

The dialectics of econo-centric capitalism and logo-centric fundamentalism

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Abstract

The paper intends to offer a framework of understanding the dual rise of econo-centric capitalism and logo-centric fundamentalism as a dialectical process of mutual generation and destruction in the long historical struggles between ideas and values on the one hand, and material life and society on the other. “Mutual generation and destruction” implies a dialectical process in which the deification of the free market and the global expansion of market capitalism have unavoidably generated mounting contradictions paving the way for the resurgence of radical counter-hegemonic sociopolitical forces. It is the analysis of this connection that leads to a better understanding of the essence of fundamentalism rather than its appearance. Islamic fundamentalism can be seen as a counter-hegemonic political movement representing an outlet for action and a force for change. Ironically, what we are witnessing today is a war between two rising religions: Islamic revivalism and market capitalism.

Key words: capitalism, fundamentalism, religion, ideology, market, contradiction.

Introduction

Fundamentalism conceptualised

Generally, strong beliefs; be they religious, ideological, or political; are based on certain characteristics and attitudes or some common denominators which are called fundamental principles. The notion of “fundamentalism” implies not only an uncompromising ideological faith but also, more importantly, an effort or determination which adheres to and promotes the faith.

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There is no agreed characterisation of fundamentalism, whose concepts and notions are rather difficult to define. Through some on-line tools or various dictionaries and encyclopedia, one can get more or less similar definitions – fundamentalism: a usually religious movement or point of view characterised by a

return to fundamental principles, by rigid adherence to those principles, and often by intolerance of other views and opposition to secularism, etc. The normative perception of the notion of fundamentalism is an expression of excessive adherence to principles and “intolerance of other views” indicating that “a true principle” should be adhered to and there is no logical reason to act in any other way.

Fundamentalism as a term is by and large ascribed to religion, as it is often termed as “religious fundamentalism”. Ironically, the term “religious fundamentalism” was originally ascribed to Christianity rather than to other religions if one checks some reference books. Fundamentalism tends to be applied in a pejorative way, denigrating almost anyone who has strong religious convictions. In its more recent application after the 9.11 event, it is often referred to as “*Islamic fundamentalism*” implying an automatic connection between Islamism, terrorism and violence.

However, fundamentalism as a conceptual focal point used in this paper is, on the contrary, less related to religion but more to secularism – *secular fundamentalism*, which refers to the adhering to secular values uncritically, i.e., as a matter of unquestioned ideology or authority suggesting that society (or culture) is “faith-free” and only “non-religious” faiths ought to have access to the public realm. Historically, there have been events or movements of a non-religious fundamentalist nature, such as Nazism and Communism.

In the current era of globalisation, market capitalism as a social, economic and political system, has attained the status of becoming a fundamental value in the secular world. The free market doctrine, one of capitalism’s key guiding fundamentals for human behaviour and societal organization, is given almost a religious quality by embedding it with a set of theological principles. The market is seen as a science – an organised system of explanations to make sense of the real world and life. Like religious fundamentalism, market capitalism determines the fundamental legitimacy of the modern secular world in which the underlying faith is located in economics, and it tolerates no questioning or challenge. Accordingly, liberal economics has provided theological guidelines for the regulation of interactions of market capitalism that are construed as value-free and objective. For this reason, the question to be raised here is, whether fundamentalism is in fact not solely a religious question, but an ontological as well as an epistemological question that goes well beyond religion.

From the war of ideas to the war of fundamentalism

Since the 1930’s when capitalism suffered its deep crisis during the Great Depression and during the crises in the 1970s, supporters of capitalism have been on the defensive. This was largely due to the contrast of the rapid growth of the economy of the Soviet Union as well as its military and technological expansion. The impressive performance displayed by the Soviet economy aroused the fear in the West that the Soviet socialist development model might attach ideological significance to

the development discourse. In addition, the Chinese Maoist development model, based on self-reliance, was widely recognised as another rising social force. At that time, market neo-liberalism, which considered socialist movements as anti-systemic to the capitalist world system, occupied little space in the mainstream intellectual debate. The so-called anti-systemic movements included the triumph of socialist countries, the victories of national liberation movements, and the coming to power of social-democratic and labour parties in the Western world. It was fashionable then for governments to proclaim themselves to be either Keynesian or Social Democratic, based on the spirit of the New Deal and the Welfare State.

The transformation of ideologies from pro-socialist and pro-labour systems of social welfare to individualist private capitalism, as we are witnessing it today, was not an overnight process. It entailed decade-long struggles between contending ideological forces. Neo-liberalists realised that in order to fundamentally transform political, economic and social ideologies, they had to prepare for time-consuming and gradual changes in the system of intellectual and psychological convictions. With the end of the Cold War, neo-liberal ideology was claimed to be the only legitimate system of ideas (Fukuyama, 1992). But this was not the outcome of a process left to chance. The victory of neo-liberalism is the result of more than half a century of intellectual efforts in politics, economics and various programmes of international organisations (George 1997).

Neo-liberalists had taken it for granted that *ideas* must penetrate into people's minds through all possible means, such as education, press, the media, and international relations, because the power behind social transformation lies in ideas. Human beings are not born with neo-liberal ideas. When certain ideas receive higher attention and publicity, they must be further promoted through financial support so as to build a strong intellectual infrastructure of these ideas. The goal of building such an infrastructure is to nurture a liberal worldview: the conceptualization of capitalism as an indispensable condition for political liberty. A solid intellectual infrastructure of neo-liberal ideas corresponds to what Gramsci considered to be capitalism's "hegemonic project", that is, to define, sustain and control ideas in order to "get into people's heads and you will acquire their hearts, their hands and their destinies" (George, op.cit.: 51).

