

UC Irvine

UC Irvine Previously Published Works

Title

Sacred law in Global Capitalism

Permalink

<https://escholarship.org/uc/item/0nh7x7z3>

ISBN

9780495810827

Author

Maurer, WM

Publication Date

2013-03-06

Peer reviewed

ORIGINAL
STUDY

Sacred Law in Global Capitalism BY BILL MAURER

I will never forget my introduction to Islamic banking. It happened at a 1998 conference when I happened into a darkened room where the founder of an Islamic investment firm was showing a clip from the old Hollywood classic movie, *It's a Wonderful Life*. On the screen, George Bailey, played by Jimmy Stewart, faces an anxious crowd of Bedford Falls citizens, who have rushed into his Building and Loan, passbooks in hand, desperate to get their money. There is about to be a run on the bank.

One of the townspeople says he wants his money, *now*. George protests, "But you're thinking of this place all wrong—as if I had the money back in a safe. The money's not *here*. Why, your money's in Joe's house that's right next to yours, and in the Kennedy house, and Mrs. Macklin's house, and in a hundred others. You're lending them the money to build and then they're gonna pay it back to you as best they can. . . . Now, we can get through this thing all right. We've got to stick together, though. We've got to have faith in each other." The people cry, "I've got doctor's bills to pay!" "Can't feed my kids on faith!"

Then Mary, George's newlywed bride, shouts from behind the counter, "I've got two thousand dollars!" and holds up a wad of bills. It is the money for their honeymoon. George chimes in, "This'll tide us over until the bank reopens tomorrow." He proceeds to disburse money based on people's stated needs ("Could I have \$17.50?" one woman asks meekly) and guaranteed only by his trust in them.

Seconds before six o'clock, the last client leaves. George has just two dollars left. He, Mary, his Uncle Billy, and two cousins count down the seconds and then lock the doors. They have managed to stay in business for one more day. They place the two remaining dollars in a tray, and George offers a toast: "To Mama Dollar and to Papa Dollar, and if you want this old Building and Loan to stay in business you better have a family real quick." "I wish they were rabbits," says Cousin Tilly.

At this point in the film, the conference host paused the video and said, "This is the first *lariba* movie." A murmur went through the crowd. No one quite knew what he meant. Most of the audience was Muslim; this was a Christmas movie. What was our host trying to say?

I now know that *lariba* is Arabic for "no increase." The Koran invokes the term *riba* (increase) twenty times, and the term is often translated as interest or usury (excessive interest). Islamic banking and finance aim to avoid *riba* through profit-and-loss sharing, leasing, or other forms of equity- or asset-based financing.

We are all aware of the recent global financial crisis, which led to the collapse of major corporations, the nationalization of big banks and car companies, massive unemployment, and unnerving insecurity for many people in the United States and around the world. One of the leading causes of the crisis was the marketing of debt to people who probably could not repay, and the packaging of those debts into complicated financial instruments that were supposed to curb risk but instead increased it.

What, you might ask, does anthropology have to contribute to the study of the financial markets, money, and the wider economy? Quite a lot, actually. Among other things, anthropologists have repeatedly demonstrated that economic decisions thought to be purely rational and self-interested are actually deeply embedded in social relationships, cultural values, and religious beliefs.

Take securitized debt instruments, for example—loans like mortgages, chopped up and rebundled together into salable commodities. When they started to go sour, many commentators blamed the instruments' complexity and called for a return to an economy based on real things instead of abstract tradable debt. However, we know from our research across the globe that peoples in different cultures do not always differentiate the real from the abstract in the same way. A person's reputation might be deemed more solid and real than a piece of gold. And a piece of gold has real value only because people agree to it as a convention.

