water pump).  

The descent of the women also indicates the failure of the presumptive safety-net mechanisms, such as local interpretations of Islam concerning a husband’s financial maintenance of his wife and children, the requirement of a first wife’s approval before a second wife may be obtained, and assets bestowed upon a woman at the time of marriage in the form of gold jewelry. The descent of the women can also be linked to catastrophic events (spousal abandonment, a nonfunctioning kidney, an asthma attack, loss of legal visa status in Saudi Arabia).  

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94 Tabassum described the diverging fates of the sisters versus the brothers after the inheritance. “Each sister received 5 lakh taka (500,000 taka, or about $6,320). But 85,000 was spent on a water pump. Everyone gave money to build a masjid in Pukurchara. We also bought 20 fans and spent 50,000 on a new cement floor for another masjid. The sisters only got 3 lakh after the water pump and masjid expenses. The brothers got 10 lakh each.” Mehusena later confirmed this figure.  

95 In 2013, two years after abandoning the family, Tabassum’s husband informed her that he would cease providing any financial assistance to her or the children. Asthma, depression, and the loss of a kidney seven years ago due to infection often confine Tabassum to her bed. She used to gain supplemental income from hand embroidery and basic tailoring performed on her sewing machine. Following a near-death asthma attack in 2013, this is now too difficult for Tabassum to manage. All told, the asthma emergency cost Tabassum 85,000 BDT: 5,000 at the local government hospital, 30,000 for an 11-day stay at a private hospital when the government hospital care proved inadequate, 35,000 for an ambulance transport to Chittagong when specialist care was needed, and 14,000 for a seven-day hospital stay in Chittagong. Since then, she spends 2,800 on medicines each month. She sold her land inheritance for 420,000 to cover the bills.
Economists would attribute the women’s slide into deeper poverty to the bad luck of “negative externalities,” or costs incurred without one having any choice in the matter. However, focusing on safety-net failures and other negative externalities insists on the notion that financial health and poverty can be understood as a result of demarcated events in time; the aggregate of singular frames. What happens if these singular frames are expanded, such that temporal states or processes become the objects of concern, rather than events, moments, or bounded time periods?

Poverty is captured through metrics and administrative categories that rely on such bounded events and moments to capture snapshot views of one’s financial state: per capita GDP (gross domestic product) is calculated on a quarterly or annual basis. The classic “$2 per day” metric is shorthand for entrenched poverty. Balance sheets of assets against debts are evaluated in delimited frames: a month, a quarter, a calendar year, a fiscal year. The effects of microfinancing are assessed against the duration of the contract—12 months in the case of the Islami Bank’s RDS. Promising recent work in development sociology and development economics takes the novel move of moving to the other end of the spectrum, using quantitative sociological and statistical measures to examine generational changes (Edin and Schaefer 2015, Desmond 2016).

Meanwhile, Mehusena’s husband’s absence and illicit status in Saudi hung heavily over the household. His visa expired some time back, making the risk of arrest constant and preventing a visit home, as re-entry would be impossible. He’d never met his youngest daughter. His daily “missed call” to Mehusena’s basic Nokia was her reassurance that he was alive and not in jail. Without a visa, his restriction to sporadic, informal odd jobs left Mehusena in financial precarity. Mehusena hadn’t joined RDS, and I asked if she considered doing so. “Dorkar nai. Ki bhabe debo? Ar ki korbo?” she replied. (There’s no need. How would I give [repayments]? And what would I do [to make money]?

Indeed, Mehusena had gone nearly six months without receiving any money before he remitted 50,000 taka during Ramadan in 2014, after a two-month job washing clothes. Following that, he was again out of work. She no idea the 50,000 was coming until she received a text message that a hawala agent at a local shop had money for her.

96 Two recent examples of this that have gained wide traction among economists, policymakers, sociologists, and philanthropists include Kathryn Edin and Luke Shaefer’s $2 a Day: The Art of Living on Virtually Nothing in America (2015), and Daryl Collins et al.’s Portfolios of the Poor: How the World’s Poor Live on $2 a Day (2009).
Jane Guyer describes how modern macroeconomic thinking and policy “evacuates” the possibility of the “near future” by subjecting it to immediate management and control, while distinguishing it from the space of “long run,” i.e. as a time frame in financial models managing currency value, risk, and interest rates. As Guyer explains, “monitoring movements in very specific indicators and applying financial instruments that discipline very specific temporal zones explicitly preclude linking long and short runs through a humanistically based concept of shared intelligibility” (2007: 412-3). This raises a question: how might different time horizons achieve conjoinment?

Working through this notion of precarious poverty as volatile and a temporal category, distinct from historically administrative, percentile-based, or legal designations of poverty, is an attempt to respond to Guyer’s question. What is evident in Zinukpara is that future hums adjacent to the present, shadowing the present with the specter of a deeper slide into poverty. Precarity connotes multidirectional velocities and reverberations compressed into frames of possibility. Need and plenty jostle together uncomfortably: Tabassum owns a refrigerator (an extremely expensive, rare, and conspicuous asset in Zinukpara) and keeps it plugged in to maintain its fitness, but it remains empty during the entirety of my fieldwork, save for the occasional fish or bottle of water. Ameena owns a refrigerator but rarely has food to put inside it, instead allowing neighbors to store small parcels of meat or fish or tins of ginger and garlic paste as an act of goodwill. She herself endures regular periods of malnourishment, preparing only white rice seasoned with oil and dried chilies for herself and her teenage son. Tabassum spends large sums on gold jewelry to ensure her 10-year-old daughter’s marriageability, but is preparing to marry her off in the next few years as insurance against penury, in case her poor health proves fatal. Tabassum is slowly selling off her inherited assets to pay for her medical bills; Ameena has
had part of her inherited assets seized through force and threats from her estranged husband, who
returned some years after this abandonment to take what he could.

Precarity speaks to the expectations in a neoliberal world that economic life will not be
stable, but shifts according to personal entrepreneurial drive, acquisition of risk, governmental
retreat from markets, and new velocities in the global flow of capital (Han 2012, Harvey 2007,
example, are required to possess a certain monthly income flow or amount of land. The Islami
Bank calls these “baseline requirements,” not collateral. If a client falls into arrears, other
members in the defaulter’s collective will have to pay. The decision to make landholding a
baseline requirement is an interesting one—it retains as a possibility the liquidation of that asset,
which could render the client dispossessed and newly, perhaps irreparably vulnerable. Non-
liquid assets such as a land deed may be sold to meet repayment obligations, or to complement
the microfinancing in order to fund some venture, particularly as clients often complained about
not receiving enough RDS financing. Or, RDS clients may be successful enough in their
microfinanced venture to transition from micro to Small-Medium Enterprise financing—this
transition is a stated goal of RDS. The point here is the proximity of opposing potentialities
through its use: the client may fall from her position into deeper poverty, or she may rise out of
it. This underscores the specificity of precarity as opposed to “poverty” in a more general sense.

Extant readings of precarity similarly argue that precarity is a symptom or outgrowth of
neoliberalism, that global financial flows result in forms of inequity or exclusion that make
certain people or classes more vulnerable, such as through their exclusion to these flows or
interconnected markets, or their exposure to new forms of risk (Tsing 2015, Han 2012). Al-

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97 Clients often complained to me that their RDS financing was not sufficient for their needs, with requests for larger
financing being turned down by the Islami Bank. In these cases, clients turned to family, friends, or other sources of
liquidity to cobble together a sufficiently large amount.
Mohammad (2012) and Butler (2009) extend this analysis to designate precarity an embodied state characterized by the adjacent reality of death. I do not disagree with these presentations of precarity that seek to link particular, deeply situated phenomena with broader global currents.

However, in insisting on precarity as a neoliberal political and economic state, these readings unintentionally reify metrics and administrative categories that capture bounded time frames, not velocities and durations. The financial assessment mechanisms (e.g. accounting strategies and related technologies of Excel spreadsheets, profit and loss statements, etc.) of financial institutions—whether conventional or Islamic, micro or non-micro—contain built-in temporal assumptions that predetermine what poverty is and what it can be. Mohammed and Butler’s theorization stops at the death of the body in question. Allison’s description of precarity as the condition in which one exists in the present, and where “the future is distant or opaque” (2016) removes the possibility of precarity of a temporal condition.

In positing precarity as something different from legal or administrative categories of poverty by virtue of its volatility, the *durational* management of relationships and value in economic contracts with the precarious poor becomes of particular concern. The temporal nature of precarious poverty, I suggest, resists accounting strategies of conventional and Islamic finance alike, that only capture a snapshot of finances or assets in a single bounded moment in time. Precarity is a temporal, reverberating state that can become invisible if suitable metrics do not exist to accommodate its temporalities and velocities. Different modes of analysis are required to access its dimensions and effects.
By the time I moved into Ameena’s home at her invitation, we had spent much time together sharing stories about our lives and discussing the politics, religions, and the idiosyncrasies of Bangladesh, the United States, and Italy, my husband’s country. In this way, I came to know that since 2012, Ameena has also lived with a *jinn* (Islamic spirit) and an immaterial *hujur*. Both came to her several years after a period from 2001 to 2005 during which she describes herself as *pagol* (mentally ill or unstable), a condition precipitated by her husband’s abandonment during pregnancy. During my fieldwork, the *jinn* and *hujur* exerted a strong presence on her daily routines; she prayed and observed periods of silence on a schedule they communicated to her. In early 2014, she mentioned that her jinn is Arab, and is teaching her Arabic. Only after I moved into Zinukpara in 2014 did I begin to notice the frequency with which jinn and bhut meddled in the riverine landscape. These figures were often mentioned in passing in the context of broader stories being told or information shared; vigilance was needed to avoid danger or manage danger once it manifests. Most importantly for this chapter, these zones existed apart from divine omnipotence and omniscience, making the question of cause-and-effect difficult to trace.

Ameena’s jinn and hujur had given her the ability to serve as a *boiddo* (traditional healer); she became aware of this about a year after they had come into her life: “*Allah amake* Huq and Khondakar define “hujur” as “a man who knows how to read the Qur’an in Arabic with the correct pronunciation and intonation. Usually, his madrasa education will have also given him some knowledge on the hadith (sayings of and events in the Prophet Muhammad’s life). These men are usually employed by local mosques and madrasas and also go to people’s homes to teach children how to read the Qur’an, and how to lead a more religious life” (2011: 29). Huq (2011) explains that while the urban, educated classes do often employ someone to teach the Qur’an to children, “hujur” is often a suspect or pejorative appellation, describing someone “religious, but backward and passive, or the ‘Taliban condition’ which represents fundamentalism, extremism and militancy” (252-53). One middle-class girl with whom she spoke lamented, “All my sisters are very smartly dressed and frankly, they don’t appreciate my covering my head. They call me a hujur.”
rahamat disen. Rahamat patasen. Manush ‘er upohar” [Allah gave me mercy. Allah sent me mercy. It is humanity’s gift], Ameena had explained. While boiddo and kobiraj, another type of traditional healer,⁹⁹ can command notoriously high fees, she refuses to accept money for her services. ¹⁰⁰ She discreetly accepts gifts (unstitched cloth for her, a shirt for her son, a bottle of juice, a packet of biscuits), but they must be voluntary, and are typically only from repeat, satisfied visitors with whom Ameena has ongoing relationships.

On one afternoon after morning chores were finished, lunch was eaten and baths completed, but before dinner preparation had begun, the front stoop of Ameena’s home became a gathering place for adda, a conversation with participants coming and going, sitting and crouching, spilling out from the stoop into the narrow lane. In this public setting, Ameena provided boiddo services to Zinukpara’s women as well as those visiting from neighboring housing colonies. On this day, I sat on the stoop with several others. I had my notebook out per usual. A neighbor’s toddler kept taking my pen to happily scribble in the notebook; I kept apologetically wresting both back to take notes. Two women arrived from a nearby area. “My house is divided, there is quarreling. My son is not under control,” the first woman lamented. “Ok, you have some problems,” Ameena responded. “Can you tell me someone you think could be your dushman [enemy]? Man or woman?”

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⁹⁹ Academic writings (generally public health or epidemiology) on traditional healing practitioners in Bangladesh tend use kobiraj or boiddo interchangeably, or omit the boiddo designation altogether. This obscures important differences: kobiraj tend to make medicines from natural materials (i.e. leaves and bark); boiddo blow breath upon water, oil, amulets, or the body while reciting prayers. Kobiraj labors are more expensive, esoteric, and indeed often medicalized or herbalist, and thus only rarely mentioned in Zinkupara. Women generally reference boiddo when discussing everyday dangers of jadu.

¹⁰⁰ The care Ameena administered to men and women (and even to herself) mainly includes prayer, Qur’anic recitation, and zara fu (fu from fu deowa, meaning to blow; zara fu involves repetitive gestures over something while blowing breath) over oil, water, an afflicted body part, tabiz (amulet, often containing tiny written prayers or Qur’anic verses), or kasomfora (a black thread tied around the wrist or worn as a necklace). These materials are used for differentiated bodily, emotional, and psychic maladies in ways reflective of the substances’ properties, whether for consumption (water, oil), massage/absorption (oil), or durability and long-term use (tabiz, kasomfora).
The second woman answered. “We have doubts about one person… There are two houses belonging to two women. Their door is separated, so one cannot enter through another one’s door. One usually comes to the other’s house, and the other comes to the other’s house” [meaning, they have good relations].

One of the homes also housed a girl; she was the suspected dushman. Ameena asked for clarification. “The girl is very restless, right?” The first woman answered affirmatively.

Ameena’s clarifications continued. “The girl talks too much, right? The girl talks in an inappropriate way, right?” The woman answered yes again.

Discussion continued about the inhabitants of the two houses until sufficient information was obtained. “Now I understand,” Ameena said. “There’s been no harmful action. So what you will do is this: you can be careful about the boy. Bouzon nai? Do not let the boy eat [at the two houses]. If the boy eats, it should be in a careful way. But kono khoti hoi ni akhon [there hasn’t yet been any harmful action]. I will come later and help you understand.”

The women discussed particularities of how food should be consumed to address the possibility that magic might have been performed upon the food. As Ameena continued to question who the dushman might be, she suggested pani pora or tel pora, nafl prayer (a discretionary, non-mandatory prayer), and a one taka donation to a mosque, but explained that a tabiz (amulet, often containing tiny written prayers or Qur’anic verses was not necessary.

Others disagreed that a dushman was to blame. The problem, they suggested, was cramped living conditions and a lack of sufficient physical division:

“It is important to divide the house,” someone suggested.

“Yes, it is needed for us,” the woman agreed. “To divide the house without any quarrel. If the house is divided, then each [part of the] house belongs only to certain people.”
Others voiced agreement in unison for erecting some divisions: “Phuri dun! [finish it!]”

“…so no one can see no one’s face,” the woman added in agreement.

In this case, it was unclear whether the misfortune of the boy’s lack of control was due to the woman’s own actions (had she provoked her son?), her son’s own actions (did he have a quarrelsome nature?), or third-party instigated boiddo intervention. The conversation progressed and an additional idea emerged: that an enemy performed tono on the woman herself, and not her out-of-control son. Even though the boy still needed protection from his quarrelsome nature that threatened the peace of the house, perhaps the tono had been conducted upon her; she was the one suffering both from dizziness and the behavior of her son. While her ban [bar/blockage] might have been the causal force behind her son’s problematic behavior, of greater concern was the ability of her ban to amplify her suffering beyond her physical body, and into uncertain spatial domains (her household, other households) and temporal domains—the effects of a tabiz, for example, are inconsistent in time. It might not manifest immediately, it could start and stop, or it could be gradual. Producing causal links between events, interpersonal relations, and sufferings in one’s life becomes difficult, if not impossible.

A few weeks later, I discussed with my local research assistant, Saiful, the fact that this woman’s domestic suffering, its causes, and the scope for resolution were subject to such public conversation. “There’s a hadith saying,” Saiful said. “Three things are important in a person’s life: if you don’t have a wide house, that’s a problem. If you have a troublesome wife, that’s a problem. If you have disobedient vehicles, that’s a problem. So the people who live in congested areas, they have problems. People living in a congested area can be affected at any time with boiddo belief.”
The public discussion regarding the woman’s distressing situation, Saiful seemed to say, has a parallel in the public roots of the problem itself: the congestion of her own slum-type living quarters. The woman was distressed by her quarrelsome son and fractured home—and by the unknown provenance of this discord. Embedded in this concern—and her decision to discuss it with Ameena and all of us assembled outside—was the implicit threat of a boiddo-led intervention against her home without her knowledge. The proximity of the woman’s home to the other two houses in question was a threatening condition; the women themselves say as much. One could easily metaphysically affect another’s household at any point in time. Or the source of the discord could have been more quotidian: a lack of space, a lack of privacy, and the need for barriers to be erected. Whether the fault could be attributed to this latter problem or to jadu, suffering is compounded by the *not knowing*. The enmeshed social relations inherent in the poverty of this environment render both jadu and quarrels imminent possibilities.