The fall of the Berlin Wall was perhaps the "greatest victory" for those who believe in the teachings in the 1948 book *Ideas Have Consequences*, by Richard Weaver, the American founding father of neo-liberal capitalism. In this sense, Marxism and Leninism on the one hand, and Thatcherism and Reaganism on the other, are claimed to have proved that ideas do have consequences. With the fall of the Berlin Wall and the globalization of transnational capitalism, market capitalism, neo liberalism and the Washington Consensus are no longer only ideas; they are becoming the fundamentals. In the eyes of some scholars, the end of the Cold War paved the

way for the historical rise of economic fundamentalism in the West (Smith 1999).

Writing in the aftermath of the collapse of the Soviet Union when Communism was everywhere in retreat, Fukuyama (1992) believed that the world had entered the era of the “end of history”, proclaiming that the end of the Cold War proved free market capitalism and political liberalism to be the most fundamentally satisfying form of government and economic organization. Seen in this perspective, market capitalism as the remaining system manifests a universal direction toward Western democracy (political self-government) and the free market (economic self-government). World peace is thus dependent on the peaceful coexistence among people of different cultures and civilizations that, nevertheless, were all based on secular politics and economic rationality. Rapid integration and uniformity that bind the world together through fast food, fast music, and fast computers, are pressing nations into a commercially homogenous global unity. In every part of the world, national identities and sovereignties are eroding and are giving way to global entities – multinational companies and transnational banks. The ideological compulsion to create an international common market, which in turn requires a common belief, common language, common policies, and a common currency, is at the same time creating a global cosmopolitan city life based on compulsory inclusion.

Shortly after Fukuyama and in opposition to his “end-of-history” assumption, Huntington’s “Clash of Civilizations” thesis (1993, 1996) can be explained by the timeliness of a rethinking of America’s post-Cold War geopolitical role. He argued that the collapse of the Soviet Union has not resulted in a triumphant mood but rather in a gloomy, worrisome vision predicting the emerging role of civilizations and religions in the future international order. According to this line of thinking, there are three possible implications on the new world order: 1) the US-led Western dominance will sooner or later have to be shared with core states in other civilizations; 2) global boundaries will be less defined by states, and more by cultural identities; 3) the clashes of cultural and religious ideologies will replace conventional conflicts between political systems.

Unforeseen by Fukuyama’s “end of history” discourse but seemingly anticipated by Huntington’s “clashes of civilization” assumption, today the worldwide resurgence of fundamentalism -religion and ethnicity -often in its violent forms, and with its diverse names and labels, is becoming a new crisis and challenge to the international order. Endorsing Fukuyama’s convictions, many in the West tend to assume, based on their own historical evolution, that development following social, cultural, and economic modernisation would ultimately lead to the marginalisation of religion and non-secular values. However, in the past decades it became clear that political and religious fundamentalism occurred in every major faith, bringing God and “religious fundamentals” back to the global centre stage from the sidelines to which they had been relegated. The 1979 Islamic Revolution in Iran showed the potential of this new

form of faith, and the 9/11 crisis was seen as having brought a new clarity in the discourse of civilisation and religion.

According to Huntington, the Western hegemonic dominance of capital and liberalism defined by the-end-of-history optimism would pave the way for the rise of religious and cultural counter-hegemonic forces (Huntington, *ibid*). According to his “civilisational” interpretation of the world order, the current collisions between various civilizations, such as the struggles between the West and Islam, are the sources of contemporary global terrorism. Despite their discrepancies, both assumptions target the same point – the role of ideal (deep-root ideology). For Fukuyama, the ideal (Western liberal value system) will govern the material world in the long run, whereas, for Huntington, the ideal (religion and cultural/civilisation specificities) will play the determining role.

Approaches and Objectives

This paper suggests that in order to conceptualize the phenomenon of the claimed resurgence of fundamentalism in various forms, such as religious fundamentalism, a proper method is to avoid falling into the pitfalls of the “endof-history” thesis as well as the “clash-of-civilisation” framework. It attempts to look into the rise of fundamentalism as the result of a mutual generation and destruction progression in the long historical struggles between ideas and values on the one hand, and material life and society on the other. “Mutual generation and destruction” implies a dialectical process in which the deification of the free market and the global expansion of market capitalism have unavoidably generated mounting contradictions paving the way for the resurgence of radical counter-hegemonic socio-political forces. It is the analysis of this connection that leads to a better understanding of the essence of fundamentalism rather than its appearance.

This paper endeavors to argue that market capitalism and religious fundamentalism have a dialectical relationship. The rise of market capitalism in West was the historical outcome of the marginalisation of religious fundamentalism characterized by a dual process: unanticipated origin (cultural and historical) and anticipated progress (political economy). In other words, the birth of market capitalism entails a process of societal development involving historical, cultural and religious causes (historical, divine, spiritual, miraculous); the advancement of market capitalism is both the result of a force for cultural and economic dynamism and the realisation of a political project.

However, due to the embedded systematic contradictions in the capitalist mode of functioning, the enforced globalisation of market capitalism at the same time generates the rise of fundamentalisms of various kinds. In other words, today’s market capitalism has become such a fundamental principle that it has become a religion itself. The paper identifies the dual rise of market capitalism and religious

fundamentalism as the contradictions between the hegemonic position of Western *econo-centrism*¹ and the various counter-hegemonic struggles of *logo-centrism*².

