

TOWARD AN ISLAMIC REVOLUTIONARY METHODOLOGY: RETHINKING THE ISLAMIZATION OF CAPITALISM

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Abstract

Existing scholarship on the Islamization of capitalism (IoC) has extensively addressed its conceptual inconsistencies and institutional limitations; however, it has largely overlooked the deeper methodological flaws that underpin this project. This study seeks to fill this gap by critically examining the methodological foundations underpinning IoC. This study examines these methodological foundations by analyzing how the reform methodology—based on incorporating beneficial aspects of capitalism, pursuing *Sharī'ah* compliance, and adopting an issue-oriented approach—shapes the IoC project. Using a qualitative and critical method, the study reviews key contributions in Islamic economics and evaluates how reformism operates within the existing capitalist system. The findings show that adopting capitalist procedures carries the risk of Islam being absorbed into the capitalist system, that capitalist practices cannot be Islamized because they serve the liberal values that sustain capitalism, and that an issue-oriented approach ignores the need for a system-oriented perspective. In response, the study proposes an Islamic revolutionary methodology that does not work within the existing system but aims to develop parallel Islamic alternatives capable of transcending and ultimately replacing capitalism.

Keywords: Islamization; capitalism; *Sharī'ah* compliance; Reform, Revolution

INTRODUCTION

The Islamization of capitalism (IoC) has emerged as one of the most influential reformist projects in contemporary Islamic economic thought. Over recent decades, Muslim scholars, Islamic economists, and *Sharī'ah*-experts have attempted to revise the procedures and instruments of capitalism to make them compatible with Islamic principles. This scholarship has identified numerous conceptual inconsistencies and institutional shortcomings within IoC. Critiques have pointed out that Islamic banking often fails to meet its *fiqhī* foundations, that reliance on instruments such as *muḍārabah* does not establish Islamic economics as a distinct discipline, and that Islamic financial institutions address only partial issues without attaining the broader objectives (*maqāṣid*) of *Sharī'ah*. Others have argued that IoC frequently assumes the validity of Western capitalist procedures and merely modifies their external forms to produce Islamic versions.

Despite this rich body of critique, a crucial dimension of IoC has remained largely unexamined: its methodological foundations. Existing scholarship has extensively revisited conceptual and institutional problems, yet it has not systematically interrogated the deeper methodological assumptions that structure the IoC project. Instead, most critiques operate within the framework of the reform methodology (*iṣlāh*),

which seeks to incorporate what is deemed beneficial from capitalism, ensure *Shari'ah*-compliance, and address specific issues through a traditional, issue-oriented *fiqh* approach. While such reform has a long history in the Islamic tradition, it proves insufficient in a modern context dominated by capitalism. A reformist approach risks Islam being absorbed into the capitalist system, overlooks the fact that capitalist procedures serve liberal-secular values and cannot be repurposed for Islamic ends, and fails to adopt a system-oriented perspective necessary to confront capitalism as a comprehensive order.

This unaddressed methodological dimension constitutes the central research gap that this study aims to fill. Although scholars have examined how IoC functions conceptually and institutionally, they have not critically analyzed how the reform methodology itself shapes and constrains the project. This gap is not merely academic; it has direct consequences for the viability of Islamic economics. Without addressing the methodological foundations of IoC, the project remains trapped within the logic of the very system it seeks to transform.

The novelty of this research lies in its methodological reorientation. Unlike previous studies that critique IoC from within the reform paradigm, this study offers a critical analysis of reform as a methodology and demonstrates why Islamizing capitalist practices is structurally impossible. Building on this analysis, the paper introduces an Islamic revolutionary methodology as a novel contribution. This alternative approach neither operates within the existing system nor seeks to adjust its practices; instead, it focuses on developing parallel Islamic alternatives capable of transcending and ultimately replacing capitalism. By shifting the discourse from reform to revolution at a methodological level, the study contributes original insight to Islamic economic thought and opens new pathways for conceptualizing Islamic responses to modern capitalist systems.