This not knowing, I suggest, can be understood as what Guyer describes as a confusion form. The form of confusion relates to the fact that the confusion does not simply exist, but can be mobilized in ways that allow for “imagination and agency” (2015: 2). Here, the confusion-form mediates the cacophonous spaces in between cause, effect, and treatment, allowing Zinukpara’s women to be able to locate forms of jadu within a providential universe, where the hand of God remains imminent. Without the confusion form, jadu is simply black magic, invoking a parallel world in which the hand of God is absent from cause (a malady’s origin), or effect (the manifestation of the malady), or treatment. But in shaping the not-knowing into a form, this allows for the possibility of not just the hand of God but His imminent intervention—and thus the realm of jadu, bans, and healers is not a *prima facie* negation of divine omnipotence. This confusion-form is sustained by the conditions in which the jadu occurs: the enmeshed social
relations and physical closeness inherent to the poverty of this environment. In other words, the conditions of possibility for confusion as a bounded form (and not just an inert state of being) is this enmeshment.

While conversations about jadu presents enmeshed physical and social relations in this impoverished area through a prism of danger, microfinance sees this enmeshment as an asset. Thanks to the success of the group lending microfinance model pioneered by Grameen Bank in which clients bear responsibility for each other’s loans, social capital is accepted as both a feature of poverty and an asset for monetization. Microfinance institutions may evaluate the suitability of potential clients based on social positioning or local reputation (including references, information about duration in a neighborhood), assemble a lending group whose members bear liability for each other, or extend the courtesy of late repayment based on other clients’ informal assessments of whether the overdue client can be trusted to repay. Innovation in the monetization of social capital continues apace, from new modes of client intake screenings to risk assessments based on social capital-based credit rating algorithms.

Microfinance—whether conventional or IBBL’s Islamic model—generally posits social capital as steady and reliable, as I discuss in Chapter 4. But the density of certain living spaces and thickness of the relationships woven into and through these spaces create conditions for metaphysical entanglement, on a temporal horizon extending from the immediate to the near future to the distant future. If some physical, emotional, or psychic problem manifests, the afflicted individual cannot know if God has wrought this upon her as a consequence of God’s will, or whether another human successfully wrought interference, perhaps with a boiddo or kobiraj as intermediary.
Talk meandered on, as happens during an adda, to problems requiring that critical
distinctions be made between whether a healer is a Muslim hujur, or a Muslim, Hindu, or
Rakhaing boiddo. In Zinukpara, the Islamic cosmos expansive enough to include Buddhist and
Hindu referents, and liminal zones of malady, magic, and healing that defy clear separation
between earthly life and afterlife:

“…someone [else’s] marriage was stopped due to a jinn, and some boiddo tried to help,
but it didn’t work because the *Talisma* jinn [a type of evil jinn] was flying [*orudhay*, literally
flying]” I heard Ameena remark. “It was very difficult as it happened in the name of the jinn.
*Bouzon nai* [got it]?”

“It was done in the name of the jinn?” Ameena’s elder sister Appa asked.

“Yes, yes. It was done by a *bezadi*” [*bejati*, literally ‘not of the *jati*,’ or ‘not of the caste’]
Ameena confirmed.

“Bouzon nai?” Ameena continued. “As a bezadi did it, the *Moulavi* [honorific, indicating
an Islamic scholar] couldn’t help, the Qur’an couldn’t help. […] A boiddo tried to help, who was
bigger, greater than me. But still he couldn’t help.”

In other words, an Islamic authority or healer couldn’t help because a non-Muslim (a
Hindu or a Buddhist) had intervened.

Ameena’s elder sister Appa interjected. “Listen,” she began, “I heard there is a *Mogh*\(^{101}\)
boiddo who lives in Goljheel…the Mogh boiddo treated a boy who was in a relationship…
*Bouzon nai?” Appa gave a small laugh: “The boy told us the boiddo was good.”

Appa’s mention of the “Mogh” boiddo’s successful treatment of another body sheds an
interesting light on the conversation: a Muslim’s marriage was ended due to the intervention of a

\(^{101}\) Mogh, or Magh, is a colonial appellation for the Rakhaing; the term is used in 18\(^{th}\) and 19\(^{th}\) century British
gazettes I consulted in Dhaka’s National Archives. Today, it is taken as pejorative or a slur by the Rakhaing.
Hindu or Rakhaing—although any metaphysical or practical differences between Hindu versus Rakhaing intervention were not immediately significant enough to be specified, and were instead collapsed into the general category of *bezadi*, or non-Muslim. This bezadi intervention was powerful enough to mobilize the evil Talisma jinn and produce the tangible outcome of a destroyed marriage. The damaged party sought help from Muslim healers who drew upon the Qur’an and other Islamic sources to counter the jinn, but these Islamic resources were powerless. Implicit in Appa’s mention of the Rakhaing [“Mogh”] boiddo” is the suggestion that as a non-Muslim mobilized the jinn, so a non-Muslim healer is required to stop it. Non-Muslims have access to jinn and Muslim healers can be powerless against these jinn specifically because they were mobilized by non-Muslims.

The *adda* returned to the topic of bans applied to households. Another woman discussed a *ban* applied to her household; she also sought guidance on the appropriate healer. “Would it be better to go to a non-Muslim, as it is *bezati jinish* [non-Muslim thing]?” she asked.

“Go, go,” Ameena answered. “You can go to this hujur, he has the ability to cut a bezati ban as well.”

Unlike the Moulavi and Muslim boiddo unable to address the evil jinn invoked by a bezati [non-Muslim], this non-Muslim blockage could be cut by Muslim hujur. The ability to ascertain the source of the harm is critical to understanding how best to address is: whether by building a partition inside a home, or choosing a Muslim healer, or a non-Muslim healer. None of this can be easily mapped, however. Every problem has its own profile, and must be matched with a suitable healer whose abilities speak to a complex universe of religiously-affiliated maladies, blockages, and healing practices.
This woman’s sister then spoke up about her own ill health: “For 10 or 12 days, I have been suffering from matha gura [dizziness],” she explained. “It continues whenever I go for sleeping. At that time I’ll feel very dizzy, with the world spinning. For the past two days, whenever I have gone for sleep it has really affected me. It is increasing day by day.” After a few clarification questions, Ameena again mentioned Zaid hujur as an option, and the first woman confirmed Zaid hujur’s abilities: “He researches the Qur’an, he takes the Qur’an’s verses.”

“I was dreaming about a big hujur, he was cutting a ban,” the second woman interjected. “After the dream, I went to one hujur, Farid. From him, he cut the ban. I then met another hujur, he also cut the ban.”

Ameena disagreed. “No, it wasn’t good, it didn’t work. This tabiz, it is not linked to the Qur’an. Qur’anic things didn’t happen here [with the tabiz]. Bedormi jinish [things that are not of this religion] can do the cutting of the ban. It is done by non-Muslims. But a hujur cannot help.”

The first woman murmured her agreement with Ameena. After a discussion about the merits of local hujurs that included information from dreams, Ameena gave her diagnosis: “The problem you are facing—it is bedormi [outside the religion]. So you have to go to bedormi boiddo. If you go to bedormi boiddo, he will understand, and it will work.”

In these exchanges, the configurations of healers, and their abilities to engage with an array of bans, blockages, maladies, and conflicts, resists schematization. In a providential world—a world helmed by an omniscient, omnipotent divinity—there are vast meanings to the distribution and mobilization of blessings and harms that create transactional modes and responsibilities between people. On a practical level, these vast meanings are a kind of cacophony to be navigated through attempts to match the profile of a ban, blockage, or problem with the profile of the healer whose abilities and background allow her or her to address it. The
logic applied to one case (e.g. a bedormi ban, or blockage originating outside Islam, can be addressed by a Muslim boiddo but not a Muslim hujur) has no bearing on other cases.

Perhaps most strikingly, in the last instance, Ameena argued that recourse to the divine Qur’an would be ineffective, and a bedormi boiddo would be more appropriate.\textsuperscript{102} The ubiquity of kobiraj and boiddo practices in Bangladesh (e.g. wearing the protective amulets, or tabiz) belies the undercurrents of danger to these practices, which teeter on the edge of forbidden jadu. While Islam accommodates liminal zones and their personae (i.e. dreams and jinn) jadu requires the intervention of healers or spiritual guides—not God. These healers and guides, whether Muslim, Hindu, or Buddhist, can alter life or exert control others in ways that exceed the reach of God, or render intermediaries such as hujurs ineffective. The community conversation surrounding different local healers, their reputations, and their particular abilities or strengths speaks to the indeterminacy—the not knowing—and space for collective participation in determining the source of a problem and the best course of treatment. The stakes of choosing well are high, linked to the women’s scarce financial resources: a visit to a hujur, boiddo or kobiraj may cost thousands of taka or a day of travel—extreme hardships requiring the sacrifice of necessities or indebtedness.

In the place of clear cause-and-effect relationships, the confusion-form provides a way to acknowledge the divinity of God even as potential understandings of malady and blockages and appropriate courses of action dismiss the reach of God. In the final conversation above, Ameena dismissed the relevance of Qur’anic knowledge in helping the woman to improve her dizziness, insisting that the problem originated outside the reach of the Islamic providential universe, and

\textsuperscript{102} Earlier however, Ameena indicated that Zaid hujur’s apprentice did the have ability to cut a bedormi ban, suggesting that the religious profile of bans does not need to match the religious profile of healers and tools used to remove the bans.
thus the solution would be external to this universe as well. Ameena’s claim could be understood as forbidden *shirk*, as a presumption of knowing the outer boundaries of God’s reach, and attributing divinity to something or someone other than God.

However, I suggest that Ameena was not speaking in the register of truth-claims. She is mobilizing the confusion-form in a productive way: her suggestion *might* be true. Tellingly, Ameena offered this possibility after the distressed woman put forth her own theories regarding her dizziness: first, that it is a *ban*, a blockage purposefully imposed by a third party to cause her distress, and not simply an illness with a medical cause and solution. Second, that (Muslim) hujurs were able to successfully “cut” the ban, and thus remove the problem. While Ameena’s authority to speak presumably derives from her relationship with her personal immaterial hujur and jinn, who have imbued her with healing knowledge and boiddo abilities, the afflicted woman’s authority speak derives from her dream: she witnessed a hujur cutting a ban. Both women are thus speaking from *within* an Islamic providential universe, even if their suggestions (in Ameena’s case) appear to undercut the reach of God by locating phenomena and courses of action outside this providential universe.

**The possibility of convergence**

After becoming familiar with jadu in Zinukpara, I brought up the topic with Chacha in Dhaka. I explained I had moved in Ameena’s home, an Islami Bank RDS client, as was able to observe her traditional boiddo healer labors, and the engagement of many women in the community with the liminal zone of spells, blockages, and spirits. I asked for his opinion on this healing work.

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103 See Mittermaier (2014) and Khan (2006) on the importance of dreams in Islamic traditions as sources of knowledge.
“Ammu,” Chacha began, addressing me with a term of endearment, “this woman is deeply religious and her intention is good, but these things are not Islamic. In fact these things are against Islam, because it is *shirk*.”

“Why?” I asked.

“Because people look to something or someone other than God,” Chacha answered. “She is looking to her *hujur* [learned Islamic advisor or scholar] and people look to her. Rural people are not so educated, they might not know better, and so God will forgive them for this. Because it is unintentional. But if people know, they should not go to kobiraj.”

“When people know they are committing wrong and do it anyway, versus when people do something but do not know they are committing wrong....” I said, messily starting to formulate a question. “Is God merciful?” I asked instead.

“God knows we are flawed. I honestly believe that except for the worst offenders, God will show everyone mercy, and will forgive everyone. I believe that most people go to heaven,” Chacha answered.

The fact that first acknowledging that the kobiraj is “deeply religious and her intention is good” is important: despite differences in their class status, educational background, and knowledge of and adherence to particular rules, they exist within the same providential universe, as “flawed” people reliant upon God’s mercy for their inevitable shortcomings. The shortcomings of the kobiraj will be of a different sort than Chacha’s, but neither party can avoid them, no matter their intention, education, or background. Chacha’s words invoke his understanding one can know one’s own *iman* [faith] and *taqwa* [consciousness of God, piety], but cannot judge the iman or taqwa of others. This is why *niyyat*, or intention has long played a role in *fiqh ul mamalat*, or business jurisprudence: while one’s intentions toward God are
accessible to God alone, intentions toward earthy affairs and other humans are subject to
discovery. In this instance, Chacha is not commenting on the contours of Zinukpara’s spiritual
universe; that sort of question is irrelevant for him. Instead, he invokes a single, shared reality:
flaws are inevitable for all, and God’s mercy will be required for all.

When the Islamic (micro)financial relationship predetermines the subject positions and
power dynamics in relationships between institutions, employees, and clients, Chacha’s
invocation of a unifying “we” standing before God for mercy and the hope of jannat [paradise]
seems to insists on the possibility of convergence. This makes it possible for Chacha to reject
practices of Zinukpara clients as forbidden shirk, without questioning the devotion of clients.
This ability to hold the truth of both perspectives simultaneously is, I suggest, Chacha’s own
performance acknowledging not-knowing: he cannot know the hearts and intentions of the
clients. For him, the not-knowing is mobilized into a confusion form used to assert the equality
of him and Zinukpara’s women before God, even in the face of forbidden conduct.

**Conclusion: beyond textualism and jurisprudence**

This chapter is concerned with the possibility of relating in the midst of profound
inequality, a possibility accessed through the confusion-form of not knowing the reach of God in
a providential universe, a not knowing that is mobilized to different ends in Zinukpara and at the
IDB. Zinukpara residents struggled with liminal zones of maladies, healing, spirits, and
troublemakers. Public discussions concerning the sources of such problems (e.g. God-given, an
enemy’s intervention, other supernatural bodies) and appropriate courses of treatment capture
urgent interest in understanding cause and effect in a life and afterlife in which God is
omniscient and omnipresent.
Cause-and-effect is a delicate question: the hand of God is presumably present in all affairs, but one cannot presume to know the hand of God or why and how things occur. Clients and institutions grapple with this on very different registers. But in taking up the logic of reckoning with not-knowing, I am working through the possibility of intellectual, affective, and technical labors whose shared undertakings make Muslims visible to each other as fellow travelers, beyond predetermined modes of economic relating. In making this argument, I aim to contribute to a fuller accounting for the ways in which the poor and the wealthy are mutually imbricated, beyond the predetermined roles of charity giver and beneficiary; zakat dispenser and recipient. The presence or absence of wealth or poverty is not the only node binding the poor and the elite together, nor is it as broad as simply shared humanity. Focusing on a particular labor performed across socioeconomic strata provides a way to understand affective binds between different strata of Islamic financial participants, despite all the differences detailed in the preceding chapters, from different approaches to ethical potential of Islamic finance, to understandings of Islamic theology. While the ethnographic material of this chapter moves far from the conduct and processes of Islamic (micro)financing, it suggests the importance of attending not just to textual Islam or the Shari’a to understand the social justice potential of Islamic finance, but to orientations toward the world and the reach of God in it, to understanding how both the institution and the RDS client can be at home.
Chapter 6: The Politics of an Islamic Economic Social Justice

Thus far, chapters have been concerned with tracking how the history of Islamic economics, the depoliticization of Islamic finance as it articulates with conventional finance, and Shari’a compliance and proceduralism are experienced in Zinukpara, and how these experiences can be brought to bear on the transnational scales of the Islamic finance industry and the scope for understanding an economic social justice. In this chapter, I extend the analytical lens beyond individual RDS clients or the Islamic financial institution to examine the possibility of an Islamic economic social justice in light of a national macroeconomic political imagination. In other words, I will suggest, the national scale mediates the relationship between the global industry and poor clients.

Bangladesh’s demographics suggest that a vision of Islamic economic social justice should have an easy home. The country is 90% Muslim and overwhelmingly Sunni. It boasts a robust and growing Islamic finance sector; the Islami Bank is the market leader by far. And as manager of the world’s largest and oldest Islamic microfinance program, the Islami Bank should be heralded as an engine for socioeconomic development and for possessing a pro-poor orientation.

Instead, rather the opposite holds true: the Islami Bank remains deeply contentious in Bangladesh, scrutinized by the national government for supposed links to political, terrorist, and extremist Islamic organizations, although material evidence has never been provided, much less parsed by police or the judiciary. Antipathy toward the Islami Bank despite it’s the uniqueness of its pro-poor commitments within the global Islamic finance industry lead me to the problematic that this chapter seeks to address. Can an Islamic economic social justice be a “local” concept? The formulation “Islamic economic social justice” implicates a macroeconomic scale, beyond
simply the engagement of clients with a national or even international financial institution—the scales of my analysis in the preceding chapters. Here, I consider what an Islamic economic social justice might mean for the nation of Bangladesh.