The paper aims to construct a framework for understanding and interpreting the contemporary global resurgence of various types of fundamentalism in the era of transnational capitalism. To be specific, the point of departure of this paper is to analyze and verify the following propositions:

- 1) The historical evolution of econo-centric capitalism in Europe is an *unanticipated consequence* of a multi-faceted process of societal development involving historical, technological, cultural and religious causes. Econo-centric capitalism is historically and culturally transformed from a *deformed* set of ethical and spiritual principles into a capitalist *modus operandi*. Western secularism (logos, identities, values, politics and ideologies) -not only within nation-states but also in international relations -is an *anticipated consequence* of econo-centrism determined by the surplus logic of market capitalism. Market capitalism has itself become a fundamentalist issue, both in terms of theological beliefs and ideological assumptions. It has become a de facto religion that radicalises market absolutism, promotes political dogmatism and generates cultural nihilism.
- 2) The capitalist world system backed by Western secular politics is a construction of enforced social engineering including undertakings of coercion, rationalization, legitimization, imposition, colonization, which is the essence behind the Polanyian “great transformation”. In other words, market capitalism, from being an enterprise within the defined geographical boundaries to becoming a global project, is a *deconstructive* process involving social and political repercussions. Defining life as commodity and society as economy, the globalization of market capitalism is breaking down the traditional structure of a cohesive and sequestered national economy and domestic society as well as cultural identity especially in non-Western societies.
- 3) Religious or political logo-centrism represents counter-hegemonic struggles which are the direct outcome of the expansion of Western econo-centric fundamentalism. As econo-centrism reduces all aspects of society to economic calculations creating dislocations in many parts of the world especially in the Arab world, logo-centrism can mobilize new social and political forces aiming to display an alternative worldview and a new interpretation of truth and reality. It intends to achieve its goal through cognitive reconstruction as well as violent strategies of political and military mobilisation in order to change or modify the existing order. It believes that reorder can be achieved from disorder. Econo-centrism and logo-centrism become mutually reinforcing and mutually generating forces.

- 4) Worldwide fundamentalist movements, such as Islamic fundamentalism, can be seen as part of the anti-capitalism and antiglobalisation struggles. They can also be seen as counter-hegemonic political movements representing an outlet for action and a force for change.

The Rise of Econo-centric Capitalism

The historical evolution of the establishment of modern secular society in the West has led to the separation of religion from the state (or politics). Religion has transformed to become a matter of personal preference or belief system for each individual. It is generally accepted that religion should have no role to play within the affairs of the state or society at large. In any secular society, the role of religion is supposed to be subservient to the interests of the state. This is the common understanding of what a secular society ought to be in today's modern world. In the West, secularism has its strongest manifestation. Historically, the West has forced most other nations to adopt this course through military and economic colonialism, and cultural and educational influence.

The process of modernity from the Middle Ages to the collapse of the feudal system in the history of Europe indicated a transformation process from a metaphysical Christian-moral interpretation of value and truth to a modern phenomenon of "radical nihilism" characterised by a deep-seated skepticism and relativism in worldview (Nietzsche, 1968, 1996). Historically, this transformation has occurred due to the revolution in science and the development of human knowledge (Hall, 1983), which challenged the fundamental assumptions of what the theoretical physicist Thomas Kuhn (1970) referred to as "paradigm shifts". Paradigms are social and intellectual constructs, systems of explanation and interpretation by which scientists and social scientists attempt to make sense of the real world.

The paradigm shift in perceived wisdom generated a movement of Renaissance and intellectual liberation with the flourishing of art, music, literature, philosophy and exploration. Since then, humanism in the West began to denote a break with religious mysticism, making a clear distinction between God and man. This can be considered as the beginning of the secularization process in Europe. This process was further nurtured materially by the Industrial Revolution, which transformed Europe (first England and the Netherlands³) into capitalism much earlier than the rest of the world, and which provided Europe with powerful weapons for imperial overseas expansion and colonization. The final establishment of the capitalist system in Europe; as manifested by commercial interests, free trade, market expansion, and profit-earning; marked the end of the history of the dominance of religion leading to the rise of great powers (McKay and Scott , 1983).

The marginalisation of the role of religion in Europe also represented a process of transformation from the “age of faith” (church-state) to the “age of reason” (nation-state). Faith is the strongest indication of belief in truth even in the absence of any objective fact or in contradiction to the observable evidence. At that time, it was connected with the clergy’s interpretation of the word of God, the imposition of ideologies in the name of religion and the maintenance of the hierarchical social system of feudalism. Reason, on the other hand, indicates that truth can solely be obtained by a process of rational and logical thinking that is based on the evidence provided by the senses. It had its roots in the development of ideas from science and technology.

Market Capitalism: A Deformed Fundamentalism

This paper’s claim that today’s econo-centric capitalism is developed from a deformed religion is to suggest that it is the product of the historical development in Europe in which Protestantism (Calvinism) not only created the spirit of capitalism but also transformed it into a new belief system that de-links from the original teachings of Christianity. In this context, it is interesting to note that many grand political ideologies were historically generated by Western civilisation; however, the West has not given birth to any native-born religion. As Huntington notes,

The great political ideologies of the twentieth century include liberalism, socialism, anarchism, corporatism, Marxism, communism, social democracy, conservatism, nationalism, fascism, and Christian democracy. They all share one thing in common: they are products of Western civilization. No other civilization has generated a significant political ideology. The West, however, has never generated a major religion. The great religions of the world are all products of non-Western civilizations and, in most cases, antedate Western civilization (Huntington, 1996:53-54).

What can be interpreted from the above recognition is that since Christianity is not of Western origin,⁴ the possibilities of *reformation* within the Christian religion could result in a deformed belief system, i.e., the *Protestant deformation* (Kurth, 1998). The notion of deformation implies a process of reshaping, changing and finally transforming the original ideas into a modified moral and ethical system.

The deformation process was well theorized by Max Weber who conceptualised it as a “rationalisation process” – the outcome of the relationship between Protestantism (Calvinism) and the rise of capitalism in the West. His thesis was that this deformed religion (Protestantism) played a positive role in the rapid development of capitalism in Europe. In line with the Weberian conceptualizations, market capitalism is a Protestant Christian construct growing out of a strong psychological structure.

