

The Transformation of the Concept of Capital: A Critical Exploration Through Islamic Economics

Sermaye Kavramının Dönüşümü: İslam Ekonomisi Üzerinden Eleştirel Bir İnceleme

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Abstract

The purpose of this paper is to compare the understanding of capital in the 7th century Muslim societies and post-industrial era through exploring its meaning in the pre-modern period, in Muslim societies, and its later meanings. In doing this, the institutional logics is used as the conceptual framework of the study. In this paper, the capital term was discussed and examined in three periods: (1) in the 7th century Muslim societies with the help of the concept of Kasb; (2) following the emergence of the industrial revolution in the 18th century; and finally, (3) during the contemporary period. The concept of capital has various meanings from the beginning to the contemporary period. In the 18th century, with the emergence of the industrial revolution, even individuals and their labour were commodified, and the concept of human capital has emerged. Then, in the contemporary period, it is seen that besides humans, their social and cultural relationships are also commodified. In the last section, we critically evaluate the transformation of the concept of capital in the contemporary period and the commodification process in the light of Islamic economics. According to the Islamic economics perspective, the commodification of individuals in the form of human capital and treating a human as capital is not compatible with the morality of Islam. Furthermore, the social relations and the knowledge one possesses also should not be commodified. Islam, with its moral values and norms, prioritizes individuals in social life and their main objective, which is to be a servant to God.

Keywords: Capital, Commodification, Industrial Revolution, Islamic Economics, Social Capital, Human Capital, Cultural Capital.

Öz

Bu makalenin amacı, modern öncesi dönemdeki, Müslüman toplumdaki anlamını ve sonraki anlamlarını keşfederek 7. yüzyıl Müslüman toplumlarında ve sanayi sonrası dönemde sermaye anlayışını karşılaştırmaktır. Bunu yaparken çalışmanın kavramsal çerçevesi olarak kurumsal mantıklar kavramı kullanılmıştır. Bu makalede ilk olarak sermaye terimi üç dönemde ele alınmış ve incelenmiştir: (1) 7. yy Müslüman toplumlarda Kasb kavramı yardımıyla; (2) 18. yüzyılda sanayi devriminin ortaya çıkmasıyla; ve son olarak, (3) çağdaş dönemde. Sermaye kavramı başlangıçtan günümüze kadar çeşitli anlamlara sahip olagelmiştir. 18. yüzyılda sanayi devriminin ortaya çıkmasıyla birlikte insan ve emek bile metalaşmış ve beşeri sermaye kavramı ortaya çıkmıştır. Daha sonra çağdaş döneme gelindiğinde insanın yanı sıra insanların sosyal ve kültürel ilişkilerinin de metalaştığı görülmektedir. Çalışmanın son bölümünde ise çağdaş dönemde sermayenin dönüşümü ve metalaşma süreci İslam ekonomisi ışığında eleştirel olarak değerlendirilmiştir. İslam ekonomisi bakış açısına göre bireylerin beşeri sermaye olarak metalaştırılması ve bireylere sermaye muamelesi yapılması İslam ahlakıyla bağdaşmamaktadır. Bunun yanı sıra İslam ekonomisine göre, toplumsal ilişkiler ve sahip olunan bilgiler de metalaştırılmamalıdır. İslam, içerisinde barındırdığı ahlaki değerler ve normlar ile sosyal hayatta bireyleri ve onların temel amacı olan Allah'a kulluk etmeyi ön planda tutmaktadır.

Anahtar Kelimeler: Sermaye, Metalaşma, Sanayi Devrimi, İslam Ekonomisi, Sosyal Sermaye, Beşeri Sermaye, Kültürel Sermaye.

