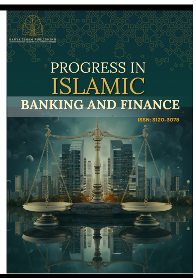
Progress in Islamic Banking and Finance 2 Issue 1 (2025) 1-11

KARYA ILHAM PUBLISHING
CONNECTING MINDS, BRIDGING IDEAS, INSPIRING READERS

Progress in Islamic Banking and Finance

Journal homepage:
https://karyailham.com.my/index.php/piibf/index
ISSN: 3120-3078



Neoliberal Capitalism as Secular Ideology: An Islamic Intellectual Response

Syed Redzuan Alsagoff[1,*]

[1] Raja Zarith Sofiah Centre for Advanced Studies on Islam, Science and Civilisation (RZS-CASIS), Faculty of Social Sciences and Humanities, Universiti Teknologi Malaysia, 54100 Kuala Lumpur, Malaysia

ARTICLE INFO

Article history:
Received 24 August 2025
Received in revised form 25 September 2025
Accepted 5 October 2025
Available online 17 October 2025

Keywords:
Consumerism; intellectual history; Islamic education; Islamic worldview; neoliberal capitalism; neoliberalism; political economy; secularisation; secularism

ABSTRACT

Today's global economy is marked by mounting debt, widening inequality, and persistent instability. These are challenges that have long accompanied capitalism, particularly neoliberal capitalism (or free-market economy) that characterises the current global economy. These challenges are often interpreted from a technical standpoint; however, such explanations overlook the deeper ideological roots of the problem. Neoliberal capitalism is not merely an economic system but one infused with a secular ideology that celebrates greed, legitimises envy, and elevates consumption as the measure of prosperity. This problem is pervasive. While recent protectionist shifts may appear to signal a break from the current system, many of its core ideological features, such as unbridled consumerism and rampant inequality, have, for the most part, remained firmly intact. This paper traces the development of neoliberal capitalism through a combination of critical-conceptual analysis and intellectual history, engaging with ideas from notable Western thinkers as well as authoritative Islamic scholars. The analysis shows that neoliberal capitalism needs to be addressed primarily as an ideological problem rather than a purely technical systemic problem. The appropriate remedy is education.

1. Introduction

The contemporary global economic landscape is riddled with escalating debt, rising income inequality, and recurring financial crises.[1] These, Ugi Suharto identifies, are persistent problems characteristic of capitalism, particularly neoliberal capitalism (also called free-market capitalism).[2] This is the system that is representative of the contemporary global economy [14]. With the advent of globalisation where every participant, be it person, society or nation, is inexorably connected to

* *Corresponding author.*
E-mail address: syedredzuan@utm.my

https://doi.org/10.37934/piibf.2.1.111

[1] Ugi Suharto (Former Vice President of Academic Affairs, University College of Bahrain), in discussion with the author, 22 August 2017, reiterated in "Critical Appraisal on Banking, Money, Debt, Riba and Interest: Islamic Viewpoint", CASIS Scholarly Dialogue (special lecture at CASIS, UTM, Kuala Lumpur, 26 July 2018).
[2] Ibid.

one another as interdependent players in the global economy, these problems extend to everyone.[3] They are not limited to participants traditionally considered to be capitalists, but also those that claim to practise other systems, in part due to the interconnectedness of every participant to each other in this age of globalisation.[4] To quote Gordon Gekko, the iconic fictional financier played by Michael Douglas in the movie *Wall Street: Money Never Sleeps* [15], these problems are "systemic, malignant and … global, like cancer".

Although escalating debt, rising income inequality, and recurring financial crises are plain to see at the systemic level, the root of the problem goes deeper. The above-mentioned problems are merely physical manifestations of a deeper problem. They are symptoms with a baser cause. Going back to Gordon Gekko in the movie, he says, "Someone reminded me the other evening that I once said greed is good. Now it seems it's legal … . When I was away, it seems that greed got greedier, with a little bit of envy mixed in". Through this short statement, Mr Gekko poignantly describes the deeper problems that have infected the system, that of greed and envy. However, these are still not the root cause of the problem. Greed and envy, although they contribute to the physical problems, are still only spiritual manifestations of the root problem. Fundamentally, these manifestations, both physical and spiritual stem from a corrupt worldview derived from secularisation that has developed into an overreaching ideology called neoliberalism that has pervasively influenced the way the modern economy functions. This is an ideology that celebrates greed and legitimises envy. This is the ideology that has come to characterise the contemporary incarnation of capitalism. The recent protectionist turns in trade policy, which may signal a break in the current system, have not really resolved the underlying ideological tendencies described here [5,6]. Because the root problem is essentially ideological in nature, the definitive solution has to be found in the transformation of ideology, and this can only be done conclusively through education [1-3].