This problematic immediately implicates the conditions precipitating and surrounding Bangladesh’s founding in 1971. Realization of economic social justice in Bangladesh, for a large part of the population, requires the disavowal certainly of Maududi, the colonial Indian and later Pakistani politician and founder of Pakistan’s Jamaat-i-Islami, if not the excision of a public acknowledgement of “Islam” altogether. As I discuss in the dissertation’s Introduction, Maududi’s work positing the new discipline of “Islamic economics” is foundational to now taken-for-granted ideas circulating globally within the contemporary Islamic finance industry. His intellectual labors bind together his articulations of an Islamic economic social justice with calls for revolution, nation-building, and the creation of Pakistan. This eventual creation of Pakistan in 1947—a nation of a West and East wing separated by a vast expanse of India in the middle—would lead to the economic exploitation and political exclusion of East Pakistan (present day Bangladesh) by West Pakistan (present day Pakistan). This exploitation and exclusion would culminate in a genocide of Bengalis at the hands of West Pakistan’s army along with pro-Pakistan Bengali collaborators.104

What many in Bangladesh call the Muktijuddho, or East Pakistan’s victorious 1971 Liberation War over West Pakistan, was a repudiation of this exclusion and exploitation, which had also threatened to allow a West Pakistani Urdu-speaking cultural superiority to gain root. What is particularly relevant for this chapter, however, is the fact that journalistic, popular, literary, and academic accounts of the war over the past four decades frame the Liberation War

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104 Describing the violence of Bangladesh’s 1971 Liberation War as a “genocide” is not without some critics; Gary Bass’ recounting of diplomatic cables and foreign reporting from 1971 explains how and why US Consul General Arthur Blood used “genocide” in his infamous telegram to the Nixon Administration (2013).
as a defense of Bangladeshi “secularism” against West Pakistan’s cultural, linguistic, and political interventions emphasizing its understanding of Islam as a public identity.

In this context, the notion of an Islamic economic social justice—especially one with Maududi as an intellectual forbear—is an immediately contestable premise for many in Bangladesh. In this chapter, I first track how the creation, growth, and self-determination of the Islami Bank has always been tied to political conditions in Bangladesh. To do this, I present a history of the political constitution and mobilization of ideas of Islam and secularism by multiples governments after the 1971 Liberation War. Cox’s Bazar is a particularly rich site in which to consider these labors of governments.

Next, I explain how and in why, in a particular moment in time from 2008 to 2014, the fate of Jamaat changed dramatically as an International Crimes Tribunal commenced. Through the broader climate this engendered among Jamaatis in Dhaka, it becomes possible to access a melancholy of Jamaatis struggling to express a postwar sense of loss and of a historical narrative being wrested away. Meanwhile, the politicization of Islam and secularism discussed in this chapter’s first section makes it clear that “Jamaati” is both a technical category (i.e. party membership), and a more ambiguously classification drawing on an array of affinities, relationships, and participation in particular historical, religious, and political conversations.

The historical and political concerns I chart in the preceding sections of the chapter establish the contextual conditions for the political controversy surrounding the Islami Bank Bangladesh, which I explore next. This controversy has parallels to the establishment and labors of the International Crimes Tribunals (ICT) and the immediate aftermath of the ICT’s verdicts. In addition to the political controversies surrounding political Islam versus secularism, and historical reckonings and the solidification of historical narrative, I explore another facet of the
Islami Bank’s controversial position: its successful engagement with the poor and precarious remitting money from overseas and availing its Islamic microfinance (the Rural Development Scheme, or RDS) offerings. To make this point, I explore the how the enterprise of development and the poor development subject become central to Bangladesh’s self-imagining in the aftermath of the 1971 Liberation War. Through this discussion, I am able to explain how a particular accounting decision of the Islami Bank, at first blush a straightforward embodiment of Islamic economic social justice principles, can be understood as a site for the practical management of political pressures. The point is not to diminish the ethical stance of the accounting designation, but to point out the various stakes imbricated in it. Even as the Islami Bank’s response is to distance itself from politics and present itself as a financial industry and not a political one, continuously asserting its ideological and material and technical distance from Jamaat, politics still re-organize its field of ethical commitments.

**Politicking Islam: *Muktijuddho* and Aftermath**

The *Muktijuddho* (1971 Liberation War) was precipitated by West Pakistan’s political exclusion and economic exploitation of East Pakistani Bengalis. East Pakistan was expected to funnel economic resources the West in exchange for military protection (Zaheer 1994). While West and East Pakistan were both comprised of multiple ethnic communities and smaller religious minority groups, the preeminence of an Islamic Pakistani identity for the divided wings of the country—fashioned in opposition to “Hindu” India—was quickly asserted by the Mahajirs who came to dominant Pakistan’s business and political elite.105 A sense of “Punjabi superiority” and “Bengali inferiority” (Saikia 38) became increasingly palpable across a range of economic,

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105 The political economy of these religious divisions Bengal predates the 1947 establishment of Pakistan, rooted in political economy of urban Hindu *bhadrolok* (gentlefolk) identity, and in shifting agrarian power dynamics between the *bhagchashi* (sharecropper) and *zamindar* and *jotedar* (landowner) classes (Chatterji 1994).
political, and cultural measures\textsuperscript{106} that privileged West Pakistan over comparatively
underdeveloped but agriculturally fertile East Pakistan. In 1970, years of exploitation and
exclusion reached an apogee, magnified through the prism of electoral politics when Pakistan
refused to recognize a Bengali, Sheikh Mujibur Rahman (Sheikh Mujib) as Prime Minister
despite his Awami League party’s landslide victory in populous East Bengal. In response, Sheikh
Mujib declared an independent \textit{Bangladesh} (Bengali country). In 1971, Pakistan’s formidable
army invaded East Pakistan, their efforts assisted by pro-Pakistan Bengalis, referred to (both then
and still today) as \textit{razakars}, or traitors. India’s eventual military intervention on behalf of
Bangladesh was the decisive element that ended the devastatingly destructive conflict on

After the war ended, articulations of a secular Bangladesh took aim against public
expressions of a collective Islamic identity, rather than the absence of Islam from individual or
ev en public life (Huq 2011). What precisely constitutes “secularism” remains an open question;
certainly in the immediate postwar period the goal was to articulate a national religious-cultural
identity in opposition to Pakistan’s Mahajir/Punjabi elite, whose own religious identity was
rooted in a very particular Islamic intellectual history.

The ambiguity of Bangladeshi secularism led to a striking incongruity: Bangladeshi
secularism has long encoded Islam in at least one highly public form. The “secular national
myth” (Uddin 2006: 136) grants full legal, affective, and cultural citizenship to Muslim Bengalis,

\textsuperscript{106} In 1948, one year after the Partition of India and the creation of Pakistan, the founder of Pakistan and Muslim
League leader Muhammad Jinnah proclaimed Urdu the state language of Pakistan, and dissenters to this policy as
“the enemy of Pakistan” (Baxter 1984: 31). He elaborated that Urdu, “more than any other provincial language,
embodies the best that is in Islamic cultural and Muslim tradition and is nearest to the languages used in other
Islamic countries” (Uddin 2006: 3). While Bengali was eventually accepted as an official language after a series of
violent protests, concerns persisted in Islamabad about insufficiently Islamic Bengali cultural expressions. A Bengali
Language Movement emerged demand the addition of Bengali as a state language. Protests culminated in a violent
confrontation with police at Dhaka University on February 21, 1952. Several Bengali language activists were killed.
February 21 continues to be honored nationally as \textit{Shaheed Dibosh} (Martyrs’ Day).
while generally excluding all others. Relegating debates about secularism and Islam to questions of political parties ensures that this broader exclusionary body politic remains undisturbed, and minorities remain vulnerable.

One of the richest sites for encountering this incongruity is in Cox’s Bazar—one of the reasons I chose it as a fieldsite. This district, sharing both land and river borders with Burma, is distinguished by religious and ethnic heterogeneity, with large populations of Hindus, Buddhist Barua, and Buddhist Rakhaing (who possess historic or present-day connections to communities in present-day Burma), multiple Adivasi (tribal or indigenous) groups, and up to 500,000 Rohingya (ethnic Muslim Bengalis) fleeing genocide in Burma’s bordering Arakan State but rejected by Bangladesh as ‘belonging’ to Burma. Cox’s Bazar town is also home to several nationally influential madrassas, and local elections have long been dominated by Jamaat-i-Islami and Awami Leaguers sympathetic to Jamaat.

These multiple groups live in a delicate peace, occasionally interrupted by violence, riots, land seizures, or property destruction targeting the minority communities. During my fieldwork, interreligious and intergroup tensions were visible through geospatial, political, and cultural contestations over history, access to resources, and various sorts of boundaries (whether

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107 This includes non-Muslim Bengalis (e.g. Bengali Hindus, Christians, and Buddhists), non-Bengali Muslims (West Pakistanis stranded in Bangladesh after 1971, known as Biharis), and non-Muslim non-Bengalis (tribal communities, primarily in the Chittagong Hill Tracts). Minority communities endured persistent threats to personal safety, property, and mobility before 1971 and majoritarian perceptions of their exclusion from the Bangladeshi body politic were, if anything, exacerbated after 1971. Even the secular Bengali nationalism that galvanized support for the independence war and anchored Sheikh Mujib’s popularity in the war’s aftermath excluded the non-Bengali and non-Muslim Bangladeshis who constitute around 10 percent of Bangladesh’s population.
imagined, embodied, or militarized) between public, private, and broadly ‘national’ spaces such as monuments or government-owned facilities. This implicated the quotidian everyday (e.g. discourses and comments of Bengali Muslims and Rakhaing regarding the comparatively revealing clothing styles of Rakhaing women, the fact that certain professions are reserved for minorities, pejorative associations of minorities’ political voting habits), as well as less-frequent events (e.g. the annual multiday Thungran (Buddhist Water Festival) in Cox Bazar Town, involving mixed-gender water games, parades, and alcohol-soaked public dancing, a test of the town’s Islamic conservatism).

In Cox’s Bazar, where the historic contingency and invented-ness of national borders is a lived reality (I easily waded across the Naf River border into Burma, alongside a goat herder, a wandering cow, and several men carrying bundles of goods for sale), it is readily apparent that what counts as “Bangladeshi Islam” is laden with political identifications and historical claims.

A rich literature explores the “cultural” dimensions of Islam in Bengal, focusing on literary production, religious pedagogy, and the creation and transmission of religious and political authority of Sunni and Shia Persians and Arabs; French, British, Danish and Portuguese traders; and indigenous tribes under Sultanate and Mughal rule from the 12th to 18th centuries (Ahmed 2001 and 1981, Baxter 1984, De 1998, Roy 1983). But the borderlands of Cox’s Bazar, where Islam has long existed alongside Buddhism, have historically been overlooked in this literature, which focuses overwhelmingly upon the “great” and “little” traditions in Islam and Hinduism in Bengal, including the elite ashraf class of Persian-Arab origin, brahmanical and Sanskritic Hinduism, the indigenous non-ashraf, pirs, and local yogic-tantric cults (Eaton 1993, Roy 1983, Uddin 2006, Stewart 2001).108

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108 Today, arguably the greatest depth of scholarship regarding these borderlands concerns 17th to 19th century poetry and courtly letters in the Arakan kingdom of Mrauk U, encompassing present-day Arakan State in Burma, and Cox’s
These borderlands have also been overlooked in political and popular imaginings of Bengali Islam. This can be attributed in part to the impacts of how exactly difference and interaction has been imagined. Ernst and Stewart (2003) observe that conceptions of syncretism tend to attach “primordial narratives” to concepts of religion that are in fact often “products of modern political processes.” Asim Roy’s meticulous *The Islamic Syncretistic Tradition in Bengal* (1983) for example, elides the political work involved in constituting religions in Bengal as distinct totalities that can then intermingle. This section’s detour into the heterogeneity of Cox Bazar offers a field-based view into the visible, lived shortcomings of this elision.

Since 1971 independence, elisions of the political construction of ideas of “Islam” and “secularism” have facilitated the mobilization of ideas of Islam and secularism by multiple governing administrations for their varied political goals, even as the content or logics of these ideas have been conflicting and incongruous, a point I explore in the final section of this chapter.

Indeed, accounts of Bangladeshi nationalism focus on devotion to secularism or Islam as the provenance of opposing political movements: the creation of Bangladesh in 1971 was propelled by secular nationalism; Sheikh Mujib and his Awami League party were—and still are—widely considered vanguards of secular politics. Under Sheikh Mujib, brand-new

Bazar district in Bangladesh (Irani 2011, d’Hubert 2014), and contemporary Bangladesh-Burma bilateral relations, particularly regarding maritime borders and offshore natural gas fields, a proposed Bangladesh-Burma-China trade highway, drug smuggling, Rohingya refugees, and border militarization.

109 Berlin describes syncretism as the “borrowing, affirmation, or integration of concepts, symbols, or practices of one religious tradition into another by a process of selection and reconciliation,” 1980: 9, in van der Veer 1994: 199.

110 An alternative approach could involve instead concept of “multireligion” – described by Walters (1995) as the ongoing visibility of religious difference coterminous with a formation embodying multiple strands of religious difference – could help enable an accounting for the religious and political uniqueness of Cox’s Bazar borderlands, particularly relationships between Muslims and Buddhists, in a way that acknowledges the political processes that create and sustain ideas of Islam and Buddhism in Bangladesh. In my Zinukpara field site in Cox’s Bazar division, Muslims do not negatively constitute their subject position through exposure to an “other” (c.f. Bellamy 2011). As I explain in Chapter 3, Muslims may in fact require a Buddhist healer to address psychic, physical or emotional ailments.
Bangladesh’s first constitution established four guiding principles: nationalism, socialism, secularism, and democracy. When Sheikh Mujib was assassinated and Ziaur (Zia) Rahman and his Bangladesh Nationalist Party (BNP) assumed leadership, Zia lifted a ban on religious political parties and modified the constitution to replace “secularism” with “Islam.”

However, this distinction of the Awami League as the vanguard of a secular Bangladesh is easily complicated. In the years following independence, “secularism” under Sheikh Mujib proved mutable. Public expressions of Islam were strategically deployed depending on the priorities of political movements and shifting political configurations in a parliamentary system favoring multi-party alliances (Feldman 1998), and amidst crisis situations for the new, fragile country. Postwar, there was a lack of infrastructure to assist the majority-rural population and a greatly diminished intelligentsia; the Pakistani Army systematically murdered educational, cultural, and political leaders for the new nation of Bangladesh in spates of targeted assassinations, including in the final days of the war. In 1974, government mismanagement and uneven resource distribution led to a devastating famine that killed around one million. As Sheikh Mujib sought to build trade relationships, establish alliances, and receive international aid, he maintained Bangladesh’s secular front to the West while, as Jahan explains, he “played up its Muslim image and supported the Arab side during the 1973 Arab-Israel conflict” in a bid to “gain recognition from the Arab block countries” (2001: 11).

After Sheikh Mujib’s assassination in 1975, political forms of Islam were explicitly reintroduced to the national public stage. Coup leaders freed members of the Islamist party Jamaat-i-Islami from prison, where they had been consigned due to their support for Pakistan during the war. Months later, when a military mutiny gave power to Zia Rahman of the BNP, he supported the reinstitution of an Islamic state by lifting Sheikh Mujib’s ban on religious parties,
allowing the Jamaat-i-Islami to re-enter politics. In 1978, Bangladeshi Jamaat leaders exiled after 1971 for collaborating with the Pakistani Army were allowed to return to Bangladesh, where many went on to assume leadership positions in the Jamaat. To secularists and supporters of Sheikh Mujib’s Awami League party, this “rehabilitation” of Jamaat was a reprehensible maneuver that absolved razakars of the crimes aiding and abetting genocide, and blasphemed the sacrifices of freedom fighters who fought for a secular Bangladesh (Uddin 2006: 123). It was also a strategic maneuver that broadened the new government’s support base, and would eventually enable a winning alliance between the BNP and the Jamaat in the 2001 elections. To proponents, this allowed for greater religious freedom by not circumscribing when or how Islam and other religions could enter the political sphere, and was a postwar gesture of conciliation. The 1975-78 rehabilitation of jailed and exiled Jamaatis and razakars were critical and consequential (if opaquely executed) decisions, and will resurface in the next section of this chapter.

Shortly after assuming power, Zia also declared Islam the state religion and altered the Constitution without any consensus, adding the phrase “absolute trust and faith in the Almighty Allah” to the triumvirate of “nationalism, democracy, and socialism.” He also sought to align Bangladesh with the Arab Muslim world through social measures and economic policies, by encouraging efforts to bring Islamic banking to Bangladesh, and encouraging links between mosques, madrassas, and Saudi institutions (Feldman 2001: 217).

After Zia’s assassination in 1981, Army Chief of Staff Hussain Ershad ruled Bangladesh first under a declaration of marshal law, and then as elected President through the 1980s. In the absence of a parliamentary form of government, Ershad deferred to Islam and the Shari’a on matters of legality and propriety. It was in this environment that, in 1983, former Saudi diplomat
to Bangladesh Ali Al-Ghamdi helped establish the Islami Bank Bangladesh Limited (the Islami Bank), the first Islamic bank in South and Southeast Asia outside Pakistan. According to Al-Ghamdi decades later, the Islami Bank’s charitable foundation and goal of helping Islamize Bangladesh’s entire financial system has enabled the Islami Bank to emerge as a “cultural institution” that plays “an important role in almost every aspect of the lives of Bangladeshis” (Wahab 2006). In 1988, Ershad expanded Zia’s Islamic constitutional modifications with an amendment that rendered Bangladesh an Islamic state: “The state religion of the Republic is Islam, but other religions may be practiced in peace and harmony in the Republic.”