LITERATURE REVIEW

A significant body of scholarship has revisited the project of Islamizing capitalism in an effort to address its conceptual weaknesses and practical limitations. This critical engagement intensified in 2008, when a group of Deobandī scholars collectively issued a *fatwā* rejecting 'Usmānī's model of Islamic banking and finance, marking a notable moment of scholarly dissent within the broader discourse on Islamic economic reform. The primary intellectual backing for this *fatwā* came from the jurists of *Jāmi'a 'Ulūm-i Islāmiyya*, Banūrī Town (established in 1954), another very renowned *Deobandī* seminary. Banūrī Town published an article detailing the arguments supporting a *fatwā* against Islamic banking, ("Murawwaja Islami Bankari Aur Jamhoor Ulama Kay Mawqaf Ka Khulasa," 2008), followed by a book that substantiated these arguments through Hanafī jurisprudence. (Murawwaja Islami Bankari: Tajziyati Mutala, Shari Jaiza, Fiqhi Naqd-o-Tabsara, 2008) In response, 'Usmānī wrote a book addressing the *fiqh* concerns raised by Banūrī Town. (Usmani, 2009) According to the scholars involved in issuing the *fatwā*, the banking system attributed to Islam is entirely un-Islamic. In certain aspects, this system is more dangerous and illegal than the traditional banking system. The *fatwā* outlined two fundamental reasons for declaring this system un-Islamic. The first reason is that the banking system does not adhere to the *fiqh* foundations and conditions outlined by the architects of current Islamic banking for Muslim bankers, even on the terms of the foundations themselves. This is why Islamic banking has not established a truly distinct

Islamic identity. As a result, the outcomes are materially indistinguishable from interest-based transactions. Numerous irrefutable testimonials prove this point.

- For instance, the architects of current Islamic banking recognize that its fundamental principles are *Mushārah* and *Mudārah*, while *Murābah* and *Ijārah* are merely stratagems that were conditionally permitted for a limited time. Despite this, bankers focus on *Ijārah* and *Murābah* instead of the foundational principles.
- For this reason, the leading advocate of Islamic banking, ‘Usmānī, is extremely disappointed with this banking system and is gradually distancing himself from it. This confirms that those who doubted the Islamic nature of current banking were absolutely right, and even those who hoped for improvement and Islamic compliance are now disappointed.
- Similarly, many intellectuals have interacted with conventional and Islamic banks but have found no significant difference between them. Many of them understand the banking system so deeply that their knowledge exceeds modern Islamic bankers. These examples highlight that there are only a few differences in terminology between conventional and Islamic banks; in practice, both are identical in procedures, goals, and objectives.

The second reason for asserting that current Islamic banks are un-Islamic is that the foundations on which they are based have significant flaws. There are numerous flaws in how proponents of Islamic banking apply, interpret, and justify these foundations.

- The fundamental flaw in their arguments is that they distorted many *fiqhī* terminologies in order to Islamize business practices useful for banking. They rely on weak and inaccurate opinions and allow the adoption of juristic rulings from another school in a single transaction, which is impermissible according to all schools.
- Although *mushārah* and *mudārah* are recognized as foundational principles, Islamic banks rarely use them for financing. Surveys estimate that these methods account for only 15–20% of their operations, in contrast to *ijārah* and *murābah*.
- As per *fatwā*, *murābah* and *ijārah*, as practiced by banks, are merely stratagems (*hīla*). These Islamic financing modes lack unanimous agreement, and it is impermissible to institutionalize such stratagems as a permanent system. The transactions carried out through these modes are also deemed impermissible.
- Furthermore, *murābah* used in Islamic banks differs entirely from the *murābah* described in *fiqh*. In *fiqhī murābah*, the price must be set up front, and the cost must be clearly known and exist. However, in banking *murābah*, the bank often does not pay the price first, nor does the cost exist. Labeling this transaction as “*murābah*” is regarded as deceptive and impermissible in *Sharī‘ah*, yet it continues to be used under this name in Islamic banking. The collective *fatwā* from the Deoband scholars raises several additional objections

about *murābaḥa* and *ijāra*. ‘Usmānī responded to some of these in a meeting, the details of which have been published in booklet form.