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Introduction

In time, the attitudes of the individuals and their understanding of the concepts may change according to institutional logics in a specific society (Ocasio & Thornton, 2008, p. 101). Within this changing process, the concepts may gain new meanings. The capital, which is the main concept of this study, has gone through a similar process and both changed and expanded its meaning until the contemporary periods. In modern Arabic, *ra's al-mal* is used to provide the meaning of capital. Although the convergence of the societies due to the globalization and hegemony of the capitalist market system in the majority of the societies, including Muslim societies, led to the convergence of meanings of these two concepts, the meaning of *ra's al-mal* in Muslim societies in the pre-modern period was quite different. *Mal* (pl. *amwal*) or property was a tool to acquire earning (*kasb*) to supply the basic needs of life through halal and legitimate ways and fulfil the obligations toward Allah (Al-Shaybani, 1997, pp. 70–73). After the emergence of the industrial revolution in the 18th century, the meaning of capital has transformed in Europe and also expanded as a result of the increasing trade activity and the emergence of the capitalist market system. By looking at Adam Smith's book, it can be seen that in his definition of capital he implied that human capital is included into the production process and evaluated like machines (Smith, 1977, p. 368).

During the contemporary period in the 20th century, as an outcome of transformation and expansion of the meaning of capital, new types of capital have emerged in society, such as social and cultural capital (Bourdieu, 1986, p. 242). The relations of the individuals in the form of social capital started to be set up based on interest, and the core of the relations are degenerated. In each small tie, relations are aimed to be established with not sincere aims but interest. In terms of cultural capital, even the diploma and certificates became more vital than knowledge (Illich, 1972, p. 39). In the contemporary period, due to the hegemony of the capitalist market system globally, we understand the concept of capital in similar meanings with its expanded and modern form in both Muslim majority societies and others. Within the perspective of Islamic economics, however, these kinds of commodification processes are not acceptable. Instead, Islamic economics aims saving the values of labor, land and capital from commodification in order to establish a “re-embedded economy and society” (Asutay, 2016, p. 115). According to Islamic economics, the aim of the individuals is to serve Allah and the relations should be established in this context. This paper argues that Islamic economics does not accept an understanding of capital which commodifies individuals along with their relationships in the contemporary period, since Islam prioritizes individuals and their main purpose of worshipping Allah.

In the next section, the institutional logics is presented as the conceptual framework of the study. Then, in the third section, to demonstrate the transformation of the capital, the meaning of the capital in pre-modern Muslim societies and after the industrialization period are elaborated. In the fourth chapter, the meaning and scope of capital in the contemporary period is discussed, focusing on social and cultural capital. In the last section, we provide critical analysis of the contemporary meaning of capital from the perspective of Islamic economics to contribute to the literature. Lastly, the article finishes with the concluding remarks.

Conceptual Framework: Institutional Logics

The meaning of the concepts may change and transform into different understandings over time. In this study, the transformation of the concept of “capital” is explored before and after the industrial revolution with the help of the concept of “institutional logics”, which emerged as a part of institutional theory in the 1970s. According to Thornton and Ocasio (Thornton & Ocasio, 1999, p. 804), institutional logics is defined as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality.” According to Friedland and Alford (1991, p. 248), institutional logics has a central logic

that is utilized both to constrain the means and ends of individual behaviours and constitute individuals, organizations and societies.

As a result of the set of rules and conventions that are formed by institutional logics, “rational, mindful behaviours” are shaped; however, actors do also have a role in shaping the institutional logics as well, leading to a bidirectional relationship (Ocasio & Thornton, 2008, p. 100). According to Ocasio and Thornton (2008, p. 101), like Friedland and Alford, Jackall also considers that institutional logics are embodied in the actions of the individuals, and cultural presumptions and political structure provide the continuity and reproduction of the institutional logics.

As the above discussion suggests, the institutional logics approach “provide[s] a link between individual agency and cognition and socially constructed institutional practices and rule structures” (Ocasio & Thornton, 2008, p. 101). Hence, the individual’s behaviours and practices depend on the ideas, values, interests, and identities of the organizations that they belong to. Furthermore, since “individuals... provide meaning to their social reality”, they also reproduce how they interact with the surrounding reality, including concepts such as capital. Therefore, there is a reciprocal relationship: On the one hand, different institutional logics leads to the outcome of various social realities depending on the prevalent institutional logics in a society (*e.g.*, capitalist market system vs religion), which, in return, shapes the individuals and how they perceive the reality. On the other hand, the individuals shaped in line with a particular institutional logics further produce and reproduce social reality and transform the meaning of the concepts, relationships and institutions in a particular society.