The Islami Bank thrived, particularly among the poor and precarious classes constituting the vast majority of Bangladesh’s population through the 1980s, 1990s, and early 2000s. Jamaat thrived as well, and would eventually enter into a ruling coalition government with the BNP (now helmed by the assassinated Zia’s widow, Begum Khaleda Zia) from 2001 to 2006.

In the following section, I offer a telling of how and in why, in a particular moment in time in late 2008, the fate of Jamaat changed dramatically, and why this affects the political and cultural terrain on which the Islami Bank operates.

**Changing Political Fortunes: Jamaat-i-Islami in Washington DC**

In late fall 2008, I was an U.S. government employee sitting at a Washington DC boardroom conference table across from Abdur Razzaq and Muhammad Kamaruzzaman, leaders of Bangladesh’s Jamaat-i-Islami Islamic political party. They described the Awami League’s insistence on holding war crimes tribunals for the atrocities of the 1971 Liberation War. Such tribunals, they argued, would result in human rights violations for Jamaatis: perfunctory trials, forgone guilty verdicts, and summary executions.

My employer was the United States Commission for International Religious Freedom (USCIRF), a small federal commission established during the Clinton Administration to advise the Secretary of State, Congress, and the White House on using US foreign policy to protect the freedom of thought, conscience, religion, or belief, per Article 18 of the 1948 Universal Declaration of Human Rights, and Article 18 of the 1966 International Covenant on Civil and Political Rights. USCIRF was not particularly prominent or effectual.\textsuperscript{112} Nonetheless, foreign visitors seeking to lobby the US government would make their rounds on Capitol Hill; our office was often one such stop among many. We met often with religious leaders, human rights activists, and representatives from minority and other persecuted communities across the world.

This was an unusual meeting. Until recently, Jamaat-i-Islami members could be understood as directly complicit in some of the religious freedom violations that USCIRF tracked in Bangladesh. After the BNP and Jamaat coalition’s election victory in 2001, a wave of violence targeted religious and ethnic minorities (particularly Hindus). Investigations and accountability was minimal. The small minority Ahmadi community endured consistent abuses and restrictions on their rights (USCIRF 2008). To critics, these trends bolstering the power and reach of political Islam and a broadly ‘Islamic’ national identity were a worrying repudiation of Sheikh Mujib’s legacy and the Awami League’s vision of secularism for Bangladesh. A rising tide of “militant Islamic” movements sought to establish various forms of Islamic or Shari’a-inspired rule through violence, including bombings and grenade attacks targeting politicians, the judiciary, journalists, and NGOs, particularly those engaged with women’s rights.\textsuperscript{113}

\textsuperscript{112} After joining USCIRF I came to learn that our Congressional champions were primarily conservatives invested in the rights of Christians overseas. I eventually resigned in protest over a discriminatory hiring decision.

\textsuperscript{113} This included bombings in Mymensingh in 2002 that killed 17 and injured hundreds; grenade attacks in August 2004 targeting Awami League leader Sheikh Hasina and other party members in which 22 are killed; and a wave of coordinated bomb attacks (approximately 350) in all but one of Bangladesh’s 64 districts on August 17, 2005 that killed two. Bomb attacks in October and November 2005 targeted courts and judges, and one of the country’s few Hindu judges was killed. Perpetrators in the 2002 and 2005 attacks were linked to the group Jamaat-ul-Mujahideen.
When this BNP-Jamaat alliance government expired in October 2006, a constitutionally-mandated three-month “caretaker” period commenced to ensure neutrality for the January 3, 2007 elections. But this January election date came and went, and a military-enforced State of Emergency was declared on January 11, 2007. This extra-constitutional caretaker government would last for nearly two years. It was marked with political violence from the start, as the Awami League initiated *hartals* (strikes) and riots in protest of allegedly manipulated voter rolls. The BNP and Jamaat staged counter protests and hartals. Meanwhile, the caretaker government and military proceeded apace with an anticorruption program, suspending civil rights and due process in the meantime. Extrajudicial killings, arbitrary detention, torture, and arrests rose precipitously. Charges could be spurious (e.g. open bottles of alcohol; Bangladesh is officially a dry country), bolstering the idea that key individuals in both the Awami League and BNP were being targeted for political reasons. By the time a curfew was imposed in Dhaka in August 2007, civil society, newspapers, and international observers were starting to wonder if democracy and the rule of law had a viable future in Bangladesh, and if the caretaker government was merely the “velvet glove” of an underlying military coup.

To return to my Washington DC meeting in the late fall of 2008 with Barrister Razzaq and Mr. Kamaruzzaman: the meeting was also unusual because they explained that they understood themselves, as Jamaatis, to soon become targets of persecution. However, by many accounts, the caretaker government seemed curiously accommodating of Jamaat, even as it

Bangladesh (JMB), alternately described as “Islamist,” “radical Islamic,” and “militant Islam,” in the reporting from 2005 to 2007. JMB was banned by the government (ICG 2006, Amnesty International 2006, USIP 2006, USIP 2007). See Riaz (2008, 2004) for a fuller history of the tumultuous rise and government reckoning with large and smaller scale Islamic groups that stockpiled weapons, engaged in training, and enacted or planned to enact violence to a range of stated ends in the name of Islam.
actively tackled corruption at the highest levels of the Awami League and BNP.\textsuperscript{114} A few months before I met with Razzaq and Kamaruzzaman, I had written on other elements of this apparent accommodation of Jamaat for USCIRF:

“Since the onset of the state of the emergency, Islamist groups have risen in political prominence and public visibility. In August 2007, restrictions on assembly under the emergency rules were ostensibly, although inexplicably, waived to allow Jamaat supporters to stage public protests against the publication of a newspaper cartoon satirizing an element of Bangladeshi Islamic culture. The newspaper was successfully pressured into firing a deputy editor, and the cartoonist, Arifur Rahman, was jailed without charge for seven months. Bangladeshi media also widely covered attempts by Jamaat to both dispute their documented pro-Pakistan stance in the 1971 independence war, and recast the war as a civil conflict without significant bloodshed or atrocities, such as rape. In March 2008, restrictions on assembly were again seemingly lifted to allow protests by Islamic groups against a policy proposed by a consortium of women’s organizations to strengthen the constitutional provision for the equal rights of women” (USCIRF 2008: 199).

Jamaat sought to replace Bangladesh’s secular constitution with laws based in Shari’a, but publicly claimed its commitment to democratic processes. Jamaat’s political platform distanced it from the violent Islamic parties, against which the caretaker government was concerned.\textsuperscript{115} Jamaat’s stated moderation and commitment to democracy even made the United States government a perhaps surprising ally of Jamaat for a brief golden period in 2008 through 2013. Positive working relations between the US Embassy in Dhaka and Jamaat were no secret: in public statements the US Government often spoke of Jamaat as a pro-democracy and “moderate” Islamic party, and sought to maintain relationships to demonstrate support for those positions and in the event that political winds shifted and the BNP-Jamaat alliance found itself ascendant at the end of the caretaker government’s tenure. The US, along with perhaps the UK

\textsuperscript{114} The Awami League’s leader, Sheikh Hasina, was jailed from July 2007 for 11 months on charges including extortion, corruption, and murder (she received medical parole in June 2008). The BNP’s leader, Khaleda Zia, was imprisoned on graft charges (next door to Sheikh Hasina, in fact) and kept on extended house arrest.

\textsuperscript{115} In March 2007, the caretaker government executed six members of the banned Jamaat-ul-Mujahideen, including its leader Sheikh Abdur Rahman and Siddiquul Islam (known more commonly as “Bangla Bhai”) for their role in the 2005 bombings (see footnote 9).
and some Gulf countries, was largely alone in having such a positive working relationship with Jamaat. Friends of mine in the US diplomatic corps recounted enjoyable social trips around Dhaka waterways on the boat of Mir Quasem Ali, a wealthy Jamaat supporter, philanthropist, and businessman whose varied portfolio spanned media to pharmaceuticals.

Why the concern, then? Why were Razzaq and Kamaruzzaman lobbying the US government for their assistance in securing the safety of Jamaat now? Talk of an end to the caretaker period was increasing; parliamentary elections were thought to be imminent. And indeed they were: elections were finally held on December 29, 2008. Per Bangladesh’s anti-incumbency tradition, the Awami League won two-thirds of the vote (over 250 seats out of 300), bypassing the need for a coalition government—they had full control. This rendered the previously ruling coalition of the BNP and Jamaat extremely vulnerable. One of the Awami League’s campaign promises—to which some observers attribute the strength of their electoral victory—was a war crimes tribunal for the razakars—Bangladeshis who colluded with the Pakistani Army during the Liberation War period, from March 25 to December 16, 1971, committing or facilitating acts of genocide and rape.

The Awami League’s International Crimes Tribunal (ICT), with trials conducted from 2012 to 2014, proved to be a reckoning with the past in which the atrocities of war became bound up with political rivalries and disagreements that spanned the present, the immediate aftermath of the 1971 Liberation War, and the intervening 40 years. As discussed in Section 1 of this chapter, soon after the war, imprisoned Bengali collaborators with the Pakistani Army—known as razakars, or traitors—were, as far as the historical record suggests, unilaterally and extrajudicially pardoned by General Zia.\footnote{See Alamgir (2010) for a particularly sensitive accounting of the legacy of these decisions on the eve of the ICT’s creation.} Under General Ershad, these freed individuals’
rehabilitation into the mainstream was given the imprimatur of official approval when they were allowed to re-constitute the Jamaat-i-Islami political party. Former razakars now circulated among Bangladesh’s political elite. With their ascendency into the ruling BNP coalition in 2001, the transformation was complete: those who once helped organize mass killing and rape to prevent the creation of an independent Bangladesh now helped rule the young country. Despite fairly persistently low gains in national elections (Riaz 2004, 2008), Jamaat had risen to national prominence on a platform casting Bangladesh as a Muslim country. Several high-profile former razakars constituted Jamaat’s senior leadership.

Razzaq and Kamaruzzaman’s concern proved prescient. Kamaruzzaman was found guilty by the ICT on May 9, 2013, and executed by hanging on April 11, 2015. Razzaq left Dhaka for unofficial exile in London in 2014, where he lives today. Mir Quasem Ali, the businessman who hosted US Embassy staffers on boat trips, was found guilty by the ICT on November 2, 2014, and executed by hanging on September 3, 2016.

The Melancholy of Jamaat-i-Islami and “Jamaati Types”: Calculations of Loss

My first month conducting field research in Bangladesh on Islamic finance was exploratory. I sought to identify key institutions, individuals, and interesting ideas to pursue. I shared news of my project with old Bangladeshi friends. I said yes to every invitation. Contacts from my US government days led to encounters with Dhaka’s political and civil society elite – an immediate lesson in the density and intimacy of these networks. One of Prime Minister Sheikh Hasina’s senior advisors confided in hushed tones over lunch and Coronas at the beautifully landscaped grounds of the American Club in the posh Gulshan neighborhood that if it were up to him, he would ban Jamaat altogether. “Let them go underground!” he declared. That way, the extent of their illegal activities and extremist networks can finally be laid bare, he
explained. He conceded that the Prime Minister would never agree to this; it would be too dramatic.

I tracked down any seemingly relevant office to schedule an informal informational interview, and met with my old Bangla language tutor from when I lived in Bangladesh in 2005-2006 to refine my financial and religious vocabulary and grammar. I also had a technical knowledge gap to address, and so spent part of each week catching local buses to and from central Dhaka’s Paltan neighborhood to conduct an Islamic finance literature review in the library of a new-ish Islamic bank. The male librarian requested I cover my head while working in the library and never stopped studiously avoiding eye contact, but gamely entertained my questions about his bank’s position in Bangladesh’s Islamic finance sector, basic issues in Islamic finance, and which volumes I should consult. One day he even told me about his recent trip to Pakistan for a months-long dawa (preaching, outreach) trip as a member of Tablighi Jamaat, an international Islamic proselytizing organization. He retrieved his passport from his desk and pointed out the stamps. On another occasion, his wife sent him into work with two lunch tiffins, one for him and one for me. He noted that mine had egg bhaji but no meat; I was touched he remembered my vegetarianism, mentioned offhand. Per his Tablighi bearing and my interest in Islam, he even started forwarding me occasional devotional text messages, the kind that mobile providers send to subscribers for a small fee: a Qur’anic ayah or a habit of the Prophet to emulate.

One morning before I headed into the library, an item in the Daily Star newspaper caught my eye. It was only a few sentences:

“Religious affairs ministry has removed all books written by alleged war criminals and people involved in preaching ideology of Maududi, considered as the think tank of Jamaat-e-Islami, from all countrywide libraries based in mosques and others run by the Islamic foundation. State Minister for Religious Affairs Ministry Shajahan Mia said this
in parliament yesterday during question hour. He also said steps will be taken if any library still has those books” (Daily Star 2010).

That was it. There was no official press release; I didn’t catch mention of this in the other major dailies or discussed on TV talk shows. Perhaps the correspondent just happened to be paying particularly close attention to the answer to a particular question during Parliament’s scheduled question hour?

Maulana Abul Ala Maududi is the 20th century scholar and founder of Pakistan’s Jamaat-i-Islami. I was studying his robust intellectual work concerning Islamic finance, but with respect to the Minister’s suspicions, he was not a central intellectual presence in Bangladesh. Later that day, aware of the compilation of Maududi’s speeches that sitting on my desk a few feet over, I asked the librarian why Maududi’s books were now banned.

“Maududi khub bitrichito. She jonno ei sorkar ei figure posondo kore na [he is very controversial and for that reason this government does not like him],” he responded.

“Kano [why]?” I asked.

“Karun rajnoitik figure [because he’s a political figure],” he replies.

“Mane ki…[which means…]?” I pressed.

The librarian raised his eyebrows, sighed, and repeated himself. “Tini bitrichito…rajnoitik figure [he is controversial…a political figure].”

“Ami bhujlam na…I do not understand…],’’ I said, expecting to hear a defense of Maududi and a criticism of the government. Perhaps more accurately, I was making the novice’s mistake of wanting to hear it—a cite-able paragraph for my field notes that could elegantly summarize my own thoughts on the topic.

The librarian gave a thin smile. “Asholey amar nijer mot bolte pari na [actually, I cannot say my own opinion].” He changed the topic, and asked where and when I will take my lunch.
The summer of 2010, I would later be told by interlocutors within the country’s Islamic finance sector, was a time of arrests of high-profile Jamaat-i-Islami leaders and unscheduled, aggressive police phone calls and visits to the homes and offices of Jamaat party intellectuals, Islami Bank officials, and business leaders known to be active in Islamic political circles, such as Mir Quasem Ali. The librarian’s response, “actually, I cannot say my own opinion,” was a lesson to not place ethnographic weight exclusively on words, but to acknowledge silences as consequential as well. In flagging Maududi’s status as political and controversial, and then refusing to speak further, the librarian indicates the simultaneous internalization and awareness of self-censorship and the depth of the state’s reach into this small, windowless, dusty library—his gestures of consideration and even avuncular intimacy (the egg bhaji, the motivational Islamic SMSs) toward me notwithstanding. The wrong words could betray one’s position and open oneself up to dangerous state scrutiny—but the equally salient danger is that the bar for what marks one as a potential enemy of the state was newly low and ambiguous. Words are open to being misinterpreted and misunderstood.

Even if political scores might have been ostensibly settled through Zia’s unilateral pardons of razakars decades ago, in 2010 Jamaat was still explicitly conflated with an affinity for or affiliation with Pakistan. But while the librarian was still willingness to show me his passport stamps from Pakistan, he was not willing to comment on the government’s Maududi ban. This is particularly interesting because Bangladesh’s Jamaat-i-Islami functionally shares very little with Pakistan’s Jamaat-i-Islami, other than the name and Maududi as a common intellectual ancestor.

But suffering of 1971 indexed by invocations of Maududi is stronger than these loose ties; his entwined theorization of an Islamic economic social justice and revolutionary call for the creation of Pakistan came to have unequivocally grave consequences for the Bengalis of East
Pakistan. The economic exploitation of the East by West Pakistan is borne out in historical records: natural resources were extracted for the financial enrichment of the West, meaningful infrastructure and social development of the East (hospitals, schools, and so on) was withheld, and Bengalis of the East were not permitted representation in the national Parliament. Conflation of this tightly managed economic inequality, the denial of political representation, and the sting of Urdu-medium cultural superiority and attempts to override Bengali identity eventually became rallying cries for independence.