In order to find an effective solution to the problems stemming from the current economic system, it is important to really understand the system and the ideology behind it (i.e., neoliberal capitalism) by exploring its historical development—tracing the genesis of capitalism and its progression towards neoliberal capitalism.

To achieve this purpose, this paper delves into some notable literature on the topic. Maurice Dobb [8] shows that "capitalism" is used "variously" across the literature, a reminder that definitions carry assumptions. David Michael Kotz [14] traces how capitalism has historically taken distinct forms and identifies neoliberal capitalism as the post-1980 version. Max Weber [25] links the rise of "modern" capitalism to an ethic of disciplined accumulation grounded in religious-ethical commitments. Frank Trentmann [24] recounts the long shift from accumulation to a culture of consumption, where prosperity is measured by use and desire. Read together, these works illuminate insightful economic and socio-historical dynamics; however, they do not trace these dynamics to secularisation (the historical process that reorients public life away from the sacred) and its role in shaping contemporary economic life, nor do they propose education (especially Islamic education) as a remedy. That is a line of inquiry opened by Syed Muhammad Naquib al-Attas [1-3] and extended by Khalif Muammar [13].[5] This paper attempts to take up that under-examined connection.

[3] Rhamis Kent, "Adab towards the Earth: An Introduction to Permaculture with Rhamis Kent" (special lecture at CASIS, UTM, Kuala Lumpur, 11-12 January 2014). During the lecture, Rhamis Kent, an experienced Permaculturalist, argued that in this age of globalisation where economies are inextricably interconnected, the international community has made "anyone's problem [to be] everyone's problem".

[4] Ibid.

[5] In addition to the other sources: Khalif Muammar, "The Many Faces of Secularism", Islam and Other Faiths (class lecture at CASIS, UTM, Kuala Lumpur, 23 December 2017), (hereafter cited as "Faces of Secularism").

From the works engaged above, it is found that a focused and extended analysis of secularisation as the process shaping contemporary economic life is limited. To fill this gap, this paper rigorously examines neoliberal capitalism as a secular ideology by clarifying key concepts, reconstructing their genealogies, and placing them in dialogue with Islamic scholarship to show how the outward manifestations reflect an underlying worldview. Fundamentally, the study contributes an integrative conceptual frame that links political economy with Islamic intellectual resources and provides the basis for an appropriate remedy in education.

2. Methodology

This paper is not an empirical investigation, nor does it attempt to provide a technical analysis of the current crises. Rather, it is a critical and conceptual survey of neoliberal capitalism from an Islamic perspective in engagement with Western ideas. The approach taken is to critically examine the historical development of neoliberal capitalism not only as an economic system but more importantly as an ideology. The specific methods used in this paper are critical-conceptual analysis in combination with intellectual history, and they are employed as follows:

a) *Critical-conceptual analysis*
By unpacking key terms like capitalism, neoliberalism, and secularisation, this paper aims to clarify the hidden assumptions that underpin these terms. Instead of treating capitalism merely as an economic system, it is examined as an ideology with moral and spiritual consequences.
b) *Intellectual history*
By engaging with thinkers such as Max Weber [25], Maurice Dobb [8], David Michael Kotz [14], and Frank Trentmann [24], this paper situates neoliberal capitalism within a wider historical trajectory of capitalism's transformations. Their analyses are then critically compared with the Islamic intellectual tradition, particularly the works of Syed Muhammad Naquib al-Attas [1–3] and Khalif Muammar [13], whose insights address the metaphysical and epistemological dimensions often neglected in mainstream accounts.

In terms of criteria, the sources were selected for their canonical status, explanatory power, and relevance to the subject of neoliberal capitalism. While the discussion does not provide quantitative treatment of the issues associated with neoliberal capitalism, it does provide a deeper diagnosis of their root causes. This methodological choice reflects the understanding that the visible crises of neoliberal capitalism are best understood as outward symptoms of a corrupted worldview.

3. Findings and Discussion

3.1 Defining Capitalism and its Variants

In order to better understand neoliberal capitalism, it is beneficial to address the different elements that make up the term separately before treating the term as a whole. The term capitalism is not easy to define. According to Maurice Dobb in his work *Studies in the Development of Capitalism* [8], the term capitalism has been used "variously" and "there … have been no common measure of agreement in its use". Trying to define capitalism is made more difficult by the fact that capitalism underwent changes throughout history, taking various forms over time, according to David M. Kotz in *The Rise and Fall of Neoliberal Capitalism* [14].