Since the topic of analysis in this study is capital, the study focuses on the transformation of the meaning of capital from the pre-industrial era to contemporary times in line with the changing institutional logics. In the pre-industrial era, the institutional logics of family and religion played a significant role in shaping the individual behaviour, which also defines how the society was organized, while during the industrial and post-industrial era, the institutional logics of corporate and nation-state directed the society and shape the values and concepts (Ocasio & Thornton, 2008, p. 108). Hence, in the following sections, it will be explored how the capital was perceived by the individuals in pre-industrial Muslim societies in the light of religion and how its meaning has transformed according to the changing institutional logics with the emergence of the market system and construction of nation-state institutions.

What is Capital?

Capital or *ra's al-mal* (رأس المال), which is the main discussion of this article, has had various meanings depending on the location and time. In modern Arabic, capital means *ra's al-mal*. However, since capital as a term has a particular meaning in the capitalist social formation following the industrial revolution, it is beneficial to present a general historical trajectory of *ra's al-mal* as a concept to explore its transformation until the contemporary period.

In the first section, the concept of capital during the pre-industrial era was explored. Due to the extent of the time and geographic locations, after the emergence of Islam as a religion the meaning of capital or *ra's al-mal* in Muslim societies is the point of focus. Then, in the second subsection, the meaning of capital after the 18th century following the industrial revolution until contemporary times is examined.

Muslim Societies Before the Industrial Revolution

In order to understand the meaning and utilization of *ra's al-mal* in pre-industrial Muslim societies, first, we need to examine a related concept, namely *kasb*. To achieve this, the first book written on this concept, *Kitab al-Kasb* written by al-Shaybani in the 8th century and expounded by al-Sarakhsi in the 11th century, is explored. According to al-Sarakhsi, *kasb* means “obtaining or acquiring goods through halal and legitimate ways” (Al-Shaybani, 1997, pp. 70–73). For al-Shaybani (1997, p. 71), “[i]t is mandatory for every Muslim to demand

kasb, just as it is *fardh* to demand knowledge.” For Sabri Orman (2015, p. 37), here al-Shaybani tried to put emphasis on the importance of the *kasb* rather than the knowledge.

Al-Sarakhsi (Al-Shaybani, 1997, p. 70) remarked that “Allahu Ta’ala has made it *fardh* for people to work so that they can make a living, eventually, they can obey the orders.” Thus, one has to acquire an income to be able to make a living and perform the worship. This attitude is attained to quite high degrees in Islam (Orman, 2015, pp. 27–28). However, there are restrictions and rules to be followed in the process of *kasb* (Al-Shaybani, 1997, p. 73). According to *Kitab al-Kasb* (Al-Shaybani, 1997, p. 140), there exist four ways to earn income through halal ways: rent (*ijarah*), trade, agriculture and artisanship. Although these methods are not at the same level in terms of benefits they provide to society, they are all considered permissible by scholars (Al-Shaybani, 1997, pp. 140–146). Two main concepts are important for the aim of this article related to four ways of income acquisition, namely *ra’s al-mal* and *bidâa*.

The meaning of “*ra’s al-mal*”, which is mentioned in the Qur’an (*The Qur’an*, 2004 Al-Baqara 2:279), means principal amount without any increase or decrease (1984, p. 95 vol. III). Considering that this verse is revealed about *jahiliyyah* practices (*i.e.*, the age of ignorance, the period before the emergence of Islam) on the interest, the principal amount refers to the original amount borrowed by the debtor in exchange of an excess, which is interest. Hence, in this verse, although it has a shared meaning with the capital concept of the modern period since capital might also be used to earn interest income, it does not refer to the amount invested with the objective of production or trade directly.