A few days later, I attended an international conference on the war crimes tribunal at a fancy hotel, featuring speeches by the Bangladesh Finance Minister and a Scandinavian parliamentarian. One presenter, the eminent Dhaka University economist Abul Barkat, explained that “fundamentalists have created an economy within an economy…via microcredit and other programs.” If taken in the context of this pro-war crimes tribunal conference, Barkat’s explicit positioning of the Jamaat-i-Islami and the Islami Bank as central nodes in Bangladeshi terrorist networks (a point he went on to make in his remarks) seems to bolster the charge that the war crimes tribunal is modern-day political vengeance to benefit the Awami League and diminish its main opponents.

However, Barkat’s broader body of academic work suggests that a slim view of Barkat’s intellectual commitments—and more importantly, the idea that post-1971 political discourse can be parsed along the “Islam versus secularism” cleavage—is incorrect and disingenuous. Barkat is a trenchant observer of the distribution, management, political, and legal status of land in Bangladesh, a country about the size of Wisconsin with a population about half the size of the United States. Land is precious because there is very little of it, and so offers a way to track how Islamist and secularist expressions or affiliations can be understood as artifacts of broader
processes of claims and counterclaims over scarce land resources. My intervention here is to suggest that whether Barkat’s assessment of Jamaat and the Islami Bank is technically accurate or not is less important than the way his assessment allows a glimpse onto the political economies surrounding contestations over Islam versus secularism in present-day Bangladesh. Controlling land and other resources are the sites of everyday contention, around which alliances and oppositions coalesce. In not eliding the political economy of the construction of “secularism” versus “Islam” in Bangladesh, an accounting for the possibility of an Islamic economic social justice would require reckoning directly with the legacies of West Pakistan’s economic exploitation of East Pakistan, and of postwar attempts by multiple governments to access political recognition and donor streams by strategically leveraging secular or Islamic affiliations or ambitions.

To return to the conference advocating a war crimes tribunal: A visiting British terrorism expert followed up Barkat’s comments affirmatively, referencing “one of the Jamaatis or—,” and here he shifted to sotto voce, “—Jamaati-types. You never know who they are.” This was a startling statement that shed light on the librarian’s reticence to criticize the government on its Maududi ban, much less defend Maududi. “Jamaati type” casts a wider net for scrutiny than those paying their monthly party dues. What exactly, within the dense networks of urban (Dhaka and Chittagong) financial, cultural, business, and civil society elite, are the thresholds for determining a Jamaati “type”? What is the place of Islamic finance in this field of symbols, signifiers, perceptions and presumptions?

117 Barkat et al’s study into the political economy of chars, or silt and sand landmasses that disappear and reappear according to seasonal and climactic changes (2007), and study of khas land, or government-owned land (2001) chart how livelihoods, occupancy, and administrative claims are shifting, precarious, and require constant reasserting of rights. The Vested Property Act has been used by various governments to seize lands owned by “enemies” of the state. In practice, this has been tool for the acquisition of property owned by the Hindu minority since 1971 (Barkat 2000).
This scrutiny surrounding the Islami Bank (which I explore in greater detail later on), growing steadily since the Awami League assumed power at the start of 2009, introduced methodological issues of gaining access to the bank, by now my chosen subject as the market leader in Bangladesh’s Islamic finance sector, possessing particular strength in Islamic microfinance. Securing contact information and meetings at the Islami Bank and other Islamic financial and economics institutions required the introduction of well-connected, trusted insider willing to vouch for an unknown outsider.

Within this climate, I was fortunate to receive the access to the Islami Bank that I did—access that stemmed from a serendipitous first encounter. During that first month, I was invited to an Islamic economics institute’s board meeting by a scholar I had emailed after reading his publication online. During the meeting, another board member praised my interest in Islamic finance and declared himself my Chacha (Uncle). Over my four-year fieldwork span, Chacha and I would go on to have nearly 50 hours of discussion over lunch or tea at his home, with most of it audio recorded at his request. The majority of the conversations I scheduled with individuals in Bangladesh’s Islamic finance industry were preceded or followed by call from Chacha, vouching for my credentials, ability, and my project. While he sometimes recommended individuals or institutions to me based on an interest or question of mine or a thread of a discussion between us, usually he simply helped facilitate connections I hoped to make. As a co-founder of the Islami Bank, and as a former Director of the Board of Revenue and Secretary of the Treasury, one step down from the Minister, these connections ran deep.

His mentorship was fortuitous not because I was American, female, or non-Muslim (attributes that were, at times, barriers to certain forms of access), but because Chacha was devoting himself to teaching and scholarship since his retirement. He is a Chacha to many,
having taught, by his count, thousands of male and female students through home study circles over the years. The network of his former students spreads across several continents, and remains active on social media and email lists, sharing his publications and viewpoints.

At a certain point, Chacha and I visit the Islami Bank’s spacious and immaculate six-story training and research facility in Mohammadpur. The facility is adjacent to the infamous Geneva Camp, a slum of Urdu-medium Pakistanis known as “Biharis,” who were left stranded and stateless after Pakistan lost the Bangladesh independence war in 1971. In a controversial 2008 decision, the Bangladesh High Court finally allowed the children of Biharis to possess Bangladeshi citizenship, although many continue to have trouble securing identifying documents, and social prejudice against Biharis endures unabated.

I commented on our proximity to Geneva Camp to Chacha, interested to hear his opinion on the situation of the Biharis.

He responded with a Qur’anic recitation in Arabic. “Do not hide truth with falsehood. Surah Bakarah,” he translates. “200,000 Biharis were killed in ’71; only 100,000 Bengalis were killed,” he says.

This was a radical departure from statistical ranges estimated from newspaper reports, individual narratives, and other historical sources that place Bangladeshi deaths closer to one million. I ask him why other sources don’t report these figures. Chacha explains that no comprehensive report into the numbers of the dead has ever been conducted, so everybody’s statistics lack evidence.

The conversation moves on to other topics, but the war crimes tribunal comes up in conversation again a few weeks later. This time, Chacha says that “100,000-plus” Biharis were killed, while “30,000-40,000 Bengalis were killed, at most.”
Chacha is an eminent economist and accomplished banker. He sits on several boards of private and non-governmental entities. He is fluent in Bangla, English, Arabic, and Urdu, and widely published on economic, political, and religious topics. He is too careful to play fast and loose with numbers. Rather than indicating carelessness or inaccuracy, what stands out in these references of Bihari deaths is the messiness of attempting to isolate, name, and justify a sense of loss for a united Pakistan. This sense of loss does not have a home in narratives surrounding the categories of razakar or freedom fighter/Mukti Bahini, and strains to find expression.

Dina Siddiqi’s 2013 study of Biharis in present-day Bangladesh suggests why the semiotics of the figure of the Bihari might be so powerfully evocative for Chacha: the Biharis are so named because they are those Muslims who migrated to East Pakistan from Bihar and elsewhere in India during the 1947 Partition, in which East and West Pakistan were carved out of India. Chacha’s focus upon unfairness concerning Biharis in a historical record shaped through a ‘victor’s justice’ indexes a loss greater and more complex than the dissolution of Pakistan in 1971 alone. The imagination of what Pakistan could be that propelled the creation of Pakistan in 1947, the violence that accompanied this the Partition and the expulsion of Hindus from East Pakistan, the decision of thousands to migrate from India to join Pakistan project in the East – there has been no reckoning for a palimpsest of loss and hope that defined, at a bare minimum, the 24 years of East Pakistan’s existence.

Strikingly, Chacha had no comment on the present-day precarity and entrenched poverty of Biharis, or the multigenerational suffering of Geneva Camp’s residents. His vehemence and interest in the topic of the Bihari was pointedly historical.

Postwar journalistic, popular, literary, and academic accounts of the 1971 Liberation War over the past four decades have tended to frame it as a defense of a Bangladeshi secularism
constructed in opposition to West Pakistan’s cultural, linguistic, and political interventions emphasizing the preeminence of Islam as a public identity – rather than focusing more closely on economic exploitation. This conflation of the creation of Bangladesh, secularism, and political party allegiance constrains avenues for questioning dominant narratives without slipping into politicized caricatures of freedom fighter or traitorous pro-Pakistan *razakar*. Those who attempt to engage in “multiple tellings of 1971,” as Yasmin Saikia puts it, question whether dominant narratives gesture toward a “state of denial and exclusion,” whereby adherents “are afraid we may find ourselves as both victims and perpetrators” (2011: 5).¹¹⁸

Chacha’s fungible numbers concerning the number of Biharis killed are meant to make a practical point that Pakistanis were not only aggressors; they too suffered at the hands of the Mukti Bahini (freedom fighters), and that suffering deserves recognition in post-Independence Bangladesh. That the Mukti Bahini, now martyrs and national heroes, should also be considered murderers is a controversial if not blasphemous notion to many. In part this is because the extant discourse constrains the terms of the debate: predominant secular nationalist narratives oppose Bengali Mukti Bahini to the Pakistan Army and *razakar* collaborators. This reductive formulation evacuates possibilities for multiple tellings, including the diversity of lived wartime experiences—and a diversity in the possibilities of Bengali nationalism.¹¹⁹

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¹¹⁸ Revisionist histories can be deeply controversial. In *Dead Reckoning* (2011), Sharmila Bose argues against Bangladeshi claims of genocide by documenting the brutality of Bangladeshi freedom fighters against Biharis and West Pakistanis and lowering oft-cited death toll estimates of three million to around 100,000. The accuracy of her methodology of privileging retired Pakistani officers’ unsubstantiated recollections was forcefully disputed. Critics accused her of serving as an apologist for the Pakistani Army and local Bangladeshi collaborators by reducing an asymmetrical conflict to a civil with proportionate atrocities (Mohaiemen 2011, Mookherjee 2011).

¹¹⁹ Nayanika Mookherjee (2011) and Yasmin Saikia (2011) approach this issue from the lens of gender exclusion: extant liberation war narratives that work to establish a secular Bangladeshi identity carve out a body politic hostile to women. These mainstream war narratives —recast by Saikia as masculine narratives—focus upon nation-building, patriotism, and the appointment of a new class of war heroes and martyrs. Women’s experiences with systematic rape, community ostracization, and forced abortion campaigns are rarely or tangentially present in war memorializations, and tend to be deployed to serve nationalist narratives highlighting sacrifice and the brutality of the Pakistani Army.
In Saikia’s ethnographic account, women’s stories are animated by loss: the loss of trust, relationships, honor, family members, and community (2011: 11). The women do not recuperate their experiences by emphasizing bravery, sacrifice, and victory over Pakistan—mainstay themes of general war narratives. I frequently encountered the theme of loss in my conversations with Jamaatis. There is a dearth of a conceptual vocabulary to accept this loss, or explain it in a way that does not automatically reify the razakar-Mukti Bahini divide. And so it shows up in scattered asides, moments of exceeding carefulness, such as the librarian spending a great deal of time telling me animatedly about his Tablighi dawa in Pakistan, but refusing to share an opinion on the government’s ban of Maududi’s books. Or it shows up as aspect blindness to historical documentation and records, Chacha’s shifting numbers of displaced Pakistanis, the “Biharis,” killed by Bengalis and the Mukti Bahini. Even more arresting were the offhand artifacts I encountered throughout fieldwork: a framed, faded Kodachrome photograph of Lahore’s Badshahi mosque. A copy of Mohammed Asad’s Road to Makkah with a handwritten inscription inside the cover: Islamabad, 1958. And lest the impression be given that affiliation for or even mobility to the West was the provenance of East Pakistan’s elite, I encountered fondness for Pakistan in a desperately poor, unofficial Rohingya settlement on the Bay of Bengal in Cox’s Bazar, where a man in his 60s reminisced about his migrant labors to West Pakistan and a freewheeling journey back to Burma.

At issue in Chacha’s fungible numbers is an attempt to wrest control of a historical narrative rather than add quantitative facts to the historical record, and a profound uncertainty about how to express discourses of Islamic suffering and marginalization not just post-1971. This uncertainty was magnified after 2007 as the BNP and Jamaat-i-Islami coalition government expired and the Awami League assumed power. This meant that the historical record was no
longer the only entity in question; futures of Jamaat supporters and “Jamaati types” were now in question, as well.

**Politicization of Development**

At a certain point during fieldwork in Dhaka, I asked a member of a competing Islamic bank’s Shari’a advisory board to explain his understanding of the Islami Bank’s place in the Bangladeshi Islamic finance ecosystem.

“They are ‘more Islamic,’” he explained, saying ‘more Islamic’ in English. “They have a special history, yes, but really they are more Islamic,” he continued.

“‘More Islamic’ means….?” I pressed. “Is it about Shari’a compliance?” He nodded his head. “In the way of Shari’a compliance they are more Islamic—exactly.” He gives an example.

“You are Muslim—you pray, you fast, but you choose halal, haram a little bit less. Another person prays, fasts, but chooses halal, haram a little more. So he is ‘more Islamic than you,’ and nothing else. [Islami Bank] does what they have to do. They recruit the type of person they want.”

The Islami Bank is singled out for government criticism amidst its rival Islamic institutions in Bangladesh, such as Shahjalal Islami Bank, EXIM, and Al Arafah Islami Bank, particularly perceived ties to Jamaat-i-Islami (Daily Star 24 Jul 2011). The Islami Bank is the only bank in Bangladesh—Islamic or not—required to allow a Bangladesh Bank “observer” at its Board of Directors meetings, for example. This was mentioned to me innumerable times over the years – the result of “government pressure,” in the words of one Bangladesh Bank official in 2011. The post is permanent, and not a temporary measure responsive to some particular shortcoming expected to improve.

Part of this is related to the ‘special history’ referenced by this Shari’a board member: the contemporary and historical support of current and former high-level officials and board members for the Jamaat-i-Islami, the involvement of Saudi Arabian officials in establishing the
bank, and the ongoing presence of Qatari, Kuwaiti, Emirati, and Saudi Arabian corporate representation on the Board of Directors. Today, the Islamic Development Bank and other GCC-based institutions\(^{120}\) own 66 percent of the Islami Bank.

The notion of recruitment of a “more Islamic” staff was a common sentiment; an array of qualities possessed by ideal employees were described by those internal and external to the Islami Bank—ranging from the less probable (membership in Shibir, the activist student wing of Jamaat-i-Islami, or membership in Jamaat) to gendered (women must wear hijabs). Whether or not any of this is true does not impact the circulation of codes for who affiliates with Islamic banks—a shifting and ambiguous threshold, not unlike the similarly ambiguous and shifting threshold concerning who can be considered a “Jamaati type.”

The expansion of Bangladesh’s robust Islamic finance industry has been anchored by the popularity of the Islami Bank Bangladesh Limited (the Islami Bank) among *shadaron manush*, the common people: migrant workers and the urban, rural, and small-town poor and middle-incomes classes. The Islami Bank’s pro-poor reputation also extends into the financial sector. During a conversation in Dhaka with a Vice President of a different Islamic financial institution, he described his workplace to me in the English-Bangla mix typical of my conversations with bankers: “We are a moderate Islamic bank […] mass banking nori. Lungi-sandal—*beshibagh* Islami Bank.” We are not mass banking, he said. Lungi and sandals—the traditional sarong and cheap plastic or rubber sandals that poor men often wear in public—are synecdoche for the poor demographic that the Islami Bank mostly serves. “Lungi-sandal” is in contrast to “*pant-shirt*”—trousers and button-downs—that are synecdoche with urban professionalism and higher class status. Interestingly, while “mass banking” in Bangladesh may be the “lungi-sandal” class, he

\(^{120}\)This includes The Public Institution for Social Security, Kuwait; Al-Rajhi Company for Industry & Trade, Saudi Arabia; Kuwait Finance House, and the Kuwait Awqaf Public Foundation.
also indicates that not serving this demographic makes an Islamic institution less Islamic. “We are moderate Islamic bank,” he says, before clarifying that this is relation to the more middle and upper-class demographics that his institution serves.

What does the Islami Bank’s “more Islamic” or “lungi-sandal” status mean for its shadaron manush clientele? And specifically, for RDS clients? From the perspective of the government, engagement with the poor is taken as a danger zone. The bank’s success in increasing Islamic banking among the poor is not taken as a victory of financial inclusion or development—it is deeply politicizing (Daily Star 22 Jul 2011). Philanthropic and poverty-oriented activities have attracted particular scrutiny. In 2011, Bangladesh Bank ordered the Islami Bank to stop directing its corporate zakat and “doubtful income” (profits tainted through contact with non-Shari’a compliant processes) to its Islami Bank Foundation over suspicions of funding Islamic political and extremist activity. The Islami Bank wholly funds its Foundation, although the Foundation does generate its own subsistence-level funds through income generating activities, such as a well-known hospital in Dhaka. Since the Foundation is not help to the same disclosure and monitoring regulations by Bangladesh Bank as is the Islami Bank, critics argue that the Foundation funds Jamaat—a point frequently mentioned to me by interlocutors at the bank.