Instead of messily listing the many definitions from varying sources on capitalism, it would be clearer to identify the characteristics that are popularly associated with capitalism (also called free-market economy or market economy). Firstly, capitalism is an economic system. There are different variations on how this may be articulated: it has been called a "socioeconomic system" [20] as well as an "economic and political system" [18] or just the more commonly used plain "economic system" [7]. Despite the variations, capitalism's economic domain is always held in common. Secondly, capitalism's focus is on private rather than public ownership and enterprise [7,20]. Thirdly, capitalism is driven by profit and self-interest [7,18,20]. Fourthly, prices of goods and services and their allocation are determined by the market [7,18,20]. Fifthly, government intervention in economic activities is either absent or minimal [7,20].

In human history, the place of capitalism has been held in contrast to its antithesis, which is socialism or also in certain instances called communism [4,20] (also called planned economy or command economy). Socialism stakes competing claims in the economic sphere of influence with a focus on public ownership and enterprise, collective social benefits and heavy state intervention and planning in economic activities [7,20].

3.2 Caution to Muslims about Western Ideologies

For Muslims, it is important to understand that capitalism and socialism are not just systems in the narrow sense of national economic governance, but are also ideologies with their own respective metaphysical assumptions [1,3]. The distinguished Muslim scholar Syed Muhammad Naquib al-Attas in his work *Risalah Untuk Kaum Muslimin* [3] explains that while capitalism and socialism may exhibit different [and even competing] characteristics, they are both rooted in ideas based on secular humanism which emphasises the pre-eminence of humanity as well as worldliness and materialism without much consideration for God and religion. The degree of irreligiousness differs however; whereas, capitalism generally exhibits indifference ("*tiada peduli*") towards religion, socialism can be unreceptive ("*tiada percaya*") towards it [3].

Without religious guidance, problems that fall outside the realm of the physical become practically out of reach [1-3]. This is particularly debilitating in trying to solve the problems with the current economic system that not only reveal physical problems but also hide spiritual diseases like greed and envy which require a robust metaphysical framework to effectively deal with these spiritual matters such as what is articulated by al-Attas in his various works [1-3]. As greed and envy reside in the spiritual dimension of a human being, solving it requires a framework that adequately describes a complete human being that includes its spiritual components, something that can only be found through religion [1-3]. Those who rely on a secular worldview devoid of religious guidance are therefore ill-equipped to deal with these issues, hence the predilection to focus on external solutions like trying to fix the system from the outside, addressing only the physical symptoms without healing the underlying cause [1-3].

One conspicuous example is the insistence to choose between capitalism and socialism as an economic system [1]. Throughout human history, the debate about which is the best economic system between the two has been given undeservingly disproportionate attention in mainstream economic discourse to the point that, in its extreme expression, entire nations have gone to war in defence of that choice. The debate still continues today and much of the debate revolves around superficial arguments on external regulation of human behaviour: how much and in what way should the government interfere in economic activities. Where internal self-regulation is discussed, sweeping generalisations are made based upon unverifiable underlying presumptions regarding human nature and what is good based ever increasingly on a secular view of a human being that narrowly addresses his/her material needs (utility) [20]. Still, advocates from either side persist to push their ideas, presenting their superficial propositions on what is best with little authority to back their claims except speculative mathematical and statistical inferences and ideological conjectures [1-3].

Muslims in particular need to understand the nature and limitation of the systems that incubate in the West because they carry with them ideological underpinnings which may not be compatible with the worldview of Islam as al-Attas [1,3] has so vehemently warned. He cautions his fellow Muslims, in their admiration of Western material success, not to fall in this trap of superficially adopting a system such as capitalism or socialism because these economic systems are also ideologies that include traits that are incompatible with Islam. He calls Muslims to instead come up with their own ideas "about state and society and man" based on Islamic sources.

3.3 The Ethic of Disciplined Accumulation

Capitalism is not always irreligious, and in that sense not everything about capitalism is incompatible with religion. It really depends on what one means by capitalism. Max Weber, in his seminal work, *The Protestant Ethic and the Spirit of Capitalism* [25], shows that capitalism flourished under the Protestant work ethic (also called the Puritan work ethic or the Calvinist work ethic) practised by the Puritans in 17th century England, which not only shows that capitalism, in a certain sense, may be compatible with religion but can also be driven by it.