The concept of *ra’s al-mal* mentioned in the chapter (*The Qur’an*, 2004 Al-Baqara 2:279) was defined by some commentators as follows: According to Ebû Hayyân (2010, p. 716 vol. II), who was a scholar living in the 14th century, *ra’s al-mal* is “the original thing of goods.” Ebû Hayyân (2010, p. 716 vol. II) stated the boundaries of *ra’s al-mal* in his interpretation as follows: “...Interest is not actually a property, but an increase and an excess added to the property later.” Ibn Âşûr (1984, p. 95 vol. III), a 20th century scholar, explained the concept of *ra’s al-mal* according to the commerce contract in his commentary on Baqarah and stated the following for its use in 2/279: “... If there is interest in the principal, then the transaction will be void. In that case, the person will be given his money back. The original of the interest-free good is accepted as *ra’s al-mal*.” As it can be understood from above, Ebû Hayyân and Ibn Âşûr define *ra’s al-mal* as the principal amount free of interest. In the books of Islamic law, we also find that *ra’s al-mal* is used to represent the initial amount put forward in partnership agreements (Kâşânî & Tâmir, 2005, vol.7:507). However, it is important to note that unlike the partnerships of the modern period in the form of corporate structure, the partnerships mentioned in relation *ra’s al-mal* in pre-modern Muslim societies are usually short-term and limited to the life of the partners.

On the other hand, the concept used for trade purposes is “*bidâ’a*” (Yusuf, 12/19, 62, 65, 88), which means “goods or commercial goods” (Erdogan, 1998, p. 43, cited in Habergetiren, 2005, p. 43). According to Ebû Hayyân (2010, p. 252 vol. VI), the concept of *bidâ’a* was explained in chapter Yusuf (12/19) as “the thing used for commercial purposes.” Ibn Âşûr (1984, p. 243 vol. XII) also explains the same concept as “commercial goods.” In addition, he interpreted Yusuf, 12/62 as follows: “... Its original meaning means commercial goods, but in this verse, it is used as a fee for which food is received...” Apart from these, Muhammed Ali as-Sâbûnî (1981, p. 44) defined the concept of *bidâa* as “commercial property” in Yusuf, 12/19. In sum, we can conclude that according to the view of the commentators, *ra’s al-mal* represents the principal amount that is free of interest, which is impermissible according to Islamic law and considered as a vice in pre-modern societies in general (Hossain, 2009, pp. 241–242); however, it has also been used in Islamic law texts as initial amount to initiate a partnership or involve in a trading activity. As for *Bidâ’a*, it is mainly used for commercial goods. Until the industrial period, we observe that the scope and meaning of trade activities in Muslim societies such as the Ottomans are relatively stable (Kuran, 2011, pp. 64–65). However, thanks to the emergence of legal personality (Kuran, 2003) and the capitalist form of production, capital has

become a part of the never-ending production process and the pursuit of limitless profit (Wallerstein, 2014). Although some scholars such as Cizakca (2011) argue that these two features had existed in pre-modern Muslim societies due to a misinterpretation of pre-modern Muslim societies, the expansion of the scope of capital to include human, social and cultural features is a new phenomenon as well as qualitative nature of capital as an ever-expanding concept.

After the Industrial Revolution

As mentioned above, the institutional logics constructs the norms, beliefs, practices and assumptions and binding this; it shapes people's perception of life. In this study, it is argued that the reason for the change in the expansion of the meaning of capital is due to the transformation of the institutional logics following the emergence of the industrial revolution. At the end of the 18th century, the concept of capital has transformed to reflect the institutional logics prevalent in society, particularly the capitalist market system, and its consequences, such as the commodification of labour.