After that 1998 conference, I began my study of global Islamic banking, including the efforts of American Muslims to create a new kind of "Islamic" mortgage that enables devout Muslims to buy a home in accordance with Islam's prohibition of interest. Instead of financing a home purchase with interest-bearing debt, Islamic alternatives rely on either leasing contracts (a sort of rent-to-own arrangement where the bank owns the house and the purchaser buys out the bank's share over time) or a partnership arrangement (like a joint business venture). Rather than having debt and interest at the center of the mortgage, as in a conventional loan, the house itself and its fair market rental value are at the center. The purchaser buys out the bank's share over time. At the center is the asset—the real thing—not the debt.

Of course, there is no reason why a joint partnership to own a piece of property is any more "real" or less "abstract" than bundling together debt. It depends on one's point of view, and one's precommitments to certain values—prohibiting interest and sharing risk, for example, or distributing risk onto others. In Islamic finance, the former is seen as "Shariah compliant," or in accord with Islamic law; and the latter, as unjust because it offloads one's own share of risk onto others.



Palani Mohan / The New York Times/Redux

Until the early 1990s, millions of Muslims throughout the world had few investment opportunities due to the ethics derived from Shariah law. Since then, hundreds of Islamic financial institutions have emerged in over fifty countries. Big American and European banks, including Citibank, have also entered the Islamic banking business in order to tap into the rising oil wealth. Today, Shariah-compliant banks manage well over \$750 billion globally. Here we see three Muslim women in Kuala Lumpur, Malaysia.

At the same time, Islamic mortgages often require relatively large down payments; this excludes poorer people from achieving the American dream of homeownership. So, we need to ask ourselves whether the virtues of adherence to the precepts of one's religion outweigh broader social goals of financial inclusion.

Global Islamic banking today owes much to the immigration of Middle Eastern and South Asian students and professionals to the United States and western Europe since the 1970s, and the consolidation of large U.S.–Muslim organizations. The oil boom in the Middle East during the 1970s, which sparked renewed interest in Islamic banking in many Muslim-majority countries, also encouraged the development of a loosely knit interconnected network of Muslim international businessmen, who, working for oil and chemical companies as well as financial firms, gained experience in Western regulatory and business environments.

Islamic home financing expanded greatly after the 2001 terrorist attack on New York's World Trade Center and the Pentagon; these attacks sent shockwaves through the capitalist world system dominated by Wall Street. First of all, Americans in general, Muslims included, took their money out of the stock market after the attack and started investing in real estate, buoyed

by low interest rates and feeding the speculative real estate bubble. Second, Islamic mutual funds had been able to maintain their "Islamicity" in part by contributing a portion of their profits to charity in order to religiously "cleanse" the funds; however, as charities came under governmental suspicion for terrorist money laundering, many Muslims withdrew their investments from these funds. Third, home financing, American Muslims told me, is the cornerstone of the "American dream," and they were eager to demonstrate their commitment to that dream.

People involved in Islamic banking and finance are continually engaged in an effort to define precisely what their field is. Is *riba* simply Arabic for "interest," or does *riba* refer only to "excessive interest" or usury? Does the prohibition say something about justice, or does it moralize about proper market relationships? Like any aspect of culture—economy included—Islamic banking is always a field of debate. And more debate, not less, may help us all to find just, peaceful, and profitable ways out of the various catastrophes we continually make for ourselves, as we create the abstractions and realities that mutually determine our lives together.

Written expressly for this text, 2010.

In this cross-cultural survey of religion and spirituality, we explored and contrasted numerous worldviews with their symbolic constructs of the universe and our place in it. Made and remade in the course of history, all of these ideological systems reflect human wonderings and ponderings—about life and death, health and illness, past and future, real time and dream time, the known and unknown. Dynamic and inherently complex as the superstructure of a cultural system, a worldview provides imaginative answers, even as it creates mysteries of its own. Whatever its symbolic substance or form, it plays a powerful role in social bonding and control, forging ideological ties that bind and divide.

Religions, as explained and illustrated in this chapter, are not just about spiritual beliefs and rituals, however important these may be. They are also fundamental in

the symbolic construction of social identities—the ways in which billions of people see themselves—and motivate people to act or not act in prescribed ways. Performing religion or spirituality, individually or collectively, people not only express what they feel and think but also *who* they are. By tradition or choice, this provides them with another identity marker, beyond features such as gender, speech, kinship, place, or status. Given the cultural variations and historical changes, different markers are stressed or recognized as socially significant.