As mentioned earlier, the meaning of capitalism can vary according to the context of usage. According to Robert Hessen [12], the term's origin can be traced back to the 19th century where "capitalism" was used as a term of disparagement by socialists. Hessen argues that Max Weber erred in stating that capitalism originated in 17th century England among the Puritans who practised the Puritan work ethic (also called the Protestant work ethic or the Calvinist work ethic) under the influence of John Calvin. He argues that although the Puritans exhibited attitudes of hard work and saving that tend to be associated with capitalism, other cultures with no Calvinist influence like the Jews and Japanese also exhibited similar attitudes. Hessen further contends that the reason the Puritans, like the Jews, went into capitalistic ventures like trade and commerce were due to their ostracism where they were barred from other professions because they refused to swear allegiance to the Church of England who held sway at the time.

In defence of Weber, he (Weber) had explicitly acknowledged the existence of capitalism in "China, India, Babylon, in the classic world, and in the Middle Ages" in his work [25]. This proves that Weber did not stake an absolute claim that capitalism in all its forms originated in the 17th century among the Puritans, but rather, the Puritans who were driven by the Protestant ethic, led to the creation of a social organisation that may have first resembled "modern" capitalism like the ones practised by "Western European and American capitalism" in the industrial age and the preceding years leading up to it [25]. What is characteristic of this modern capitalism compared to its earlier incarnation is that the accumulation of capital became an end unto itself as opposed to being a means to an end [25]. This spirit of capitalism that is unique to modern capitalism is a "peculiar ethic" according to Weber [25], an ethos that did not manifest in previous and other versions of capitalisms that had existed. Iván Szelényi [23] describes this as an ethical imperative, where it is considered ethically good for a person to accumulate capital. Weber [25] was perplexed by this sense of duty to the accumulation of capital, where its reward to the individual in terms of happiness or utility is almost transcendental, betraying neither eudæmonistic nor hedonistic motives, describing the phenomenon as irrational.

It is interesting that even the word capital reveals the nature of the accumulativeness prevalently associated with capitalism. The word capital traces its genesis to the Latin word *caput* which means head [19], giving a sense that there is something more that completes it. Just as a human head does not function as a head without a body, capital does not function as capital without the profits that can be generated from it. Unlike words like wealth which traces its etymology to the idea of well-being, and assets to the idea of sufficiency, and property to the idea of completeness, [19] all of which gives a terminal sense that one has arrived at a desirable state, the word capital uniquely betrays a sense of more to be had. Its meaning is not terminal but transitive in nature, intimately connected to its function to generate more. It is a fact semantically that capital stops being capital when it is no longer to be used to generate profits. Once capital stops being used to generate profits, it is more appropriate to call it wealth or assets or property rather than capital. Hence, it can be surmised that this one function of capital which is to generate profits is in fact its very essence. It is unsurprising therefore, and most understandable, that the word capitalism was first used disparagingly by socialists [12] to refer to a system that encourages those who acquire with the sole purpose of acquiring so that more can be acquired—a vicious cycle with no other ends in sight. This meaning of the word capital conforms agreeably with Weber's description of the capitalist spirit exhibited by modern capitalism [25].

The word modern in modern capitalism can be misleading as the word modern is a temporally relative term. While the modern capitalism of Weber's time was modern in his time, it is no longer modern today. This distinction is important because the capitalism that is practised today is not entirely the same as the capitalism that was practised then. Perhaps it will become clearer if Weber's modern capitalism is briefly explored.

It is not uncommon to attribute the beginning of capitalism to mercantilism of "17th and 18th century England, Germany, and the Low Countries" [9]. Weber [25] however acknowledges the existence of capitalism stretching further back into history all the way to "the classic world, and in the Middle Ages". It can be reconciled that mercantilism could be thought of as the beginning stage of what Weber constitutes as modern capitalism. Mercantilism made way to commercial capitalism during the time of Adam Smith sometime later in the 18th century [9]. In contrast to mercantilism, where the powerful merchants held partial monopoly in "the production and distribution of all goods and services" through government sanctions and regulation, commercial capitalism established the proliferation of market forces as the dominant determiner of production and distribution of goods and services [9], to which Adam Smith was no doubt influential, especially via his most popular work *The Wealth of Nations* [9,21]. Industrialisation "in the last years of the 18th century and the first decades of the 19th century" led to commercial capitalism making way to industrial capitalism, which is characterised by pervasive mass production [9].