In addition to the objections mentioned above, many other *fiqhī* objections were raised in the *fatwā*, which are neither the focus of this thesis nor possible to discuss here. (Murawwaja Islami Bankari: *Tajziyati Mutala, Shari Jaiza, Fiqhi Naqd-o-Tabsara*, 2008) In conclusion, there are two reasons to deem existing Islamic banking un-Islamic: 1) it does not adhere to the proposed Islamic modes of financing, and 2) the proposed Islamic modes themselves have several shortcomings. Based on these objections, there seems to be no principled justification for the *Deobandī* critics to call existing Islamic banking “Islamic”. Whether ‘Usmānī’s response has effectively resolved the objections of *Deobandī* critics of Islamic banking in Pakistan remains unclear.

Seyyed Valī Reza Nasr argued that the Islamization project has become more political than academic, often driven by self-proclaimed thinkers who lack expertise in the areas they aim to reform. Moreover, instead of allowing faith to inspire a rigorous methodology, faith has been used as a direct substitute for such a methodology. As a result, the Islamization of knowledge has been narrowed to applying different *Sharī‘ah* teachings to various topics. It has undermined his creative project, reducing it to a mere glorified definition of religious observance. Instead of contributing to knowledge and promoting it by injecting the Islamic worldview into modern science, the Islamization project, in its current form, has created a harmful divide between faith and knowledge in Islam. This divide becomes even more obvious with the claims that Islam and modern science can easily be merged. According to Valī Nasr, Muslims have engaged in extensive discussions to define and apply Islamic economics, but a clear and satisfactory definition remains elusive. Although there was hope that these gaps would be resolved as the field developed, recent trends have raised concerns about its direction and purpose, raising crucial questions about the definition and future of Islamic economics. For Valī Nasr, Islamic economics, initially intended to challenge Western economic thought, has struggled to establish its independence and legitimacy. Over the past decade, it has relied on Western standards, particularly in areas like interest-free banking, rather than creating distinct Islamic principles. This reliance has limited innovation and led to stagnation, raising doubts about the field’s future growth. Consequently, due to the narrow focus on limited definitions of Islamization of science, the field has failed to develop into a true Islamic science and instead has become a set of guidelines for adapting Western intellectual frameworks with minimal violations of *Sharī‘ah*. (Nasr, 1991)

Islamic economics is now more focused on gaining acceptance in Western circles than on addressing fundamental issues, transforming it into an ethically inspired version of Western economic thought. Valī Nasr asserts that the proponents of interest-free banking claim that these institutions are not only efficient according to Western standards but also morally and financially superior. However, this comparison neglects the wider, more crucial aspects of the field. Due to the lack of agreed Islamic standards, Muslims have assessed interest-free financial institutions and their performance using Western standards, placing a significant burden on these institutions. The issues raised apologetically affect the entire structure of Islamic economics, posing unnecessary challenges for scholars. This shift has shaped the field in such a way that responding to external criticism is prioritized over independent intellectual development. (Nasr, 1991)

Focusing solely on *mudārabah* to promote efficient banking does not establish Islamic economics as a unique discipline. It only proves the possibility of interest-free banking, which is not enough to build the foundation of Islamic economics. Without a clear philosophical framework, interest-free banking is often evaluated through Western economic standards, reducing it to an alternative to Western financial practices rather than a distinct system. Moreover, the principle of *mudārabah* itself is not inherently Islamic; it is simply a mechanism that allows Muslims to engage in financial transactions without violating *Sharī'ah* on interest. It is possible that *mudārabah* would not be needed in a fully functioning Islamic economic system. This mechanism, while ethically and economically efficient, can be adopted by non-Muslims without transforming their economic systems into an Islamic one.