Subject of Postwar Development

While discretionary philanthropic activities of the Islami Bank Foundation occurring beyond the watchful eye of Bangladesh Bank might warrant scrutiny, this does not seem to warrant the level of monitoring and interference to which the Islami Bank has been subjected. In December 2015, the Bangladesh Bank ordered the removal of a deputy managing director for his ties to Jamaat (Alo 2015). In January 2017, The Economist described an intelligence services-led
“boardroom coup” in which an Islami Bank chairman, vice chairman, and the managing director were forced to resign, again due to alleged ties to Jamaat. This is unprecedented reach into the affairs of a privately-held financial institution that by any metric is enjoying robust performance and satisfied clients. There still remains the need to reckon with the field of danger indexed by the specter of the “Jamaati type,” and what the Islami Bank’s “more Islamic” or “lungi-sandal” status means for its “common man” clientele, and for its RDS clients.

As discussed earlier in the chapter, secularism is a celebrated aspect of Bangladesh’s victory against Pakistan in a way that animates current legal, judicial, and Constitutional debates regarding postwar Bangladeshi nationalism—e.g. the labors of the ICT. And yet, various turns toward national Islamic identity (including that meant to shape the visibility, actions, and subject positions of women) suggests the instability of secularism, at the very least. A rather more stable national ideology since the nation’s creation, I suggest, has been the promise of development. The convergence of this national interest in development with Islami Bank’s pro-poor market position offers an alternate way to understand the political controversy of the Islami Bank.

Charting the logic of this argument requires a historical detour. As donor-funded aid projects in Bangladesh coincided with international trade liberalization from the late 1970s onwards, “development” became a national preoccupation. The subjectivity of women in the context of development (including as ideal microfinance clients) is a particularly illuminating way to access the tumultuous and shifting post-1971 debates regarding the place of public Islam versus secularism. In the aftermath of the war, the subjectivity of women emerged as dynamic in the name of national “development” engineered through trade and through donor aid alike (Haq 2009, Huq 2011, Shehabuddin 2008). Women were at the center of stunningly successful public
health campaigns, targeted as preferred microfinance clients, and constituted 80-90 percent of the readymade garments (RMG) sector’s labor force. These changes, including the increasing presence of women in public spaces, was a galvanizing topic for religious and secular leaders, becoming a way for them to register concern with development processes in Bangladesh—and by extension, with visions of a secular Bangladesh. These concerns contributed to the public, political identification with Islam supported during the regimes of Presidents Ziaur Rahman (1977-1981) and Muhammad Ershad (1983-1990).

In his effort to secure international aid, Zia had to accommodate stipulations frequently attached to such aid that “women be specifically targeted in development schemes.” Yet donor countries in the Gulf offering generous support demanded evidence of observance of “Islamic” traditions of gender roles, such as the protection of women from the public sphere. (Ramusack 1999: 75). Meanwhile, Bangladeshi women’s groups resisted “the increasing public and symbolic emphasis on Islam which strengthened the hands of the Islamist forces who wanted restrictions on women’s public role” (Jahan 2001: 20). In response, Zia created a Women’s Affairs Ministry, along with two other women-focused organizations, although their impact was limited. The creation of these organizations still enabled Zia to position both himself and Bangladeshi Islam as progressive and receptive to women’s issues on a discursive level (Feldman 2001: 218). Ramusack counters that these women-friendly political reforms are to be calculated against and subsequently outweighed by a gendered interpretation of Zia’s rejection of secularism and embrace of Islam (1999: 74).

Shehabuddin’s description is particularly insightful, as she locates contestations over the development subject in the particular condition of the postwar Bangladesh state:

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121 Bangladesh is often regarded as a global case study for reducing maternal mortality and population growth. In 1975, the fertility rate stood at 6.3 children per woman; by 2010 this was reduced to approximately 2 children. From 1990 to 2010, maternal mortality decreased by 75 percent to about 240 deaths per 100,000 live births (WHO 2011).
“The limited reach of the state in Bangladesh has created a vacuum that has enabled secularist and Islamist forces, with financial support from international organizations, foreign governments, and Bangladeshi expatriate workers, to attempt to regulate society and poor women in accordance with their respective ideologies. Generally, for secularists, at the root of all problems lies the increasing Islamization of Bangladeshi state and society; according to Islamists, all problems stem from the absence of “true,” formal Islamic institutions and government. The two groups, however, ultimately share a condescending assumption about the gullibility of the rural poor, especially women, and the overarching role of religion in their lives and decisions” (2008: 3).

After Zia’s assassination in 1981, Army Chief of Staff Hussain Ershad ruled Bangladesh first under a declaration of marshal law, and then as elected President through the 1980s. In the absence of a parliamentary form of government, Ershad deferred to Islam and the Shari’a on matters of legality and propriety. For example, he rejected ratification of the UN’s Convention on the Elimination of All Forms of Discrimination Against Women on the basis of clauses relating to “inheritance, marriage, child custody, and divorce on the grounds that they contradicted the Shari’a” (Feldman 2001: 222). He expanded Zia’s Islamic constitutional modification with a 1988 amendment that rendered Bangladesh an Islamic state: “The state religion of the Republic is Islam, but other religions may be practiced in peace and harmony in the Republic.”122 He also expanded Zia’s modern, liberalized economic program stressing privatization and foreign aid (Jahan 2001: 19). The jewel of this program was the ready-made garments (RMG) sector, which was non-existent before the late 1970s but expanded dramatically under Zia and Ershad’s economic liberalization policies. RMG quickly became central to Bangladesh’s solid annual growth rates and oft-lauded “emerging economy” status, and today is Bangladesh’s leading export. While Ershad’s regime was marked by his “rhetorical support for a

‘traditionalizing’ interpretation of gender relations and religious authority,” he simultaneously promoted “the participation of women in the labour market” (Feldman 2001: 223).\textsuperscript{123}

\textbf{The Promise of Intimacy}

On February 5, 2013, the first ICT verdict is issued: Abdul Qader Molla, a senior Jamaat official, is found guilty and sentenced to life imprisonment. A public vigil commences in protest; any punishment less than execution is unacceptable. Rationales include the heinousness of the war crimes committed, but also the concern that life sentences could be commuted or even overturned should another government come to power. This latter scenario has a stinging historical precedent: as mentioned earlier, Jamaatis were released from jail and returned from exile under Zia’s BNP government in the late 1970s.

The protest quickly grew into a 24-hour movement drawing tens of thousands, and lasting about two weeks. Smaller protests spread across the country and even to international capitals. Calls for the death penalty were signature slogans: \textit{Fashi Chai / Rajakarder Fashi Chai} [we want hanging] / [hanging for the razakars].\textsuperscript{124} However, semiotics of the movement’s naming communicate aims beyond securing death sentences: the protest’s Shahbagh location became Shahbagh Square, evoking the mass uprising of Cairo’s Tahrir Square and the regime change it produced. Others renamed the location Projonmo Chottor [New Generation Circle] in recognition of the fact that the movement was helmed by a younger generation, born long after 1971. The spectre of a permanently altered political landscape wrought by the effects of ICT

\textsuperscript{123} Under Zia in the late 1970s and Ershad in the 1980s, the public visibility of women in the urban hubs of Dhaka and Chittagong swelled dramatically. As women left homes and local communities to enter the male-dominated sphere of RMG wage work, scholars focused on emerging reconfigurations of purdah, or modes of female seclusion or restraint drawing on gendered notions of propriety, honor, and duty (White 1992: 22-23, Abdullah 2001: 141). These reconfigurations drew NGOs, religious leaders, and politicians into contestations over ‘traditional’ Islamic or ‘cultural’ principles and ‘proper’ gender roles, complicating the relationship of women to ostensible neoliberal “empowerment.”

\textsuperscript{124} The protests would ultimately prove successful: The Supreme Court reversed its life imprisonment sentence On September 17, 2013, and sentenced Molla to death. He was executed on December 12, 2013.
verdicts and penalties upon Jamaat leadership mobilized counter-protests and rioting by Jamaat and BNP cadres, and particularly their violence-inclined affiliated student or youth wings. These actions were then met with police responses. Property destruction, loss of life, and the random violence of ‘cocktail’ grenades thrown into city busses made the weeks after Shahbagh a dangerous time.

In the midst of this, the Islami Bank became a target. In May 2013, I met with Chacha to discuss how Shahbagh and the counterprotests came to impact Islami Bank.

“They attacked about 20-30 ATM booths, and [numerous] branches,” he explained, referring to some protests in Dhaka, but largely to affiliated protests and riots that took place across the country. “The [Islami Bank] Chairman told me only two days back that deposits were reduced by 500 crore after a relentless propaganda campaign. But now only 380,000 in deposits [has been withdrawn]… There were weak people who though we would lose our money,” he said, meaning that some critics thought that the Shahbagh-precipitated run on the bank would be its undoing.

“As of yesterday,” Chacha continued, “...the day before yesterday, the deposits have reached, have exceeded previous levels.” He paused to collect the right words. “...People by and large…” He started over. “The Islami Bank is a sound bank and will not collapse unless the government makes it collapse,” he said, with a sense of resolve.

Shahbagh and its aftermath was a moment of reckoning for the Managing Director, although this was not widely reported at the time. The numbers Chacha related are astounding: amidst the public rioting and deaths was a parallel silent and invisible movement: 500 crore [5 billion] BDT was withdrawn from the Islami Bank, or approximately 62 million USD. At the time of this unrest, total deposits were approximately 418 billion BDT (Islami Bank 2012: 53).
The problem with sudden withdrawals based on a loss of client confidence is their propensity for exponential increase. Thus the 5 billion BDT withdrawn in only a few weeks is tremendously destabilizing; the loss of liquidity threatens basic bank functions but more critically threatens consumer confidence.

The Managing Director’s leadership proved decisive (and would ultimately lead to his reelection to another term, despite pre-Shahbagh anticipation that the Board would name a successor). He directed staff to engage closely with clients to encourage them not to make withdrawals, and to convince them of the bank’s stability and excellence. The strategy worked, and the Bank survived what could well have mushroomed into an existential danger. When the Islami Bank released its 2013 financials in its Annual Report at the end of this tumultuous year, the recovery and even growth is striking: “In 2013, Bank’s Deposit stood at Tk. 473,141 million with 13.23% growth over 2012. We mobilized an amount of Tk. 55,297 million as fresh deposit despite certain unusual odds and challenges in 2013” (emphasis added, Islami Bank 2013: 20).

As Chacha and I discuss Shahbagh, I start to ask about the perceived connection between Jamaat and the Islami Bank. This is, of course, what precipitated the run on the bank in the first place. It’s the only time I see calm, scholarly Chacha become unabashedly angry and agitated.

“There is no connection!” he shouts, utterly exasperated. “Jamaat is funded at the party worker level, he explains. “I give 5,000 each month. You know Hema, Abdullah?” he says, referring to his maid and his driver-cum-handyman. “They give 200-300 each month.”

I ask what needs to happen in terms of Jamaat strategy in light of Shahbagh. His response is considered, but stated with conviction:

“Dawa [preaching/outreach]. At the village level. Our people are religious by sentiment but the knowledge base is poor,” he answers.
What is striking about this conversation is the intimacy of the referents. In the midst of mass movements and mass counter-movements, Chacha’s assessment is populated with individuals and both the contingency and possibility of personal interactions. As Chacha discusses the near run on the Islami Bank, he explains that the person-to-person communications of clients and Bank staff were able to allay fears and ensure the continued existence of the bank.

One of the ironies concerning longstanding suspicion of the Islami Bank’s formal monetary connection to Jamaat is Jamaat’s reliance upon cash rather than formal banks, according to one Jamaat interlocutor. The mechanics of cash transfer within the country and across international borders (e.g. from international donors to Jamaat) were detailed to me in multiple conversations. Meanwhile, the future of Jamaat, with its rapidly disintegrating senior leadership, lies in person-to-person dawa, or preaching in Bangladesh’s villages, community formations housing the majority of the country’s population.

The power of government agendas and mass movements like Shahbagh and supporters of the ICT can imperil and even arguably undo Islamic institutions, like Jamaat and (nearly) the Islami Bank. They are met by individual and intimate actions and interactions, that might be less visible than a mass movement, but hold the potential to exert their own generative and protective power.

Chacha’s conviction that Jamaat’s future lies in outreach to rural populations—a different demographic than the young, urban, and urbane Shahbagh attendees—parallels the Islami Bank’s overwhelming clientele of poor and precarious migrant workers and those in rural realms. As I mentioned several times throughout this dissertation, the Islami Bank’s mission statement proclaims its commitment to “a welfare oriented banking system” and the “loss-income community particularly in the rural areas.” Through consideration of this rural, disadvantaged
subject, it becomes possible to understand another point of contention between the government and the Islami Bank, other than just its presumed ties to Jamaat. Those ties, after all, have never been concretely documented. The politicization of the Islami Bank is rooted in its ‘development’ of the rural populace and the poor and disadvantaged.

**Conclusion: the accidental ethics of RDS**

At the conclusion of fieldwork, I was requested by my Islami Bank interlocutors to give a presentation to senior Islami Bank officials on some of my observations. In the conversation that followed, an official commented again on the presence of the Bangladesh Bank observer.

“If we do more development work,” the official said, the “government will become even more hostile. They will see development work as political work.”

Another official chimed in. “Zakat and doubtful income goes to CSR [corporate social responsibility]. RDS is totally separate from CSR,” he said.

This rather offhand comment, noted about a week before I left Bangladesh, offers a twist on what initially seems to be a rather ground-breaking move in the context of Islamic economic social justice aspirations. As I discuss in the dissertation’s Introduction, retaining RDS as an asset-side listing rather than as a debt or liability encodes an Islamic economic social justice onto the accounting ledger and into the capital flowing through the institution. RDS consistently operates at a loss for this Islami Bank. During interviews with bank officials in 2014, they noted that RDS provides the Islami Bank with 4% of its income but consumes 21% of its human resources. RDS is heavily subsidized by the Islami Bank; operational costs are not passed onto clients. Local branch officers and high-ranking officials alike often expressed to me pride in RDS’ endurance and expansion over the past 20 years despite its unprofitability. It indicates, I
was often told, the depth of the Islami Bank’s commitment to Islam and social justice over profits alone.

However, this official’s comments threw new light onto this interpretation. The decision to list RDS as an asset and keep it separate from the liabilities of zakat, doubtful income, and CSR (listing these as “liabilities” means that they are guaranteed expenses without any promise of directly adding profit) could be cast in the present moment as a political decision, not an ethical one. Might government surveillance and harassment of the Islami Bank, and presumption of its antisocial activities perhaps worked to push the Islami Bank to the global forefront of true Islamic economic social justice? Posing the question does not invite an actual answer; an accounting for the historical conditions and decisions around the original designation would be needed. After all, as this chapter makes clear, the fortunes of the Jamaat-i-Islami rose steadily after postwar political pardons, and the Islami Bank thrived under Saudi Arabian and IDB sponsorship and domestic political goodwill it enjoyed during the BNP-Jamaat ruling coalition of the early 2000s, soon after the establishment of RDS in 1995.

Instead, I close on the suggestion that the ethical possibilities of Islamic finance operate within political considerations. Political concerns creep into unexpected places—such the commentary of bank officials that RDS must be kept separate from CSR—in ways that demonstrate the industry’s self-consciousness of the fraught political terrain on which it operates. Even as the institutional response is to distance itself from politics and present itself as a financial industry and not a political one, and continuously assert its ideological and material and technical distance from Jamaat, politics still re-organize even ethical fields and commitments.
Conclusion

The preceding introduction and ensuing six chapters are an attempt to understand how questions of an Islamic economic social justice and poor Islamic microfinance clients can be given recognition, despite their current minimal visibility in the industry. These chapters chart how technologies, documents, logics, and histories allow conditions of poverty and the subject-fashioning labors of Islamic microfinance clients to be obscured, accessible, or visible.

In the Introduction and Chapters 1 and 2, I chart the evolution of a field, from Islamic economics, to the technical innovations of basic product, contract, and institutional structure necessary for an applied Islamic finance, to the proceduralism of present-day corporations, with regimes of auditing and compliance provides the means through which corporations continually reassert the role of proceduralism in reducing friction in the movement of capital. Within this evolving field of Islamic economics to Islamic finance to the Islamic corporation, I also chart an evolving set of concerns, from the authenticity problematic to question regarding Islamic identity or being “truly” Islamic, to the ethical tenors and conundrums of pragmatism and practicality.

The corporate form constrains and predetermines the visibility and legibility of the poor by limiting ethics to satisfaction of regulatory needs of Shari’a compliance. Shari’a compliance constrains the scope of ethical and divine possibilities by filtering the complexity of *fiqh ul muamalat* (commercial and business jurisprudence) as well the revolutionary imperatives of mid-20th century Islamic economics through the regulatory and legal requirements of the contemporary corporate form. That being said, proceduralism is also drawn upon to assert procedural difference as a matter of religious belief. This prefigures an argument I make later on, that the Islami Bank can insist on the technical and ethical difference of its Islamic microfinancing to conventional microfinanciers like the Grameen Bank. Shari’a compliance
creates structural differences, and poverty alleviation and access to finance are presented as ethical or religious imperatives.