The Weberian interpretation argues that religious (Calvinist) spirituality was

secularised when the dedication to the task of societal regeneration became linked to the generalisation and multiplication of capital and when profit-making was turned into an ethos, a moral crusade.⁵ Consequently, this historical evolution gave birth to a socio-economic development which began to function in a manner independent of religion, while the latter was compelled to comply with the economic logic.

When the original motivation of “religious spirituality” gradually became less relevant with the development of maturing capitalism, the preoccupation with *market*, *capital* and *profit* in turn became the engine of economic growth. In the past centuries, the process of deformation-to-reformation eventually transformed into becoming the core of modern economics that is seen as the only rational social, economic and political system – market capitalism. Today, such a system is “fundamental” not only in economic terms but also in political and cultural ideologies.

Market Capitalism: A New Secular Religion

In the course of the evolution of human civilisations in different parts of the world, reverence of a god was in many societies the point of reference for the construction of reality on which individuals’ worldview was conceptualized. Religion as a belief system constituted not only the ideological cement of society, but the only means of comprehending the world. The system of conceptualisation in a society offered little apart from reflection on the religious view of the cosmos. With the advancement of societal evolution, following the development of science and technology, human society experienced recurring paradigm shifts during various periods of history, which in turn gave rise to different types of social theories. In other words, the development of new material conditions and political institutions gave rise to different systems of thought and explanations.

Seen as a scientific explanation system, the free market has become the central category and the core of the discipline of economics. As Blaug points out: “The history of economic thought ... is nothing but the history of our efforts to understand the workings of an economy based on market transactions” (1985:6). Accordingly, conventional economics can be seen as the theoretical construction of capitalism. Rule also emphasizes the centrality in the modern mindset, “When historians of ideas go to work on the last decade of the twentieth century, the market will surely appear as one of our intellectual totems. What the Rights of Man were to the French Revolution – or what Manifest Destiny or the quest for the Kingdom of God on Earth were to their times – the market is to our own” (1998:29).

Is economics a social science? In the view of Madjd-Sadjadi (2004), economics is a religion rather than a science because it not only describes how the world works but also prescribes how it ought to work. Indeed, as Loy correctly points out,

“The discipline of economics is less a science than the theology of that religion, and

its god, the Market, has become a vicious circle of ever increasing production and consumption by pretending to offer a secular salvation ... the Market is becoming the first truly world religion, binding all corners of the globe more and more tightly into a worldview and set of values whose religious role we overlook only because we insist on seeing them as “secular.” (Loy, 1997: 275).

In a similar vein, Robert H. Nelson, presents in his volume *Economics as Religion: From Samuelson to Chicago and Beyond* a significant analytical contribution in uncovering an important dimension of economics as a discipline and profession. In Nelson’s view (2002), the religion of the modern secular world is scientific materialism in which the theological faith is located in economics/the market that brooks no questioning and challenge. The point of departure of its rationality, reasoning, conceptualisation and understanding is based on what can be observed through the senses and what can be verified empirically. Nonmaterial/non-scientific explanations including non-measurable phenomena are either dismissed or ignored. Economists, like the older ministerial classes of Christianity, have been playing the priestly role in the rationalisation and deification of “value-free economics” and material progress as well as in asserting its strong influence in the social and political world.

Nevertheless, it must not be forgotten that economics as an independent discipline is a relatively modern phenomenon, and that until the mid-1700s, “economics” was generally discussed as a subordinate part of a broader study of political, moral and theological matters (Alvey, 1999:55). Unfortunately, the consequence of this tour de force that reduces all aspects of society to economic calculations is a proto-type of ideological “soft totalitarianism”. As a student of this evolution puts it: “Apart from presenting the “economic” as its own sphere, removed from the reaches of democratic control, the politics of economism also tends to subordinate other social spheres to its normative supremacy” (Teivainen, 2002:2).

*The Deification of the Market and Economics*⁶

The 20th century is often described as the century of “American capitalism”. The American Creed has globally become canonized embracing worship of free markets, free elections, individual freedom and rights, liberal democracy. This gospel appears to have achieved the status of a world religion. In the United States, market capitalism is taken as an article of faith. The free market is generally accepted as a kind of orthodoxy and as the only way leading to happiness and well-being. Any questioning of these basic tenets is considered to be heretical and the skeptics risk marginalization by mainstream opinion. Liberal economics has become a theology. In the present day United States, even religion has been so commercialised that it has become a material commodity for competition and consumption – “God is for sale” (Moore, 1994).

In the process of having achieved a hegemonic position within economics,

operations and interactions within the market are construed as value-free, neutral and objective, implicitly suggesting that, like God, the free market cannot be judged normatively. In the view of the Central American Jesuit theologian and philosopher Franz Hinkelammert, the market is raised to a holy status level so that it can “judge over life and death but cannot itself be judged in terms of the effect it has on the life and death of every individual” (quoted in George and Sabelli, 1994:96). In the observation of Harvey Cox, there is a strong resemblance between the Western theological doctrines of religion in many ways; and the modern market ideology in which the almighty market has become godlike (Cox, 1999:20-22):

Firstly, like God, the market is attributed *omnipotence* (ultimate universal power). In the ancient era, the market was never godlike or the only deity because there were other centres of value and meaning. It is only in the last two centuries that the market has become transformed into the dominant divinity. Now, the market defines truth and possesses the divine power to “make something out of nothing and nothing out of something”, such as converting earth and land to real estate, and human body to commodities (Cox, ibid: 20).

Secondly, like God, the market is considered to be equipped by nature with *omniscience* (all knowledge and the truth). Human beings have to understand the market’s wisdom which will, in return, shape our needs, determine whether, when, where, how to buy and sell. The market knows “the deepest secrets and darkest desires of our heart” and “... by probing our inmost fears and desires and then dispensing across-theboard solutions, it can further extend its reach.” Thus, “... to question the omniscience of The Market is to question the inscrutable wisdom of Providence” (Cox, ibid: 22).