The transformation of capital is most evidently presented by Adam Smith in his distinguished book: "An Inquiry into the Nature and Causes of the Wealth of Nations (WN)." Smith divided capital into two groups, namely fixed capital and circulating capital. The former, fixed capital, was defined *as* "of which the characteristic is, that it affords a revenue or profit without circulating or changing masters" (Smith, 1977, p. 367). For instance, "fixed capital composes of useful machines and instruments of trade, profitable buildings, improvements of land and the acquired and useful facilities of the individuals of the society" (Smith, 1977, p. 368). The latter, circulating capital, was identified as "of which the characteristic is, that it affords a revenue only by circulating or changing masters" (Smith, 1977, p. 369). It consists of four parts: money, stock of provisions, materials and completed works (Smith, 1977, p. 369). According to Smith, no fixed capital can exist incessantly unless it is used on the market through circulating capital (Smith, 1977, p. 370). The elements of the fixed capital such as practical machines and trade instruments are based on the circulating capital which provides them to be in the circulation and keeping the workers who manufacture products in safe (Smith, 1977, p. 370). Namely, fixed capital is a piece of the circulating capital (Smith, 1977, p. 378).

On the other hand, Adam Smith (1977, p. 368) claims that since the talents and dexterities constitute the workers' fortune, those talents appertain to the society in which workers live. Smith goes a step further and asserts that the abilities of the workers resemble machines and evaluates them under the title of fixed capital (1977, p. 368). In line with these explanations, Hodgson (2014, p. 1065) remarked that even though Smith has never used the concept of "human capital" explicitly, he extended the notion of capital to individuals rather than just money or monetary values.

Apart from these, for Smith, the reason behind the success of the worker, in other words, the *productive powers of the labour*, derived from the division of labour effect (Smith, 1977, p. 17). The division of labour increases the performance and productivity of the workers (Smith, 1977, p. 19). Thanks to the division of labour, the same amount of worker can do more work and increase the production. Thus, through division of the labour in the production process, Smith aims to increase efficiency and productivity systematically.

Smith (1977, p. 368) regards workers and their abilities as "capital" which makes them a commodity in the production process and systematize this process in the light of the division of labour theory. Contrary to this, Karl Polanyi (2001, pp. 75–79) signifies that because the labour of human activity meant not to be a commodity, so they neither should be regarded as a commodity nor involved in the commodification process. Furthermore, not only labour, but also land and money which are the important elements of the industry are not meant to be a commodity as they do not exist with the purpose of buying and selling in the market (Polanyi, 2001, p. 79).

By looking at all implied and given meaning of the capital, we can come to the conclusion that the word of capital has gone through a transformation. Besides its basic meaning, which is wealth, money, monetary affairs

and principal used in trade activities, the sense of capital turned to a construct more related to accumulation, production and providing an income for the owner. For instance, according to Pasinetti (1983, p. 405), following the occurrence of the industrial revolution, the understanding of accumulation has varied, and the “accumulation of capital” concept emerged. Binding this, it may also be said that at the present time, capital accumulation has become related to economic growth and development (Korkut, 2018, p. 47). Furthermore, the accumulation of capital goods turned into a construct which is an important point in the market system (Pasinetti, 1983, p. 410).

While *bidaa'* or *ras'al mal* were just a means to meet the needs and religious worship in Muslim societies in pre-industrial period, after the industrial revolution, the meaning of capital has expanded, and its continuous accumulation has become an end in itself rather than a means. After the industrial revolution, transforming economic understanding has become dependent on capital. This kind of changing economic perspective started to alter and commodify human relations and the institutions in terms of the context of cultural, social and human capital.

Capital in the Contemporary Period

Following the industrial revolution, the meaning of the capital has transformed. The emergence of the market system transformed and commodified the things related to the production process, particularly money, land and labour (Polanyi, 2001, p. 72). As a result, workers started to be considered as one of the important capital tools in the production process (Smith, 1977, p. 368). Even though previously, the economic system was embedded in social relations, with the emergence of the market system, social relations have been embedded in the market system (Polanyi, 2001, p. 60). Thus, the submission of the society to the principles of the market system has transformed the society according to the economic principles including the institutions and relationships among individuals (Polanyi, 2001, p. 74). As an outcome of this transformation, in the course of time, not only workers but also their social relations have been converted into a type of capital. In this section, some outcomes of such a transformation in terms of relationships and institutions will be examined in the context of social, cultural, and human capital.