As an unfortunate corollary, the "development of industrialisation was accompanied by periodic instability in the 18th and 19th century" and by "the end of the 19th century, economic depressions had become a worrisome and recurrent problem" [9]. It was during this stage of industrial capitalism that the word capitalism was first used by socialists in reference to a system that they consider to benefit heartless owners of capital at the expense of their workers [12]. It was also during this stage of industrial capitalism that Karl Marx wrote his famous *Das Kapital* [9,16] critiquing the economic status quo. This was also the last stage of capitalism that Weber witnessed when he wrote *The Protestant Ethic and the Spirit of Capitalism* [25]. When Weber used the term modern capitalism [25], it is likely that he was referring to industrial capitalism because it was the type of capitalism that characterise the economic condition of the time.

The traits exhibited by industrial capitalism however did not spring into existence arbitrarily, for they trace their formative roots to mercantilism via commercial capitalism [9]. One trait of mercantilism is particularly revealing of its influence on industrial capitalism: human wants should be sacrificed for the ultimate purpose of acquiring more capital [9]. This trait accurately reflects the transcendental reward premise that Weber attributes solely to modern capitalism [25]. Since Weber distinctively distances all other capitalisms beside modern capitalism from this trait, and owing to the fact that this trait existed in mercantilism, it can be reasonably concluded that modern capitalism as used by Weber would include the age of mercantilism. It follows that since Weber was dealing with industrial capitalism, that modern capitalism would include industrial capitalism as well. Given that commercial capitalism was the transitory stage between mercantilism and industrial capitalism, it should be included also. Hence, it can be defined that Weber's modern capitalism encompasses the period of time from at least the era of mercantilism of the 17th and 18th century to the era of industrial capitalism of the 19th century and at most early twentieth century.

3.4 From Accumulation to Consumption

The spirit of capitalism that Weber [25] posits and describes is not a static occurrence. Just as the form of capitalism may change, so also may its so-called spirit. Frank Trentmann in his book entitled *Empire of Things* [24] observes that human beings' relationship to things has changed dramatically since the 15th century. He argues that while people have "always had things, and used them not only to survive but for ritual, display and fun", pre-modern communities have far less when compared to people in advanced societies [24]. Unlike Weber [25], who saw the promotion of the accumulation of capital for its own sake as the reward system exhibited by modern capitalism, Trentmann [24] notices an increasingly consumeristic tendency among societies, where things are not only acquired but ultimately consumed.

Trentmann's book [24] recounts a disturbing history of modernity's preoccupation of things to the point that consumption became definitive of modern lifestyle. It was not just capitalists who consumed, according to Trentmann, but also communists as well as fascists. "No sphere was immune" [24]. This did not just happen overnight. An important catalyst that promoted this change was major wars [24]. Trentmann contends that post-war symptoms included an economic depression that cultivated feelings of hope for a better life. People of post-war countries were suffering and they were vulnerable; leaders irrespective of ideologies, including adherents of capitalism, socialism or fascism, made promises to their supporters for their own respective purposes [24]. According to Trentmann [24], John K. Galbraith's *The Affluent Society* [10] correspondingly describes that the First World War had increased production capabilities of the parties involved in the war. Mass consumption was needed to absorb the excess production capabilities when the war was over [24]. To do this, the powers that be had to create wants, rather than just satisfying them "with the help of advertising and salesmen" and "with the help of consumer credit" to entice the people to "live beyond their means"—creating a "vicious cycle" of debt-ridden consumer society [24].

Trentmann [24] however cautions against arriving to the conclusion that industrial mass production was the cause of mass consumption; quite the contrary, it was the desire for consumer goods, or in economic vernacular, the demand for such goods that prompted the increase in supply through mass production to satisfy the demand. The key point here is that consumer demand for goods deriving from human wants has always been around throughout human history [24]. What changed were other external factors that either promoted the suppression of human wants, or promoted the indulgence of human wants. In mercantilism and industrial capitalism, people were encouraged to accumulate as much as they can, and not spend so that what they possess will continue to grow [9,25]. In the capitalism that has materialised after the First World War, people were encouraged to spend and consume as much as possible [10,24]. While the underlying human wants was constant, external ideologies either seek to suppress it or let it loose, with the presumption that that is the best course of action.

3.5 Neoliberal Capitalism and Laissez-faire Claims

The underlying consumerism promoted by conditions after the First World War [10,24] is a persistent ideology that survives until today, in many ways more pervasively adopted and internationally accepted as the dominant normative ideology under a new banner called neoliberal capitalism [14]. David Kotz [14] describes neoliberal capitalism as the type of capitalism that emerged "post-1980". Semantically, the adjective neoliberal reveals an origin in liberal thought with the prefix *neo* meaning new [19]; hence, neoliberal means new liberal. It follows that neoliberalism is then an ideology that traces its roots to liberalism.