Thirdly, like God, the market is ascribed the power of *omnipresence* (universal existence, everywhere regardless of whether one can see it or not). Consequently, the market is supposed to have everything to do with economics and societal development, and it is also believed to have close influence on every aspect of human life:

... The Market is not only around us but inside us, informing our senses and our feelings. There seems to be nowhere left to flee from its untiring quest. Like the Hound of Heaven, it pursues us home from the mall and into the nursery and the bedroom. (Cox, ibid: 23).

The market’s mode of functioning is raised to the standing of a natural law. In the words of a Protestant thinker, “The laws of the market ... come to be seen as transcendent, [undergoing] a process of sociological sacralisation. Not only are they given a higher status, they actually become untouchable, like the laws of nature” (cf. George and Sabelli, 1994:96-97). The contemporary doctrine of “market populism”

-which is based on the presumption that the market and democracy are the two sides of the same coin, and that the market represents not only mediums of exchange but also mediums of consent – has become the pivotal ideology of our time (Frank, 2001). Accordingly, the “invisible hand” of the market is like the hand of God holding the final truth of all interactions and phenomena. The truth contains guidelines for human behaviour and societal development:

- 1) The free market is the invisible hand representing absolute and universal rules and laws. For that reason, the international economic and financial institutions, such as the IMF, the World Bank, and the WTO, are the legislating bodies of market laws on behalf of the highest authority: the dismantling of mandatory planning, the opening up of the economy to international competition, the implementation of financial liquidation and bankruptcy, the introduction of bonds, shares, and stock market for primary and secondary trading, the acceptance of international competition and integration with foreign trade and financial transactions, the privatization of state-owned companies, the diversification of ownership forms (private, joint-venture, state, and foreign), greater flexibility and mobility of labour population, free prices, the removal of subsidies, closing “inefficient” enterprises and the laying-off of redundant workers.
- 2) Free market rules and laws, such as those defined by the Washington Consensus, are immutable like those of nature. Those who obey the principles will be awarded, and those who defy them, such as Soviet socialism, Asia’s “crony capitalism”, Russian “mafia capitalism” as well as other types of state capitalism, will be considered abhorrent and will face punishment sooner or later.
- 3) In order for developing and transitional societies to ensure that these fundamental principles are accepted and maintained, certain sacrifices and painful reforms or adjustments, such as “shock therapy” and various structural adjustment programs, etc., are deemed to be necessary.
- 4) Regardless of the fact that inequalities and crises in many parts of the world may seem to contradict the ideals of market rules and laws, it is believed that these flaws including poverty, environmental pollutions and ecological degradations, can be corrected in the long run without abandoning market fundamentals.
- 5) Those who challenge such principles and attempt to find alternatives, such as statism or other forms of communitarian-isms, are seen as challenging the only viable political and economic system conducive to human happiness and prosperity. As a consequence of the defeat of state socialism and the spread of liberalism and market capitalism, humanity is claimed to have arrived at the “end of history” (Fukuyama, 1992).

Econo-centric Capitalism and its Contradictions

Econo-centrism and its Cultural Contradictions

The cultural crisis of econo-centric capitalism refers to the contradiction between the economic determinism in capitalism's mode of function (material interest and neoclassic economics) and the contradictions it generates represented by two extremisms: 1) excessive modernist *nihilism* in social and cultural values, such as vulgar relativism, i.e., relative value criteria and relative moral principles; 2) radical *liberal* ideology in individualism (individual rights) and societal organization principles (democracy).

This contradiction manifests a conflicting process on the global scale: on the one hand, econo-centric capitalism is enforcing its way to become a truly global system with every economic actor in the world operating according to its mode of functioning including the outermost periphery of the capitalist economy; on the other hand, capitalism's pivotal emphasis on economic modernity and progress driven by the system's own survival mechanism is generating not only recurrent economic crises but also socio-cultural contradictions as well as environmental and ecological dilemma. The "cultural crisis of capitalism" by Daniel Bell (1976) is characterised by the lack of transcendentally grounded ethic, a public philosophy, and a sustaining religious faith. For example, while pre-marital sex, homosexuality, drinking alcohol, drug use, and other behaviours were considered "unacceptable" by Judeo-Christians a generation or two ago, they are now being justified or even undertaken consciously with the justification that all sins will be forgiven in the end.

Such a critical diagnosis of the cultural contradictions of capitalism implies a systemic crisis of an entire econo-centric civilization and culture rather than a narrow crisis of the free market because "The different spheres of a society are interlocked like a system of interconnected vessels which are interdependent and interactive. Values, norms, choices, and preferences in one sphere affect, and are in turn affected by, values, norms, choices, and preferences in all the other spheres" (Gruenwald , 2004: 10-11). The global marketisation process confirms what Marx teaches us: the influence of value flows is primarily one-direction: from the economic base to the superstructure.

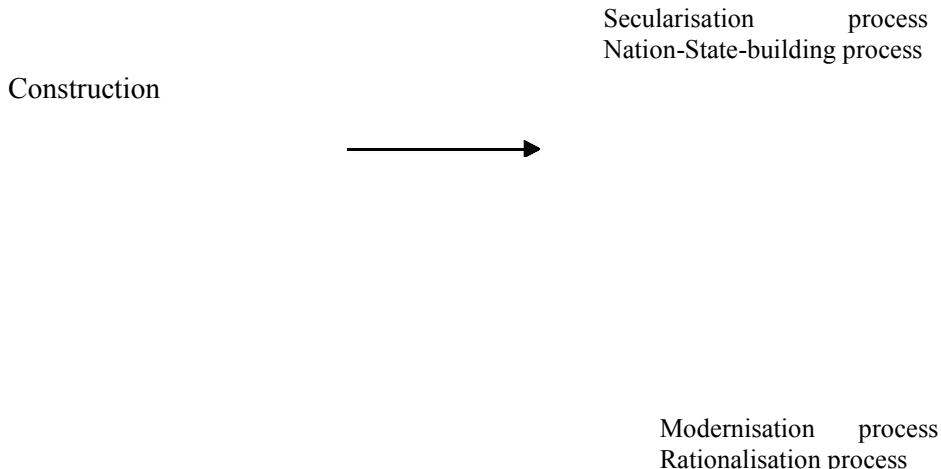
What can be derived from this is the thesis of this paper: that econo-centric capitalism is generating and exporting the same cultural contradictions to the rest of the world, and the reaction against this "cultural pollution" is the radicalisation of cultural revivalism. The cultural destruction, the feeling of insecurity, the loss of identity and sense of self and purpose, among others, are the strongest factors behind the emergence of counter-hegemonic struggles.