The cultural upheavals triggered by globalization have made the anthropological study of religion not only fascinating but crucial in our efforts to better understand our species in all its creative and destructive cultural capacity.

CHAPTER CHECKLIST

What are religion and spirituality, and what role do they play in a cultural system?

- Religion is an organized system of ideas about the spiritual sphere or the supernatural, and it is a key part of every culture's worldview. Religion consists of beliefs and practices by which people try to interpret and/or influence aspects of the universe otherwise beyond their control.
- Like religion, spirituality is concerned with sacred matters, but it is often individual rather than collective and does not require a distinctive format or traditional organization.
- Among food-foraging peoples, religion is intertwined in everyday life. As societies become more complex, religion may be restricted to particular occasions.
- Spiritual and religious beliefs and practices fulfill numerous psychological and emotional needs, such as reducing anxiety by providing an orderly view of the universe and answering existential questions, including those concerning suffering and death.
- Myths are narratives that explain the fundamentals of human existence—where we and everything in our world came from, why we are here, and where we are going.
- A traditional religion reinforces group norms and provides moral sanctions for individual conduct. Its narratives and rituals confirm the existing social order, but it may also provide vehicles for challenging that order. People often turn to religion or spirituality in the hope of reaching a specific goal such as restoring health.

What types of supernatural beings and forces are included in the worldview of humans?

- Religion is characterized by a belief in supernatural beings and forces, which can be appealed to for aid through prayer, sacrifice, and other rituals. Supernatural beings may be grouped into three categories: major deities (gods and goddesses), ancestral spirits, and other sorts of spirit beings.
- Gods and goddesses are great but remote beings that control the universe. Whether people recognize gods, goddesses, or both has to do with how men and women relate to each other in everyday life.
- Monotheism holds that there is one supreme divinity; polytheism acknowledges more than one deity.
- Belief in ancestral spirits is based on the dualistic idea that human beings consist of a body and a soul, or vital spirit. Freed from the body at death, the spirit continues to participate in human affairs. This belief is characteristic of descent-based groups with their associated ancestor orientation.
- Animism, the belief that nature is animated (enlivened) by distinct personalized spirit beings separable from bodies, is common among peoples who see themselves as part of nature rather than superior to it.
- Animatism, sometimes found alongside animism, is a belief that nature is energized by an impersonal spiritual force—as in the Chinese concept of *ch'i*.

What are the different types of religious specialists?

- Priests and priestesses are full-time religious specialists authorized to perform sacred rituals and mediate with supernatural powers on behalf of others.

- Priests and priestesses typically hold their position by way of spiritual lineage in which divine authority is passed down from a spiritual founder to a chain of successors.
- There are four major forms of spiritual lineage: biological descent, training and appointment by religious leaders, election, and recognition of a reincarnated saint.
- Shamans are individuals skilled at entering an altered state of consciousness to contact and utilize an ordinarily hidden reality in order to acquire knowledge and supernatural power to help other people. Their special powers have come to them through some personal experience.

What are religious rituals and rites, and what purposes do they serve?

- A religious ritual is a culturally symbolic act or procedure designed to guide members of a community in an orderly way through personal and collective transitions. It is religion in action—the means through which people relate to the supernatural.
- Rites of purification are rituals performed to establish or restore purity when someone has violated a taboo or is otherwise unclean.
- Rites of passage are rituals marking an important stage in an individual's life cycle, such as birth, marriage, and death. They feature three phases: separation, transition, and incorporation.
- Rites of intensification are rituals that ease anxiety and bind people together when they face a collective crisis or change.

What are magic, divination, and witchcraft?