According to Bourdieu, capital may represent itself, within the convertibility process, in three forms such as *economic capital* which may become a construct by means of property rights, and transforms into money; *social capital*, which comprises of the social habitus, transforms into economic capital, and may be institutionalized within the border of the nobility title among individuals; and *cultural capital* which transforms into the economic capital in some circumstances and may be institutionalized within the border of the educational area (Bourdieu, 1986, p. 242). It may be concluded that Bourdieu classified the three forms of capital to emphasize their convertibility with each other, especially from cultural and social one towards the economic capital.

To begin with, social capital is comprised of a group of people having some identical features connecting each other with strong links and being a member of such a group ensures dignity and solidarity for each member (Bourdieu, 1986, p. 247). This kind of socially established groups may be exemplified such as family, club, tribe or a group with common objectives and targets (Bourdieu, 1986, p. 247). Because of the strong linkages of the individuals in terms of social capital, it is not necessary for people to know the whole other members. Probably someone will say that “*I know him well*” to someone who wants to meet him. Thus, the relations will spread more groups as a result of the strong linkages (Bourdieu, 1986, p. 249).

As for the cultural capital, Harker et al. (2016, p. 13) present its definition according to Bourdieu as “culturally-valued taste and consumption patterns.” In the opinion of Bourdieu, cultural capital appears in three forms: *embodied* status, “in the form of long-lasting dispositions of the mind and body”; *objectified* status, “in the form of cultural goods (pictures, books, dictionaries, instruments, machines, etc.)” (Bourdieu, 1986, p. 243); and *institutionalized* status, when the embodied cultural type is evaluated in the educational area (Bourdieu,

1986, p. 243) such as academic certificates (Throsby, 1999, p. 4). Throsby (1999, p. 4) stated that the most fundamental type of cultural capital is *embodiment* as Bourdieu (1986, pp. 243–244) remarked that “[m]ost of the properties of cultural capital can be deduced from the fact that, in its fundamental state, it is linked to the body and presupposes embodiment.”

According to Robbins (1991, p. 154, cited in Throsby, 1999, p. 4), embodied state of the cultural capital is near-synonymous with *human capital*. At this point, it will be beneficial to represent the definition of the human capital. Costanza and Daly (1992, p. 38) defined human capital as “the stock of education, skills, culture, and knowledge stored in human beings themselves.” This kind of capital is crucial for us to specify the transformation point. As Hodgson (2014, p. 1065) argues, by treating the workers in the production process as a capital tool, Smith emphasized the commodification process of the workers and the emergence of human capital (Smith, 1977, p. 368). They were seen as productive resources and their labour was treated as productive powers of labour within the framework of the production process (Smith, 1977, p. 441). Even if Smith never used the concept of “human capital”, for Hodgson (2014, p. 1065), he meant it in his writings. Not only Hodgson, but also Laroche and Mèrette (1999, p. 87) claimed that Adam Smith was the first classical economist who used the “human capital” concept in his capital definition. Additionally, Claudia Goldin (2016, p. 1) lent the human capital term on Smith because of the definition in the *Wealth of Nations*.

To sum up, following the emergence of the market system in the 18th century, the expansion of the meaning of capital has not been only limited to the commodification of labour and emergence of human capital but also transformed the society in order to perceive the social bonds and cultural heritage as a capital. Alongside its meaning as “monetary” (Fisher, 1904, p. 393), “capital stock and principal” (Cannan, 1921, p. 473), in the contemporary period, there also exists social, cultural and human capital types among other types of capitals.