The debate on *mudārabah* focuses primarily on the practical performance of banking practices rather than on the fundamental Islamic principles related to the economic well-being of society. *Mudārabah* gains its spiritual significance only when viewed in the broader context of Islamic economic philosophy. Its primary value lies in preventing Muslims from interest, rather than in its operational efficiency. Therefore, Muslims would benefit more from defining the philosophy of Islamic economics. This approach would allow Islamic economics to move beyond the need to justify the workability of *mudārabah* and instead establish a philosophical foundation where concepts such as *mudārabah* can find their true purpose. Valī Nasr argued that Interest-free financial institutions are an important part of Islamic economics but should not be equated with Islamic economics itself or seen as its primary representative. These institutions would benefit greatly if they were aligned with a broader philosophy of Islamic economics. This approach would free interest-free banking from the need to conform to Western economic standards and relieve it of the unnecessary role of defending Islam against Western criticism.(Nasr, 1991)

The term “Islamization” suggests that sciences are “unholy” and need to be made sacred. However, the observed phenomena and sciences are inherently Islamic because the world is created by God. Science is also sacred, as it involves studying God’s creation. So, the aim of Islamizing science must be to align these sciences with an Islamic worldview, rather than trying to create entirely new sciences. This perspective integrates scientific principles with Islamic values and the spirit of revelation.(Nasr, 1991)

In many historical examples, the development of a powerful philosophy or worldview came first, followed by the creation of social institutions to carry out the ideas and objectives of that philosophy. This was evident in the Prophet Muhammad’s (saww) establishment of the Islamic order in Makkah and Madina, where existing social and political structures were infused with the spirit of Islam rather than being constructed from scratch. The Prophet Muhammad (saww) adopted universal governance principles like power, justice, authority, and legitimacy, aligning them with the Islamic worldview. He never claimed to create a completely new system of government. Similarly, in Europe, modern capitalist institutions were shaped by the worldview of capitalism, which reflected and implemented capitalist ideas. Similarly, in Islamic economics, it will not be the creation of new institutions, such as interest-free financial systems, that will drive the process of Islamization. Instead, it is the development of new worldviews that will initiate and sustain this change. However, in the case of the Islamization of social sciences, this process seems to be reversed. Muslim scholars have focused too much on institutional issues, neglecting the development of philosophical foundations. Without a clear and comprehensive

philosophical foundation, the Islamization project risks becoming merely a collection of *Shari'ah* rules or the creation of Islamic institutions and organizations.(Nasr, 1991)

Mohammad Nejātullah Siddiqī claimed that for the Muslim people under colonial rule, Western financial institutions were an instrument of colonial expansion and exploitation, like other colonial institutions. Therefore, the introduction of banks and insurance companies into Muslim societies was always suspect.(Siddiqi, 2006) Along with the struggle for freedom from colonial rule, it was also discussed that the economy of independent Muslim countries should be organized on what principles? In the second and third decades of the twentieth century, capitalism and socialism were discussed worldwide. The general opinion was that independent countries would have to choose between these two. During the same era, influential Islamic movements presented Islam as a complete way of life, asserting that it encompasses its own economic system distinct from the extremes of capitalism and socialism.(Siddiqi, 2006) By taking *Shari'ah*'s objectives into account, these movements outlined the philosophical foundations and core principles of Islamic economics and encouraged its adoption. This call led to a debate on rejecting interest-based banking and embracing Islamic banking and finance, led by economists. Subsequently, the establishment of Islamic banks was launched after 1970.(Siddiqi, 2009)

According to Siddiqī, the first generation of Islamic banking focused on establishing an interest-free banking system as part of the broader Islamic way of life, aiming to develop an alternative to the capitalist banking model. As a Muslim, he considered interest as prohibited and used his knowledge of economics to explain its harmful consequences.(Siddiqi, 2009) *Shari'ah*-experts had a limited role in the early development of the Islamic economic project. Although they later became central to Islamic banking, their initial involvement was not as significant. This is not to undermine their importance but to highlight that the original project was civilizational and rooted in the broader aim of *Shari'ah*'s objectives, which have little to do with technicalities.(Siddiqi, 2006) For Siddiqī, with the establishment of Islamic banks, the focus gradually shifted away from its broader scope. The main objective of these private Islamic banks is to make the capital profitable by preventing interest-based transactions. Moreover, these banks were aimed at helping Muslim individuals who avoided transactions with usurious banks but were looking for an alternative way to protect their savings and use them profitably. In Islamic financial institutions, despite the invaluable contributions of *Shari'ah*-experts, their focus mainly remains on addressing the specific issues these financial institutions tackle in their day-to-day operations.(Siddiqi, 2009) The role of *Shari'ah*-experts in contemporary Islamic financial institutions is very technical and issue-oriented. They only address the partial issues faced by these institutions in the light of Islamic *Fiqh*.(Siddiqi, 2006) They have been unable to focus on the broader issues that differentiate the Islamic system from the capitalist system and the financial institutions of both systems. Islamic banking and finance are intended to play a significant role in achieving *Shari'ah*'s objectives, which were mentioned in the literature before the establishment of Islamic banks. However, it is not common practice among *Shari'ah*-experts to issue *fatāwa* based on the broader *Shari'ah*'s objectives or to assess the overall framework they had developed.(Siddiqi, 2009) While these experts have been effectively performing their duties based on their training, this training is no longer well-suited to achieving *Shari'ah*'s objectives in the context of today's circumstances, which differ significantly from the environment reflected in the texts they study.(Siddiqi, 2006) Consequently, Islamic financial institutions, which were expected to play an important role in achieving the *Shari'ah*'s objectives, have