Similar to capitalism, liberalism has also taken different forms throughout human history. Nicola Smith [22] explains that the economic assumptions within modern liberalism trace their origin to the socio-liberal tradition that advocates state intervention in economic activities to address the problem of "poverty and inequality … that had been created or exacerbated by unfettered capitalism. Such measures began in the late 19th century" to address the economic problems left by industrial capitalism [22]. Neoliberalism conversely is a revival of ideas posited by classical liberalism prevalent in the 19th century that advocates laissez-faire economics most often attributed to Adam Smith [22].

The overriding principle of neoliberal capitalism is the pre-eminence of the free market [14], whereby the market should be left alone (*laissez-faire*) under the assumption that market forces invisibly regulate the economy most efficiently [14]—a tribute to Adam Smith's invisible hand theory [9]. The state functions to "protect private property and to enforce contracts" and "to preserve order" that would help private businesses function unimpeded within the free-market commercial sphere [14]. Unsurprisingly, the main beneficiaries of this system tend to be the big businesses and corporations [14] who have the resources to be competitive in an economy that has minimal external regulation. Conversely, smaller businesses would find it hard to compete.

Theoretically, this system is supposed to be conducive for businesses to thrive unimpeded by external regulation; the system is to be regulated internally through competition, whereby each business would be driven to be the best they can be so as not to lose out to their competitor [9]. Businesses will allocate economic resources most efficiently and waste will be minimised [9]. Steady economic growth would follow [9]. Nevertheless, as some businesses become more successful than others, they would have more resources compared to their competitors, giving the leading businesses an advantage in competition, making it easier for them to succeed in business which would in turn provide them with even more resources—creating a vicious cycle that provides ever increasing reward to successful businesses while leaving the rest behind. Eventually, these businesses would become big enough that the amount of resources that they have at their disposal would allow them to stay on top without much of a challenge from competitors. Monopoly would replace competition. Without competition, the system would lose its only form of regulation. In the absence of competition, big businesses could do whatever they want. Instead of being an economic system that is conducive to all businesses, this system would become a system that benefits only the big businesses.

Similarly, on an individual level, the system would inevitably benefit the wealthy at the expense of others. The wealthy would be the ones who can afford to invest the most, hence gain the most favourable return on investment (ROI). The more they invest, the more they gain. The more they gain, the more they can afford to purchase. This increase in purchasing power drives prices up as suppliers adjust prices to make more profits from the wealthy who are able and willing to spend more

[9]. Eventually, at first the poor and then the middle-class will become excluded from the market as prices rise beyond their affordability.

This is a hypothetical case however, showing the prototypical implementation of neoliberal ideology as an economic system and its eventual and inevitable progression. Practically, there is no economic system in the world that is totally free from government regulation. Anti-trust laws and taxes persist as regulatory mechanisms even in the most capitalistic cultures, albeit in different degrees. Despite this fact, much of the world today bears an eerie resemblance to the hypothetical case that was illustrated above. Huge amounts of wealth concentrated among the upper echelon of society are a common global trait [11]. Everywhere debt is escalating, income inequality is rising, and financial crises are recurrent in this neoliberal global order.[6]

3.6 Why This Ideology is Dangerous

Why is it so dangerous? In industrial capitalism, *laissez-faire* economies existed under an ideological climate that promotes accumulation as an ethical imperative [25]. Conversely, in neoliberal capitalism, *laissez-faire* economies existed under an ideological climate that promotes excessive consumption, an idea that persisted since after the First World War [10,24]. This is not to say that accumulation ceases to be an ideological imperative; quite the contrary, accumulation has just taken a new form from being an end unto itself into a means towards consumption.

To better understand how this new ideological paradigm is more dangerous, it is important to see the conceptual difference between accumulation and consumption. While it can be argued that both unnecessary accumulation and excessive consumption are symptoms of greed and envy, as well as symptoms of covetousness and jealousy and other spiritual maladies of selfishness at the expense of others, there is an important processual difference between accumulation and consumption. The concept of accumulation involves processes by which things are produced and preserved whereas consumption involves destruction and exhaustion. Trentmann points out that the meaning of consumption has even changed from the negative connotation of destruction and exhaustion to positive [24]. Consumerism is celebrated. So, instead of accumulating capital as part of being ethical like what was promoted by industrial capitalism [25], resources are accumulated unnecessarily and consumed ravenously in neoliberal capitalism [24]. Not only is there very little in the way of external regulation to limit the effects of such destructive behaviour, the underlying ideology also offers no internal inhibitions; rather, consumerism is a celebrated central tenet of contemporary neoliberal capitalism as a measure of prosperity [24].