In Chapters 3 and 4, I chart how donor and NGO interest in Islamic microfinance is located in the question of whether it can “reach” a poor Muslim clientele otherwise averse to microfinance, or whether clients can derive economic value from Islamic microfinance exceeding the modest gains of conventional microfinance. Poverty and Muslim identity are presumed sufficient criteria to engender a market for Islamic finance, which presumes the legibility of poor clients and renders flat the complexity of their religious subjectivities and financial management strategies. Through an ethnographic reading of repayment encounters and new client intake documents, I chart how RDS clients in Zinukpara’s engagement with and intentions surrounding RDS are far more complex than ascribed to them by Islamic finance and development officials. The poor exceed the expectations, or rather the limits placed on them.

Urgent needs of poor clients suggest that flexibility, relationships, and respect are the sites in which Islamic ethics are made manifest within Islamic microfinancing. Social justice is visible in noncompliance, as well as in person-to-person interactions. Field officers were willing to accept the Shari’a non-compliance (through non-adherence to contracts) of poor clients as a survival strategy. This shifts the Islamic microfinance contract from a juridical-legal document to a field of relating, encoding excesses beyond strict legal interpretations and allowing for the manifestation of an everyday Islamic ethics—here, a willingness to sacrifice Shari’a compliance to help the poor in their choices oriented around basic survival. However, this limits the utility of “Shari’a compliance” as a technical metric for assessing the Islamic-ness of financial operations, and as a way to achieve the social justice principles of Islamic economics.
Chapter 5 examines different modes of relating between the poor and the non-poor, and how looking at shared logics between rather than shared material realties or perspectives provides a new way to think about community and the financial partnership. Lastly, Chapter 6 explains why the “Islam” of the Islami Bank Bangladesh is deeply politically contentious precisely because of the depth of its engagement with the poor—“seeing” the Bangladeshi poor requires grounding in history, postwar nation formation, and contemporary politics.

In making this observation, I am circling back to an argument I advanced in the dissertation’s Introduction. First, that the importance of attending to how naturalized notions are mobilized to particular ends, and for the benefit of particular actors. Naturalized notions of ethical or theological principles of an “Islamic economics” obscure the political work involved in constituting an Islamic economics as a discrete knowledge-field, I explained. The interpretative labors of the 1940s through 1960s that established “Islamic economics” were also sites for revolutionary and political resistance, critiques of secular capitalism, postcolonial nation building, and identity formation. The contemporary Islamic finance industry’s “authenticity problematic” is an artifact of the depoliticization of Islamic economics that took hold in the late 1980s and 1990s, and was consolidated through the 2000s. An Islamic economic social justice requires the technical, material, and documentary conditions of possibility for visibility of the poor. This is prerequisite to imagining financial relationships in which the full, ethical promise of the Islamic financial relationship can be realized: a engagement between parties that, however unequal their worldly positions may be, can be conjoined as equals in the space of the financial engagement, with neither party enjoying undue advantage or disadvantage within the engagement.
Given these manifestations of social justice as respect, accommodation, and recognition, it becomes interesting to consider why the lack of social justice is such a visible part of self-reflexive discourses in the contemporary Islamic finance industry. This raises a new question: what would it take to center social justice for the industry, and to bring practices I observed in Zinukpara from the margins of the industry into the foreground? Lila Abu-Lughod’s (2013) work on problematic tendencies to refer to disparate Muslim communities in totalizing, global forms (Muslim world, Islamic world, umma, and so on) takes on relevance here: through the global circulation of capital, knowledge, and authority in the Islamic finance industry, unequal power and even exploitative macroeconomic relationships endure between countries.

The banality of the authenticity problematic thus becomes a crucial site for understanding the occlusion of the poor: simply acknowledging the authenticity problem seems to be the sufficient action required, rather than any particular labors to address it, such as restructuring products, goals, plans, accounting norms, and so on. In asking questions about the position of the poor in light of the Islamic finance industry’s own authenticity problematic, the authenticity problem is denaturalized and instead becomes the terrain for staging anthropological questions concerning the entwined technical, material, discursive, and relational forces that limit the visibility of the poor or predetermined their subject position, from within individual RDS transactions to within currents of transnational finance.

To be sure, a standardized grammar for social justice or its opposites is elusive; definitions and referents shift across time and location among both Islamic economics and Islamic finance scholars. Yusuf’s 1971 volume, Economic Justice in Islam, relies exclusively on the English “justice.” In his late 1990s judgment on interest in the Supreme Court of Pakistan,
Taqi Usmani refers to injustice as *zulm*, but reverts to the English “justice” instead of *adil* or *al-adl*, the opposite of *zulm*. Qutb relied upon *al-adl*. The concept of *maslaha*, or community well being, is the subject of its own literature, featuring prominently in texts engaging the maqasid al Shari’a (the five-fold aims or goals of the Shari’a concerned with protection of life, wealth and property, progeny, religion and faith, and intellect) with increasing frequency. Consideration of the maqasid introduces another grammar through which the contours of social justice can be assessed; Hallaq for example points to *istiklah* as “a method of inference” that seeks to uphold the five-fold aims of the maqasid, with reference to revealed texts rather than strict textual fidelity to them (2013: 216).

This is by no means an exhaustive listing of terms or concepts. The point is that invocations of an Islamic social justice from the 1930s until the present are not tethered to fixed concepts. The myriad terms (Islamic values, social justice, justice) used can become empty signifiers, used toward any number of ends. With this in mind, focusing upon the Islami Bank Bangladesh not as a limit case or an interesting but ultimately niche example within the global industry is an attempt understand what might become possible if the heart of the Islamic finance industry is re-centered away from the concentration of *capital* in what the financial industry refers to MENA (Middle East and North Africa), and centered instead on the concentration of

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125 Bashir (2004: 223-24) traces the “complexity and variety of sources, elements and stages to be sought in following the development of the meaning of *zulm* in early Islam,” allowing for meanings ranging from injustice to darkness to polytheism to a denial of the divine. However, it is generally clear that God cannot be *zulm*.

126 In my research for example, “Islamic values” was invoked to justify at times contradictory positions. The think-tank arm of the Islamic Development Bank, the Islamic Research and Training Academy, recently explained why Islamic microfinance should be used to promote “household empowerment” and *not* “women’s empowerment”: “Islam gives utmost importance to family as the nucleus social institution that plays a major role in shaping the future of mankind. It also sees a balanced role for men and women in ensuring the economic and social wellbeing of the family. […] Indeed, the “women only” approach to conventional microenterprise development and poverty alleviation is alien to Islamic principles and values” (IRTI/Thomson Reuters 2014: 123).

However, when I discussed the question of household versus female empowerment with a high-ranking Islami Bank official back in Dhaka, I was struck by his invocation of “Islamic values” toward the opposite interpretation: “If we start from the basic values of Islam,” he said, “the Prophet did Islamic microfinance with his wife, Khadijah.” In other words, since Islamic microfinance has long targeted women to correct disparities in their access to capital, and it is suitable for modern Islamic microfinance to continue to target women for this purpose.
people interacting with the industry. Even as Bangladeshis form nearly a quarter of Islamic finance clients worldwide, their transactions engage the smallest amounts of capital worldwide as well, through Islamic microfinance. An orientation away from concentrations of capital is prerequisite to understanding what an Islamic economic social justice might mean not simply to the industry’s MENA leaders or even Islami Bank Bangladesh officials, but to the individuals most profoundly impacted by the skewed allocation of resources.
### Appendix 1: Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAOIFI</td>
<td>Accounting and Auditing Organization for Islamic Financial Institutions, one of two main transnational regulatory authorities, along with the IFSB</td>
</tr>
<tr>
<td>BDT</td>
<td>Bangladeshi taka, the official currency</td>
</tr>
<tr>
<td>BNP</td>
<td>Bangladesh Nationalist Party, one of two main political parties. Historically the party of Ziaur (Zia) Rahman, and today headed by his widow, Khaleda Zia</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>GCC</td>
<td>Gulf Cooperation Council, an economic and political union formally known as the Cooperation Council for the Arab States of the Gulf, and comprising the United Arab Emirates, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait.</td>
</tr>
<tr>
<td>ICT</td>
<td>International Crimes Tribunal</td>
</tr>
<tr>
<td>IDB</td>
<td>Islamic Development Bank, Jeddah, Saudi Arabia</td>
</tr>
<tr>
<td>IFSB</td>
<td>Islamic Financial Services Board, one of two main transnational regulatory authorities, along with AAOIFI</td>
</tr>
<tr>
<td>IRTI</td>
<td>Islamic Research and Training Academy, a semi-autonomous affiliate of the Islamic Development Bank Group</td>
</tr>
<tr>
<td>RDS</td>
<td>Rural Development Scheme; the Islami Bank’s Islamic microfinance program</td>
</tr>
<tr>
<td>SME</td>
<td>Small-medium enterprise</td>
</tr>
</tbody>
</table>
# Appendix 2: Glossary of Arabic, Bangla, and Chatgayah

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adda</td>
<td>Chat, gossip</td>
</tr>
<tr>
<td>Ammu</td>
<td>Mother, also a term of endearment for a female, usually by an elder</td>
</tr>
<tr>
<td>Appa</td>
<td>Elder sister; also a generic, polite term to refer to a young (and usually unmarried) woman</td>
</tr>
<tr>
<td>Awami League</td>
<td>One of two main political parties. Historically the party of Sheikh Mujibur Rahman, and today headed by his daughter, Sheikh Hasina</td>
</tr>
<tr>
<td>Ayah</td>
<td>Qur’anic verse</td>
</tr>
<tr>
<td>Bai muajjal</td>
<td>Credit sale utilizing a contract to establish deferred payment terms between a buyer and a seller</td>
</tr>
<tr>
<td>Bai salam</td>
<td>Advance purchase investment contract</td>
</tr>
<tr>
<td>Ban</td>
<td>Blockage, barrier</td>
</tr>
<tr>
<td>Barua</td>
<td>A common surname of ethnic Bengali Buddhists, and so used to denote ethnic Bengali Buddhists, more generally.</td>
</tr>
<tr>
<td>Bedormi</td>
<td>Outside the religion, of another religion</td>
</tr>
<tr>
<td>Bezadi</td>
<td>Bejati, literally ‘not of the jati [caste]’</td>
</tr>
<tr>
<td>Bhabi</td>
<td>Sister-in-law</td>
</tr>
<tr>
<td>Bhut</td>
<td>Ghost</td>
</tr>
<tr>
<td>Bihari</td>
<td>West Pakistanis stranded in Bangladesh after the 1971 Liberation War</td>
</tr>
<tr>
<td>Boiddo</td>
<td>Traditional healer, using prayers, oil, water</td>
</tr>
<tr>
<td>Boro Bhai</td>
<td>Eldest brother</td>
</tr>
<tr>
<td>Boro Bhabi</td>
<td>Eldest sister-in-law</td>
</tr>
<tr>
<td>Bouzon nai?</td>
<td>Got it? Understand? Ok?</td>
</tr>
<tr>
<td>Chacha</td>
<td>Uncle, also term of respect or endearment for an older man</td>
</tr>
<tr>
<td>Chatgayah</td>
<td>A local dialect in Chittagong Division, also known as Chittagonian</td>
</tr>
<tr>
<td>Crore</td>
<td>Equal to ten million</td>
</tr>
<tr>
<td>Darura</td>
<td>Necessity</td>
</tr>
<tr>
<td>Dawa</td>
<td>Preaching, religious outreach</td>
</tr>
<tr>
<td>Dushman</td>
<td>Enemy</td>
</tr>
<tr>
<td>Eid al Fitr</td>
<td>Islamic holiday marking the end of the month of Ramadan</td>
</tr>
<tr>
<td>Eid al Adha</td>
<td>Islamic holiday of sacrifice, see Qurbani Eid</td>
</tr>
<tr>
<td>Fatwa</td>
<td>Scholarly rulings or judgments</td>
</tr>
<tr>
<td>Fiqh</td>
<td>Juridical interpretations of Shari’a</td>
</tr>
<tr>
<td>Fiqh ul ma’amlat</td>
<td>Commercial jurisprudential interpretations of Shari’a</td>
</tr>
<tr>
<td>Gharar</td>
<td>Excessive uncertainty (bay‘ al-gharar is a fully gharar-based sale)</td>
</tr>
<tr>
<td>Ghor bhara</td>
<td>Rent/rental income</td>
</tr>
<tr>
<td>Gorib</td>
<td>Poor</td>
</tr>
<tr>
<td>Hadith</td>
<td>Collected sayings and acts of the Prophet Mohammed</td>
</tr>
<tr>
<td>Halal</td>
<td>Permitted in Islam</td>
</tr>
<tr>
<td>Haram</td>
<td>Forbidden in Islam</td>
</tr>
<tr>
<td>Hawala</td>
<td>Unregulated trust-based form of money transfer</td>
</tr>
<tr>
<td>Hila</td>
<td>Trick or stratagem</td>
</tr>
<tr>
<td>Hundi</td>
<td>Unregulated trust-based form of money transfer</td>
</tr>
<tr>
<td>Hujur</td>
<td>Islamic scholar</td>
</tr>
</tbody>
</table>
Ijara
Lease

Ijtihad
Independent reasoning conducted in light of the Qur’an, Sunnah, and hadith

Islami Bank
Islami Bank Bangladesh Limited (Dhaka, Bangladesh)

Istislah
A method of inference

Istisna
Payment contract for the manufacture/construction of an asset

Istihsan
Contract for the purchase of goods before they are manufactured

Jadu
Black magic in Islam

Jamaat
Jamaat-i-Islami, Bangladesh’s leading Islamic political party; also a major Islamic political party in Pakistan inspired by the writings of Maududi

Jinn
Islamic spirit

Kasomfora
A protective/wellness-promoting black thread tied around the wrist or worn as a necklace or wellness

Kendro
Center, group, collective

Khelafee
Late payment

Koshto
Pain, difficulty, suffering

Kudroriin
Microloan (literal), also a general term for microfinance

Kobiraj
Traditional healer, using herbs, medicines, etc.

Labh
Profit, benefit

Lakh
Equivalent to 100,000

Madhhab
Schools of fiqh, or Islamic juridical interpretation

Maisir
Gambling, or games of chance

Makharij
Legal exceptions can be mobilized to prevent detrimental or haram activity that might occur without an intervention

Maqasid al Shari’a
The five-fold aims or goals of the Shari’a, concerned with protection of life, wealth and property, progeny, religion and faith, and intellect

Maslaha
Public good, public well-being

Mogh/Magh
A pejorative or a slur for the Rakhaing; originally a colonial appellation for the Rakhaing

Moulavi
Mawlavi, Maulvi, moulvi; honorific title for an Islamic scholar or Ulema, usually denoting formal religious education

Mudaraba
Trustee financing, an equity investment partnership

Mudarib
The financier in a mudaraba equity investment responsible for raising capital

Mukti Bahini
The Bengali resistance army that fought a successful war for an independent Bangladesh