not met the expected standards. In the modern specialized era, this requires separate and special attention to address the flaw.(Siddiqi, 2009)

Siddiqi argued that for Islamic economics to progress further, there needs to be closer cooperation between Islamic economists and *Sharī'ah*-experts, as well as between Islamic economists and their non-Muslim colleagues. Both *Sharī'ah*-experts and an economist aim to promote social good and balance private and public interests, but they approach this in different ways. The *Sharī'ah*-experts often refer to authorities, while the economist focuses on analyzing reasons. Interacting with economists is likely to require the *Sharī'ah*-expert to revisit fundamental principles more frequently than he has lately been accustomed to. However, the *Sharī'ah*-expert has a broader understanding of *Sharī'ah*'s objectives in economic matters, something that the economist's specialized training does not provide.(Siddiqi, 1989)

For Asad Zamān, the Islamization of modern science aims to transform Western sciences into forms compatible with Islam and aligned with Islamic ideologies.(Zaman, 2009) Among those attempting the Islamic revival, only one group has recognized the central role of education. These scholars have attempted to remove the pro-Western elements from Western knowledge and shape it within an Islamic framework. However, despite fifty years of effort, this Islamization of Knowledge project has not been successful.(Zaman, 2024) Progress in this field and the emergence of genuine Islamic alternatives have been hindered by the uncritical acceptance of Western ideologies that conflict with Islamic principles.(Zaman, 2009) According to Zamān, the failure of Muslim scholars to distinguish between the social and natural sciences is the main reason for this problem. The prestige of Western physical science has caused Muslims to extend the same respect to Western social science. However, social science, which studies humans and society, has been deeply flawed due to the West's denial of God. Muslims should be extremely wary of the social science that has caused such great social disruption in the West.(Zaman, 2009) Zamān asserted in one of his articles:

“Social Science is the name of the efforts to provide answers to fundamental questions that emerged as a result of the abandonment of religion. Because it provides an alternative to traditional answers based on religion, it is fundamentally incompatible with religious ideas. This is why we cannot accept Western social science on face value; failure to appreciate this has been a major source of difficulty for the project of Islamization of knowledge...., Although Christianity and Islam have only small differences on these topics, secular thinking gives answers that are very different from religious ones.”(Zaman, 2009)

So, what to do in this scenario? According to Zamān, since atheism is the foundation of Western social science, it is not possible to reform Western knowledge to make it compatible with Islam. Instead, Muslims should build social science on the foundations established by our ancestors, such as Ibn Khaldūn (d. 1384), and integrate valuable and relevant aspects of Western science into our intellectual heritage. The current approach to Islamizing social sciences, according to Zamān, is ineffective. It assumes the foundations of Western procedures and practices are valid and focuses on modifying their outer structure to develop Islamic versions. For him, this method will not work. Instead, Muslims must begin with our Islamic foundations.(Zaman, 2009)

We need to find ways of Islamizing the economy that conform to both the spirit and the form of Islamic law, instead of just the form, which is taking up most of the current efforts of Islamic economists.(Zaman, 2008)