A Critical Analysis of Capital in Muslim Societies from an Islamic Economics Perspective

In this part, it will be critically evaluated the concept of capital and its transformation from pre-modern Muslim societies to modern Muslim societies. In pre-modern Muslim societies, the capital in the form of trade goods and money was used as a tool to meet the necessary things and requirement of mandatory worship. Also, it was used to become beneficial to others in the community. The main purpose was to carry out worship, which is not limited to the ritual but consists of every action one does. Hence, income generation was just a means to an end rather than an end in itself. As a result of the emergence of the capitalist market system and its hegemony over society, institutional logics has changed. As a source of growth, the never-ending accumulation of capital has become a crucial element of the modern economy (Prendergast, 2010, p. 428). At this point, it should also be said that the modern economics perspective considers labour as a commodity that is merchandised in the market (Korkut, 2018, p. 44).

Although the division of labour is seen as perfectly beneficial and useful for the production process at the beginning of *Wealth of Nations*, at the end of the book, Smith points out the negative effects of it. During the division of labour process, a great number of workers restricted to quite simple operations, and they spent their life with these same plain activities. The effects they gain from those activities are always or almost will be the same (Smith, 1977, p. 1040). Hence, increased production efficiency due to the division of labour comes at the expense of the well-being of labour. Furthermore, there is an ontological problem as well, which many of the theoreticians of human capital neglects in their criticism: Labour is not meant to be a capital to sustain the never-ending production process (Polanyi, 2001, pp. 75–79). Such an ontological transformation forms the basis of many contemporary institutions and relationships in the society, which are considered as problematic from an Islamic economics perspective.

In the contemporary period, besides people, even the most minute values individuals have in life have transformed and commodified in the form of social, cultural, and human capital as an outcome of changing institutional logics. Social capital, which is a type of the capital for Bourdieu, provides privileges in terms of

dignity and solidarity (1986, p. 247) for those who are the member of the same group in certain specific areas. However, these kinds of privileges may disrupt the base of relations and are not what Islamic economics aims for relations in the society. Contrary to this, Islam aims “justice, social equity, brotherhood, charity and co-operation” (Asutay & Zaman, 2009, p. 74) and “social justice and well-being” (Asutay, 2010, p. 189) in societies. However, the privileges which occurred in the sphere of social capital, led individuals to start creating a tie with those who have some good qualities and are positioned in society's high class, not as an outcome of sincere sentiments but self-interest. Because the aim of the relations, such as friendship and neighbourhood, changed and based on the convertibility into the economic capital, the relationship between individuals and their relatives are commodified. For instance, friendships might have started with the objective of social network; social relations have become a tool to find a job and have a position somewhere. As a result, today, within the context of relations, social capital has turned into something that harms the organic relationships among the members of society.

In the framework of the institutionalized state, cultural capital distinguishes in the field of education and academic understanding. Furthermore, some academic credentials such as diploma and certificates became more essential than knowledge in educational and academic fields as an extension of cultural capital. As a result, educational institutions are commodified into the fields to be supplied such documents and the significance of the knowledge became limited to these documents. However, from the perspective of Islamic economics, the commodification of knowledge and limiting knowledge to the certificates are not advocated and envisioned from the Islamic economics perspective. At this point, the argument put forward by Ivan Illich in “*Deschooling Society*” is important. Looking at the evaluation of Illich (1972, p. 22), it is seen that as an outcome of the schooled society, evaluating the competence of individuals becomes restricted to a diploma. Furthermore, educational institutions turned to a construct that is regarded according to grades and certificates rather than knowledge (Illich, 1972, p. 39).

On the other hand, with today's education system, since it mainly aims to produce workers, education is away from moral values. In other words, they aim to educate individuals in the most efficient way and increase their human capital skills with the lowest possible cost. On the contrary, moral values and norms in Islamic economics are as substantial as knowledge for individuals in society. They neither can be commodified nor disregarded. Nowadays, however, morality is not a part of education in academic institutions. In this context, the word of Harry Lewis may support this argument. Lewis (2007, pp. 97–98) argued that the curriculum of Harvard University is away from moral values and ethics. Thus, although knowledge is at the centre of education, moral values are not. This is not an issue that Islamic economics can permit.