Econo-centrism and its "Deconstruction"

As previously discussed, according to the Weberian cultural interpretations, the genesis of capitalism implies deformation, a process of reshaping, changing and finally transforming the original Protestant spirituality into a modified moral and ethical system. Such a development process in Europe in the past centuries in which the feudal system was replaced by econo-centric capitalism was also termed by Polanyi as the “great transformation”. Here, transformation implies that the unique mode of capitalist production brought about by the transformation process differentiates itself from all preceding ways of organising material life and social reproduction.

It is distinctive in the way that economic relations (actors and institutions) are disengaged from non-economic relations (social relations). In Polanyi's conceptualization, there is a distinction between a society with market and a *market society* (1944). A market society implies that society itself has become an “adjunct” of the market, and a market economy can exist only in a market society in which social relations are embedded in the economy rather than an economy embedded in social relations (Wood, 1999). The result has been that such an “innovation which gave rise to a specific civilization” (Polanyi, 1944: 3) is becoming global to the extent that every economic actor and every aspect of social relations operates according to the logic embedded with accumulation, commoditisation, profit-maximisation, competition, etc.

Figure 1: A Historical Dual Transformation Process: Construction and Deconstruction

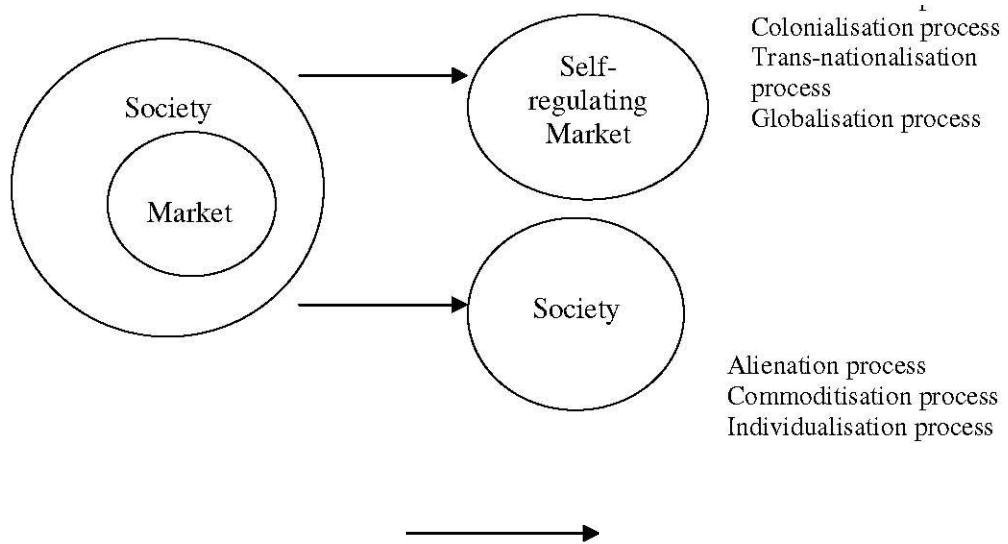


Deconstruction

Nihilistic process
Unification process

Homogenisation process
Universalisation process

The above figure indicates that development and modernization entail a dual process of construction and deconstruction. Historically, the evolution of econocentric capitalism or the transition from non-market society to market society led to the deconstruction of numerous established structures and sub-structures creating disorders and sufferings. Historical events of totalitarianism on the right (fascism) and radicalism on the left (Stalinism) indicate that the “construction” process of econo-centric capitalism in the West also generated repressive structures as well as diametrical beliefs and ideologies. Ironically, these totalitarianisms grew directly out of the Western intellectual and cultural heritage, which was an inherent part of the “great transformation” process. This is why Polanyi also pointed to the second movement of the “double movement”, i.e., the struggles of civil societies in responding to the alienation and repression of the market



Accordingly, globalisation can be identified as reflecting this dual process at a global level in our time. Jacques Derrida's “deconstruction theory” offers a good explanation of the dialectics of this *dual process*:

Every structure – literary, psychological, social, economic, political or religious – that organizes our experience is constituted and maintained through acts of exclusion. In the process of creating something, something else inevitably gets left out. These exclusive structures can become repressive, and that repression comes with consequences

... what is repressed does not disappear but always returns to unsettle every construction, no matter how secure it seems. (Taylor , 2004)

Here, in connection with the discussions of this paper, the “dual process” can be interpreted as having two inter-related implications:

- 1) It implies that the essential fact about capitalism’s mode of functioning is reflected in the Schumpeterian “creative destruction”, i.e., a constant *creative* process of industrial mutation that incessantly revolutionizes the economic structure from within, persistently destroying the old one and continuously creating a new one under the driving force of searching for new consumer goods, new methods of production and transportation, new markets, and new forms of industrial organization (Schumpeter, 1962). However, the Schumpeterian “destruction” is too narrowly defined within the industrial context.
- 2) It also entails the *deconstructive* consequences of such a creation process. Economics/market doesn’t specify what to strive for except a vague idea of self-interest, and it only speculates how best to achieve it. The deconstructive consequences refer to the spillover effect of the cultural crisis of market capitalism on non-Western societies: the marginalization of the traditional mode of production based on self-reliance and sustainability, the marketization of all collective spheres, the exclusion of transcendental cultural and religious logos (symbols) from the community square as well as the destruction of social capital and civic virtues.