The lack of both external and internal regulation of human behaviour has resulted in a global consumer society riddled with insurmountable debt and widespread inequality due to uninhibited accumulation and consumption. Financial crises have also become frequent as a symptom of neoliberal capitalism, but the technical complexity of a financial crisis makes it inappropriate to be discussed in a humble paper like this which focuses on ideological challenges. Suffice to say that the underlying problem of neoliberal capitalism is ideological in nature[7]—stemming from the more general problem of capitalism as an ideology as al-Attas contends [3].

---

[6] Ugi Suharto, in discussion with the author, 22 August 2017. This was reiterated in Ugi Suharto, “Banking, Money, Debt, Riba and Interest” (special lecture).

[7] Ugi Suharto, in discussion with the author, 22 August 2017.

4. Implications and Concluding Argument

There was a question that this author[8] came across on why al-Attas was preoccupied on the problem of secularism rather than capitalism in addressing the challenges of modernity, which led to this critical investigation into the rise of neoliberal capitalism not just as an economic system but as an ideology. The answer to this question, as can be extracted from the discussions presented above, is that neoliberal capitalism is but a symptom of secularism, or more precisely, a symptom of the secularisation process, which al-Attas describes in *Islam and Secularism* [1] as "the disenchantment of nature, desacralisation of politics and deconsecration of values". In Western history, it was this process which progressively diminished the influence of Christianity and gradually replaced religious guidance with naked reasoning throughout the major milestones in Western history starting from the Renaissance to the Enlightenment [3,17]. Today, secularism that depends solely on human reasoning as the basis for determining reality and morality has become the dominant philosophy governing the public sphere of the Western world [3].

So, why is this a problem? Reason occupies the human mind, and the human mind has its limits [1-3]. There are some aspects of reality that lies beyond the capacity of the human mind to determine without guidance, and because morality is inextricably linked to one's understanding of reality, it follows that morality cannot be determined by reason alone [1-3]. For example, if the right course of action, which is a moral question, is defined by what is good for a human being, it begs the question how to determine what is good for a human being, which requires knowledge of what constitutes a human being, which is a question of reality [1-3] The answers to these metaphysical questions have profound significance that would resonate externally.

In the case of secularism [and other mostly secular ideologies like utilitarianism and liberalism,] a human being is often treated as something that is purely physical, without soul or spirit as posited by religion; hence, arguments about what is good for a human being according to secular ideologies tend to revolve around the idea of appeasing the physical aspect of the human being [1-3], like maximising pleasure through material accumulation and consumption [20]. In secular ideologies, even obviously intangible aspects of the human being like the mind and emotion are seen in physical terms as neurons and chemical reactions happening in the brain and in the body respectively. Under the dominance of this reductive material premise, ideological discussions become constricted by the confines of materiality [3].

It is important to understand this epistemological problem in secular ideologies because the underlying metaphysical foundation of neoliberal capitalism is based on classical liberalism [22] which is one of the ideologies that resulted from secularisation. Khalif Muammar [13] explains that various secular ideologies are manifestations that stem from the same cause, which is the corruption of religion that led to secularism from which liberalism and its various derivatives are derived: postmodernism when discussing philosophy, liberal democracy when discussing politics, and neoliberalism [or neoliberal capitalism] when discussing economics.[9] In his book, *Atas Nama Kebenaran*, Khalif Muammar [13] contends that secularism is what sets the stage for liberalism to take root. It follows that neoliberal capitalism which draws from liberalism is also derivative of secularism, whereby the derivative ideology will have commonly inherited the problems of the ideology it is derived from, including the epistemological problem discussed above. This is why to address neoliberal capitalism as an ideology requires addressing the problem of secularism as the

[8] The author of this paper: Syed Redzuan Alsagoff.
[9] Khalif Muammar, "Faces of Secularism" (class lecture).

root ideology. According to al-Attas [1-3], secularism needs to be addressed through education, by which religion is to be brought back more comprehensively into mainstream discourse across all disciplines that would allow more complete analysis of reality and morality with the support of Revelation as the ultimate source of truth.

Acknowledgement
This research was not funded by any grant.