Within the scope of the human capital term, which is implicated under the title of the embodied state of cultural capital by Bourdieu (1986, p. 243), individuals consider themselves as a capital tool and struggle to improve themselves in terms of skills and knowledge. The reason for it, they need to have money and a job to maintain their life. Only if they have such skills, they will be preferred as an employee by the companies. And eventually, they will be able to contribute to the capitalist market system.

While the main goal to acquire new skills and improve the existing ones was to earn an income to sustain life and fulfil the obligations set by the religion and socially agreed upon (e.g., religious duties as well as cooperation and collaboration within the community) in the past, in the modern period, individuals seek to acquire new skills and knowledge to promote their positions in the society and increase their income without any upper limit. Nowadays, people see themselves as an input of the production process, which requires a never-ending accumulation of capital, both in terms of money and human capital. However, in Islamic economics, treating individuals as capital is not acceptable as human beings are valuable and created with a particular purpose: worshipping Allah. Also, the ultimate aim of individuals is to gain the consent of Allah (Asutay & Yilmaz, 2021, p. 20). Hence, they cannot be treated as -human- capital. At this point, it is true that individuals have to earn money to sustain their lives, but their main target should be serving Allah. However,

for individuals, the main aim of obtaining these skills has changed and become acquiring financial gain by converting these skills and knowledge into economic capital.

Concluding Remarks

In time, the meaning of the concepts may change. Individuals may attribute a different content to concepts because of the changed behaviours, beliefs, and traditions in society due to the institutional logics (Thornton & Ocasio, 1999, p. 804). Because of changing values and identities due to the changes in prevalent institutional logics in the societies, the understanding of capital has gone through a transformation and its scope and meaning have expanded. In our study, we tried to critically compare the key meaning of capital in pre-industrial Muslim societies and post-industrial period from an Islamic economics perspective.

In modern Arabic, the capital is translated as *ra's al-mal*, and it has a similar meaning to its English counterpart in contemporary period. However, the meaning of *ra's al-mal* in Muslim societies in pre-industrial period was quite limited. The *ra's al-mal* meant principal amount without any increase or decrease. Furthermore, when it is used to earn money in the form of *bidaa'* (commercial goods), the ultimate objective was to acquire income to meet the needs through halal and legitimate means (Orman, 2015). In other words, both its meaning and the purpose of utilization were different from its contemporary meaning in Arabic. After the industrial revolution in the 18th century, the meaning of the capital has expanded to encompass, for instance, human as capital.

On the other hand, besides human capital, new types of capital have entered into circulation such as social capital and cultural capital in the 20th century. While the term of capital whose meaning was related to monetary things in the pre-modern period, now it even includes the relations among friends, relatives and neighbours through social capital, which can be converted into economic capital. For the type of cultural capital, the diploma and certificates have become more important than the knowledge, which can be presented as tangible evidence of knowledge by a person, even though the person lacks the knowledge.

By looking at the types of capital in the contemporary period, one may consider that in this period, capital survives by transforming its power into symbolic commodities and preserves its existence. As an outcome of the transformation in the capital term, the relationships in society started to set up in line with self-interest and benefit. In Islamic economics, however, the aim of human is to be a servant to Allah, and humans establish all the relationships in this context. Therefore, it should be acting in accordance with the consent of Allah in the basis of one's relationship with himself and his immediate surroundings rather than the motivation to accumulate capital.

In this context, the perception of an individual himself or herself as one of the inputs for production; or establishing relationships by seeing friends and immediate surroundings as individuals whom they can turn into economic capital in the future are not the types of relationships Islamic economics envisions in society. Apart from these relations, educational institutions should not be a tool of a certificate-focused schooling process on cultural capital accumulation; rather, they should be in accordance with an educational curriculum that will guide the way in the seeking for truth and being servants of Allah instead of being part of a capitalist production process. In other words, Islam with its moral values and norms prioritizes individuals in social life and their main objective, which is to be a servant to God.

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