Logo-centric Fundamentalism as Counter-hegemonic Radicalism

The “end of history” framework makes a triumphal assertion (Fukuyama, 1992) that capitalism is perhaps the final stage of human history because no other social system is built on the rationality which is a feature of the econo-centric capitalism. This rational system has the capacity to bring about prosperity, freedom and democracy which are the natural and desirable goals for mankind. However, the capacity of a system’s mode of functioning to perpetuate itself efficiently and rationally is no guarantee of its virtuousness and moral justification. As Polanyi (1944) rightly points out, as human beings are not guided solely by economic motivation which is the capitalist system’s locomotive creating both growth and dehumanisation, they will, consciously or unconsciously, resist marketisation by reclaiming their humanity. In this age of globalization, one of the strongest forces of resistance is religious fundamentalism that claims to represent this humanity.

Contrary to the common vision drawn by the Western modernisation theory several decades ago that the process of modernisation would diminish desire for the sacred, what is witnessed today is the disenchantment of transformative urbanisation and industrialisation in many parts of the developing world especially in the Middle East

region. In this region, the sense of disillusionment and dislocations caused by the econo-centric globalisation is precisely described by Prince Charles in the following way:

Among the many religious, social and political causes of what we might more accurately call the Islamic revival is a powerful feeling of disenchantment, of the realization that Western technology and material things are insufficient, and that a deeper meaning to life lies elsewhere in the essence of Islamic belief. ...

People in the Islamic world genuinely fear ... Western materialism and mass culture as a deadly challenge to their Islamic culture and way of life ... The fact is that our form of materialism can be offensive to devout Muslims ...

(Prince Charles, Oxford University 1993)⁷

Consequently, one reaction to the fear and agitation induced by this state is to return to the era of greater “certainty” offered by religious fundamentalism. Seen in this perspective, Islamic fundamentalism can be seen as a counter-hegemonic political movement representing an outlet for action and a force for change. In historical retrospect, this is not a new phenomenon and it bears some analogy to the Chinese communist revolution, including many other type of social and political uprisings, that was more a response to poverty, underdevelopment and imperialism than a simple acceptance of Marxism.

Globalisation implies not only economic globalisation, i.e., transnational flows of capital, deregulation and eliminating of physical, fiscal/financial and technical barriers, rapidly scientific and technological innovations; but also numerous homogenisation processes including inventing and adapting political structures, tastes and attitudes, social norms, and institutional arrangements as well as predictive uncertainties. In many Arab-Islamic societies where historically market capitalism has no social and cultural root, economic marketisation has left a large urban population poor and frustrated and has caused severe social consequences. The situation provided fertile soil to the rise of Islamic fundamentalism. When secular states faltered, Islam was there to fill the vacuum of leadership.

For many people in the Middle East and some parts of Africa, Islamism is ideally suited not only as a spiritual alternative against Western materialism and consumerism but also as an outlet for counter-hegemonic protest and action. The rise of Islamism has some attractive characteristics:

- 1) It displays people an alternative “just” worldview and a new interpretation of the truth and reality by offering a blueprint of societal as well as individual life which is given by the justified God in the revelation. The blueprint needs to be realized in our times (opposite to Asian Buddhism which teaches people to look forward to the *next life*).
- 2) It reacts strongly to globalised Western values and moral and sociopolitical system. Materialism, individualism, econo-centrism, secularism, and

nihilism are seen as Western diseases eroding Islamic moral and social order. It is less concerned with available *choices* than with visionary *projections* of a just world in which it proposes an alternative power and leadership (God's power) vis-à-vis the secular characteristics of state's monopoly. It sees the imposition of the econo-centric social order is diminishing the specific cultural and moral foundation of its people, nation and communities.⁸

- 3) Partially like the Chinese *Fa Lun Gong*, Islamism attempts to give an answer to the individual's need for healing, identity, belonging and faith which has been wounded by injustice, particularly of poverty, marginalisation and alienation. Islamists have popular societal roots: many started as community self-help groups whereas some run medical clinics, job-training programmes, food assistance to the poor, disaster relief. They deliver services that governments should but fail to deliver. Globalization disrupts cultural heritage and family support systems while Islamists provide coping mechanism including selective retrieval of traditional beliefs and lifestyles.

Recognising the fact that Islamic fundamentalism was a reaction to the insensitivity of market capitalism and many fundamentalist groups were born in opposition to the perceived evils of modernity's secular econo-centrism, social atomization and value nihilism, it is not difficult to comprehend Islamism's "legitimacy of God" in the interpretation of faith and justice as well as in the use of political and social violence. As a scholar points out,

Religion is not immune from this general human weakness because religion, though rooted in the transcendent, is expressed through human institutions and activities. Rather than blaming religion for the arrogance of some of its representatives, one should recognize that the religious doctrine of human subordination to God provides the only firm critique of man's dangerous impulse to deify himself and dehumanize others. By calling us to rise above this fundamental flaw in human nature, religion enables us to imagine and work towards a free and virtuous society that truly promises justice and liberty to all. (Reiter, 1993)

Seen in the above perspectives, it is important to discern that the clashes between econo-centrism and logo-centrism are not purely grounded on the ideological and cultural differences; rather, they are largely cultivated by exclusion and insecurity that is an inherent contradiction of capitalism and globalisation.