METHOD

A qualitative, critical-analytical approach is employed to examine the methodological foundations of the Islamization of Capitalism (IoC). Major scholarly contributions in Islamic economics, including works by Islamic economists, *Shari'ah* scholars, and contemporary critics addressing the conceptual and institutional limitations of IoC, are purposively reviewed. Relevant literature is systematically identified, compiled, and organized thematically according to methodological approaches, reform principles, and critical perspectives. The dominant reliance on the reform methodology (*islāh*) is identified, its epistemic coherence and practical effectiveness are evaluated, and its structural limitations are highlighted. An Islamic revolutionary methodology is proposed as a theoretically grounded alternative to address the identified gaps.

FINDINGS AND DISCUSSIONS

Reform in Islam

The twentieth century has been a century of two major struggles: the first, at the turn of this century, when the majority of the Muslim world struggled to become free from the dominance of European powers; and the second, the struggle for Islamic revival. (Esposito, 1999) *Islāh* (reform) and *Tajdīd* (renewal) are well-known concepts of Islamic history that reflect a continuous tradition of the revival of Islamic belief and practice. (Voll, 1983)

The concept of reform is common in Islamic texts and widely used in Muslim literature with diverse meanings and applications. The word “*islāh*” stems from the Arabic root word *s-l-h* which means to mend, restore, and improve”. *Islāh* occurs in forty verses of the Qur’ān in the sense of “to restore oneself or to reconcile people with one another, to make peace”. The word “*muslih*” is used to describe the individuals who support peace against disorder, and anarchy. In the Qur’ānic terms, *islāh* is the opposite of *ifsād* (corruption), and *muslih* is the opposite of *mufsid* (practicing corruption). The term *islāh* occurs in hadith collections, Islamic political discourses, and discussions about *Shari'ah*. (Saruhan, 2006) The duties of the Messengers of Allah (SWT) as described in the Qur’ān are closely related to *islāh*. For example, Hazrat Shoaib (saww) declares to those to whom he was sent: “I only desire reform to the best of my power”. The Qur’ān constantly praises those who work for *islāh* and refers to them as doing God’s work. Although there are no longer any Messengers, as their heirs, Muslim scholars have to strive for reform. (Voll, 1983) Islam has a long and rich tradition of reform that addresses the gap appearing between Islamic standards and contemporary Muslim life, even in the modern age. (Voll, 1983) Reform has always been an ongoing process in Islamic history. This is because individual, social, and state actions rarely meet the desired standards, and there is always room for improvement. Islamic reform refers to bringing individual and social actions closer to the essential Islamic teachings and standards. (Ansari, 2020)

Key Principle of Reform Methodology

1. Incorporating What is Beneficial: In the modern context, this principle reflects the spirit of Islamic openness and critical engagement with the social sciences. The social sciences are perceived primarily as instrumental mechanisms and procedures, (Ansari, 2017) which is why the advocates of IoC employ a

“Incorporating what is beneficial” approach when assessing social sciences. IoC seeks to eliminate those elements of capitalism considered un-Islamic while selectively integrating its beneficial aspects to support the higher objectives of the *Sharī‘ah*.

2. *Sharī‘ah*-compliance: Advocates of the reform methodology believe that it is possible to construct “*Sharī‘ah*-compliant” or “*Sharī‘ah*-constrained” economics. They seek to revise capitalism in accordance with Islamic principles to develop a “*Sharī‘ah*-compliant” or “*Sharī‘ah*-constrained” form of capitalist economics. For instance, proponents of the Islamization of banking and finance acknowledge that the existing Islamic banking system is not fully Islamic but argue that it can be fully Islamized.(Javaid & Suri, 2020)
3. Issue-oriented Approach: The issue-oriented and system-oriented approaches are two distinct frameworks for analysing, addressing, and solving issues. The reformist methodology is issue-oriented, focusing on addressing specific, isolated problems, while the system-oriented approach adopts a holistic perspective, enabling systemic change. The *Sharī‘ah*-experts focus on achieving an Islamized (*Sharī‘ah* compliance) version of capitalism by removing *harām* elements without fundamentally challenging the dominant structure of the capitalist system, as seen particularly in efforts to Islamize economics.(Javaid & Suri, 2020)