References
[1] Al-Attas, Syed Muhammad Naquib. *Islam and Secularism*. Kuala Lumpur: ABIM, 1978. Reprint, Kuala Lumpur: ISTAC, 1993.
[2] Al-Attas, Syed Muhammad Naquib. *Prolegomena to the Metaphysics of Islam: An Exposition of the Fundamental Elements of the Worldview of Islam*. Kuala Lumpur: ISTAC, 1995. Reprint, Kuala Lumpur: ISTAC, 2001.
[3] Al-Attas, Syed Muhammad Naquib. *Risalah Untuk Kaum Muslimin*. Kuala Lumpur: ISTAC, 2001. Original ideas from 1973.
[4] Caplan, Brian. “Communism”. In *The Concise Encyclopedia of Economics*, edited by David R. Henderson. Indianapolis: Liberty Fund, 2008. First published in 1993. https://www.econlib.org/library/Enc/Communism.html.
[5] Chacko, Priya. “The Neoliberal Roots of Authoritarian Protectionism.” *International Politics* 60 (2023): 449–60. https://doi.org/10.1057/s41311-023-00445-9.
[6] Cooper, Luke. “Authoritarian Protectionism and the Post-Neoliberal Transition: Learning from Stuart Hall’s Method of Articulation.” *Frontiers in Political Science* 7 (2025). https://doi.org/10.3389/fpos.2025.1455768.
[7] *A Dictionary of Economics*. 4th ed. Oxford: Oxford University Press, 2012.
[8] Dobb, Maurice. *Studies in the Development of Capitalism*. London: George Routledge & Sons, 1946.
[9] *Encyclopædia Britannica Ultimate Reference Suite*. Chicago: Encyclopædia Britannica, 2013. DVD-ROM.
[10] Galbraith, John Kenneth. *The Affluent Society*. Boston: Houghton Mifflin, 1958.
[11] Hausmann, Ricardo. “Redistribution or Inclusion?”. *Project Syndicate*, 30 January 2015. https://www.project-syndicate.org/commentary/income-inequality-opportunity-costs-by-ricardo-hausmann-2015-01.
[12] Hessen, Robert. “Capitalism”. In *The Concise Encyclopedia of Economics*, edited by David R. Henderson. Indianapolis: Liberty Fund, 2008. First published in 1993. https://www.econlib.org/library/Enc/Capitalism.html.
[13] Khalif Muammar. *Atas Nama Kebenaran: Tanggapan Kritis Terhadap Wacana Islam Liberal*. 2nd ed. Bangi, Malaysia: ATMA, 2009. First published in 2006 by Akademi Kajian Ketamadunan.
[14] Kotz, David M. *The Rise and Fall of Neoliberal Capitalism*. Cambridge, Massachusetts: Harvard University Press, 2015.
[15] Loeb, Allan, and Stephen Schiff. *Wall Street: Money Never Sleeps*. Directed by Oliver Stone. Los Angeles: 20th Century Fox, 2010. Blu-ray.
[16] Marx, Karl. *Das Kapital* [Capital]. [In German]. Hamburg: Verlag von Otto Meisner, 1867.
[17] Mirakhor, Abbas, and Hossein Askari. “Capitalism and the Islamic Economic System”. In *Ideal Islamic Economy: An Introduction*. Political Economy of Islam, edited by Hossein Askari and Dariush Zahedi. New York: Palgrave Macmillan, 2017.
[18] *Oxford Dictionary of English*. 3rd ed. Oxford: Oxford University Press, 2010.
[19] *The Oxford Dictionary of English Etymology*. Oxford: Oxford University Press, 1966.
[20] *Routledge Dictionary of Economics*. 2nd ed. London: Routledge, 2002.
[21] Smith, Adam. *An Inquiry into the Nature and Causes of The Wealth of Nations*. London: W. Strahan and T. Cadell, 1776.
[22] Smith, Nicola. “Neoliberalism”. In *Encyclopædia Britannica Online*. Chicago: Encyclopædia Britannica, 2018. https://www.britannica.com/topic/neoliberalism.
[23] Szelényi, Iván. “Weber on Protestantism and Capitalism”. SOCY 151: Foundations of Modern Social Theory. Class lecture at Yale University, New Haven, 27 October 2009. https://oyc.yale.edu/sociology/socy-151/lecture-16.
[24] Trentmann, Frank. *Empire of Things: How We Became a World of Consumers, from the Fifteenth Century to the Twenty-first*. London: Penguin Books, 2017. First published 2016 by Allen Lane.
[25] Weber, Max. *The Protestant Ethic and the Spirit of Capitalism*. Translated by Talcott Parsons. London: Allen and Unwin, 1930. Reprint, London: Routledge