- People in many cultures believe in magic: the idea that supernatural powers can be compelled to act in certain ways for good or evil purposes through specified formulas.
- Many societies have magical rituals to ensure good fortune. Magic is considered to be both imitative (like produces like) and contagious.
- Divination is a magical procedure or spiritual ritual designed to find out what is not knowable by ordinary means, particularly through signs foretelling fate or destiny. Examples include geomancy and chiromancy (palmistry).
- Witchcraft—magical rituals intended to cause misfortune or inflict harm and often referred to as sorcery—is believed to be practiced by people who embody evil spirit power or collaborate with malevolent supernatural beings.
- Belief in witchcraft is widespread, takes many forms, and is especially common during periods of uncertainty.

What are sacred sites and pilgrimages?

- Sacred sites come in many forms. Some are places where ordinary people experienced something extraordinary. Others are associated with a holy person, including shrines or burial sites. Exceptional natural places, especially mountaintops, are often considered magical or sacred.
- A pilgrimage is a devotion in motion—a journey, often on foot, to a sacred site by individuals reaching for enlightenment, proving devotion, and/or hoping to experience a miracle. Among the largest pilgrimages is the hajj made by 1.8 million Muslims traveling to Mecca in Saudi Arabia each year from all around the world.
- Many pilgrimages center on cults of the Virgin Mary. These include Black Madonnas—dark-colored clay or wooden statues or painted images representing the virgin mother. One of them, the Virgin of Guadalupe in Mexico City, draws 6 million pilgrims annually.
- Sacred sites are potential targets of desecration—ideological violation of a sacred site aimed at harming, if only symbolically, people judged to have impure, false, or evil beliefs and ritual practices.

What are revitalization movements, and how are they connected to social upheaval?

- Revitalization movements, which can happen in any culture, arise when people seek radical cultural reform in response to widespread social disruption and collective feelings of anxiety and despair.
- Revitalization movements are not restricted to indigenous peoples historically dominated by colonial powers. They include the 19th-century rise of Mormonism in the United States and ecospiritualism in many Western nations, such as the rise of Druidry in England.
- The revival of traditional American Indian ceremonies such as the sweat lodge and Sun Dance ceremony are other revitalization examples.
- Syncretism, the creative blending of indigenous and foreign beliefs and practices into new cultural forms, can be found worldwide. This includes the practice of Vodou among former slaves in Haiti, which features elements of Roman Catholicism and traditional African beliefs such as spirit possession.

What is secularization?

- Secularization is a process of cultural change in which a population tends toward a nonreligious worldview, ignoring or rejecting institutionalized spiritual beliefs and rituals.
- Fairly common in wealthy countries, secularization has become especially prevalent in western Europe.

QUESTIONS FOR REFLECTION

1. There is more to culture than making survival possible, as humans also search for meaning in the universe and their place in it. Many put their faith in spirit forces, supernatural beings, or deities, seeking existential answers and praying for protection and support. Christian pilgrims in Mexico put their faith in a holy mother figure in heaven. Does your worldview provide you with the same or a similar spiritual support in times of hardship or suffering?
2. People in every culture experience anxiety, fear, and social tension, and many attribute accidents, illnesses, or other misfortunes to evil magic practiced by malevolent individuals such as witches or sorcerers. Do you believe people really possess such supernatural powers to inflict harm?
3. Do the basic dynamics of the shamanic complex also apply to preachers or priests in modern churches and medical doctors working in modern hospitals? Can you think of some similarities among the shaman, preacher, and medical doctor in terms of their respective fields of operation?
4. Graduation is a rite of passage, also known as commencement or convocation, when a high-ranking university official presents students who have completed their studies an academic degree. Can you identify the three phases in this ceremony?
5. Revitalization movements occur in reaction to the upheavals caused by rapid colonization and modernization. Do you think that the rise of religious fundamentalism among Christians, Muslims, Jews, and Hindus is a response to such upheavals as well?

ONLINE STUDY RESOURCES

CourseMate



Access chapter-specific learning tools, including learning objectives, practice quizzes, videos, flash cards, glossaries, and more in your Anthropology CourseMate.

Log into **www.cengagebrain.com** to access the resources your instructor has assigned and to purchase materials.