Critical Analysis of Reform Methodology

In the modern era, where capitalism holds global dominance, adopting capitalist practices—even those viewed as beneficial—carries a significant risk. Instead of transforming the system, Islam may ultimately be subsumed within the broader capitalist order. Against this backdrop, Islamic revolutionary thinkers emphasize that Islam is not merely a set of flexible moral guidelines. Its completeness lies in the fact that it provides detailed guidance for all dimensions of human existence—political, economic, ethical, and social—leaving no domain outside its normative scope. A system cannot be truly complete unless it is a closed system. The closedness of the system is inherently implicit in its completion. A closed system does not accept any input or information from its surroundings and is not subject to any forces whose source is external to the system. It operates independently of external influences, relying entirely on its own internal systems. For Islamic revolutionaries, Islam as a “closed system” refers to a self-sustaining system(Ansari, 2017) that rejects the legitimacy of all other systems. Islam does not recognize any other civilization as its equal; instead, it considers them as *jāhiliyyah* (ignorance) or savagery. Islam, as a closed system can neither be subsumed into its opposite system(Ansari, 2017) nor incorporate any other system within it. This does not deny that Islam can absorb elements from outside its system, but it is based on the concept that every society has positive traditions that are descended from the pre-*jāhiliyyah* Islamic tradition. Within *jāhiliyyah*, any good traditions are seen as a distortion of the Islam that existed before it was corrupted under the influence of *jāhiliyyah*. Thus, the task of Muslim social engineering in every society is to identify these positive traditions, possibly linked to prophetic teachings, and align them with the Islamic way of life to make Islam appear natural in that society. However, Islam incorporates from outside only under its own conditions and context, which include the following:

- First and foremost, rather than providing Islamic justification for aspects of capitalism, it is essential to determine to what extent these aspects can be deconstructed from their own overarching system.(Ansari, 2017)
- The practices and procedures of the dominant system must be incorporated only to the extent that they serve as a means to promote the worship of the Lord.
- The practices and procedures of another system must be incorporated into the Islamic system on the principles and conditions set forth by Islam itself.
- The aspects of the dominant system must be incorporated while taking into account its ontological and epistemological foundations.
- The compatibility and status of these practices and procedures with the Islamic system must be examined in the context of the socio-historical interpretation of Islamic texts.

Social sciences and their institutions primarily serve as tools for promoting capitalist values such as freedom, equality, and progress.(Ansari, 2017) They serve no other purpose, as their very existence is rooted in these values. The social sciences provide the tools needed to govern and sustain the capitalist system—an order in which man is subjected to freedom.(Ansari, 2017) From the perspective of Islamic revolutionaries, reforming capitalism and its financial institutions is impossible because its foundational aim is the relentless pursuit of capital to satisfy maximal carnal desires, particularly those rooted in acquisitiveness and covetousness. Such desires, they argue, cannot be Islamized; rather, Islam stresses controlling such desires.¹

The issue-oriented approach concentrates on resolving specific and isolated problems. For instance, modern Islamic financial institutions play a highly technical and specific role. They focus on addressing particular issues faced by these institutions, under the direction of Islamic *fiqh*, rather than dealing with broader or systemic challenges. In Islamic tradition, it was common practice in *fiqh* to assess individual actions without addressing their overarching ideological framework. This was because the Islamic system and lifeworld remained dominant for nearly a thousand years after the period when Islamic *fiqh* began to be compiled, and Islamic disciplines guided collective decisions. In these circumstances, it was natural to judge individual actions while neglecting the holistic context. Islamic jurists believed that reforming individual actions was sufficient to address the weaknesses of the Islamic system and prevent its failure and decline.(Ansari, 2019)

Beyond Islamization: Towards the Islamic Revolutionary Methodology

The above discussion attempted to highlight the flaws in the reformist approach that underpin the project to Islamize capitalism, and which were overlooked by critics of the project. Instead of reform, the study proposes a revolutionary methodology. Revolution means ‘change’ - a complete change at the societal level and the transformation of one system of life into another system of life.(Ahmad, 2012) Revolution, according to Brookes, is ‘great upheaval, a complete change, e.g., in outlook, social habits or circumstances, or a radical change in government.(Brookes, 2004) Elliot defines revolution as a ‘fundamental change or the forcible overthrow of