To understand Islamic fundamentalism and its social roots helps us identify the essence behind the phenomenon of fundamentalism and to grasp the historicity of present-day social formation which has evolved from it and which is being universalised. The spread of fundamentalism and other kinds of irrational expressions is a reflection of the impasse of econo-centric capitalism. As Woods and Grant rightly point out: "Beneath the thin veneer of civilisation lurk primitive irrational tendencies and ideas which have

their roots in a remote past which has been half-forgotten, but is not yet overcome. Nor will they be finally rooted out of human consciousness until men and women establish firm control over their conditions of existence (Woods and Grant, 2002:35)."

Conclusion

The dual resurgence of market capitalism and religious fundamentalism is a historical phenomenon of the 20th century, and both of them appear to be advancing steadily. In the long spectrum of human history, the separation between the religious and the secular world is only a contemporary development. Until the Age of Enlightenment in the West, all aspects of society -family life, community, and social relations, intellectual and political life -were more or less based on religious metaphysical assumptions and ethical values. Hence, it is no exaggeration to claim that the marginalisation of religions and the consequential dual rise of econo-centric capitalism and logo-centric fundamentalism is one of the major products of the Polanyian "great transformation".

The forces that drive people from religious faith to econo-centric secularism – dramatic social, economic and cultural changes – are at the same time propelling people back to their spiritual, religious, and cultural frames of reference. When reason and technology cannot supply all the answers to the social and political consequences of modernisation and secularisation, such as moral relativism, self-indulgence, pollutions, inequality, indecency, crime and narcotics, excessive consumerism and materialism, then the religious dimension of humankind resurfaces to strengthen the desire for community and meaning. In many ways, religion meets such needs and provides room for fundamentalist movements which offer spiritual answers to societal mal-developments. It has been documented that the common underpinnings of religious fundamentalism of various types is the reaffirmation of community values, order, discipline, work and mutual assistance.

Many political fundamentalisms, such as Islamism, do much more than just react against the imposed globalisation process; rather, they are enormously creative in formulating their own ideas and discourses and modifying them to meet new challenges. One of their strategies is to constantly promote cognitive awareness through the empowerment of cultural language and religious texts. Since language and texts are always tied to experience, and the application of language and religion contains perception, power and position, Islamic fundamentalism attempts to animate the connection between the religious discourses and people's personal experiences of suffering and dislocation and help them interpret it in relation to divine meanings. It also interacts intensively with civil societies, forging communal bonds that undergird its faith. Its discursive and communal richness is a form of socio-cultural capital, providing people status within their religious communities much in the same way as wealth or education can give them prestige in the secular world.

Therefore, this clearly reflects the Gramscian notion of the "material base" in the

establishment and consolidation of hegemony (Gramsci, 1971). Accordingly, a successful counter-hegemonic movement must also deal with the relationship between hegemony's material forces (life) as the content and ideologies (logo) as the form.

Notes

¹

Econo-centrism, in its specific form, refers to a belief or an ideology that the economic mode of production absolutely determines a society's social, political and intellectual life. The rational for this conviction is found in the "secular mind" (Coles, 1999) which sees modernity as the culmination of economic rationality, progressive spirituality and the faith of modernization. Many influential thinkers including Marx accept the primacy of economics as a point of departure in the production and reproduction of social life due to human "rationality". In other words, it is an ideology that views economics as the key factor determining the course of human history. This later became the lens of secularization and modernity in measuring development of various countries.

²

Logo-centrism, in political terms, aims to display an alternative worldview and a new interpretation of truth and reality. It is explicit in its objective to reconstruct the world through strategies of creating cognitive awareness and critical thinking at both ontological and epistemological levels leading to political mobilization and struggle. These strategies contain a process of searching for alternative perspectives, for what can be brought to light, for what can be signified, and for the narrative structure of new explanations. Narratives can become the new totalising logos, which, in return, gather multiple narratives for practical purposes. Thus, it can be argued that the strength of logo-centrism is in its approach to study the interrelationships between cognition/consciousness (language, concept, notion and comprehension) and society (politics, economics and policies).

³

Within the Western Christian religion, there was a long struggle between the Protestant Reformation and the Catholic Counter-Reformation in the pre-modern Europe where the leading powers were divided along the religious line: Catholic, Protestant, Eastern Orthodox and Muslim. The Wars of Religion (1618-1648) ended with the Peace of Westphalia. Among these powers, the Protestant (first England and the Netherlands and later the United States) had distinctive secular characters that were analysed by Max Weber who in his *The Protestant Ethic and the Spirit of Capitalism* explained why capitalism was originated in the Protestant part of Europe.

⁴

A religious movement in 16th-century Europe that took place as an attempt to reform the Roman Catholic Church and ended with the establishment of independent Protestant Churches.

⁵

In Weber's understanding, the spirit of capitalism in the West became a moral and ethical system stressing economic success, whereas material greed and profit-making were viewed as ethically immoral in many non-Western cultures as well as pre-protestant Europe.

⁶

One of the points of reference for this article is the discussion of the religiosity of capitalist market economics which tends to rely on extra-scientific theorems with mystical assumptions. For a satirical perspective of this approach, please refer to the piece of "biblical story" of the holy creation process – the Prophet, prophecies, and the tenets the God's words – the *natural law* of economics (Madjd-Sadjadi, 2004).

⁷

Quoted from the speech by HRH. The Prince of Wales, at the Sheldonian Theatre, Oxford, on the occasion of his visit to the Oxford Centre for Islamic Studies, Wednesday 27 October 1993, http://www.islamic-supremecouncil.org/bin/site/wrappers/media-pr_show-238A.html.

Fa Lun Gon is a self-claimed religious organization which has been denounced by the Chinese government to be an illegal religious sect. This organisation has a lot of spiritual attraction especially for a vast number of people who are the victims of market reform, such as the laid-off workers. Its distinguishing activity is collective meditation. It propagates the notion that Buddhist-style concentration can cultivate “supernormal” powers for healing sickness. Its founder, Li Hongzhi, who was a former clerk in China, now lives in New York.

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