Muktijuddho
1971 Liberation War establishing an independent Bangladesh

Murabaha
Mark-up/cost-plus financing contract

Mushakara
Profit-loss sharing contract

Niyya
Intention

Pagol
Mentally ill

Panipora
Water that has been blown upon oil that has been blown upon

Purdah
Curtain, veiling, seclusion, modesty

Quard-e-hasana
A fee-free loan; only the principle must be repaid
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qurbani Eid</td>
<td>Often used to denote Eid al Adha; <em>qurbani</em> refers to the sacrifice of livestock that occurs during that holiday</td>
</tr>
<tr>
<td>Rakhaing</td>
<td>Ethnic Arakanese Buddhists and Bangladesh citizens; this English spelling is largely preferred by the community, as opposed to “Rakhine”</td>
</tr>
<tr>
<td>Rakhine</td>
<td>Citizens of Burma’s Arakan State</td>
</tr>
<tr>
<td>Razakar</td>
<td>Traitor; in the context of the 1971 Liberation War, a Bengali who collaborated with the Pakistani Army against the cause of an independent Bangladesh</td>
</tr>
<tr>
<td>Riba</td>
<td>Unwarranted increase of money, often interchangeable with usury or Interest (Arabic)</td>
</tr>
<tr>
<td>Riin</td>
<td>Loan</td>
</tr>
<tr>
<td>Rohingya</td>
<td>Population of ethnic Bengali Muslims in Burma, denied citizenship and subject to ongoing genocide</td>
</tr>
<tr>
<td>Sadaqat</td>
<td>Voluntary charity</td>
</tr>
<tr>
<td>Shadaron manush</td>
<td>The ‘common people’/the masses</td>
</tr>
<tr>
<td>Shari’a</td>
<td>Islamic law</td>
</tr>
<tr>
<td>Shirkatul melk</td>
<td>A lease-to-own partnership contract that combining</td>
</tr>
<tr>
<td>Shodessho/Shodessa</td>
<td>Member (masculine/feminine), e.g. of a microfinance group</td>
</tr>
<tr>
<td>Shudh</td>
<td>Interest, usury in Bengali (also used by some in Bangladesh as interchangeable with the Arabic <em>riba</em>)</td>
</tr>
<tr>
<td>Sood se paak qarz</td>
<td>Interest-free loan, Urdu</td>
</tr>
<tr>
<td>Sukuk</td>
<td>Islamic bonds</td>
</tr>
<tr>
<td>Sura</td>
<td>Qur’anic chapter</td>
</tr>
<tr>
<td>Sunnah</td>
<td>Practices, teachings, and path of the Prophet Mohammed</td>
</tr>
<tr>
<td>Tabiz</td>
<td>Amulet, often containing tiny written prayers or Qur’anic verses</td>
</tr>
<tr>
<td>Taka</td>
<td>Money, also the Bangladeshi currency, approximately $1=77 taka</td>
</tr>
<tr>
<td>Tona</td>
<td>Black magic, see <em>jadu</em></td>
</tr>
<tr>
<td>Takaful</td>
<td>Insurance</td>
</tr>
<tr>
<td>Umma</td>
<td>A idealized possibility of a unity of global Muslims</td>
</tr>
<tr>
<td>Umrah</td>
<td>Voluntary pilgrimage to Mecca undertaken at any time of year, in contrast to the mandatory <em>hajj</em> pilgrimage, which can only occur a demarcated time each year.</td>
</tr>
<tr>
<td>Upazila</td>
<td>A sub-unit of one of Bangladesh’s 64 <em>zillas</em>, or districts</td>
</tr>
<tr>
<td>‘Urf</td>
<td>Prevailing standards or customs</td>
</tr>
<tr>
<td>Waqf</td>
<td>Immovable property placed in an irrevocable trust</td>
</tr>
<tr>
<td>Zakat</td>
<td>Mandatory annual giving for both individuals and corporations, post-expenses</td>
</tr>
<tr>
<td>Zamindar</td>
<td>Landlord</td>
</tr>
<tr>
<td>Zara</td>
<td>Repetitive, rhythmic gestures/motions performed by a healer</td>
</tr>
<tr>
<td>Zara fu</td>
<td>Repetitive, rhythmic gestures/motions while blowing breath over something, e.g. oil, water, an afflicted body part.</td>
</tr>
<tr>
<td>Zila</td>
<td>A district in Bangladesh, subdivided into</td>
</tr>
<tr>
<td>Zinukpara</td>
<td>My semi-rural field site in Cox’s Bazar <em>zila</em></td>
</tr>
</tbody>
</table>
Appendix 3: Islamic Finance Terms and Concepts

Basic principles

Islamic banking and finance institutions differ in terms of mission and products and services offered, due to different political, religious, economic, and regulatory contexts in which they operate. All incorporate certain principles (with modes of interpretation and implementation occurring across a spectrum) to promote social justice in Islam. These principles include (1) the prohibition of *riba* (2) avoidance of excessive uncertainty and gambling (3) the importance of risk sharing and mutual assistance (4) asset-or equity backed rather than debt-backed transactions, and (5) avoidance of *haram*, or prohibited entities.

The prohibition of riba: The definitive Qur’anic prohibition of riba in economic transactions constitutes a foundational tenet of Islamic finance, although there is no single interpretation of riba. Riba is unjust because it requires the receiver to compensate the lender beyond the cost of an initial investment even if the receiver sustains complete losses. Interest-bearing banks contribute to structural inequity by acting in self-interest to minimize default risk, in order to maximize profit. Allocating credit to ensure the security of the investment, and not according to a project’s social promise runs counter to social justice, centered upon a repudiation of self-interest in favor of a more equitable distribution of God-given resources.

The importance of risk sharing and mutual assistance: Risk-sharing (often in the form of profit-loss sharing partnerships) allows a financial institution and the client to replace excessive

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127 This is adapted from Kustin (2015), a report on Islamic (micro)finance I prepared for the Bill and Melinda Gates Foundation’s Financial Services for the Poor division.
self-interest—the hallmark of conventional capitalist financial activity—with collaborative concern for mutual growth.

**Asset-or equity backed rather than debt-backed transactions:** Asset or equity-backed transactions rather than cash or debt-backed transactions are necessary to avoid riba. ‘Money cannot beget money’; transactions must involve a material asset. As Tripp explains, “money, detached from the objects which give it value, has a free-floating, amoral power, representing a serious threat to the social order and the ethical community” (2006: 5). To control this amoral power, transactions should be tied to material assets. Writing from the UK-based NGO Islamic Relief Worldwide that operates several Islamic microfinance programs across the world, Khan and Phillips note, “the core belief in Islamic finance is that money is not an earning asset in and of itself […] the product bought or sold must be clear to both parties and only socially productive activities that are not exploitative and socially or morally harmful should be funded. Selling what one does not own is impermissible” (2010: 3-4).

Trading money as a commodity—the work of derivatives, for example—would allow money to increase through time, which would constitute riba. Islam does recognize the time value of money, but only within contracts that take into account the potential degradation of certain assets over time, e.g. within particular credit sales (El Gamal 2006: 50). A tangible increase or decrease in assets generates materiality for transactions, thus forcing an endpoint to transactions.

**Avoidance of excessive uncertainty and gambling:** *Maisir* refers to gambling, specifically games of chance or divination (Rosenthal 1975), and *gharar* refers to financial transactions
embedded in uncertainty. Maisir and gharar are avoided in Islamic finance to eliminate the potential for a party to lose or double an initial investment simply due to market fluctuations or other circumstances, as this would constitute a form of riba (here, ‘money begetting money’) (Iqbal and Molyneux 2005, Jackson-Moore 2009).

**Avoidance of haram entities:** IBFIs must limit themselves to engagement with *halal*, or permissible activities or goods and avoid *haram*, or forbidden entities such as alcohol, pork, pornography, conventional finance, or gambling. For some, this list also includes weapons manufacturers and entertainment industries. One South Asian Islamic bank recently rejected an investment request for fertilizer for use in tobacco farming, deeming support for tobacco as non-halal.

*Common products and contracts*

**Bai Salam/Salam:** This investment vehicle allows for the advance payment of goods. This is particularly useful for agricultural inputs, to ensure that a shortage of cash will not derail production later on. Bai salam is differentiated between bai muajjal and murabaha because the assets being purchased do not yet exist.

**Bai muajjal:** A credit sale utilizing a contract to establish deferred payment terms between a buyer and a seller. The contract sets both a fixed price and singular payment date or installment payment dates. Fees are not disclosed separately, but are rolled into the price quoted to customers. Even if there is a purchase of a good at some point in time, if the good is not bought and delivered to the client per the original terms of the contract, then the transaction will not be
Shari’a-compliant. Monitoring and evaluation is required to ensure Shari’a compliance, but is often prohibitively expensive.

**Ijara:** A leasing contract whereby a financier buys a productive asset on behalf of a client, and then leases it out to the client in exchange for regular repayments. The financier maintains liability for the asset throughout.

**Istisna:** A payment contract for a made-to-order asset with all materials/inputs provided by the manufacturer. A delivery date does not have to be set in advance, nor does full payment necessarily need to precede manufacture. This tends to be a longer-term contract suitable for infrastructure projects, power development, or other types of construction, whereby installment payments can be tied to construction progress.

**Mudaraba:** An equity investment between a financier (*mudarib*) and an entrepreneur who share profits according to a predetermined ratio. Losses are borne by the financier who supplied the capital; the entrepreneur bears the loss of his or her time and labor.

**Murabaha:** A “mark-up” or “cost-plus” sales contract in which the bank’s fee/profit is added to the purchase price of a good and the client pays in installments toward the single, non-disaggregated price. An industry-wide overreliance on murabaha is widely acknowledged (Kroessin 2012), fueling criticism of the IBF industry as only nominally Islamic, as the mark-up fee is seen as analogous to interest. For taxation purposes however, the distinction between fees versus interest can become critical. The bank’s offer of murabaha and the client’s acceptance of
it must be two distinct contracts signed by both parties, rather than one general agreement, with the offer contract being signed before the good is purchased. This document must also include a detailed description of the good, and all dated invoices must be supplied.

**Murabaha with an “agency agreement”**: This refers to situations where the client or a third party is deputized to make a purchase on behalf of the institution, due to limitations in the institution’s capacity or specific knowledge of good/market. Transport costs and liabilities are borne by the institution. Only after the institution is presented with an invoice or other proof of purchase does ownership of the purchased item officially transfer to the client.

Among IMFIs, overworked and understaffed NGOs with limited budgets might not seek out multiple price quotes for assets they intend to purchase, and so regularly purchase assets above their market cost. This can distort local markets and cause IMFIs to spend unduly high prices, the costs of which will then be borne by clients. Microfinance murabaha also poses logistical challenges, especially in rural and/or insecure areas. Staff buying agents regularly travelling with large sums of cash in order to make client purchases are exposed to security risks. Debit cards, mobile money transfer, and shop billings are often rejected by vendors because they cannot process them or because these formal, documented methods render transactions taxable.

**Musharaka**: An equity investment similar to mudaraba except for differences in the sharing of profits and losses and responsibility for the initial capital. Musharaka is difficult to implement at the microfinance and even SME level because the transparent and standardized client accounting practices necessary to monitor profits and losses are often rare or unevenly developed skill sets. For regular consumer and commercial financing, the risk of corruption, deliberate overstating of...
losses and/or underreporting of profits dissuade widespread use of musharaka. The information asymmetries and amount of monitoring and evaluation needed is too labor intensive for many institutions. As a result, despite the risk-sharing ethos of musharaka embodying central ideas of Islamic economics, this contract remains underdeveloped and underused.

**Quard-e-hasana** is an interest free loan, usually disbursed for welfare or charitable purposes, and is mentioned specifically in the Qur’an (57:11). Across Islamic microfinance providers, suitable use of quard-e-hasana depends on the provider: some restrict it to education and health care, others will fund a broader range of needs, such as marriages, emergencies, house building/purchase, and to pay down existing loans. The Islami Bank restricts it to collective rather than individual benefit: group microfinance collectives can use quard-e-hasana to build a community latrine or tube-well for groundwater access. Scholars are divided as to whether quard-e-hasana may include fees related strictly to the cost of its disbursement (excluding overhead costs), or whether it must remain fee-free.

**Shirkatul Melk:** The full contract title, “hire purchase under shirkatul melk,” is a combination of sale, *ijara* (lease), and the partnership _shirkat_ contracts. Through this, according to the Islami Bank, “two or more persons supply equity, purchase an asset, own the same jointly, and share the benefit as per agreement and bear the loss in proportion to their respective equity” (2017). The bank will rent out the equipment/goods to a client, and the client and bank will share ownership as the client has physical possession of the equipment while delivering payments toward eventual complete ownership.
**Takaful:** Takaful encompasses several forms of Islamic insurance, referring broadly to a group of participants who agree to support one another jointly for losses arising from specified risks, motivated by the principle of *ta’awun*, or mutual assistance.\(^{128}\) A “takaful operator” (the company or institution) organizes this group. A participant contributes a sum of money (akin to a premium) into a common fund as insurance against specified loss or damage. Takaful underwriting is thus undertaken on a mutual basis. Money in the common pool held in reserve is invested in a Shari’a compliant-manner, and profits and losses are distributed between participants and the takaful operator according to the type of takaful model.

\(^{128}\) According to the Qur’an: “Help one another in goodness and piety, and do not help one another in sin and aggression” (5:2)
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Curriculum Vitae

Education

PhD, Anthropology, Johns Hopkins University, 2009-17

BA, English, Whitman College, Washington, USA, 2001-05 (*summa cum laude*, Phi Beta Kappa) Claire Sherwood Scholar; Walter Brattain Scholar

Selected Employment (non-teaching), Appointments, and Research

Postdoctoral Research Fellow, Inclusive Capitalism program

Oct. 2016-present
International Board Member, Institute for Money, Technology & Financial Inclusion

Nov. 2014-June 2015
Consultant, Financial Services for the Poor, Bill and Melinda Gates Foundation

2007-09, Washington DC
South Asia Researcher, United States Commission on International Religious Freedom

2006-07, Kolkata, India
American Institute of Indian Studies (AIIS) Bengali Language Fellow

2005-06, Bangladesh
Fulbright Research Fellowship

Teaching

2016-17 and 2017-18, SOAS, University of London (MA Programme)
Teaching Fellow, “Anthropology of Development” (convened by Drs. Catherine Dolan & John Campbell)

Winter 2012 (Intersession), Johns Hopkins University, Department of Anthropology
Instructor, “Theologies of Money”

Spring 2011, Johns Hopkins University, Department of Anthropology
Teaching Assistant, “Anthropology and Public Action” (convened by Dr. Jane Guyer)

Fall 2010, Johns Hopkins University, Department of Anthropology
Teaching Assistant, “Anthropology of Media” (convened by Dr. Anand Pandian)
Spring 2010, Johns Hopkins University, Department of Anthropology
Teaching Assistant, “Invitation to Anthropology” (convened by Drs. Naveeda Khan & Juan Obarrio)

Awards, Grants, and Fellowships

2016: Travel Award, Islamic Banking Center, King Saud University, Saudi Arabia
2010-2015: National Science Foundation Graduate Research Fellowship
2012-2013 Fellowship, Institute for Money, Technology & Financial Inclusion
2012-2013 Multi-Country Fellowship, Council of American Overseas Research Centers
2012 Irmgard Coninx Stiftung Fellow, Berlin Center for Social Science Research
(Wissenschaftszentrum Berlin für Sozialforschung)
2011 J. Brien Key Graduate Student Assistance Fund Award
2011 Johns Hopkins Program for Women, Gender, and Sexuality Research Award
2011 Johns Hopkins Graduate Representative Organization Travel Grant
2010 Johns Hopkins Institute of Global Studies Summer Travel Award
2010 American Institute of Bangladesh Studies Pre-Dissertation Fellowship
2006-2007 American Institute of Indian Studies Academic Year Bengali Language Fellow
2005-2006 Fulbright Research Fellowship to Bangladesh
2005-2006 Fulbright Islamic Civilization Award
2005: Whitman College Jackson Literary Prize for the best 2004-05 English paper

Selected Publications


Invited Lectures and Presentations

Habib University, Karachi, Pakistan, April 7, 2017: *Islamic Finance and “Authenticity”: Notes on Recuperating a Revolutionary Past*

Habib University, Karachi, Pakistan, Workshop on Financial Inclusion of the Poor, April 8, 2017: *Accounting for the Subjects of Islamic Microfinance: Lessons from Pakistan and Bangladesh*


Freie Universität Berlin, Workshop on Textual Approaches to the Intellectual History of the Islamic World, July 2012: *Between Banks and Clients: Locating the Economic and Religious Subjects of Islamic Microfinance in Bangladesh*

JHU Program for Women, Gender, and Sexuality: Summer Fellows Workshop, Feb. 2012: *Accounting for Gender in Bangladeshi Islamic Microfinance*

American Institute of Bangladesh Studies, Dhaka, Bangladesh, Aug. 2011: *Islamic Finance and Microinvestment in Bangladesh: Theory, Practice, Aspiration*

Fulbright Islamic Civilization Seminar, Tunis, Tunisia, Apr 2006; South Asia Fulbright Conference, Vizag, India, Mar. 2006: *Politics of Partnerships: Allying Islam & Development in Bangladesh*

**Presentations**

Inclusive Economies Seminar, London School of Economics, Nov. 2016: *Intention and the Legibility of the Poor: Islamic Microfinance in Bangladesh*

Society for the Advancement of Socioeconomics, UC Berkeley, June 2016: *Rationality, Risk, Uncertainty, and the Temporalities of Islamic Finance*

Society for the Advancement of Socio-Economics Mini Conference on Islam and the Construction of New Economic Moralities: Divergence, Convergence and Competing Futures, UC Berkeley, June 2016: *Examining Social Justice in Islamic Finance*

Johns Hopkins University, Department of Anthropology Colloquium series, April 2016: *Stories of Ledgers and Numbers: Accounting for Islamic Microfinance Subjects in Bangladesh*

University of Copenhagen, Workshop and PhD Course on Contested Narratives: Bangladesh, April 2015: *A political introduction to the Chittagong/Arakan Borderlands*

Workshop on Constructing Financial Risk, Cass Business School, University College London: April 2015: *Islamic ‘Risk Culture’ and the Promise and Peril of Musharaka*

Conference on Global Institutions and Technologies in the Governance of Illicit Activities, New York University Law School, Nov. 2014: *Counting, Corruption, and Questions of Jurisdiction: The
(Il)legality of Rohingya Refugees in Bangladesh


9th International Cultural Studies Conference, Sorbonne, Paris, July 2012: *Money in Time: Bringing Finance into History*

10th Harvard Forum on Islamic Finance, March 2012: *Ethnographic Approaches to Understanding Client versus Institutional Priorities for Islamic Microfinance in Bangladesh*

110th Annual Meeting, American Anthropological Association, Montreal, November 2011: *Islamic Microinvestment in Bangladesh: Producing the Religious and Economic Subject*


Society for the Anthropology of Religion, April 2011: *Islamic Finance in Bangladesh: Money and the Instability of the Secular and the Sacred*

**Personal**

**Languages:** English (native), Bengali (professional fluency)

**Born:** March 6, 1983, Los Angeles, California