¹ Qur’ān 79:40–41

the government or social order.(Elliott, 2001) According to Encyclopedia Britannica, a revolution is a major, sudden, and typically violent alteration in government and related associations and structures.(Britannica, 2023) The Islamic revolution refers to the overthrow of the existing prevailing order and the establishment of Islamic rule in its place.(Ahmad, 2012) Revolution changes not only the way of life but also beliefs, ideas, preferences, and the system of power. The revolutionary process is not something that unfolds in a mere two or four days; it is a journey that spans centuries.(Ahmad, 2012)

The notion of revolution emerges primarily in twentieth-century Islamic theological debates and has no precedent in classical Islamic literature. Throughout nearly twelve centuries—from the establishment of the *Madina* polity to the onset of colonial rule—Muslims did not perceive a need for an Islamic revolutionary struggle, as the *Shari'ah* remained the governing framework and public affairs were conducted within its epistemic and institutional boundaries. A revolutionary approach becomes necessary only when the dominant socio-political order is non-Islamic, such as the modern liberal-secular systems of the West. Unlike reform, which is issue-oriented and seeks adjustments within the existing structure, the revolutionary method refuses to operate within the prevailing system. Instead, it focuses on developing parallel alternatives that gradually create the conditions for a new order to surpass and eventually replace the existing one. Therefore, rather than reforming capitalism, the study proposes an Islamic revolutionary methodology that leads to the transcendence of capitalism by totally rejecting the terms of debate laid down by capitalism.

CONCLUSION

This study set out to examine a dimension of the Islamization of Capitalism (IoC) that has remained largely unaddressed in contemporary Islamic economic scholarship: its methodological foundations. While previous critiques have focused on conceptual inconsistencies, *fiqh* shortcomings, and institutional limitations, they have generally operated within the same reformist paradigm that structures IoC itself. By shifting the focus from institutional and procedural debates to the very methodology that underlies the Islamization project, this study advances the field beyond its current analytical boundaries.

The findings demonstrate that the reform methodology—characterized by incorporating beneficial elements of capitalism, ensuring *Shari'ah* compliance, and relying on an issue-oriented approach—cannot meaningfully transform a dominant global system such as capitalism. Reformism assumes the validity of capitalist procedures and treats them as morally neutral tools, whereas this study shows that these procedures are embedded in liberal-secular values that cannot be repurposed for Islamic ends. Moreover, the issue-oriented approach inherited from classical *fiqh* is inadequate in the modern context because it isolates specific legal questions from the systemic logic of capitalism, resulting in *Shari'ah*-compliant versions of fundamentally non-Islamic structures.

As long as IoC remains confined to the reformist paradigm, it risks being absorbed by the capitalist order it intends to modify. In response, the paper introduces an Islamic revolutionary methodology – an alternative to reform methodology. A revolutionary approach does not operate within the existing system or adjust its practices. Rather, it focuses on building parallel Islamic institutions, conceptual frameworks, and forms of life that gradually create the conditions for an Islamic order capable of transcending capitalism altogether.

This methodological reorientation contributes new scientific value by offering a framework that rethinks Islamic economic thought beyond the prevailing discourse of *Sharī'ah*-compliant capitalism. It also opens pathways for practical applications: developing institutions based on Islamic ontological and epistemological foundations, cultivating economic practices rooted in *Sharī'ah*'s higher objectives, and designing a parallel Islamic economic structure that can eventually replace the dominant capitalist model.

By situating the debate at the methodological level and proposing a revolutionary alternative, this study advances the discourse on Islamic economics beyond the current boundaries of the Islamization project and contributes to a more profound rethinking of how Muslims can envision and pursue systemic change in the modern world. Future research should explore how an Islamic revolutionary methodology can be operationalized in specific domains—such as finance, governance, education, and social welfare—and how these domains might interact to form a coherent Islamic system.

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